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Before the
Public Utilities Commission of Ohio

In the Matter of the Complaint of:)
FRONTIER NORTH INC.,)
Complainant,)
v.)
OHIO POWER COMPANY,)
Respondent.)

Case No. 14-0759-EL-CSS

COMPLAINT

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*Motions for pro hac vice admission
to be filed*

Date: April 23, 2014

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In the Matter of the Complaint of:)	
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COMPLAINT

1. Ohio Power Company (“AEP Ohio”) and Frontier North Inc. (“Frontier”) jointly use utility poles in the State of Ohio. AEP Ohio, which owns 83% of those jointly used poles, charges Frontier an unreasonably high rental rate – a fact that became abundantly apparent with the 2011 issuance of the *Pole Attachment Order* by the Federal Communications Commission (“FCC”).¹ This Commission has concluded that the rates, terms, and conditions for Frontier’s access to AEP Ohio’s utility poles “shall be established pursuant to 47 U.S.C. 224; 47 C.F.R. 1.1401 to 1.1403; 47 C.F.R. 1.1416 to 1.1418; and the formulas of 47 C.F.R. 1.1409(e).” Ohio Admin. Code § 4901:1-7-23(B). The *Pole Attachment Order* interpreted these provisions to require that Frontier, as an incumbent local exchange carrier (“ILEC”) suffering from a lack of bargaining power, be charged the pole attachment rate that is charged other comparable attachers to AEP Ohio’s poles or, at most, a rate calculated using the FCC’s pre-existing telecom formula if the ILEC attaches on terms that provide it a net material advantage to other attachers. By

¹ See Report and Order and Order on Reconsideration, *In the Matter of Implementation of Section 224 of the Act; A National Broadband Plan for Our Future*, 26 FCC Rcd 5240 (2011), *aff’d*, *Am. Elec. Power Serv. Corp. v. FCC*, 708 F.3d 183 (D.C. Cir. 2013), *cert denied*, 134 S. Ct. 118 (2013) (“*Pole Attachment Order*” or “*Order*”).

incorporating the federal standard, the Commission's regulations clarify that Frontier is entitled to rate relief.

2. In spite of the Commission's regulations and the *Pole Attachment Order*, AEP Ohio has continued to invoice Frontier at a rate higher than either of these rates; indeed, the rate it charges is over three times the rate charged Frontier's competitors.² Making matters worse, the rate AEP Ohio charges is a reciprocal rate – meaning that Frontier is charged the same rate for two feet of space allocated to it under the parties' agreement as AEP Ohio is charged for eight feet of space that it has been allocated.

3. Frontier's agreement with AEP Ohio terminated on October 12, 2012 with no agreement in place for joint use of new poles. Frontier, accordingly, files this Complaint against AEP Ohio under Ohio Rev. Code § 4905.51, Ohio Admin. Code § 4901:1-7-23,³ 47 U.S.C. § 224, and 47 C.F.R. §§ 1.1401 to 1.1403 and 1.1416 to 1.1418 and the formulas of 47 C.F.R. § 1.1409(e). For reasons detailed herein, the Commission should (1) order AEP Ohio to file a copy of its existing pole attachment agreements with telecommunications carriers and cable companies so that Frontier can determine whether the terms and conditions of the parties' now-terminated Joint Use Agreement were comparable and whether it will seek attachment under

² AEP Ohio invoiced Frontier for 2012 pole rent at a rate of \$19.12 per-pole, although Frontier's competitors were entitled to a \$6.61 rate, and the pre-existing telecom rate was \$15.03. Frontier seeks these non-urban rates in this proceeding, even though a lower pre-existing telecom rate (\$10.16) would be warranted because AEP Ohio has at least two urban areas: Canton with population of 279,245 and Columbus with population of 1,368,035. See *Dept. of Commerce Bureau of the Census Qualifying Urban Areas for the 2010 Census*, 77 Fed. Reg. 18652 (3/27/12).

³ Frontier is aware that the Commission is considering the adoption of a new chapter of rules specifically dedicated to access to poles, ducts, conduits, and rights-of-way. See Entry, *In the Matter of the Adoption of Chapter 4901:1-3, Ohio Administrative Code, Concerning Access to Poles, Ducts, Conduits, and Rights-of-Way by Public Utilities*, Case No. 13-579-AU-ORD, pp. 1-4 (Ohio PUC May 15, 2013). Should the Commission adopt new pole attachment rules, Frontier will amend its Complaint accordingly.

comparable terms and conditions in the future and (2) compel AEP Ohio to provide Frontier attachment at rates, terms, and conditions that are just and reasonable in light of the terms and conditions upon which Frontier attaches. Frontier has attached proposed terms and conditions to this Complaint as Exhibit A; however, until Frontier is able to review AEP Ohio's existing agreements, Frontier cannot determine whether the terms and conditions of its parties' now-terminated Joint Use Agreement were comparable or whether it will seek attachment pursuant to the proposed terms and conditions in the future (instead of pursuant to the terms provided AEP Ohio's other attachers), nor can it determine whether these terms and conditions provide it a net material advantage as compared to AEP Ohio's other attachers.

4. Should the terms and conditions of Frontier's attachment be upon terms comparable to those of AEP Ohio's other attachers, the Commission should, at most, allow AEP Ohio to charge a rate calculated using the new telecom formula set forth in 47 C.F.R. § 1.1409(e). For 2012, this rate is \$6.61 for Frontier's attachments to AEP Ohio's poles, and \$13.39 for AEP Ohio's attachments to Frontier's poles. However, should the terms and conditions of Frontier's attachments materially advantage Frontier as compared to AEP Ohio's telecommunications carrier and cable company attachers, the Commission should, at most, allow AEP Ohio to charge a rate calculated using the pre-existing telecom formula set forth in 47 C.F.R. § 1.1409(e). For 2012, this rate is \$15.03 for Frontier's attachments to AEP Ohio's poles, and \$30.44 for AEP Ohio's attachments to Frontier's poles.

PARTIES AND JURISDICTION

5. Complainant Frontier is a Wisconsin corporation that was formerly known as Verizon North Inc. ("Verizon North") and, before that, as GTE North Inc. ("GTE North"). Frontier is an ILEC that provides communications and other services within the State of Ohio.

Frontier is a public utility subject to Ohio Rev. Code § 4905.51 and is “a provider of telecommunications services” within the meaning of 47 U.S.C. § 224(a)(4).

6. Respondent AEP Ohio is an Ohio corporation that, as a result of a December 31, 2011 merger, acquired the assets of Columbus Southern Power Company. AEP Ohio is an electric utility that owns and controls facilities used to distribute electricity and serves nearly 1.5 million customers in Ohio and the northern panhandle of West Virginia.⁴ AEP Ohio is a public utility subject to Ohio Rev. Code § 4905.51 and is a “utility” within the meaning of 47 U.S.C. § 224(a)(1). AEP Ohio is not owned by any railroad, any person who is cooperatively organized, or any person owned by the Federal Government or any State. *See* 47 C.F.R. § 1.1404(c).

7. AEP Ohio is a public utility subsidiary of American Electric Power Company, Inc. (“AEP”), which is one of the largest investor-owned electric utilities in the United States with more than five million customers. AEP, through its operating company subsidiaries, owns and operates electric distribution infrastructure in eleven states, including Ohio.⁵

8. The Commission has jurisdiction over this action pursuant to Ohio Rev. Code § 4905.51. The Commission has certified to the FCC that Ohio regulates the rates, terms and conditions for pole attachments in the manner established by 47 U.S.C. § 224(c), thereby preempting the jurisdiction of the FCC over pole attachments in Ohio, including Frontier’s attachments on AEP Ohio’s poles.⁶

⁴ *See* American Electric Power: 2013 Fact Book at 39, *available at* <http://www.aep.com/investors/EventsPresentationsAndWebcasts/documents/2013Factbook.pdf>

⁵ *Id.* at 3.

⁶ 47 C.F.R. § 1.1404(c); *Pole Attachment Order*, 26 FCC Rcd at 5371 (App. C).

OPERATIVE FACTS AND LAW

A. The Parties' Prior Agreement and Practice

9. AEP Ohio and Frontier were parties to an Agreement for Joint Use of Poles in the State of Ohio (the "Joint Use Agreement"), which became effective on January 1, 1996.⁷ The Agreement was signed by Columbus Southern Power Company, Ohio Power Company, and GTE North. For ease of reference, Columbus Southern Power Company and Ohio Power Company will be referred to collectively as "AEP Ohio," and separately as "Columbus Southern" and "Ohio Power." Also for ease of reference, GTE North, Verizon North, and Frontier North will be referred to individually or collectively as "Frontier."

10. When the Joint Use Agreement was entered, and at all times thereafter, AEP Ohio had superior bargaining power because it owned the vast majority of poles jointly used by the parties:

1996	Poles Owned ⁸	% Owned ⁹
AEP Ohio	93,778	80%
Frontier	23,864	20%

⁷ Ex. 1 (Joint Use Agreement).

⁸ See Exs. 2 (Letters from A.J. Shaffer, Joint Use Coordinator, AEP, to J. Schrader, Administrator – Joint Use, GTE North (Aug. 8, 1997)); Ex. 3 (2012 Columbus Southern Invoice No. 250-20802199 (June 19, 2013)), Ex. 4 (2012 Ohio Power Invoice No. 250-20802192 (June 17, 2013)). In 1996, AEP Ohio owned 93,778 poles (32,849 Columbus Southern + 60,929 Ohio Power) and Frontier owned 23,864 poles (5,030 Columbus Southern + 18,834 Ohio Power). In 2012, AEP Ohio owned 122,255 poles (40,985 Columbus Southern + 81,270 Ohio Power) and Frontier owned 25,786 poles (5,891 Columbus Southern + 19,895 Ohio Power).

⁹ The math supporting these percentages is as follows:

1996: $93,778 + 23,864 = 117,642$ total poles
 $93,778 / 117,642 = 79.7\%$; $23,864 / 117,642 = 20.3\%$
2012: $122,255 + 25,786 = 148,041$ total poles
 $122,255 / 148,041 = 82.6\%$; $25,786 / 148,041 = 17.4\%$

2012		
AEP Ohio	122,255	83%
Frontier	25,786	17%

11. The result of AEP Ohio's superior bargaining power was a Joint Use Agreement that inequitably requires Frontier to pay the same rental rate as AEP Ohio for its use of significantly less space on a utility pole. AEP Ohio is allocated the uppermost eight feet of useable space on a joint use pole, and Frontier is allocated two feet of space.¹⁰ The Joint Use Agreement then set the 1996 rental rate for both AEP Ohio and Frontier at \$13.07 per pole, with annual inflation adjustments using the annual average Consumer Price Index – Urban.¹¹ By 2012, the rate for both parties had increased to \$19.12.¹²

B. The Commission's Regulations Limit The Rates AEP Ohio May Charge

12. Under the Commission's regulations, rates, terms, and conditions for pole attachments "shall be established pursuant to 47 U.S.C. 224" and its implementing regulations. *See* Ohio Admin. Code § 4901:1-7-23(B). In April 2011, the FCC issued its *Pole Attachment Order*, which interpreted 47 U.S.C. § 224 to entitle ILECs to just and reasonable pole attachment rates, and concluded that ILECs had generally been denied such rates because they lacked bargaining power given their low pole ownership numbers. *See Pole Attachment Order*, 26 FCC Rcd at 5329 (¶ 206) (finding that, because ILECS "own approximately 25-30 percent of poles and electric utilities appear to own approximately 65-70 percent of poles," ILECS "may not be in an equivalent bargaining position with electric utilities in pole attachment negotiations").

¹⁰ Ex. 1 at § 2.03.

¹¹ Ex. 1 at § 12.04.b (Joint Use Agreement).

¹² *See* Exs. 3 (2012 Columbus Southern Invoice No. 250-20802199 (June 19, 2013)), Ex. 4 (2012 Ohio Power Invoice No. 250-20802192 (June 17, 2013)).

13. The *Pole Attachment Order* also provided guidance about what rates are just and reasonable. In this regard, the FCC established a principle of competitive neutrality, under which a rate will be just and reasonable if it is comparable to the rate charged the ILEC's competitors where the ILEC attaches on comparable terms and conditions. That rate will be computed using the new telecom or cable rate formula of 47 C.F.R. § 1.1409(e). On the other hand, if the ILEC attaches on terms that provide it a net material advantage to its competitors, the rate will be just and reasonable if calculated using the FCC's pre-existing telecom rate formula of 47 C.F.R. § 1.1409(e).

14. Because the Commission's regulations set "rates, terms, and conditions for nondiscriminatory access to public utility poles" based on 47 U.S.C. § 224, and the FCC's regulations – including the formulas of 47 C.F.R. § 1.1409(e) – *see* Ohio Admin. Code § 4901:1-7-23(B), the FCC's *Pole Attachment Order* set limits on the rates that AEP Ohio may charge Frontier.

15. AEP Ohio did not offer Frontier such rates. Its parent, AEP, instead became the named party in an appeal seeking to reverse the rate protections that the *Order* recognized are statutorily required for ILECs. That appeal was finally resolved against AEP in October 2013.¹³

C. Frontier Seeks a New Agreement With AEP Ohio With Just and Reasonable Rates.

16. In the meantime, in October 2011, Frontier sent AEP Ohio a letter asking that it provide Frontier just and reasonable pole attachment rates, terms, and conditions within the

¹³ *Am. Elec. Power Serv. Corp. v. FCC*, 708 F.3d 183 (D.C. Cir. 2013), *cert denied*, 134 S. Ct. 118 (2013).

parameters set by the *Pole Attachment Order*.¹⁴ Frontier also provided one year's notice of termination of the Joint Use Agreement with the expectation that all attachments (existing and future) would be covered by the new agreement.¹⁵ Frontier also requested information to make negotiations more efficient, specifically AEP Ohio's "rate calculations for the FCC's pre-existing telecommunications rate and the new telecommunications rate" and copies of "existing agreements with cable and telecommunications attaching entities" so that Frontier could determine whether it was comparably situated to those entities (or desired to be comparably situated), such that a reasonable rate would look to the rate charged those entities.¹⁶

17. Over the following months, Frontier and AEP Ohio exchanged letters in an attempt to reach agreement on new rental rates, terms, and conditions for pole attachments.¹⁷

18. In a letter dated October 25, 2011, AEP Ohio denied that the *Pole Attachment Order* applies to ILECs, like Frontier.¹⁸ Nonetheless, it provided year-end 2010 pole cost data, which is required for the new telecom and pre-existing telecom formulas of 47 C.F.R. § 1.1409(e).¹⁹ AEP Ohio did not provide copies of its existing agreements, nor has it provided

¹⁴ Ex. 5 (Letter from Lawrence Morris, Section Manager–Network Engineering, Frontier, to Davie L. Key, Frontier Client Manager, AEP (Oct. 18, 2011)).

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ See Exs. 6 (Letter from Susan L. Knowles, Director-Engineering, Frontier to Davie L. Key, Frontier Client Manager, AEP, and Tom St. Pierre, Senior Counsel, AEP (Mar. 27, 2013)); Ex. 7 at 2 (Letter from Susan L. Knowles, Director-Engineering, Frontier to Tom St. Pierre, Senior Counsel, AEP (Jan. 3, 2014)).

¹⁸ Ex. 8 at 1 (Letter from Davie L. Key, Frontier Client Manager, AEP, to Lawrence Morris, Section Manager, Frontier (Oct. 25, 2011)) ("While we are in agreement that the FCC rates and recent order covers typical attachers such as CATV and CLEC's, it specifically does not cover ILEC's.")

¹⁹ *Id.* at 2-3.

them since.²⁰ AEP Ohio instead asked Frontier to first identify whether it wants to enter a joint use agreement or a pole attachment agreement like that offered other competitive telephone companies and cable companies. (Frontier, of course, cannot make such a choice without knowing what rates, terms, and conditions are offered competitive telephone companies and cable companies.)

19. AEP Ohio invoiced Frontier for its 2011 attachments at a reciprocal \$18.73 per-pole rate that it calculated under the Joint Use Agreement. Frontier paid the invoices in full.²¹

20. By letter dated September 24, 2012, AEP Ohio notified Frontier of the merger of Columbus Southern and Ohio Power, and provided updated pole cost information that reflected year-end 2011 data.²² Shortly thereafter, on October 18, 2012, the Joint Use Agreement terminated, leaving no provision for new attachments by AEP Ohio or Frontier.

21. On February 26, 2013, AEP Ohio notified Frontier that it would invoice Frontier for attachments using the rate terms in the terminated Joint Use Agreement pursuant to Section 21.01 which provides that, “[d]espite any termination . . . , this Agreement shall remain in full force and effect with respect to all poles jointly used by the parties at the time of such termination until a new Agreement is entered into by the parties.”²³

²⁰ *Id.* at 1.

²¹ Exs. 9 (2011 Columbus Southern Invoice No. 250-20737775 (May 31, 2012)), Ex. 10 (2011 Ohio Power Invoice No. 250-20737651 (June 1, 2012)).

²² Ex. 11 (Letter from Davie L. Key, Frontier Client Manager, AEP, to Lawrence Morris, Section Manager, Frontier (Sept. 24, 2012)).

²³ Ex. 12 at 1 (Letter from Davie L. Key, Frontier Client Manager, AEP, to Lawrence Morris, Section Manager, Frontier (Feb. 26, 2013)); *see also* Ex. 1 at § 21.01 (Joint Use Agreement).

22. AEP Ohio invoiced Frontier for its 2012 attachments at a \$19.12 per-pole rental rate calculated under the terminated Joint Use Agreement.²⁴ This rate was significantly higher than the \$6.07 just and reasonable rate applicable to Frontier's competitors under the new telecom formula of 47 C.F.R. § 1.1409(e).²⁵ Accordingly, Frontier adjusted the 2012 invoices to reflect the undisputed amounts due – a \$6.07 rate for Frontier's attachments to AEP Ohio's poles and a proportionate \$12.28 rate for AEP Ohio's attachments to Frontier's poles:

²⁴ Exs. 3 (2012 Columbus Southern Invoice No. 250-20802199 (June 19, 2013)), Ex. 4 (2012 Ohio Power Invoice No. 250-20802192 (June 17, 2013)).

²⁵ This estimated rate was based on the best data available to Frontier at the time. In calculating the \$6.07 rate, Frontier used the 6.20% rate of return that AEP Ohio provided in Ex. 11 (Letter from Davie L. Key, Frontier Client Manager, AEP, to Lawrence Morris, Section Manager, Frontier (Sept. 24, 2012)). Frontier has since determined that AEP Ohio has approved rates of return that average to 7.89%. See Ex. 13 (AEP Ohio Rate of Return and Depreciation Rate for Poles); Opinion and Order, *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively, AEP Ohio) for an Increase in Electric Distribution Rates*, Case Nos. 11-351-EL-AIR and 11-352-EL-AIR (Dec. 14, 2011) (adopting rates of return for Columbus Southern and Ohio Power of 7.78% and 7.97%, respectively). The weighted average of these two rates of return based on each company's depreciable plant base is 7.89%. See page 337.2 (b) line 19 and page 337.4 (b) line 42, *Ohio Power Company FERC Form 1* for year-end 2011 (depreciable plant base amounts). Frontier's use of this higher rate of return is to AEP Ohio's advantage because it increases the rate. AEP Ohio's current tariffed pole attachment rate for cable operators is \$6.26 per-pole. See Ex. 14 (Sheet 443-1 from https://www.aepohio.com/global/utilities/lib/docs/ratesandtariffs/Ohio/2014-02-28_AEP_Ohio_Standard_Tariff.pdf).

2012 Pole Rents	No. of Poles	Invoiced Rate	Adjusted Rate²⁶	Frontier's Payment
Columbus Southern Invoice²⁷				
Frontier on AEP Poles	40,985	\$19.12	\$6.07	\$248,778.95
AEP on Frontier Poles	5,891	\$19.12	\$12.28	(\$72,341.48)
Net Amount Paid				\$176,437.47
Ohio Power Invoice				
Frontier on AEP Poles	81,270	\$19.12	\$6.07	\$493,308.90
AEP on Frontier Poles	19,895	\$19.12	\$12.28	(\$244,310.60)
Net Amount Paid				\$248,998.30
Net Grand Total Paid				\$425,435.77

D. AEP Ohio Sends Frontier A Notice of Default.

23. On December 2, 2013, AEP Ohio sent Frontier a notice of default based on its failure to pay the full invoiced amounts for its 2012 attachments.²⁸ AEP Ohio noted that it was nonetheless “willing to negotiate terms of a new joint use agreement for 2014.”²⁹

²⁶ Exs. 15 (2012 Columbus Southern Invoice No. 250-20802199 As Paid By Frontier) and Ex. 16 (2012 Ohio Power Invoice No. 250-20802192 As Paid By Frontier). *See also* Ex. 17 (Frontier's calculation of the estimated payment based on the 2011 pole cost data provided by AEP Ohio). Frontier will send a true-up payment to AEP Ohio for the difference between the undisputed amount that Frontier paid using the earlier estimated \$6.07 and \$12.28 rates and the amount calculated using the \$6.61 and \$13.39 rates that Frontier has now estimated using updated data.

²⁷ Although Columbus Southern and Ohio Power have merged since the Joint Use Agreement was entered, AEP Ohio continues to send two invoices to Frontier for poles covered by the Joint Use Agreement – one for poles in the former Ohio Power service area and the other for poles in the former Columbus Southern service area.

²⁸ Ex. 18 (Letter from Thomas G. St. Pierre, Senior Counsel, AEP, to Susan L. Knowles, Director-Engineering, Frontier (Dec. 2, 2013)).

²⁹ *Id.* at 2.

24. On January 3, 2014, Frontier requested that AEP Ohio provide rate calculations using the FCC's new and pre-existing telecom formulas for 2011, 2012, and 2013, and copies of its existing agreements with other attaching entities.³⁰

25. In response, AEP Ohio indicated that it "remain[ed] open to negotiating terms of a new agreement" in Ohio, but that it would "be proceeding with enforcement of the terms of the Ohio agreement" because the time for Frontier to cure its default with respect to the 2012 invoices had expired.³¹ AEP Ohio did not provide the requested rate calculations, but it did provide certain pages from its 2012 FERC Form 1 (which did not contain all necessary inputs for a rate calculation or show whether AEP Ohio properly applies the formulas of 47 C.F.R. § 1.1409(e)).³² AEP also did not provide copies of its existing agreements with other attaching entities, but did provide an unsigned "pole attachment agreement form," which may contain "starting-point" terms for an agreement, but does not reflect the result of AEP Ohio's negotiations with any entity.³³ To date, AEP Ohio has not provided rate calculations or copies of any existing pole attachment agreements with other attaching entities.

26. On March 14, 2014, executive-level officials from Frontier and AEP Ohio met at AEP's offices in Columbus, Ohio, but failed to resolve the dispute. The parties have reached an impasse and require the Commission's assistance to set just and reasonable rates, terms, and conditions.

³⁰ Ex. 7 (Letter from Susan L. Knowles, Director-Engineering, Frontier to Tom St. Pierre, Senior Counsel, AEP (Jan. 3, 2014)).

³¹ Ex. 19 (Email from Thomas G. St. Pierre, Senior Counsel, AEP, to Susan L. Knowles, Director-Engineering, Frontier (Jan. 14, 2014)).

³² *Id.*

³³ *Id.*

E. Frontier Is Entitled To Reasonable Pole Attachment Rates.

27. Under Ohio Rev. Code § 4905.51, every public utility with equipment on, over, or under any street or highway within the State of Ohio – such as AEP Ohio – must permit the joint use of that equipment by another public utility – such as Frontier – for “reasonable compensation” when the public convenience, welfare, and necessity requires such use and it will not result in irreparable injury to the pole owner or other users of the pole or any substantial detriment to the service to be rendered by the pole owner or other users. Ohio Rev. Code § 4905.51. If the public utilities cannot agree on the conditions and compensation for such use, either public utility may apply to the Commission, which will conduct an investigation and then “direct that such use or joint use be permitted and prescribe reasonable conditions and compensation for such joint use.” *Id.*

28. Exercising its authority under Ohio Rev. Code §§ 4905.51 and 4901.13, the Commission has defined the “reasonable conditions and compensation” that apply to a utility’s attachments in Ohio Admin. Code § 4901:1-7-23(B). Specifically, the rates, terms, and conditions for pole attachments “*shall be established* pursuant to 47 U.S.C. 224; 47 C.F.R. 1.1401 to 1.1403; 47 C.F.R. 1.1416 to 1.1418; and the formulas of 47 C.F.R. 1.1409(e).” Ohio Admin. Code § 4901:1-7-23(B) (emphasis added).

29. Effective July 12, 2011, the FCC interpreted 47 U.S.C. § 224, and these federal regulations, to entitle ILECs, like Frontier, to just and reasonable rates, terms, and conditions of attachment.³⁴ The FCC further provided that just and reasonable rates will, generally, be calculated using the formulas of 47 C.F.R. § 1.1409(e). Under the FCC’s *Order*, if an ILEC

³⁴ *Pole Attachment Order*, 26 FCC Rcd at 5327-38 (¶¶ 199-220); *see also* Final Rule, *In the Matter of Implementation of Section 224 of the Act; A National Broadband Plan for Our Future*, 76 Fed. Reg. 40817 (2011).

attaches “on terms and conditions that are comparable to those that apply to a telecommunications carrier or a cable operator,” the ILEC receives the comparable cable or new telecom rate calculated using the formulas of 47 C.F.R. § 1.1409(e). If an ILEC instead attaches through an agreement that “includes provisions that materially advantage the incumbent LEC *vis-à-vis* a telecommunications carrier or cable operator,” the ILEC may pay slightly more — but not more than the rate calculated using the pre-existing telecom rate formula of 47 C.F.R. § 1.1409(e).³⁵

30. Effective July 12, 2011, therefore, Ohio Rev. Code § 4905.51 and Ohio Admin. Code § 4901:1-7-23(B) also required that Frontier’s access to AEP Ohio’s poles be pursuant to just and reasonable rates calculated using either the new or the pre-existing telecom rate formula of 47 C.F.R. § 1.1409(e), depending on whether the terms and conditions of Frontier’s attachments were comparable to those of AEP Ohio’s other attachers.

31. The rates that AEP Ohio continues to charge Frontier far exceed the reasonable rates to which Frontier is entitled under Ohio Rev. Code § 4905.51 and Ohio Admin. Code § 4901:1-7-23(B). For the 2012 rental year, AEP Ohio invoiced a rate of \$19.12 per pole - *189% higher* than the rate calculated using the FCC’s new telecom rate formula and *27% higher* than the rate calculated using the FCC’s pre-existing telecom rate formula.³⁶

³⁵ *Pole Attachment Order* at 5336-37 (¶¶ 217-18).

³⁶ As explained in Complaint ¶ 22, Frontier has estimated the FCC’s new telecom rate at \$6.61 and pre-existing telecom rate at \$15.03. These rates are based on the best data available to Frontier. AEP Ohio’s current tariffed pole attachment rate for cable operators is \$6.26 per-pole.

32. Making matters worse, AEP Ohio has assigned to itself the same rate for four times more space on a utility pole. Under the Joint Use Agreement, eight feet of space is allocated to AEP Ohio and two feet of space is allocated to Frontier.³⁷

33. Frontier now seeks the Commission's assistance in ordering a refund of any amounts paid in excess of the just and reasonable rate and entering a new agreement with AEP Ohio that has just and reasonable rates, terms and conditions of attachment. With respect to both the parties' now-terminated Joint Use Agreement and the new agreement, if the agreement has "terms and conditions that are comparable to those that apply to a telecommunications carrier," Frontier should be charged a rate calculated using the FCC's new telecommunications methodology. If the agreement instead provides a net material advantage as compared to other telecommunications carriers and cable operators, then Frontier may be charged slightly more, though not more than "the pre-existing, high-end telecom rate."³⁸

34. Frontier, however, cannot determine whether it seeks to attach on terms and conditions that are comparable to AEP Ohio's other attachers or whether the terms and conditions of the parties' now-terminated Joint Use Agreement were comparable to those of its competitors because AEP Ohio has refused to provide copies of its existing agreements in spite of Frontier's requests.³⁹ To date, AEP Ohio has only sent Frontier a copy of its "standard pole attachment agreement"—a document that contains proposed "starting-point" terms, but does not

³⁷ Moreover, although the Joint Use Agreement allocates two feet of space to Frontier (Ex. 1 at § 2.03 (b)), the actual average amount of space occupied by Frontier is believed to be no more than 1.22 feet. A West Virginia pole inventory has determined that the average space occupied by Frontier's affiliate is 1.07 feet on AEP's affiliates' poles. See Exhibit 20.

³⁸ *Pole Attachment Order*, 26 FCC Rcd at 5336-37 (¶¶ 217-18).

³⁹ Exs. 5 at 1 (Letter from Lawrence Morris, Section Manager–Network Engineering, Frontier, to Davie L. Key, Frontier Client Manager, AEP (Oct. 18, 2011)); Ex. 7 at 1 (Letter from Susan L. Knowles, Director-Engineering, Frontier to Tom St. Pierre, Senior Counsel, AEP (Jan. 3, 2014)).

reflect the result of AEP Ohio's negotiations with any entity. Frontier is entitled to see more than a template agreement drafted in a light most favorable to AEP Ohio before deciding whether the terms and conditions under its Joint Use Agreement were comparable to the terms provided its competitors and whether it seeks to attach in the future upon similarly comparable terms. That analysis requires review of the negotiated revisions contained in AEP Ohio's signed, existing agreements with telecommunications carriers or cable operators. Review of AEP Ohio's existing agreements will impact the terms and conditions upon which Frontier seeks to attach to AEP Ohio's poles and the reasonable rate for such attachments. Frontier, accordingly, requests that the Commission order AEP Ohio to produce copies of its signed agreements with other attachers.

35. Attached to this Complaint as Exhibit A is a proposed joint use agreement. Because Frontier has not seen AEP Ohio's existing agreements with other attachers, Frontier is unable to determine whether it seeks attachment pursuant to the terms and conditions of this agreement or pursuant to the terms and conditions of AEP Ohio's agreements with other attachers. Frontier is also unable to determine whether the terms and conditions in this proposed joint use agreement provide it a net material advantage over the terms and conditions in AEP Ohio's agreements with other attachers. Nonetheless, Frontier offers this proposed joint use agreement for the Commission's consideration in setting the just and reasonable rates, terms, and conditions of Frontier's attachments to AEP Ohio's poles.

36. The language in this proposed agreement differs from the parties' prior Joint Use Agreement in the following ways:

- (a) Because of the merger of AEP Ohio and Columbus Southern, references to Columbus Southern were removed along with the liability provisions as between AEP Ohio and Columbus Southern;

- (b) Article 12 on rentals and rates was rewritten to incorporate the FCC's pre-existing telecommunications rate formula;
- (c) Frontier's space allocation was updated to show Frontier using 1.25 feet, which better reflects Frontier's actual average space usage;
- (d) Language relating to an ownership objective was removed because neither party has followed or enforced that objective during the entire term of the terminated Joint Use Agreement; and
- (e) The liability language for concurrent negligence situations was revised to hold each party liable for its own negligent or willful act or omission or failure to comply with the agreement's specifications. The provision previously held each party equally liable for damages, which is inequitable given their vastly disparate pole ownership levels.

37. Should Frontier's attachments be under terms comparable to AEP Ohio's other attachers, the Commission should limit AEP Ohio's rate for Frontier's use of AEP Ohio's poles so that it does not exceed the rate calculated using the FCC's new telecom formula set forth in 47 C.F.R. § 1.1409(e). For the 2012 rental year, this rate should be \$6.61 per pole – a rate calculated using AEP Ohio's 2011 FERC data, a 4.49% pole depreciation rate,⁴⁰ a rate of return of 7.89%,⁴¹ and assuming use of three attaching entities and 24 feet of unusable space based on

⁴⁰ See Ex. 13 (AEP Ohio Rate of Return and Depreciation Rate for Poles); Page 337.2 (e) Line 19, *Ohio Power Company FERC Form 1* for year-end 2011 (Ohio Power depreciation rate of 4.84); Page 337.4 (e) Line 42 *Ohio Power Company FERC Form 1* for year-end 2011 (Columbus Southern depreciation rate of 4.00). The weighted average of these two depreciation rates based on each company's depreciable plant base is 4.49%. See also page 337.2 (b) line 19 and page 337.4 (b) line 42, *Ohio Power Company FERC Form 1* for year-end 2011 (depreciable plant base amounts).

⁴¹ See Ex. 13 (AEP Ohio Rate of Return and Depreciation Rate for Poles); Opinion and Order, *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively, AEP Ohio) for an Increase in Electric Distribution Rates*, Case Nos. 11-351-EL-AIR and 11-352-EL-AIR (Dec. 14, 2011) (adopting rates of return for Columbus Southern and Ohio Power of 7.78% and 7.97%, respectively). The weighted average of these two rates of return based on each company's depreciable plant base is 7.89%. See also page 337.2 (b) line 19 and page 337.4 (b) line 42, *Ohio Power Company FERC Form 1* for year-end 2011 (depreciable plant base amounts).

the values specified by the FCC's rebuttable presumptions.⁴² For the 2013 rental year, this rate should be \$6.88 per pole – a rate calculated using AEP Ohio's 2012 FERC data, a 3.83% pole depreciation rate,⁴³ the rate of return of 7.89% and assuming use by three attaching entities and 24 feet of unusable space based on the values specified by the FCC's rebuttable presumptions.⁴⁴ For useable space occupied by Frontier, recent inventories conducted of Frontier's facilities show that Frontier's attachments occupy on average no more than 1.22 feet of useable space, which was rounded up to 1.25 feet.⁴⁵ Frontier requests that any new agreement with AEP Ohio allocate 1.25 feet of useable space, on average, to Frontier.⁴⁶ A 40-foot pole height was used because the Joint Use Agreement defines a normal pole as a 40-foot, class four wood pole.⁴⁷

⁴² See Ex. 21 (Frontier's 2012 rate calculations).

⁴³ See Ex. 13 (AEP Ohio Rate of Return and Depreciation Rate for Poles); Stipulation par. IV.A.5 and Attachment D., Account 364, Opinion and Order, *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively, AEP Ohio) for an Increase in Electric Distribution Rates*, Case Nos. 11-351-EL-AIR and 11-352-EL-AIR (Dec. 14, 2011) (adopting a depreciation rate of 5.34% for the Ohio Power merged company and adjusting for a depreciation reserve over-accrual to be amortized over seven years; the determination of a zero base distribution increase included this amortization; likewise, it should not be used to increase pole rates).

⁴⁴ See Ex. 22 (Frontier's 2013 rate calculations). See also 47 C.F.R. §§ 1.1417(c), 1.1418. These 2012 and 2013 rates are non-urban and represent Frontier's estimate of the FCC's new telecom rates for telecommunications carriers, based on the best data available to Frontier. AEP Ohio's current tariffed pole attachment rate for cable operators is \$6.26 per-pole. Frontier seeks the non-urban rates in this proceeding (instead of the lower, urban rates, e.g., \$10.16 pre-existing telecom) even though AEP Ohio has at least two urban areas (50,000 or higher population): Canton with population of 279,245 and Columbus with population of 1,368,035. *Dept. of Commerce Bureau of the Census Qualifying Urban Areas for the 2010 Census*, 77 Fed. Reg. 18652 (3/27/12). Under Section 4901:1-7-23(B) of the Ohio Admin. Code and 47 C.F.R. § 1.1417(c), the urban rates should be used if AEP Ohio does not successfully rebut the presumption of five attaching entities.

⁴⁵ See *supra* n.37.

⁴⁶ See Ex. 1 at § 2.03 (b).

⁴⁷ *Id.* at § 2.02.

38. Alternatively, should Frontier's attachments be under terms and conditions that materially advantage it *vis-à-vis* AEP Ohio's telecommunications-carrier and cable-operator attaching entities, the Commission should limit AEP Ohio's rate for Frontier's use of AEP Ohio's poles so that it does not exceed the rate calculated using the FCC's pre-existing telecom formula set forth in 47 C.F.R. § 1.1409(e). For the 2012 rental year, this rate should be \$15.03 per pole – a rate calculated using AEP Ohio's 2011 FERC data, a 4.49% pole depreciation rate,⁴⁸ a rate of return of 7.89%,⁴⁹ and assuming use of three attaching entities and 24 feet of unusable space based on the values specified by the FCC's rebuttable presumptions.⁵⁰ For the 2013 rental year, this rate should be \$15.63 per pole – a rate calculated using AEP Ohio's 2012 FERC data, a 3.83% pole depreciation rate,⁵¹ the rate of return of 7.89% and assuming use by three attaching

⁴⁸ See Ex. 13 (AEP Ohio Rate of Return and Depreciation Rate for Poles); Page 337.2 (e) Line 19, *Ohio Power Company FERC Form 1* for year-end 2011 (Ohio Power depreciation rate of 4.84); Page 337.4 (e) Line 42 *Ohio Power Company FERC Form 1* for year-end 2011 (Columbus Southern depreciation rate of 4.00). The weighted average of these two depreciation rates based on each company's depreciable plant base is 4.49%. See also page 337.2 (b) line 19 and page 337.4 (b) line 42, *Ohio Power Company FERC Form 1* for year-end 2011 (depreciable plant base amounts).

⁴⁹ See Ex. 13 (AEP Ohio Rate of Return and Depreciation Rate for Poles); Opinion and Order, *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively, AEP Ohio) for an Increase in Electric Distribution Rates*, Case Nos. 11-351-EL-AIR and 11-352-EL-AIR (Dec. 14, 2011) (adopting rates of return for Columbus Southern and Ohio Power of 7.78% and 7.97%, respectively). The weighted average of these two rates of return based on each company's depreciable plant base is 7.89%. See also page 337.2 (b) line 19 and page 337.4 (b) line 42, *Ohio Power Company FERC Form 1* for year-end 2011 (depreciable plant base amounts).

⁵⁰ See Ex. 21 (Frontier's 2012 rate calculations).

⁵¹ See Ex. 13 (AEP Ohio Rate of Return and Depreciation Rate for Poles); Stipulation par. IV.A.5 and Attachment D., Account 364, Opinion and Order, *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively, AEP Ohio) for an Increase in Electric Distribution Rates*, Case Nos. 11-351-EL-AIR and 11-352-EL-AIR (Dec. 14, 2011) (adopting a depreciation rate of 5.34% for the Ohio Power merged company and adjusting for a

entities and 24 feet of unusable space based on the values specified by the FCC's rebuttable presumptions.⁵² As explained in paragraph 37 above, this rate calculation also used the results of Frontier's recent pole inventories for Frontier's occupied space and the pole height of 40 feet.

39. For the 2012 rental year, the end result should be an annual rent obligation for Frontier that is within the range of \$462,831.01 (new telecom rate formula) and \$1,052,566.81 (pre-existing telecom rate formula). AEP Ohio has invoiced a premium of over 75% above the high end of this range. For the 2013 rental year, the end result should be an annual rent obligation for Frontier that is within the range of \$481,915.42 (new telecom rate formula) and \$1,094,718.75 (pre-existing telecom rate formula).

**COUNT I – ESTABLISHMENT OF JUST AND UNREASONABLE POLE
ATTACHMENT RATES, TERMS, AND CONDITIONS**

40. Frontier incorporates by reference as if fully set forth herein paragraphs 1 through 39 of this Complaint.

41. Frontier is entitled to just and reasonable rates, terms, and conditions of attachment under Ohio Rev. Code § 4905.51 and Ohio Admin. Code § 4901:1-7-23, which

depreciation reserve over-accrual to be amortized over seven years; the determination of a zero base distribution increase included this amortization; likewise, it should not be used to increase pole rates).

⁵² See Ex. 22 (Frontier's 2013 rate calculations). See also 47 C.F.R. §§ 1.1417(c), 1.1418. These 2012 and 2013 rates are non-urban and represent Frontier's estimate of the FCC's new telecom rates for telecommunications carriers, based on the best data available to Frontier. AEP Ohio's current tariffed pole attachment rate for cable operators is \$6.26 per-pole. Frontier seeks the non-urban rates in this proceeding (instead of the lower, urban rates, e.g., \$10.16 pre-existing telecom) even though AEP Ohio has at least two urban areas (50,000 or higher population): Canton with population of 279,245 and Columbus with population of 1,368,035. *Dept. of Commerce Bureau of the Census Qualifying Urban Areas for the 2010 Census*, 77 Fed. Reg. 18652 (3/27/12). Under Section 4901:1-7-23(B) of the Ohio Admin. Code and 47 C.F.R. § 1.1417(c), the urban rates should be used if AEP Ohio does not successfully rebut the presumption of five attaching entities.

incorporate the standard on reasonableness of 47 U.S.C. § 224, and 47 C.F.R. §§ 1.1401 to 1.1403 and 1.1416 to 1.1418 and the formulas of 47 C.F.R. § 1.1409(e).

42. Reasonable rates under these State and Federal laws require an analysis of the terms and conditions provided to other attaching entities on a utility's poles.

43. AEP Ohio's refusal to provide Frontier with signed, existing agreements with other attaching entities, as requested, has denied Frontier the ability to determine whether the terms and conditions upon which it seeks to attach are comparable to those provided to other attaching entities on AEP Ohio's poles and whether the terms and conditions of the parties' now-terminated Joint Use Agreement were similarly comparable.

44. The Commission, therefore, should order AEP Ohio to file a copy of all of its existing pole attachment agreements with telecommunications carriers and cable companies so that Frontier can determine whether it seeks attachment under comparable terms and conditions or under the joint use terms proposed in Exhibit A to this Complaint and whether the terms and conditions of the parties' now-terminated Joint Use Agreement were similarly comparable.

45. The Commission should further compel AEP Ohio to provide Frontier attachment under the terms and conditions applicable to AEP Ohio's other attaching entities or under the joint use terms proposed in Exhibit A to this Complaint, depending on the results of Frontier's review of AEP Ohio's existing pole attachment agreements with telecommunications carriers and cable companies.

46. The Commission should further compel AEP Ohio to provide Frontier attachment at rates that are just and reasonable in light of the attachment arrangement that Frontier selects. If Frontier's attachment is pursuant to terms and conditions comparable to those of AEP Ohio's

other attachers, the Commission should order AEP Ohio to charge rates calculated using the new telecom formula of 47 C.F.R. § 1.1409(e). This will mean that:

- (a) For the 2012 rental year, Frontier should be charged a per-pole rate of \$6.61 for its use of AEP Ohio's poles and AEP Ohio should be charged a per-pole rate of \$13.39 for its use of Frontier's poles; and
- (b) For the 2013 rental year, Frontier should be charged a per-pole rate of \$6.88 for its use of AEP Ohio's poles and AEP Ohio should be charged a per-pole rate of \$13.93 for its use of Frontier's poles.

47. If Frontier's attachment is instead pursuant to terms and conditions that provide a net material advantage to Frontier *vis-à-vis* AEP Ohio's other attachers, the Commission should order AEP Ohio to charge rates calculated using the pre-existing telecom formula of 47 C.F.R. § 1.1409(e). This means that:

- (a) For the 2012 rental year, Frontier should be charged a per-pole rate of \$15.03 for its use of AEP Ohio's poles and AEP Ohio should be charged a per-pole rate of \$30.44 for its use of Frontier's poles; and
- (b) For the 2013 rental year, Frontier should be charged a per-pole rate of \$15.63 for its use of AEP Ohio's poles and AEP Ohio should be charged a per-pole rate of \$31.65 for its use of Frontier's poles.

COUNT II - REFUND

48. Frontier incorporates by reference as if fully set forth herein paragraphs 1 through 47 of this Complaint.

49. Frontier is entitled to just and reasonable rates, terms, and conditions of attachment under Ohio Rev. Code § 4905.51 and Ohio Admin. Code § 4901:1-7-23, which

incorporate the standard on reasonableness of 47 U.S.C. § 224, and 47 C.F.R. §§ 1.1401 to 1.1403 and 1.1416 to 1.1418 and the formulas of 47 C.F.R. § 1.1409(e).

50. Effective July 12, 2011, the FCC interpreted 47 U.S.C. § 224 to extend the right to just and reasonable rates, terms, and conditions for pole attachments to ILECs, such as Frontier, and clarified that a just and reasonable rate for an ILEC such as Frontier, which suffers from a lack of bargaining power, should be either the rate calculated using the FCC's pre-existing or new telecom formula of 47 C.F.R. § 1.1409(e).

51. AEP Ohio has instead demanded from Frontier an unjust and unreasonable \$18.73 reciprocal rate for 2011 attachments and an unjust and unreasonable \$19.12 reciprocal rate for 2012 attachments.

52. This Commission has jurisdiction to enforce Frontier's right to just and reasonable rates as of the July 12, 2011 effective date of the *Pole Attachment Order*.⁵³

53. The Commission, therefore, should order AEP Ohio to refund to Frontier any amounts paid in excess of the just and reasonable rate that should have been invoiced beginning on July 12, 2011.

RELIEF REQUESTED

54. Frontier respectfully requests that the Commission order AEP Ohio to file a copy of all of its existing pole attachment agreements with telecommunications carriers and cable companies;

55. Frontier further requests that the Commission order AEP Ohio to provide Frontier attachment under the terms and conditions applicable to AEP Ohio's other attaching entities or

⁵³ See *AT&T Ohio v. Dayton Power & Light*, 2007 Ohio PUC LEXIS 243, *12-15 (Pub. Util. Comm. of Ohio March 28, 2007); see also Ohio Rev. Code §§ 4905.06, 4905.22, 4905.26, 4905.31, 4905.48, 4905.51.

under the joint use terms proposed in Exhibit A to this Complaint, depending on the results of Frontier's review of AEP Ohio's existing pole attachment agreements with telecommunications carriers and cable companies;

56. Frontier further requests that the Commission order AEP Ohio to provide Frontier attachment upon reasonable rates, terms and conditions, meaning that:

- (a) If Frontier's attachment is pursuant to terms and conditions comparable to those of AEP Ohio's other attachers, the Commission should order AEP Ohio to charge rates calculated using the new telecom formula of 47 C.F.R. § 1.1409(e). This will mean that:
 - (i) For the 2012 rental year, Frontier should be charged a per-pole rate of \$6.61 for its use of AEP Ohio's poles and AEP Ohio should be charged a per-pole rate of \$13.39 for its use of Frontier's poles; and
 - (ii) For the 2013 rental year, Frontier should be charged a per pole rate of \$6.88 for its use of AEP Ohio's poles and AEP Ohio should be charged a per-pole rate of \$13.93 for its use of Frontier's poles.
- (b) If Frontier's attachment is instead pursuant to terms and conditions that provide a net material advantage to Frontier *vis-à-vis* AEP Ohio's other attachers, the Commission should order AEP Ohio to charge rates calculated using the pre-existing telecom formula of 47 C.F.R. § 1.1409(e). This means that:
 - (i) For the 2012 rental year, Frontier should be charged a per-pole rate of \$15.03 for its use of AEP Ohio's poles and AEP Ohio should be

charged a per-pole rate of \$30.44 for its use of Frontier's poles;
and

- (ii) For the 2013 rental year, Frontier should be charged a per-pole rate of \$15.63 for its use of AEP Ohio's poles and AEP Ohio should be charged a per-pole rate of \$31.65 for its use of Frontier's poles.

57. Frontier further requests that the Commission order AEP Ohio to refund to Frontier any amounts paid in excess of the proper just and reasonable rate; and

58. Frontier further requests that the Commission grant Frontier such other relief as the Commission deems just, reasonable, and proper.

Respectfully submitted,

FRONTIER NORTH INC.

A handwritten signature in black ink that reads "Michele L. Noble". The signature is fluid and cursive, with the first name "Michele" and last name "Noble" clearly distinguishable.

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Motions for pro hac vice admissions to be filed

Dated: April 23, 2014

**AGREEMENT
COVERING THE JOINT USE OF POLES**

BETWEEN

OHIO POWER COMPANY

AND

FRONTIER NORTH INC.

**EXHIBIT
A**

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**AGREEMENT
COVERING THE JOINT USE OF POLES**

THIS AGREEMENT, effective January 1, 20__, is made by and between OHIO POWER COMPANY ("Electric Company"), a corporation of the State of Ohio, Electric Company and FRONTIER NORTH INC. a corporation of the State of Wisconsin ("Telephone Company").

WITNESSETH

WHEREAS, Electric Company and Telephone Company desire to promote the joint use of their respective poles when and where such joint use shall be mutually advantageous,

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the parties hereto, for themselves, their successors and assigns, do hereby covenant and agree as follows:

**ARTICLE 1
SCOPE OF AGREEMENT**

- 1.01 This Agreement shall be in effect in such portions of the state of Ohio in which the Electric Company and the Telephone Company now or hereafter operate and shall cover all poles of each of the parties now existing or hereafter erected or acquired in the above territory when said poles are brought hereunder in accordance with this Agreement.
- 1.02 Each party reserves the right to exclude from joint use:
- a. Poles which in Owner's judgment are necessary for its own sole use; or
 - b. Poles which carry, or are intended by Owner to carry, circuits of such a character that in Owner's judgment the proper rendering of its service now or in the future makes joint use of such poles undesirable.

ARTICLE 2

EXPLANATION OF CERTAIN TERMS

For the purpose of this Agreement, certain terms shall have the meanings given in this Article.

- 2.01 **JOINT USE** - The simultaneous use of any pole for the attachment of both parties.
- 2.02 **NORMAL POLE** means a 40-foot Class 4 wood pole conforming to the latest specifications of the American Standards Association. It is not intended to preclude the use of joint poles shorter or of less strength than the Normal Pole in locations where such poles meet the requirements of the parties hereto and the specifications referred to in Article 3.
- 2.03 **NORMAL SPACE ALLOCATION** is the following described basic space for the exclusive use of each party, respectively, except that attachments of one party may, in accordance with the specifications referred to in Article 3, be located in the space reserved for the other party.
- a) For the Electric Company, the uppermost eight (8) feet.
 - b) For the Telephone Company, one and one-quarter (1.25) feet at such distance below the space of the Electric Company as to provide at all times the minimum clearances required by the specifications referred to in Article 3.

These specifications referred to in Article 3 do not preclude certain attachments of one party being located in and extending vertically through space reserved for the other party.

- 2.04 **OWNER** – The party with full rights of ownership or control of the pole.
- 2.05 **LICENSEE** – The party having the right under this Agreement to make attachments to Owner's poles.

- 2.06 APPLICANT – The party making application to the Owner for permission to become a Licensee on Owner's poles.
- 2.07 SUBTRANSMISSION – Voltage below 138KV not otherwise designated as distribution.
- 2.08 TOTAL COST – Total Cost shall include all material, labor and overheads. When replacing a pole and for additional poles due solely to the Licensee's requirements, Total Cost shall also include the cost of transferring facilities and removal of the old pole with book value credit for any reusable/salvageable material.
- 2.09 THIRD PARTY – Any additional licensees other than the Electric Company and Telephone Company.
- 2.10 BARE POLE – A pole exclusive of any type of attachments.
- 2.11 PROPOSALS – A standardized form used by the parties to communicate their needs, requirements or intentions regarding attachments.
- 2.12 TRANSFER NOTICE – A standardized form used by the parties to communicate that new pole placement has been completed.
- 2.13 ATTACHMENT – Any device now or hereafter fastened to a joint use pole by the parties hereto; excludes existing pedestals and bonds to pole ground where no other overhead attachment or device exists. A riser up the pole to attach to the neutral is considered a contact establishing the pole as a joint use pole herein.

- 2.14 POLE GROUND – A ground rod or wire connected thereto to which Telephone Company may connect at the base of Electric Company pole without causing pole to be considered joint use as herein defined.
- 2.15 JOINT FIELD CHECK – The physical review of joint use facilities subject to this agreement by a representative from each party to determine the ownership of each pole and licensee of said pole. This does not exclude any additional activities during the field check as long as they are mutually agreeable to both parties.

ARTICLE 3

SPECIFICATIONS

- 3.01 The joint use poles covered by this Agreement shall at all times be in conformity with good industry practice and with the terms and provisions of the latest applicable edition of The National Electrical Safety Code, and the rules of the Public Service Commissions of the States applicable to this agreement and any other applicable binding orders, statutes, ordinances, rules and regulations of any other governmental body. Where differences in standards exist, the most stringent shall apply.
- 3.02 If either party places or maintains its facilities not in conformance with Article 3, then the other party may give written notice to the nonconforming party to bring its facilities into compliance with this Agreement subject to the limitations contained in Article 3.04. The nonconforming party must bring its facilities into compliance within ninety (90) days of notification. If facilities are not brought into compliance, the nonconforming party is considered in default in accordance with Article 15 of this Agreement.
- 3.03 Wood poles shall comply with American Standards Association specifications and have a preservative treatment, full length, in accordance with good modern practice at the time of installation.

- 3.04 It is the intent of this Agreement that poles having attachments prior to the execution date of this Agreement, will not be replaced or attachments rearranged solely to meet the requirements of Articles 2.03 a. and 2.03 b., under NORMAL SPACE ALLOCATION or the current specifications referred to in Article 3.01.

ARTICLE 4

ESTABLISHING OR REVISING JOINT USE OF EXISTING POLES

- 4.01(a) All existing poles of either party hereto may be contacted by the other party without notification, but only for the purpose of end user service drops, subject to all applicable laws and regulations and other terms and conditions of this agreement. A summary Proposal of such service drop poles contacted shall be submitted monthly to the owner with as much accuracy as practical and with sufficient detail as the owner may require and which is readily determined at the pole locations.
- 4.01(b) Except as provided for by 4.01(a), whenever either party desires to reserve space on any pole owned by the other party, either as initial space or additional space on said pole, it shall submit a Proposal therefore, specifying the location of the pole in question, the amount of space desired and the number and character of circuits to be placed thereon. Within fifteen (15) days after the receipt of such application, Owner shall notify the Applicant in writing whether or not said pole is among those excluded from joint use under the provisions of Article 1.02. If for any reason the Owner cannot respond in writing with fifteen (15) days, notification (telephone, fax, verbal, etc.) to the Owner shall be made before the Applicant proceeds. Upon receipt of Owner's notice that the said pole is not among those excluded from joint use or notification (telephone, fax, verbal, etc.) as stated above, and after the completion by Owner of any transferring or rearranging which in the Owner's judgment is then required with respect to attachments on said poles, including

any necessary pole replacements, the Applicant shall have the right as Licensee hereunder to use said space for attachments and circuits of the character specified in said notice in accordance with the terms of the notice and of this Agreement.

- 4.02 Whenever any jointly used pole or any existing pole about to be so used under the provisions of this Agreement is insufficient in height or strength for the existing attachments and for the proposed immediate additional attachments thereon, Owner shall replace such pole with a new pole of the necessary height and strength and shall make such other changes in the existing pole line in which such pole is included as the conditions may then require, and costs will be distributed in accordance with Article 8.

Whenever Licensee requests any existing jointly used pole be replaced and Owner cannot complete replacement and/or rearrangements within the time required by Licensee, as indicated on the Proposal form, Licensee may place the new pole and may become the Owner of the new pole under the conditions stated in Article 8. Owner of the original pole, after transferring its facilities to the new pole, will remove said original pole.

- 4.03 Except as herein otherwise expressly provided, on jointly used poles each party shall, at its own expense, place, maintain, transfer, rearrange and remove its own attachments, including any tree trimming or cutting incidental thereto, place guys to sustain unbalanced loads due to its attachments, and shall perform such work promptly and in such manner as not to interfere with the service of the other party.

ARTICLE 5

ESTABLISHING JOINT USE OF NEW POLES

- 5.01 Whenever either party hereto requires new poles within the territory covered by this Agreement, either as an additional pole line, as an extension of an existing pole line, or in connection with the reconstruction of an existing non-jointly used pole line, and such pole facilities are not to be excluded from joint use under the provisions of Article 1, it shall promptly notify the other party by submitting a proposal (oral notice subsequently confirmed in writing may be given in cases of emergency) stating the location and size of the new poles and the character of circuits it proposes to use thereon. Within fifteen (15) days after the receipt of such notice, the other party shall respond with notification per Proposal whether it does or does not desire space on the said poles and, if it does, the character of the circuits it desires to use and the amount of space it wishes to reserve. Failure to respond with fifteen (15) days shall create a presumption that no joint use is desired and the proposing party may proceed accordingly; however, notification (telephone, fax, verbal, etc.) shall be made to the other party before the proposing party proceeds. Should the party to whom the proposal was made express interest in joint use after the fifteen (15) day period referred to above, any and all additional expenses, including, but not limited to, engineering and other labor costs plus other expenses associated with replacement and/or rearrangement of facilities, shall be borne by the party to whom notice was originally given.
- 5.02 Each party shall, at its own expense, place and maintain its own attachments on the new joint poles, including any tree trimming or cutting incidental thereto, place guys to sustain unbalanced loads due to its attachments, and shall perform such work promptly and in such manner as not to interfere with the service of the other party.

ARTICLE 6

RIGHTS-OF-WAY FOR LICENSEE'S ATTACHMENTS

- 6.01 Owner shall not be required to secure any right, license or permit from any governmental body, authority or other person or persons which may be required for

the construction or maintenance of attachments of Licensee, and Owner does not grant, guarantee nor convey any easements, rights-of-way or franchises for the construction and maintenance of said attachments, and if objection is made thereto and Licensee is unable to satisfactorily adjust the matter within a reasonable time, Owner may at any time, upon notice in writing to Licensee, require Licensee to remove its attachments from the poles involved, and Licensee shall, within sixty (60) days after receipt of said notice, remove its attachments from such poles at its sole expense.

ARTICLE 7

MAINTENANCE OF POLES AND ATTACHMENTS

- 7.01 Owner shall maintain its jointly used poles in a safe and serviceable condition in accordance with Owner's standards and in accordance with the specifications referred to in Article 3, and shall replace, reinforce or repair poles as they become defective.
- 7.02 When replacing a jointly used pole carrying terminals of aerial cable, underground connections, or other special equipment, the new pole shall be set in a manner which will minimize the transfer cost of both parties. Should special conditions warrant setting the new pole in the old pole hole, written notice on the standard Proposal form shall be provided to the Owner prior to construction.
- 7.03 Whenever it is necessary to replace or relocate a jointly used pole, Owner shall, before making the change, give notice thereof in a Proposal (except in cases of emergency, when oral notice may be given and subsequently confirmed in writing) to Licensee, specifying in such notice the time of such proposed replacement or relocation. After Owner has completed its work, it shall notify Licensee by Transfer Notice and Licensee shall transfer its attachments to the new or relocated pole. Normally, unless mutually agreed to otherwise, the party to this Agreement last transferring their attachment shall remove and retain or dispose of the old pole within

90 days of the Transfer Notice and shall be responsible for any liability, injury, damage, expense, or claim to persons, including disease or death, which is in any way attributable to the removal and disposal of the old pole. If the Licensee is the party who removes the existing pole, they will be reimbursed for the cost of removing the existing pole, including its disposition, by the original owner of the pole. If Owner must return to pull the old pole because of failure of Licensee to remove the old pole in a timely manner, Licensee shall compensate Owner for pulling the pole. However, if Licensee is unable to transfer their facilities and remove the old pole due to a third party not transferring its facilities within 10 days of the Transfer Notice, the Licensee will not be liable for the additional costs associated with removal of the old pole. In this instance, the Licensee will be responsible for removing the old pole and authorized to bill the Owner for the cost of removing the old pole and any return trips. The Owner will then bill the third party accordingly.

- 7.04 The Telephone Company, when operating either as Owner or Licensee, may install electrical bonding from communication cables or equipment to Electric Company's pole grounds on jointly used poles in accordance with Article 3.
- 7.05 The Licensee may replace Owner's pole during emergency conditions when Owner is not able to replace such pole in a timely manner. In this event, the Owner shall pay the Licensee's costs in accordance with Article 8.04.

ARTICLE 8

DIVISION OF COSTS

- 8.01 The Total Cost of new jointly used poles under this Agreement, either in new pole lines, or in extension of existing pole lines, to replace existing poles, or to add an additional pole in an existing line, shall be borne by the parties as follows:
 - a. Normal Pole

The Total Cost of a NORMAL POLE or smaller shall be borne by Owner except as provide in b., c., and d. herein.

b. Replacement

- (1) Where a pole must be replaced due to Owner's requirements, the Total Cost of the pole shall be borne by Owner. Each party shall transfer its facilities at its own expense.
- (2) Where a pole is replaced by Owner at the request of Licensee solely to accommodate attachments of Licensee, Licensee shall pay to Owner a sum equal to the Total Cost of the new pole.
- (3) Where a pole must be replaced due to Owner's requirements (additional height, deterioration, etc.) and the Licensee also has additional requirements, Licensee shall pay to Owner only the incremental cost due to Licensee's additional requirements. This shall be calculated as a sum equal to the difference between the Total Cost of the larger/stronger new pole required to accommodate Licensee's additional attachments and the Total Cost of a pole adequate to accommodate the requirements of the Owner and its other licensees.
- (4) When a pole must be replaced under the situations listed above in 8.01 b(1), b(2) & b(3), and the Owner desires to have the Licensee set the pole and the Licensee agrees, the Licensee may bill the Owner as outlined below. Note: Some of the conditions contain exceptions to the defined term Total Cost.

Under conditions of b(1) - The Owner must replace due to its own requirements, the Licensee may bill the Owner the Total Cost of the pole or assume ownership of the pole. In this situation, the Licensee

shall be responsible for its transfer cost, while the Owner will be responsible for its transfer cost and the removal cost of the pole.

Under conditions of b(2) – If the Owner must replace the pole due to the Licensee's requirements, the Licensee may bill the Owner the Total Cost of the pole or take ownership of the pole, except in either case Licensee shall be responsible for both parties' transfer costs and the pole removal cost.

Under the conditions of b(3) -- If both parties have additional requirements, the Licensee may bill the Owner the Total Cost of the pole less the incremental cost. The Licensee shall be responsible for its transfer costs, and the Owner shall be responsible for its transfer and pole removal costs. The ownership of the new pole will remain with the Owner.

c. New (Additional Pole)

- (1) Where Owner requires a new pole, the cost of installing the Normal Pole or smaller pole adequate to provide normal space allocation shall be borne by Owner.
- (2) Where Owner requires a new pole and Licensee requires extra height and/or strength to accommodate its attachments, Licensee shall pay a sum equal to the difference between the Total Cost of a new pole adequate to accommodate Licensee's attachments and the Total Cost of a Normal Pole.
- (3) Where one party requires a new pole, but requests to have the second party set the pole and the second party agrees, the second party may

bill the requesting party the Total Cost, or assume ownership of the new pole. In case of pole replacements of fifty (50) feet or more, refer to Article 8.02.

- d. In the case of a pole taller or stronger than a pole suitable for joint use, the extra height and/or strength of which is due to the requirements of public authorities (other than requirements with regard to keeping the wires of either party clear of trees), Licensee shall pay to Owner a sum equal to one-half the difference between the Total Cost of such pole and the Total Cost of a pole considered by Owner to be adequate to accommodate the attachments of Owner and its other licensees, unless the Owner is reimbursed by the public authority.
- e. The cost of excess height and/or strength provided for the attachments of third parties, except as provided in Article 8.01 d., shall be billed to and reimbursed by the third party according to the agreement between the Owner and the third party.
- f. Any new pole shall be the property of Owner regardless of any payments by Licensee toward the cost of such new pole, and Licensee shall acquire no right, title or interest in and to such pole.
- g. Each party shall place, maintain, rearrange, transfer and remove its own attachments at its own expense, except as otherwise expressly provided elsewhere in this Agreement.

8.02 Placement and Replacement of Fifty (50) Foot and Higher Poles. The Electric Company shall own all new poles having a length of fifty (50) feet or more. Proposals by third parties for the replacement of existing poles with fifty (50) foot or higher poles are to be submitted to the Owner in all cases and where Owner is the

Telephone Company, it will then propose the Electric Company install a fifty (50) foot or higher pole. Costs incurred as a result of such a request from a third party shall be billed to and reimbursed by the third party according to the agreement between the parties involved.

- 8.03 Assistance Required. If Owner cannot physically install a new pole or replace a pole for Joint Use as required in Article 4.02 without the assistance of the Licensee, then Owner shall reimburse Licensee the Total Cost incurred in rendering the required assistance.
- 8.04 Emergency Conditions. Where Licensee must replace Owner's pole under emergency conditions, Owner shall pay Licensee for the Total Cost incurred in replacing the pole, and, if Licensee removes the old pole, the cost of removal. Title to the new pole will remain with the Owner. Licensee will transfer its own facilities at no cost to Owner.
- 8.05 Cost of Rearrangements on Existing Poles. Whenever joint use is requested by the Licensee on an existing pole, and space can be provided by rearrangement of the Owner's attachments, the Total Cost of such rearrangements shall be borne by the Licensee.
- 8.06 Sharing of Space. Each party may, upon request of the other party, share with such other party any assigned or reserved space not presently being used, so long as the requirements of Article 3 are satisfied. Upon written notice from the sharing party that any such shared space is required for such party's operations, the party to whom the space was originally loaned shall, within sixty (60) days, relocate or rearrange its facilities. The Total Cost of any work necessary to provide the sharing party with its normal space allocation shall be the responsibility of the borrower. However, if either party has additional requirements, the cost of the additional requirements shall be allocated as otherwise provided in this Article 8.

- 8.07 Anchors. All anchors and guys, with the exception of jointly used anchors as provided in Article 8.08 below, shall be placed by and at the expense of the party whose attachments make such work necessary. Such anchors and guys shall remain the sole property of the party placing them and shall not be considered a part of the supporting structure.
- 8.08 Jointly Used Anchors. Normally each company will place separate anchors; however, when it is advantageous to both companies, an anchor rod suitable for joint attachment shall be placed by the Owner of the pole with the Total Cost of the anchor to be shared equally by the parties. If the anchor is inadequate for the combined requirements of both parties, then the Licensee shall place the additional anchorage required.

ARTICLE 9

PROCEDURE WHEN CHARACTER OF CIRCUITS IS CHANGED

- 9.01 When either party desires to change the character of its circuits on jointly used poles, such party shall give ninety (90) days' written notice to the other party of such contemplated change.

The parties shall then cooperate in determining (1) the conditions under which joint use may be continued on a mutually satisfactory basis, or (2) if in the judgment of both parties continued joint use is not feasible, the most practical and economical method of providing for separate lines. In the latter event, the party whose circuits are to be removed from the jointly used poles shall promptly carry out the necessary work.

The cost of establishing such circuits in the new location shall be borne by each party under the provisions of this paragraph. In the event one party owns all the poles, the

Licensee shall relocate its facilities at no expense to the Owner. If the parties agree that it is more practical for the Licensee to remain on the existing centerline and Owner's facilities should be relocated, Licensee shall reimburse Owner for the cost of relocation based upon the reestablishment of similar facilities. In the event neither party is the Owner of all the poles involved, the cost of reestablishing equivalent facilities in a new location shall be divided between the parties in proportion to the percent ownership of the existing poles. Where the ownership is divided, the party owning a majority of the poles shall have the right to remain on an existing centerline unless it is mutually agreed otherwise. The cost of relocation shall be divided according to ownership with the party who retains the centerline paying a portion of the relocating party's cost equal to the percent of poles involved which are owned by the relocating party. For example, if one party owns 60% of the poles and the second party owns 40%, the second party would relocate and receive payment equal to 40% of its cost from the first party. Where the ownership of the poles involved is equal, the parties shall decide which facilities are more practical to relocate, and the relocating party will be reimbursed 50% of its relocation costs. If the party owning less than 50% of the poles prefers to remain on the existing centerline and the other party is agreeable, the entire cost of the relocating party's expense shall be paid by the party retaining its facilities on the existing centerline.

- 9.02 Attachments may be permitted on subtransmission and transmission poles of the Electric Company only after obtaining written authorization (Proposal) with the understanding that, should the characteristics of the Electric Company facilities (circuits) change resulting in either the Electric Company or the Telephone Company deciding joint use is no longer feasible, the Telephone Company shall remove its facilities with no cost or obligation to the Electric Company.

ARTICLE 10

TERMINATION OF JOINT USE

- 10.01 If Owner desires at any time to abandon any jointly used pole, it shall give Licensee notice in writing to that effect at least sixty (60) days prior to the date on which it intends to remove its attachments from such pole. If, at the expiration of said period, Owner shall have no attachments on such pole but Licensee shall not have removed all of its attachments therefrom, such pole shall thereupon become the property of Licensee, and Owner shall transfer title to said pole and Licensee shall accept title to said pole in the manner provided for under Article 11. Licensee shall indemnify, protect and hold harmless the Owner from all obligations, liabilities, damages, costs, expenses or charges incurred after the expiration of the sixty (60) day period, and not arising out of anything theretofore occurring, because of or arising out of, the presence or condition of such pole or of any attachment thereon; and shall pay Owner a sum as described in Article 11.02.
- 10.02 Licensee may at any time abandon the use of a jointly used pole by giving due notice thereof in writing to Owner, and by removing therefrom any and all attachments it may have thereon.

ARTICLE 11

TRANSFERS OF OWNERSHIP

- 11.01 The parties may agree in writing to transfer ownership of poles from one party to the other party. The location and number of the poles to be purchased shall be by mutual agreement. The price to be paid shall be determined as described in Article 11.02. Each party shall obtain the approval of any governmental agency having jurisdiction over such party's part of the transaction, including the approval of the Securities and Exchange Commission under the Public Utility Holding Company Act. The parties shall share equally in the cost of any regulatory filing fees excluding any legal fees.
- 11.02 When ownership of poles is to be transferred, a mutually approved Proposal in accordance with the Owner's standard selling policy shall be prepared to cover such

transfer. Payments for such poles by the Licensee will be made at the time of purchase. The price of each pole shall be the original Owner's current Total Cost to place a like pole at the time of sale depreciated at the rate of 3% per year, to not less than 5% of the current Total Cost to place a like pole and no less than \$50.

- 11.03 Unless otherwise specified in this Agreement, a formal Bill of Sale will be required for the transfer of ownership of all poles. The transferring party shall also obtain any necessary mortgage releases if the poles to be transferred are subject to any mortgages, and shall submit such releases to the other party.
- 11.04 Licensee may request Owner's permission to continue, for a period not to exceed six months, to attach to a pole which Owner would otherwise wish to abandon and sell to Licensee. If Owner approves, Licensee will not be required to purchase the pole under terms of Article 11.02 and 11.03 and agrees to remove and dispose of the pole in accordance with Article 10.01.

ARTICLE 12

RENTALS

- 12.01 For purposes of this Agreement, a Rental Year shall be a calendar year from January 1 to the succeeding December 31. The amount of rent shall be computed, billed, and paid in accordance with the following sections of this Article 12 and according to the examples set forth in Exhibit A and Exhibit B to this Agreement.
- 12.02 Licensee shall pay rent annually to Owner for those poles on which space is occupied or reserved by Licensee and for which rent is payable, in an amount per pole as provided in this Article 12.

12.03 It is recognized that a differential exists in Space Occupied and facilities required by the Telephone Company and the Electric Company and that costs should be equitably apportioned to each party using the same proportionate rate for each party based on their respective Space Occupied on the poles. Accordingly, the following formulas shall be used to determine rentals to be paid by each party.

- a. The rental rate Electric Company will pay for use of Telephone Company poles it occupies shall be determined as follows: The product of Electric Company's Space Factor, by Electric Company's Bare Pole Cost for its distribution facilities, by Electric Company's Annual Carrying Charge Rate.
- b. The rental rate Telephone Company will pay for use of the Electric Company poles it occupies shall be determined as follows: The product of Telephone Company's Space Factor, by Electric Company's Bare Pole Cost for its distribution facilities, by Electric Company's Annual Carrying Charge Rate.
- c. One of the formulas shown in Exhibit B shall be used to determine the rental rate to be paid by each party for use of the other party's poles. The "Rental Rate Calculation – Net Approach" shall be used, unless the Electric Company's Net Pole Investment for distribution facilities is zero or negative, in which case the "Rental Rate Calculation – Gross Approach" shall be used.
- d. In each formula in Exhibit B, the following inputs shall be used to calculate the Space Factor:
 - 1) Electric Company's Space Occupied = 8.00 feet (Electric Company's Space Factor for rate Electric Company pays); or
Telephone Company's Space Occupied = 1.25 feet (Telephone Company's Space Factor for rate Telephone Company pays); and
 - 2) Unusable Space = 24 feet
 - 3) Number of Attaching Entities = 3 for non-urban

4) Pole Height = 40 feet

- e. Electric Company's Bare Pole Cost shall be determined in accordance with the applicable formula shown in Exhibit B as follows: For the Net Approach, the product of Electric Company's Net Pole Investment by a Bare Pole Factor of 85% (.85); or for the Gross Approach, the product of Electric Company's Gross Pole Investment (Gross Plant – Poles) by a Bare Pole Factor of 85% (.85).
- f. Electric Company's Annual Carrying Charge Rate shall include Electric Company's applicable rate of return (most recent PUCO ordered rate), and its administrative, depreciation, taxes, and maintenance elements and shall be determined in accordance with the applicable formula shown in Exhibit B.

12.04 The Electric Company shall submit to the Telephone Company, on or before each May 1, Electric Company's Bare Pole Cost, Annual Carrying Charge Rate, and other rental rate formula inputs proposed for the current rental year, including sufficient FERC and other pole records detail to validate the derivation and accuracy of such data. If no written exception is taken within forty-five (45) days of receipt, the data shall be deemed accepted. If the parties are not able to resolve any exceptions by the next billing date, the proposed rate shall be charged and paid until resolution, at which time a retroactive adjustment shall be made if necessary. The Electric Company's Bare Pole Cost, Annual Carrying Charge Rate, and other rental rate formula inputs shall use costs and statistics from the previous calendar year.

- 12.05 Each party shall submit to the other, on or before each May 1, the number of the poles under this Agreement on which space was occupied or reserved by the other party as of the preceding December 31. Each such pole count shall be deemed correct unless written exception is taken within forty-five (45) days of receipt. If any such exception cannot be resolved by the next billing date, the parties shall conduct a joint inspection of the poles in dispute and records pertaining thereto. If the parties are not able to resolve the exception by the next billing date, the number originally agreed upon shall be used until such resolution, at which time a retroactive adjustment shall be made if necessary.
- 12.06 The Annual Rent Payment shall be calculated as shown on Exhibit A by multiplying the rental rate each party is to pay by the applicable pole counts for each party as determined under Section 12.05. The net difference between the gross payments due each party shall be set forth in a bill rendered each year by the party owed a net payment amount on or about June 15th and shall contain the total rental due for the previous rental year and shall be sent to the other party at the address set forth below in this Article. All Annual Rent Payment bills shall be paid within forty-five (45) days of receipt.

TO Electric Company:

American Electric Power
Attention: Joint Use Administrator
P.O. Box 24400
Canton, OH 44701-4400

TO Telephone Company:

Frontier Communications
Attention: Centralized Joint Use Team
8001 W. Jefferson Blvd.
Fort Wayne, IN 46804

ARTICLE 13
UNAUTHORIZED USE: JOINT FIELD CHECKS

- 13.01 If unauthorized occupancy of poles is found, a Proposal shall be prepared to establish a record of this occupancy on the next annual billing. The party responsible for the unauthorized occupancy shall owe the Owner the rental for the entire period dating back to the last joint field check or five (5) years whichever is less, including interest of 8% compounding annually. The back rentals shall be based upon the rate specified in Article 12.

If the only attachment on a pole is unused hardware it shall not be considered a rental attachment; however, provisions will be made to have such hardware promptly removed. If not removed within sixty (60) days after formal notification, the current annual rental will apply, including interest of 8% compounded annually.

- 13.02 The parties shall participate in a joint field check at their own expense no less often than every five (5) years, unless an extension is mutually agreed by the parties. Should one party elect not to participate, that party shall pay one-half (1/2) the cost of the field check performed by the other party. The non-participating party has sixty (60) days in which to verify the findings, after which the results of the inventory will become final.

ARTICLE 14
LIABILITY AND DAMAGES

- 14.01 Whenever any liabilities, losses, costs, expenses, suits, actions, claims and all other obligations and proceedings whatsoever, including all judgments rendered against, fines or penalties are incurred by either or both of the parties hereto, or their respective employees, agents, contractors or subcontractors, including without

limitation, injuries to persons, including disease or death, or damage to property, arising out of the joint use of poles under this Agreement, including the location of said poles, the liability for such damages, as between the parties hereto, shall be as follows:

- a. Each party shall be liable for all damages for such injuries to persons or property caused by its negligent or willful act or omission or by its failure to comply at any time with the specifications referred to in Article 3, and will indemnify, protect and hold harmless the other party in any such instance to the extent of such liability.
- b. All claims for damages arising hereunder that are asserted against or affect both parties hereto shall be dealt with by the parties hereto jointly; provided however, that in any case under the provisions of paragraph a. of this Article and where the claimant desires to settle such claim upon terms acceptable to one of the parties hereto but not to the other, the party to which said terms are acceptable may, at its election, pay to the other party its apportioned share of liability of the amount which such settlement would involve, and thereupon said other party shall be bound to protect the party making such payment from all further liability and expense on account of such claim.
- c. In the adjustment between the parties hereto of any claim for damages arising hereunder, each party shall bear its own administrative expenses incurred in connection therewith, including, but not limited to, costs, attorneys' fees, disbursements and other proper charges and expenditures. For all other non-administrative expenses or damages arising hereunder, the liability assumed hereunder by the parties shall be allocated in accordance with the other provisions of Article 14.

- d. It is further understood and agreed between the parties hereto that at all times during the term of this Agreement and particularly during the time of any construction, repair or new attachments to poles covered by this Agreement, the parties shall consider the electric wires of the Electric Company to be energized, that working in vicinity of the wires poses potential dangers and that the Telephone Company shall warn all of its employees, agents, contractors and subcontractors, or any other parties who may be working on behalf of the undersigned, of the potential dangers.
- e. The parties hereto agree to require their contractors and subcontractors to provide a release and indemnification of all claims for the benefit of the other joint use in the form attached hereto as Exhibit C. If one of the parties hereto fails to obtain the appropriate release and indemnification from its contractor/subcontractor, such party agrees to provide the same release and indemnification to the other party to this Agreement.
- f. In the event that one of the parties hereto is providing storm, emergency, or safety-related services for the benefit of the other party hereto and the party providing the service incurs any liability as referenced in this Article 14, the party receiving the service shall be responsible for any and all such liability.
- g. It is further agreed between the parties hereto, that to the extent any of the provisions of this Article 14 should be determined to be contrary to law or held to be invalid by any court of competent jurisdiction, this Article shall be construed and applied as if such invalid provisions were not contained herein, attempting at all times to conform, to the extent possible, to the intent of the parties as herein stated, and provide the maximum indemnity allowed by law. With respect to claims against one party by the other party's employees, the latter party agrees to expressly waive its immunity, if any, as a complying employer under the workers' compensation law but only to the extent that

such immunity would bar or affect recovery under or enforcement of the indemnification obligations set forth in this Article. With respect to the State of Ohio, this waiver applies to Section 35, Article II of the Ohio Constitution and Ohio Revised Code Section 4123.74.

ARTICLE 15

DEFAULTS

- 15.01 With the exception of ARTICLE 9, if either party shall default in any of its obligations under this Agreement and such default continues thirty (30) days after notice thereof in writing by the other party, the party not in default may suspend the granting of any further joint use. If such default shall continue for a period of sixty (60) days after such suspension, the party not in default may forthwith terminate this Agreement as far as it concerns the further granting of joint use, and shall be under no further obligation to permit additions to, changes in, or upgrades to attachments of the defaulting party upon poles in joint use on the date of such termination. The time frames in this Article 15.01 may be extended if agreeable to both parties.
- 15.02 If either party shall default in the performance of any work which it is obligated to do under this Agreement, the other party may elect to do such work and the party in default shall reimburse the other party for the Total Cost thereof (for example, rearranging the defaulting party's attachments, including pole replacement, to result in attachments conforming to Article 3.01. Where pole replacement is required, the new pole shall be the property of the party performing the work unless the defaulting party wishes to retain ownership by paying the Total Cost of the new pole.). Failure on the part of the defaulting party to make such payment within sixty (60) days after presentation of bills therefor shall, at the election of the other party, constitute a default under Article 15.01.

ARTICLE 16

ATTACHMENTS OF OTHER PARTIES

- 16.01 Nothing herein contained shall be construed as prohibiting the granting by Owner to others, not parties to this Agreement, by contract or otherwise, rights or privileges to use any poles covered by this Agreement. The attachments of any such outside party shall be treated as attachments belonging to the Owner, who shall have the entire right to any payments from such party.
- 16.02 Attachments of other parties shall at all times be in conformity with Article 3.
- 16.03 If space is shared by the Owner or Licensee with a third party in order to minimize such third party's costs, the sharing party retains its right to use the shared portion of its space. If Owner or Licensee thereafter requires the full use of its space, it is the duty of the Owner to provide that all costs of making that space available shall be borne by the third party.
- 16.04 If there is insufficient space on a joint use pole to accommodate a third party, the third party shall be required to reimburse Owner and Licensee for all costs incurred by them in making such space available.

ARTICLE 17

WAIVER OF TERMS OR CONDITIONS

- 17.01 The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, and the same shall be and remain at all times in full force and effect.

ARTICLE 18

PAYMENT OF TAXES

- 18.01 Each party shall pay all taxes and assessments levied on its own property upon said jointly used poles, and the taxes and the assessments which are levied on said jointly used poles shall be paid by the Owner.

ARTICLE 19

BILLS AND PAYMENT FOR WORK

- 19.01 Upon the completion of work performed hereunder by either party, the expense of which is to be borne wholly or in part by the other party, the party performing the work shall include the expense on the next quarterly billing summary if used or present to the other party within sixty (60) days after the completion of such work a statement of the costs in accordance with the provisions of this Agreement and such other party shall within sixty (60) days after such statement is presented, pay to the party doing the work such other party's portion of the cost of said work.

ARTICLE 20

EXISTING AGREEMENTS

- 20.01 All existing agreements, written or oral, between the parties hereto for the joint use of poles within the territory covered by this Agreement are by mutual consent hereby terminated, and poles covered by such agreements are brought under this Agreement as of the effective date hereof, but such termination shall not extinguish any obligation arising prior to the effective date of this Agreement.

ARTICLE 21

TERM OF AGREEMENT

- 21.01 The initial term of this agreement shall be 5 years, except that all or part may be terminated if necessary by law or regulation. Both parties agree, it is the intent to comply with such laws or regulations. Subject to the provisions of Article 15,

Defaults, herein, this Agreement may be terminated by either party after the first day of January 20__ by giving one (1) year's notice in writing to the other party on or after January 1, 20__. If not so terminated, it shall continue in force until terminated by either party at any time upon one (1) year's notice in writing to the other party as aforesaid. Despite any termination under this Article, this Agreement shall remain in full force and effect with respect to all poles jointly used by the parties at the time of such termination until a new agreement is entered into by the parties. Following such termination until a new agreement is entered into between the parties, neither party shall be under an obligation to permit additions to or changes in attachments of the other on poles in joint use on the date of such termination. This Agreement shall not be modified except in writing executed by a duly authorized representative of both parties.

ARTICLE 22

OPERATING ROUTINE

- 22.01 An Operating Routine shall be jointly prepared by the parties hereto, and shall be approved respectively by the one designated person responsible to administer joint use for each of the Telephone Company and the Electric Company. This routine shall be based on this Joint Use Agreement and shall give the detailed methods and procedures which will be followed in establishing, maintaining and discontinuing the joint use of poles. In case of any ambiguity or conflict between the provisions of this Agreement, and those of the Operating Routine, the provisions of this Agreement shall be controlling. This Operating Routine may be changed at any time upon the approval of the one designated person responsible to administer joint use for each of the Telephone Company and the Electric Company, provided such changes do not conflict with the terms of this Joint Use Agreement.

ARTICLE 23

MISCELLANEOUS

- 23.01 Force Majeure. Neither party shall be considered in default in the performance of its obligations herein, or any of them, to the extent that performance is delayed or prevented due to the following causes which are beyond the control of said party: Acts of God or the public enemy, war, revolution, terrorism, civil commotion, blockade or embargo, fires, explosions, cyclones, floods, unavoidable casualties, quarantine, and restrictions.
- 23.02 Modification of Agreement. No amendments or modifications to this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the parties.
- 23.03 Invalidity. If any provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable under any laws, rules or regulations of any governmental body or agency having jurisdiction thereof, any such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been incorporated herein.
- 23.04 Execution. The Agreement may be executed in two counterparts, each of which so executed shall be deemed to be an original.
- 23.05 Headings. Headings used in this Agreement are inserted only for the convenience of the parties and shall not affect the interpretation or construction of this Agreement.
- 23.06 Electronic Communications. For the purpose of this Agreement, when notification or notice is specified to be given in writing to the other party in this Agreement, electronic communications may be used in place of paper forms if it is mutually agreed to by the parties and reflected as such in the Operating Routine.

23.07 Applicable Law. This contract shall be governed by and interpreted under laws of the State of Ohio.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

OHIO POWER COMPANY

Attest: _____

By: _____

FRONTIER NORTH INC.

Attest: _____

By: _____

EXHIBIT A **ANNUAL RENT PAYMENT**

Annual Rental will be calculated using rates established from Exhibit B and multiplied by the number of poles for each company. Net Payment will be calculated using the table below.

OHIO POWER	Elco Owned Poles	Telco Owned Poles	Rate		Net Payment		
			FTR pays to AEP	AEP pays to FTR	Elco Gross	Telco Gross	Net
FCC Telecom Rate	A	B	C ¹	C ²	D = (B * C ²)	E = (A * C ¹)	F = (E - D)

- A** # of AEP-owned joint used poles with FTR
- B** # of FTR-owned joint used poles with AEP
- C¹** Using Exhibit B - Rate FTR pays AEP using AEP FERC data and FTR Space Occupied
- C²** Using Exhibit B - Rate AEP pays FTR using AEP FERC data and AEP Space Occupied
- D** AEP Gross Payment
- E** FTR Gross Payment
- F** Net Payment

EXHIBIT B RENTAL RATE CALCULATION – NET APPROACH

Annual Rental fees using the Net Approach shall be calculated as follows:

$$\left| \begin{array}{l} \text{Maximum} \\ \text{Rate} \end{array} \right| = \left[\frac{\left(\frac{\text{Space Occupied}}{\text{Pole Height}} \right) + \left(\frac{2}{3} \times \frac{\text{Unusable Space}}{\text{No. of Attaching Entities}} \right)}{\text{Pole Height}} \right] \times \text{Net Cost of a Bare Pole} \times \left| \begin{array}{l} \text{Carrying} \\ \text{Charge} \\ \text{Rate} \end{array} \right|$$

Where:

Space Occupied

AEP = 8 feet (for rate AEP pays)

Frontier = 1.25 feet (for rate Frontier pays)

Unusable Space = 24 feet

Number of Attaching Entities = 3 for non-urban

Pole Height = 40 feet

$$\begin{array}{l} \text{Net Pole Investment} = \frac{\text{Gross Pole Investment (Account 364)} - \text{Accumulated Depreciation (Account 108) (Poles)} - \text{Accumulated Deferred Income Taxes (Account 190, 281-283) (Poles)}}{\text{Pole Height}} \end{array}$$

$$\text{Net Cost of a Bare Pole} = \text{Net Pole Investment} \times \text{Bare Pole Factor (.85)}$$

Carrying

$$\text{Charge Rate} = \text{Administrative} + \text{Maintenance} + \text{Depreciation} + \text{Taxes} + \text{Return}$$

$$\begin{array}{l} \text{Administrative Element} = \frac{\text{Total General and Administrative}}{\text{Gross Plant Investment (Electric)} - \text{Accumulated Depreciation (Account 108)} - \text{Accumulated Deferred Taxes (Plant) (Accounts 190, 281 - 283)}} \end{array}$$

$$\begin{array}{l} \text{Maintenance Element} = \frac{\text{Account 593}}{\text{Pole Investment in Accounts 364, 365, \& 369} - \text{Depreciation (Poles) Related to Accounts 364, 365, \& 369} - \text{Accumulated Deferred Income Taxes related to Accounts 364, 365, \& 369}} \end{array}$$

$$\begin{array}{l} \text{Depreciation Element} = \frac{\text{Gross Pole Investment (Account 364)}}{\text{Net Pole Investment}} \times \text{Depreciation Rate for Gross Pole Investment} \end{array}$$

$$\begin{array}{l} \text{Taxes Element} = \frac{\text{Accounts 408.1 + 409.1 + 410.1 + 411.4 - 411.1}}{\text{Gross Plant Investment (Total Plant)} - \text{Accumulated Depreciation (Account 108)} - \text{Accumulated Deferred Taxes (Plant) (Account 190, 281 - 283)}} \end{array}$$

$$\begin{array}{l} \text{Return Element} = \text{Applicable Rate of Return} \end{array}$$

EXHIBIT B (Continued)
RENTAL RATE CALCULATION – GROSS APPROACH

Annual Rental fees using the Gross Approach (when Net Pole Investment is Zero or Negative) shall be calculated as follows:

Where:

Space Occupied

AEP = 8 feet (for rate AEP pays)

Frontier = 1.25 feet (for rate Frontier pays)

Unusable Space = 24 feet

Number of Attaching Entities = 3 for non-urban

Pole Height = 40 feet

(A) Gross Plant (Poles) ¹	(G) Administrative Expenses (Total)
(B) Net Plant (Poles)	(H) Taxes (Total)
(C) Depreciation Rate (Poles)	(I) Gross Plant (Total)
(D) Maintenance Expense (Poles)	(J) Net Plant (Total)
(E) Quantity of Poles	(K) Space Factor
(F) Authorized Rate of Return	(L) Bare Pole Factor (.85)

Max Rate = $\frac{\text{Space Factor} \times \text{Bare Pole Factor} \times \text{Gross Plant (Poles)} \times \text{Carrying Charge Rate}}{\text{Quantity of Poles}}$
= $\frac{[(K) \times (L) \times (A) \times \text{Carrying Charge Rate}]}{(E)}$

Space Factor (K) = $\frac{[\text{Space Occupied} + \frac{2}{3} \times (\text{Unusable Space} / \text{No. Attaching Entities})]}{\text{Pole Height}}$

Carrying Charge Rate = Sum of Maintenance, Depreciation, Return (-), Administrative and Tax Elements

Maintenance Element = $\frac{\text{Maintenance Expense (Poles)}}{\text{Gross Plant (Poles)}}$
= $(D) \div (A)$

Depreciation Element = $\frac{\text{Depreciation Rate (Poles)}}{\text{Gross Plant (Poles)}}$
= $(C) \div (A)$

Return Element = $\frac{\text{Rate of Return} \times \text{Net Plant (Poles)}}{\text{Gross Plant (Poles)}}$
= $[(F) \times (B)] \div (A)$

Administrative Element = $\frac{\text{Administrative Expenses (Total)}}{\text{Gross Plant (Total)}}$
= $(G) \div (I)$

Tax Element = $\frac{\text{Taxes (Total)}}{\text{Gross Plant (Total)}}$
= $(H) \div (I)$

¹ Gross pole plant should not include costs for pole change-outs or other make-ready costs that were paid by an attacher.

EXHIBIT C**RELEASE AND INDEMNIFICATION OF ALL CLAIMS**

In consideration of Frontier North Inc. ("Telephone Company") granting and providing Ohio Power Company ("Electric Company") and its contractors and subcontractors with access and/or permission to work on or in the vicinity of Telephone Company's facilities under the terms of that certain Joint Use Agreement between Telephone Company and Electric Company effective January 1, 2014, the undersigned, its employees, subcontractors or agents, agrees to release, indemnify, save harmless, and defend Telephone Company, or any of their affiliated or subsidiary companies, directors, officers, employees and agents (collectively Indemnitees) from and against any losses, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings whatsoever, including without limitation, all judgments rendered against and all fines and penalties imposed upon Indemnitees, and any reasonable attorney fees and any other costs of litigation (hereafter referred to as liabilities) arising out of injuries to persons including, disease or death or damage to property, caused by the undersigned, its employees, agents, subcontractors or any other parties whether connected to the undersigned or not, which are in any way attributable to the performance and prosecution of any work under the Joint Use Agreement. This release and indemnification shall specifically cover, but not be limited to, any liabilities arising out of any injury or damage due to working in the vicinity of or contacting Telephone Company's telephone lines and facilities.

The undersigned agrees to expressly waive the undersigned's immunity as a complying employer under the workers' compensation law of the jurisdictional state from indemnification. With respect to the contractors based in the State of Ohio, this waiver applies to Section 35, Article II of the Ohio Constitution and Ohio Revised Code Section 4123.74. The undersigned shall also hold Indemnitees harmless from any workers' compensation claims by the undersigned's employees, agents, and contractors in accordance with the indemnity set forth in the first paragraph.

The undersigned hereby acknowledges that he has been warned that working in the vicinity of Telephone Company's facilities poses potential dangers and that the undersigned is aware of said dangers and will furthermore warn all employees, agents, subcontractors, or any other parties who may be working on behalf of the undersigned, of the potential dangers.

I have fully read this release and understand and consent to it in its entirety.

Name of Electric Company Contractor

By

Date

Title

EXHIBIT C**RELEASE AND INDEMNIFICATION OF ALL CLAIMS**

In consideration of Ohio Power Company ("Electric Company") granting and providing Frontier North Inc. ("Telephone Company") and its contractors and subcontractors with access and/or permission to work on or in the vicinity of Electric Company's facilities under the terms of that certain Joint Use Agreement between Telephone Company and Electric Company effective January 1, 2014, the undersigned, its employees, subcontractors or agents, agrees to release, indemnify, save harmless, and defend Electric Company, or any of their affiliated or subsidiary companies, directors, officers, employees and agents (collectively Indemnitees) from and against any losses, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings whatsoever, including without limitation, all judgments rendered against and all fines and penalties imposed upon Indemnitees, and any reasonable attorney fees and any other costs of litigation (hereafter referred to as liabilities) arising out of injuries to persons including, disease or death or damage to property, caused by the undersigned, its employees, agents, subcontractors or any other parties whether connected to the undersigned or not, which are in any way attributable to the performance and prosecution of any work under the Joint Use Agreement. This release and indemnification shall specifically cover, but not be limited to, any liabilities arising out of any injury or damage due to working in the vicinity of or contacting Electric Company's electric power lines and facilities.

The undersigned agrees to expressly waive the undersigned's immunity as a complying employer under the workers' compensation law of the jurisdictional state from indemnification. With respect to the contractors based in the State of Ohio, this waiver applies to Section 35, Article II of the Ohio Constitution and Ohio Revised Code Section 4123.74. The undersigned shall also hold Indemnitees harmless from any workers' compensation claims by the undersigned's employees, agents, and contractors in accordance with the indemnity set forth in the first paragraph.

The undersigned hereby acknowledges that he has been warned that working in the vicinity of Electric Company's facilities poses potential dangers and that the undersigned is aware of said dangers and will furthermore warn all employees, agents, subcontractors, or any other parties who may be working on behalf of the undersigned, of the potential dangers.

I have fully read this release and understand and consent to it in its entirety.

Name of Telephone Company Contractor

By

Date

Title

AGREEMENT
BETWEEN
COLUMBUS SOUTHERN POWER COMPANY,
OHIO POWER COMPANY
AND
GTE NORTH INCORPORATED
FOR JOINT USE OF POLES
IN THE STATE OF OHIO
DATED JANUARY 1, 1996

EXHIBIT

1

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AGREEMENT

COVERING THE JOINT USE OF POLES

THIS AGREEMENT, effective January 1, 1996, is made by and between Columbus Southern Power Company and Ohio Power Company, both corporations of the State of Ohio (hereinafter individually and/or collectively called the "Electric Company" or "Electric Companies") and GTE North Incorporated, a corporation of the State of Wisconsin, hereinafter called the "Telephone Company".

WITNESSETH

WHEREAS, the Electric Company and the Telephone Company desire to promote the joint use of their respective poles when and where such joint use shall be mutually advantageous,

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, for themselves, their successors and assigns, do hereby covenant and agree as follows:

ARTICLE 1

1 SCOPE OF AGREEMENT

- 1.01 This agreement shall be in effect in such portions of the State of Ohio in which the Electric Company and the Telephone Company now or hereafter operate and shall cover all poles of each of the parties now existing or hereafter erected or acquired in the above territory when said poles are brought hereunder in accordance with this Agreement.
- 1.02 Each party reserves the right to exclude from joint use:
 - a. Poles which in Owner's judgment are necessary for its own sole use; or
 - b. Poles which carry, or are intended by Owner to carry, circuits of such a character that in Owner's judgment the proper rendering of its service now or in the future makes joint use of such poles undesirable.
- 1.03 This Agreement shall create only several liability and not any joint liability between Columbus Southern Power Company and Ohio Power Company as it relates to their respective obligations under this Agreement. Reference to the terms "Electric Company" and/or "Electric Companies" must be read in their appropriate context given this stated objective.

ARTICLE 2

2 EXPLANATION OF TERMS

For the purpose of this Agreement, certain terms shall have the meanings given in this article.

2.01 JOINT USE - The simultaneous use of any pole for the attachment of both parties.

2.02 NORMAL POLE means a 40-foot Class 4 wood pole conforming to the latest specifications of the American Standards Association. It is not intended to preclude the use of joint poles shorter or of less strength than the Normal Pole in locations where such poles will meet the requirements of the parties hereto and the specifications referred to in Article 3.

2.03 NORMAL SPACE ALLOCATION is the following described space for the exclusive use of each party, respectively, except that attachments of one party may, in accordance with the specifications referred to in Article 3, be located in space reserved for the other party:

a. For the Electric Company, the uppermost eight (8) feet.

b. For the Telephone Company, two (2) feet at such distance below the space of the Electric Company as to provide at all times the minimum clearances required by the specifications referred to in Article 3.

These specifications referred to in Article 3 do not preclude certain attachments of one party being located in and extending vertically through space reserved for the other party.

2.04 OWNER - The party with full rights of ownership or control of the pole.

2.05 LICENSEE - The party having the right under this Agreement to make attachments to Owner's poles.

2.06 APPLICANT - The party making application to the Owner for permission to become a Licensee on Owner's poles.

2.07 SUBTRANSMISSION - Voltage below 138KV not otherwise designated as distribution.

2.08 TOTAL COST - Total Cost shall include all material, labor and overheads. When replacing a pole and for additional poles due solely to the Licensee's requirements, Total Cost shall also include the cost of transferring facilities and removal of the old pole, with book value credit for any reusable/salvageable material.

- 2.09 **THIRD PARTY** - Any additional licensees other than the Electric Company and Telephone Company.
- 2.10 **BARE POLE** - A pole exclusive of any type of attachments.
- 2.11 **PROPOSALS** - A standardized form used by the parties to communicate either their needs, requirements or intentions regarding attachments.
- 2.12 **TRANSFER NOTICE** - A standardized form used by the parties to communicate that new pole placement has been completed.
- 2.13 **ATTACHMENT** - Any device now or hereafter fastened to a joint use pole by the parties hereto; excludes existing pedestals and bonds to pole ground where no other overhead attachment or device exists. A riser up the pole to attach to the neutral is considered a contact establishing the pole as a joint use pole herein.
- 2.14 **POLE GROUND** - A ground rod or wire connected thereto to which Telephone Company may connect at the base of Electric Company pole without causing pole to be considered joint use as herein defined.
- 2.15 **JOINT FIELD CHECK** - The physical review of joint use facilities subject to this agreement by a representative from each party to determine the ownership of each pole and licensee of said pole. This does not exclude any additional activities during the field check as long as they are mutually agreeable to both parties.

ARTICLE 3

3 SPECIFICATIONS

- 3.01 The joint use of poles covered by this Agreement shall at all times be in conformity with good industry practice and with the terms and provisions of the latest applicable edition of The National Electrical Safety Code, and the rules of the Public Service Commissions of the States applicable to this agreement and any other applicable binding orders, statutes, ordinances, rules and regulations of any other governmental body. Where differences in standards exist, the most stringent shall apply.
- 3.02 If either party places or maintains its facilities not in conformance with Article 3, then the other party may give written notice to the nonconforming party to bring its facilities into compliance with this Agreement subject to the limitations contained in Article 3.04. The nonconforming party must bring its facilities into compliance within ninety (90) days of notification. If facilities are not brought into compliance, the nonconforming party is considered in default in accordance with Article 15 of this Agreement.

- 3.03 Wood poles shall comply with American Standards Association specifications and have a preservative treatment, full length, in accordance with good modern practice at the time of installation.
- 3.04 It is the intent of this Agreement that poles having attachments prior to the execution date of this Agreement, will not be replaced or attachments rearranged solely to meet the requirements of Articles 2.03 a. and 2.03 b., under NORMAL SPACE ALLOCATION or the current specifications referred to in Article 3.01.

ARTICLE 4

4 ESTABLISHING OR REVISING JOINT USE OF EXISTING POLES

- 4.01 (a) All existing poles of either party hereto may be contacted by the other party without notification, but only for the purpose of end user service drops, subject to all applicable laws and regulations and the other terms and conditions of this agreement. A summary Proposal of such service drop poles contacted shall be submitted monthly to the owner with as much accuracy as practical and with sufficient detail as the owner may require and which is readily determined at the pole locations.
- 4.01 (b) Except as provided for by 4.01 (a), whenever either party desires to reserve space on any pole owned by the other party, either as initial space or additional space on said pole, it shall submit a proposal therefor, specifying the location of the pole in question, the amount of space desired and the number and character of circuits to be placed thereon. Within fifteen (15) days after the receipt of such application, Owner shall notify the Applicant whether or not said pole is among those excluded from joint use under the provisions of Article 1.02. If for any reason the Owner cannot respond within fifteen (15) days, notification (telephone, fax, verbal, etc.) for an extension shall be made. Failure of response within such fifteen (15) day period shall create a presumption that permission has been granted and Applicant may proceed accordingly; however, notification (telephone, fax, verbal, etc.) to the Owner shall be made before the Applicant proceeds. Upon receipt of Owner's notice that the said pole is not among those excluded from joint use or notification (telephone, fax, verbal, etc.) as stated above, and after the completion by Owner of any transferring or rearranging which in the Owner's judgment is then required with respect to attachments on said poles, including any necessary pole replacements, the Applicant shall have the right as Licensee hereunder to use said space for attachments and circuits of the character specified in said notice in accordance with the terms of the notice and of this Agreement.
- 4.02 Whenever any jointly used pole or any existing pole about to be so used under the provisions of this Agreement is insufficient in height or strength for the existing attachments and for the proposed immediate additional attachments thereon, Owner

shall replace such pole with a new pole of the necessary height and strength and shall make such other changes in the existing pole line in which such pole is included as the conditions may then require, and costs will be distributed in accordance with Article 8.

Whenever Licensee requests any existing jointly used pole be replaced and Owner cannot complete replacement and/or rearrangements within the time required by Licensee, as indicated on the Proposal form, Licensee may place the new pole and may become the owner of the new pole under the conditions stated in Article 8. Owner of the original pole, after transferring its facilities to the new pole, will remove said original pole.

- 4.03 Except as herein otherwise expressly provided, on jointly used poles each party shall, at its own expense, place, maintain, transfer, rearrange and remove its own attachments, including any tree trimming or cutting incidental thereto, place guys to sustain unbalanced loads due to its attachments, and shall perform such work promptly and in such manner as not to interfere with the service of the other party.

ARTICLE 5

5 ESTABLISHING JOINT USE OF NEW POLES

- 5.01 Whenever either party hereto requires new poles within the territory covered by this Agreement, either as an additional pole line, as an extension of an existing pole line, or in connection with the reconstruction of an existing non-jointly used pole line, and such pole facilities are not to be excluded from joint use under the provisions of Article 1, it shall promptly notify the other party by submitting a proposal (oral notice subsequently confirmed in writing may be given in cases of emergency) stating the location and size of the new poles and the character of circuits it proposes to use thereon. Within fifteen (15) days after the receipt of such notice, the other party shall respond with notification per Proposal whether it does or does not desire space on the said poles, and, if it does, the character of the circuits it desires to use and the amount of space it wishes to reserve. Failure to respond within fifteen (15) days shall create a presumption that no joint use is desired and the proposing party may proceed accordingly; however, notification (telephone, fax, verbal, etc.) shall be made to the other party before the proposing party proceeds. Should the party to whom the proposal was made express interest in joint use after the fifteen (15) day period referred to above, any and all additional expenses, including, but not limited to, engineering and other labor costs plus other expenses associated with replacement and/or rearrangement of facilities, shall be borne by the party to whom notice was originally given.
- 5.02 In any case where the parties hereto shall conclude arrangements for the joint use of any new pole to be erected, and if one party is below the minimum percentage of ownership as designated on form Exhibit A, when completed, the party that is below the minimum percentage of ownership shall take into consideration the desirability of owning the new pole facilities so as to work toward such a division of ownership of

the joint poles that both parties shall equitably share in the benefits and burdens of joint use.

- 5.03 Each party shall, at its own expense, place and maintain its own attachments on the new joint poles, including any tree trimming or cutting incidental thereto, place guys to sustain unbalanced loads due to its attachments, and shall perform such work promptly and in such manner as not to interfere with the service of the other party.

ARTICLE 6

6 RIGHTS-OF-WAY FOR LICENSEE'S ATTACHMENTS

- 6.01 Owner shall not be required to secure any right, license or permit from any governmental body, authority or other person or persons which may be required for the construction or maintenance of attachments of Licensee, and Owner does not grant, guarantee nor convey any easements, rights-of-way or franchises for the construction and maintenance of said attachments, and if objection is made thereto and Licensee is unable to satisfactorily adjust the matter within a reasonable time, Owner may at any time, upon notice in writing to Licensee, require Licensee to remove its attachments from the poles involved, and Licensee shall, within sixty (60) days after receipt of said notice, remove its attachments from such poles at its sole expense.

ARTICLE 7

7 MAINTENANCE OF POLES AND ATTACHMENTS

- 7.01 Owner shall maintain its jointly used poles in a safe and serviceable condition in accordance with Owner's standards and in accordance with the specifications referred to in Article 3, and shall replace, reinforce or repair poles as they become defective.
- 7.02 When replacing a jointly used pole carrying terminals of aerial cable, underground connections, or other special equipment, the new pole shall be set in a manner which will minimize the transfer cost of both parties. Should special conditions warrant setting the new pole in the old pole hole, written notice using the standard Proposal form shall be provided to the Owner prior to construction.
- 7.03 Whenever it is necessary to replace or relocate a jointly used pole, Owner shall, before making the change, give notice thereof in a Proposal (except in cases of emergency, when oral notice may be given and subsequently confirmed in writing) to Licensee, specifying in such notice the time of such proposed replacement or relocation. After Owner has completed its work it shall notify Licensee by Transfer Notice and Licensee shall transfer its attachments to the new or relocated pole. Normally, unless mutually agreed to otherwise, the party to this Agreement last transferring their attachment shall remove and retain or dispose of the old pole within 90 days of the Transfer Notice and shall be responsible for any liability, injury, damage, expense, or claim to persons, including disease or death, which is in any way attributable to the removal and disposal

of the old pole. If the Licensee is the party who removes the existing pole they will be reimbursed for the cost of removing the existing pole, including its disposition, by the original owner of the pole. If Owner must return to pull the old pole because of failure of Licensee to remove the old pole in a timely manner, Licensee shall compensate Owner for pulling the pole. However, if Licensee is unable to transfer their facilities and remove the old pole due to a third party not transferring its facilities within 10 days of the Transfer Notice, the Licensee will not be liable for the additional costs associated with removal of the old pole. In this instance the Licensee will be responsible for removing the old pole and authorized to bill the Owner for the cost of removing the old pole and any return trips. The Owner will then bill the third party accordingly.

- 7.04 The Telephone Company, when operating either as Owner or Licensee, may install electrical bonding from communication cables or equipment to Electric Company's pole grounds on jointly used poles in accordance with Article 3.
- 7.05 The Licensee may replace Owner's pole during emergency conditions when Owner is not able to replace such pole in a timely manner. In this event, the Owner shall pay the Licensee's costs in accordance with Article 8.04.

ARTICLE 8

8 DIVISION OF COSTS

- 8.01 The Total Cost of new jointly used poles under this Agreement, either in new pole lines, in extension of existing pole lines, to replace existing poles, or to add an additional pole in an existing line, shall be borne by the parties as follows:

- a. Normal Pole

The Total Cost of a NORMAL POLE or smaller shall be borne by Owner except as provided in b., c. and d. herein.

- b. Replacement

- (1) Where a pole must be replaced due to Owner's requirements, the Total Cost of the pole shall be borne by Owner. Each party shall transfer its facilities at its own expense.
- (2) Where a pole is replaced by Owner at the request of Licensee solely to accommodate attachments of Licensee, Licensee shall pay to Owner a sum equal to the Total Cost of the new pole.
- (3) Where a pole must be replaced due to Owner's requirements (additional height, deterioration, etc.) and the Licensee also has additional requirements, Licensee shall pay to Owner only the

incremental cost due to Licensee's additional requirements. This shall be calculated as a sum equal to the difference between the Total Cost of the larger/stronger new pole required to accommodate Licensee's additional attachments and the Total Cost of a pole adequate to accommodate the requirements of the Owner and its other licensees.

- (4) When a pole must be replaced under the situations listed above in 8.01 b(1), b(2) & b(3), and the Owner desires to have the Licensee set the pole and the Licensee agrees, the Licensee may bill the Owner as outlined below. Note: Some of the conditions contain exceptions to the defined term Total Cost.

Under conditions of b(1) - The Owner must replace due to its own requirements, the Licensee may bill the Owner the Total Cost of the pole or assume ownership of the pole. In this situation, the Licensee shall be responsible for its transfer cost, while the Owner will be responsible for its transfer cost and the removal cost of the pole.

Under conditions of b(2) - If the Owner must replace the pole due to the Licensee's requirements, the Licensee may bill the Owner the Total Cost of the pole or take ownership of the pole, except in either case Licensee shall be responsible for both parties' transfer costs and the pole removal cost.

Under the conditions of b(3) - If both parties have additional requirements, the Licensee may bill the Owner the Total Cost of the pole less the incremental cost. The Licensee shall be responsible for its transfer costs and the Owner shall be responsible for its transfer and pole removal costs. The ownership of the new pole will remain with the Owner.

c. New (Additional Pole)

- (1) Where Owner requires a new pole, the cost of installing the normal or smaller pole adequate to provide normal space allocation shall be borne by Owner.
- (2) Where Owner requires a new pole and Licensee requires extra height and/or strength to accommodate its attachments, Licensee shall pay a sum equal to the difference between the Total Cost of a new pole adequate to accommodate Licensee's attachments and the Total Cost of a normal pole.
- (3) Where one party requires a new pole, but requests to have the second party set the pole and the second party agrees, the second party may bill the requesting party the Total Cost, or assume ownership of the

new pole. In the case of pole replacements of fifty (50) feet or more, refer to Article 8.02.

- d. In the case of a pole taller or stronger than a pole suitable for joint use, the extra height and/or strength of which is due to the requirements of public authorities (other than requirements with regard to keeping the wires of either party clear of trees), Licensee shall pay to Owner a sum equal to one-half the difference between the Total Cost of such pole and the Total Cost of a pole considered by Owner to be adequate to accommodate the attachments of Owner and its other licensees, unless the Owner is reimbursed by the public authority.
- e. The cost of excess height and/or strength provided for the attachments of third parties, except as provided in Article 8.01 d., shall be billed to and reimbursed by the third party according to the agreement between the Owner and the third party.
- f. Any new pole shall be the property of Owner regardless of any payments by Licensee toward the cost of such new pole, and Licensee shall acquire no right, title or interest in and to such pole.
- g. Each party shall place, maintain, rearrange, transfer and remove its own attachments at its own expense, except as otherwise expressly provided elsewhere in this Agreement.

8.02 Placement and Replacement of Fifty (50) Foot and Higher Poles. The Electric Company shall own all new poles having a length of fifty (50) feet or more. Proposals by third parties for the replacement of existing poles with fifty (50) foot or higher poles are to be submitted to the Owner in all cases and where Owner is the Telephone Company, it will then propose the Electric Company install a fifty (50) foot or higher pole. Costs incurred as a result of such a request from a third party shall be billed to and reimbursed by the third party according to the agreement between the parties involved.

8.03 Assistance Required. If Owner cannot physically install a new pole or replace a pole for Joint Use as required in Article 4.02 without the assistance of the Licensee, then Owner shall reimburse Licensee the Total Cost incurred in rendering the required assistance.

8.04 Emergency Conditions. Where Licensee must replace Owner's pole under emergency conditions, Owner shall pay Licensee for the Total Cost incurred in replacing the pole, and, if Licensee removes the old pole, the cost of removal. Title to the new pole will remain with the Owner. Licensee will transfer its own facilities at no cost to Owner.

8.05 Cost of Rearrangements on Existing Poles. Whenever joint use is requested by the Licensee on an existing pole, and space can be provided by rearrangement of the

Owner's attachments, the Total Cost of such rearrangements shall be borne by the Licensee.

- 8.06 Sharing of Space. Each party may, upon request of the other party, share with such other party any assigned or reserved space not presently being used, so long as the requirements of Article 3 are satisfied. Upon written notice from the sharing party that any such shared space is required for such party's operations, the party to whom the space was originally loaned shall, within sixty (60) days, relocate or rearrange its facilities. The Total Cost of any work necessary to provide the sharing party with its normal space allocation shall be the responsibility of the borrower. However, if either party has additional requirements, the cost of the additional requirements shall be allocated as otherwise provided in this Article 8.
- 8.07 Anchors. All anchors and guys, with the exception of jointly used anchors as provided in Article 8.08 below, shall be placed by and at the expense of the party whose attachments make such work necessary. Such anchors and guys shall remain the sole property of the party placing them and shall not be considered a part of the supporting structure.
- 8.08 Jointly Used Anchors. Normally each company will place separate anchors; however, when it is advantageous to both companies, an anchor rod suitable for joint attachment shall be placed by the Owner of the pole with the Total Cost of the anchor to be shared equally by the parties. If the anchor is inadequate for the combined requirements of both parties, then the Licensee shall place the additional anchorage required.

ARTICLE 9

9 PROCEDURE WHEN CHARACTER OF CIRCUITS IS CHANGED

- 9.01 When either party desires to change the character of its circuits on jointly used poles, such party shall give ninety (90) days' written notice to the other party of such contemplated change.

The parties shall then cooperate in determining (1) the conditions under which joint use may be continued on a mutually satisfactory basis, or (2) if in the judgment of both parties continued joint use is not feasible, the most practical and economical method of providing for separate lines. In the latter event, the party whose circuits are to be removed from the jointly used poles shall promptly carry out the necessary work.

The cost of establishing such circuits in the new location shall be borne by each party under the provisions of this paragraph. In the event one party owns all the poles, the Licensee shall relocate its facilities at no expense to the Owner. If the parties agree that it is more practical for the Licensee to remain on the existing centerline and Owner's facilities should be relocated, Licensee shall reimburse Owner for the cost of relocation based upon the reestablishment of similar facilities. In the event neither

party is the Owner of all the poles involved, the cost of reestablishing equivalent facilities in a new location shall be divided between the parties in proportion to the percent ownership of the existing poles. Where ownership is divided, the party owning a majority of the poles shall have the right to remain on an existing centerline unless it is mutually agreed otherwise. The cost of relocation shall be divided according to ownership with the party who retains the centerline paying a portion of the relocating party's cost equal to the percent of poles involved which are owned by the relocating party. For example, if one party owns 60% of the poles and the second party owns 40%, the second party would relocate and receive payment equal to 40% of its cost from the first party. Where the ownership of the poles involved is equal, the parties shall decide which facilities are more practical to relocate, and the relocating party will be reimbursed 50% of its relocation costs. If the party owning less than 50% of the poles prefers to remain on the existing centerline and the other party is agreeable, the entire cost of the relocating party's expense shall be paid by the party retaining its facilities on the existing centerline.

- 9.02 Attachments may be permitted on subtransmission and transmission poles of the Electric Company only after obtaining written authorization (Proposal) with the understanding that, should the characteristics of the Electric Company facilities (circuits) change resulting in either the Electric Company or the Telephone Company deciding joint use is no longer feasible, the Telephone Company shall remove its facilities with no cost or obligation to the Electric Company.

ARTICLE 10

10 TERMINATION OF JOINT USE

- 10.01 If Owner desires at any time to abandon any jointly used pole, it shall give Licensee notice in writing to that effect at least sixty (60) days prior to the date on which it intends to remove its attachments from such pole. If, at the expiration of said period, Owner shall have no attachments on such pole but licensee shall not have removed all of its attachments therefrom, such pole shall thereupon become the property of Licensee, and Owner shall transfer title to said pole and Licensee shall accept title to said pole in the manner provided for under Article 11. Licensee shall indemnify, protect and hold harmless the Owner from all obligations, liabilities, damages, costs, expenses or charges incurred after the expiration of the sixty (60) day period, and not arising out of anything theretofore occurring, because of or arising out of, the presence or condition of such pole or of any attachment thereon; and shall pay Owner a sum as described in Article 11.02.
- 10.02 Licensee may at any time abandon the use of a jointly used pole by giving due notice thereof in writing to Owner, and by removing therefrom any and all attachments it may have thereon.

ARTICLE 11

11 TRANSFERS OF OWNERSHIP

- 11.01 Any time it is determined the deficient party must purchase jointly used poles as stated in Article 12.03, the location and number of poles to be purchased shall be arrived at by mutual agreement. The deficient party shall purchase a sufficient number of poles installed or replaced during the preceding year to equal the minimum ownership percentage of Exhibit A. The price to be paid shall be determined as described in Article 11.02. Each party shall obtain the approval of any governmental agency having jurisdiction over such party's part of the transaction, including the approval of the Securities and Exchange Commission under the Public Utility Holding Company Act. The parties shall share equally in the cost of any regulatory filing fees excluding any legal fees.
- 11.02 When ownership of poles is to be transferred, a mutually approved Proposal in accordance with the Owner's standard selling policy shall be prepared to cover such transfer. Payments for such poles by the Licensee will be made at the time of purchase. The price of each pole shall be the original Owner's current Total Cost to place a like pole at the time of sale depreciated at the rate of 3% per year, to not less than 5% of the current Total Cost to place a like pole and no less than \$50.
- 11.03 Unless otherwise specified in this Agreement, a formal Bill of Sale will be required for the transfer of ownership of all poles. The transferring party shall also obtain any necessary mortgage releases if the poles to be transferred are subject to any mortgages, and shall submit such releases to the other party.
- 11.04 Licensee may request Owner's permission to continue, for a period not to exceed six months, to attach to a pole which Owner would otherwise wish to abandon and sell to Licensee. If Owner approves, Licensee will not be required to purchase the pole under terms of Article 11.02 and 11.03 and agrees to remove and dispose of the pole in accordance with Article 10.01.

ARTICLE 12

12 RENTALS

- 12.01 For purposes of this Agreement, a Rental Year shall be a calendar year from January 1 to the succeeding December 31. Any space occupied or reserved by Licensee during any portion of any such Rental Year shall be deemed to have been so occupied or reserved during the entire year.
- 12.02 Licensee shall pay rent annually to Owner for those poles on which space is occupied or reserved by Licensee and for which rent is payable, in an amount per pole as provided in this Article 12.

- 12.03 The parties agree that the Owner of the fewest poles shall, as a minimum, purchase sufficient poles within sixty (60) days of the annual bill so as to not own less than the percentage of ownership established as of the first agreed upon inventory (base line total) following the effective date of this agreement. This ownership minimum is to be compiled on Exhibit A and agreed to by representatives of both parties.
- 12.04 a. Each party shall submit to the other, on or before each March 31, a determination of the number of poles subject to this Agreement on which space was occupied or reserved by such other party as of the preceding December 31. Each such determination shall be deemed correct unless written exception is taken within thirty (30) days of receipt. If any such exception cannot be otherwise resolved, a joint inspection of the poles in dispute and records pertaining thereto shall be made. If the parties are not able to resolve any such exceptions by the next billing date, the number originally proposed shall be used until such resolution is accomplished, at which time a retroactive adjustment shall be made if necessary.
- b. Rent for each pole occupied shall be \$13.07 for 1996. An inflation adjustment shall be applied for future years using the annual average CPI- U index percentage change from the previous year (January - December), rounding the rental rate to the nearest cent.
- 12.05 The bills for the annual rental shall be rendered each year on or about June 1 and shall contain the total rental due for the current Rental Year. All such bills shall be paid within sixty (60) days of receipt.
- 12.06 In order to make the transition between this Agreement and any prior agreement, it is agreed that an inventory will be necessary to determine a new base line total of contacts. Until an inventory is completed and concurred to, the latest agreed inventory totals will be used.

ARTICLE 13

13 UNAUTHORIZED USE: JOINT FIELD CHECKS

- 13.01 If unauthorized occupancy of poles is found, a Proposal shall be prepared to establish a record of this occupancy on the next annual billing. The party responsible for unauthorized occupancy shall owe the Owner the rental for the entire period dating back to the last joint field check or five (5) years whichever is less, including interest of 8% compounded annually. The back rentals shall be based on the rate specified in Article 12.04(b).

If the only attachment on a pole is unused hardware it shall not be considered a rental attachment; however, provisions will be made to have such hardware promptly removed. If not removed within sixty (60) days after formal notification, the current annual rental will apply, including interest of 8% compounded annually.

- 13.02 The parties shall participate in a joint field check at their own expense no less often than every five (5) years, unless an extension is mutually agreed by the parties. Should one party elect not to participate, that party shall pay one-half (1/2) the cost of the field check performed by the other party. The non-participating party has sixty (60) days in which to verify the findings, after which the results of the inventory will become final.

ARTICLE 14

14 LIABILITY AND DAMAGES

- 14.01 Whenever any liabilities, losses, costs, expenses, suits, actions, claims and all other obligations and proceedings whatsoever, including all judgments rendered against, fines or penalties are incurred by either or both of the parties hereto, or their respective employees, agents, contractors or subcontractors, including without limitation, injuries to persons, including disease or death, or damage to property, arising out of the joint use of poles under this Agreement, including the location of said poles, the liability for such damages, as between the parties hereto, shall be as follows:
- a. Each party shall be liable for all damages for such injuries to persons or property caused by its sole negligence or by the sole negligence of its contractors or subcontractors or by its sole failure to comply at any time with the specifications referred to in Article 3 or solely by its contractor's or subcontractor's sole failure to comply at any time with the specifications referred to in Article 3, and will indemnify, protect and hold harmless the other party in any such instance.
 - b. Each party shall be liable for one-half (1/2) of all damages for such injuries to persons and for one-half (1/2) of all damages for such injuries to property that are caused by the concurrent negligence of both parties hereto, the concurrent negligence of both parties respective contractors/subcontractors, the concurrent negligence of a party and the other party's contractor/subcontractor, or that are due to causes which cannot be traced to the sole negligence of either party, and each party will indemnify, protect and hold harmless the other party for such liability in any such instance.
 - c. All claims for damages arising hereunder that are asserted against or affect both parties hereto shall be dealt with by the parties hereto jointly; provided, however, that in any case under the provisions of paragraph b. of this Article and where the claimant desires to settle such claim upon terms acceptable to one of the parties hereto but not to the other, the party to which said terms are acceptable may, at its election, pay to the other party one-half (1/2) of the amount which such settlement would involve as a one-time nonrefundable payment, and thereupon said other party shall be bound to protect the party making such payment from all further liability and expense on account of such claim, regardless of the final disposition of such claim.

- d. In the adjustment between the parties hereto of any claim for damages arising hereunder, each party shall bear its own administrative expenses incurred in connection therewith, including, but limited to, costs, attorneys' fees, disbursements and other proper charges and expenditures. For all other non-administrative expenses or damages arising hereunder, the liability assumed hereunder by the parties shall be allocated in accordance with the other provisions of Article 14.
- e. It is further understood and agreed between the parties hereto that at all times during the term of this Agreement and particularly during the time of any construction, repair or new attachments to poles covered by this Agreement, the parties shall consider the electric wires of the Electric Company to be energized, that working in the vicinity of the wires poses potential dangers and that the Telephone Company shall warn all of its employees, agents, contractors and subcontractors, or any other parties who may be working on behalf of the undersigned, of the potential dangers.
- f. The parties hereto agree to require their contractors and subcontractors to provide a release and indemnification of all claims for the benefit of the other joint user in the form attached hereto as Exhibit B. If one of the parties hereto fails to obtain the appropriate release and indemnification from its contractor/subcontractor, such party agrees to provide the same release and indemnification to the other party to this Agreement.
- g. In the event that one of the parties hereto is providing storm, emergency, or safety-related services for the benefit of the other party hereto and the party providing the service incurs any liability as referenced in this Article 14, the party receiving the service shall be responsible for any and all such liability.
- h. It is further agreed between the parties hereto, that to the extent any of the provisions of this Article 14 should be determined to be contrary to law or held to be invalid by any court of competent jurisdiction, this Article shall be construed and applied as if such invalid provisions were not contained herein, attempting at all times to conform, to the extent possible, to the intent of the parties as herein stated, and provide the maximum indemnity allowed by law. With respect to claims against one party by the other party's employees, the latter party agrees to expressly waive its immunity, if any, as a complying employer under the workers' compensation law but only to the extent that such immunity would bar or affect recovery under or enforcement of the indemnification obligations set forth in this Article. With respect to the State of Ohio, this waiver applies to Section 35, Article II of the Ohio Constitution and Ohio Revised Code Section 4123.74.

ARTICLE 15

15 DEFAULTS

- 15.01 With exception of ARTICLE 9, if either party shall default in any of its obligations under this Agreement and such default continues thirty (30) days after notice thereof in writing by the other party, the party not in default may suspend the granting of any further joint use. If such default shall continue for a period of sixty (60) days after such suspension, the party not in default may forthwith terminate this Agreement as far as it concerns the further granting of joint use, and shall be under no further obligation to permit additions to, changes in, or upgrades to attachments of the defaulting party upon poles in joint use on the date of such termination. The time frames in this Article 15.01 may be extended if agreeable to both parties.
- 15.02 If either party shall default in the performance of any work which it is obligated to do under this Agreement, the other party may elect to do such work and the party in default shall reimburse the other party for the Total Cost thereof (for example, rearranging the defaulting party's attachments, including pole replacement, to result in attachments conforming to Article 3.01. Where pole replacement is required, the new pole shall be the property of the party performing the work unless the defaulting party wishes to retain ownership by paying the Total Cost of the new pole.). Failure on the part of the defaulting party to make such payment within sixty (60) days after presentation of bills therefor shall, at the election of the other party, constitute a default under Article 15.01.

ARTICLE 16

16 ATTACHMENTS OF OTHER PARTIES

- 16.01 Nothing herein contained shall be construed as prohibiting the granting by Owner to others, not parties to this Agreement, by contract or otherwise, rights or privileges to use any poles covered by this Agreement. The attachments of any such outside party shall be treated as attachments belonging to the Owner, who shall have the entire right to any payments from such party.
- 16.02 Attachments of other parties shall at all times be in conformity with Article 3.
- 16.03 If space is shared by the Owner or Licensee with a third party in order to minimize such third party's costs, the sharing party retains its right to use the shared portion of its space. If Owner or Licensee thereafter requires the full use of its space, it is the duty of the Owner to provide that all costs of making that space available shall be borne by the third party.
- 16.04 If there is insufficient space on a joint use pole to accommodate a third party, the third party shall be required to reimburse Owner and Licensee for all costs incurred by them in making such space available.

ARTICLE 17

17 WAIVER OF TERMS OR CONDITIONS

- 17.01 The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, and the same shall be and remain at all times in full force and effect.

ARTICLE 18

18 PAYMENT OF TAXES

- 18.01 Each party shall pay all taxes and assessments levied on its own property upon said jointly used poles, and the taxes and the assessments which are levied on said jointly used poles shall be paid by the Owner.

ARTICLE 19

19 BILLS AND PAYMENT FOR WORK

- 19.01 Upon the completion of work performed hereunder by either party, the expense of which is to be borne wholly or in part by the other party, the party performing the work shall include the expense on the next quarterly billing summary if used or present to the other party within sixty (60) days after the completion of such work a statement of the costs in accordance with the provisions of this Agreement and such other party shall within sixty (60) days after such statement is presented, pay to the party doing the work such other party's portion of the cost of said work.

ARTICLE 20

20 EXISTING AGREEMENTS

- 20.01 All existing agreements, written or oral, between the parties hereto for the joint use of poles within the territory covered by this Agreement are by mutual consent hereby terminated, and poles covered by such agreements are brought under this Agreement as of the effective date hereof, but such termination shall not extinguish any obligation arising prior to the effective date of this Agreement.

ARTICLE 21

21 TERM OF AGREEMENT

21.01 The initial term of this agreement shall be 5 years, except that all or part may be terminated if necessary by law or regulation. Both parties agree, it is the intent to comply with such laws or regulations. Subject to the provisions of Article 15 Defaults, herein, this Agreement may be terminated by either party on or after the first day of January, 2001 by giving one (1) year's notice in writing to the other party on or after January 1, 2000. If not so terminated, it shall continue in force until terminated by either party at any time upon one (1) year's notice in writing to the other party as aforesaid. Despite any termination under this Article, this Agreement shall remain in full force and effect with respect to all poles jointly used by the parties at the time of such termination until a new Agreement is entered into by the parties. Following such termination until a new Agreement is entered into between the parties, neither party shall be under an obligation to permit additions to or changes in attachments of the other on poles in joint use on the date of such termination. This Agreement shall not be modified except in writing executed by a duly authorized representative of both parties.

ARTICLE 22

22 OPERATING ROUTINE

22.01 An Operating Routine shall be jointly prepared by the parties hereto, and shall be approved respectively by the one designated person responsible to administer joint use for each of the Telephone Company and the Electric Companies. This routine shall be based on this Joint Use Agreement and shall give the detailed methods and procedures which will be followed in establishing, maintaining and discontinuing the joint use of poles. In case of any ambiguity or conflict between the provisions of this Agreement and those of the Operating Routine, the provisions of this Agreement shall be controlling. This Operating Routine may be changed at any time upon the approval of the one designated person responsible to administer joint use for each of the Telephone Company and the Electric Companies, provided such changes do not conflict with the terms of this Joint Use Agreement.

ARTICLE 23

23 MISCELLANEOUS

23.01 Force Majeure. Neither party shall be considered in default in the performance of its obligations herein, or any of them, to the extent that performance is delayed or prevented due to the following causes which are beyond the control of said party: Acts of God or the public enemy, war, revolution, terrorism, civil commotion,

blockade or embargo, fires, explosions, cyclones, floods, unavoidable casualties, quarantine, and restrictions.

- 23.02 Modifications of Agreement. No amendments or modifications to this Agreement and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized representatives of the parties.
- 23.03 Invalidity. If any provision of this Agreement shall for any reason be held to be invalid, illegal or unenforceable under any laws, rules or regulations of any governmental body or agency having jurisdiction thereof, any such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been incorporated herein.
- 3.04 Execution. The Agreement may be executed in three (3) counterparts, each of which so executed shall be deemed to be an original.
- 23.05 Headings. Headings used in this Agreement are inserted only for the convenience of the parties and shall not affect the interpretation or construction of this Agreement.
- 23.06 Electronic Communications. For the purpose of this Agreement, when notification or notice is specified to be given in writing to the other party in this Agreement, electronic communications may be used in place of paper forms if it is mutually agreed to by the parties and reflected as such in the Operating Routine.
- 23.07 Applicable Law. This contract shall be governed by and interpreted under the laws of the State of Ohio.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

COLUMBUS SOUTHERN POWER COMPANY

Attest: _____ By Branden J. Wagner 10/2/76
Joint Use Manager

OHIO POWER COMPANY

Attest: _____ By Branden J. Wagner
Joint Use Manager

GTE NORTH INCORPORATED

Attest: _____ By W.A. Sumrell
~~President~~ ~~Northwestern Region~~
Vice President

Approved as to Form By: <u>PK</u> Date: <u>7/2/77</u>

EXHIBIT A
Article 12.03

Columbus Southern Power Company and GTE North Incorporated

Initial inventory results agreed to subsequent to effective date of Joint Use Agreement:

Poles Owned by Electric Company (1)_____

Poles Owned by Telephone Company (2)_____

Total # Joint Use Poles (3)_____

Minimum % to be Owned by Telephone Company $[(2) \div (3)]$ _____
xx.xx%

Columbus Southern Power Company Representative

GTE North Incorporated Representative

Ohio Power Company and GTE North Incorporated

Initial inventory results agreed to subsequent to effective date of Joint Use Agreement:

Poles Owned by Electric Company (1)_____

Poles Owned by Telephone Company (2)_____

Total # Joint Use Poles (3)_____

Minimum % to be Owned by Telephone Company $[(2) \div (3)]$ _____
xx.xx%

Ohio Power Company Representative

GTE North Incorporated Representative

RELEASE AND INDEMNIFICATION OF ALL CLAIMS

In consideration of GTE North Incorporated ("Phone Co.") granting and providing Columbus Southern Power Company and/or Ohio Power Company ("Electric Co.") and its contractors and subcontractors with access and/or permission to work on or in the vicinity of Phone Co.'s facilities under the terms of that certain Joint Use Agreement between Phone Co. and Electric Co. effective January 1, 1996, the undersigned, its employees, subcontractors or agents, agrees to release, indemnify, save harmless, and defend Phone Co., or any of their affiliated or subsidiary companies, directors, officers, employees and agents (collectively Indemnitees) from and against any losses, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings whatsoever, including without limitation, all judgments rendered against and all fines and penalties imposed upon Indemnitees, and any reasonable attorney fees and any other costs of litigation (hereafter referred to as liabilities) arising out of injuries to persons including, disease or death or damage to property, caused by the undersigned, its employees, agents, subcontractors or any other parties whether connected to the undersigned or not, which are in any way attributable to the performance and prosecution of any work under the Joint Use Agreement. This release and indemnification shall specifically cover, but not be limited to, any liabilities arising out of any injury or damage due to working in the vicinity of or contacting Phone Co.'s telephone lines and facilities.

The undersigned agrees to expressly waive the undersigned's immunity as a complying employer under the workers' compensation law of the jurisdictional state from indemnification. With respect to the contractors based in the State of Ohio, this waiver applies to Section 35, Article II of the Ohio Constitution and Ohio Revised Code Section 4123.74. The undersigned shall also hold Indemnitees harmless from any workers' compensation claims by the undersigned's employees, agents, and contractors in accordance with the indemnity set forth in the first paragraph.

The undersigned hereby acknowledges that he has been warned that working in the vicinity of Phone Co.'s facilities poses potential dangers and that the undersigned is aware of said dangers and will furthermore warn all employees, agents, subcontractors, or any other parties who may be working on behalf of the undersigned, of the potential dangers.

I have fully read this release and understand and consent to it in its entirety.

Name of Electric Company Contractor

By

Date

Title

RELEASE AND INDEMNIFICATION OF ALL CLAIMS

In consideration of Columbus Southern Power Company and/or Ohio Power Company ("Electric Co.") granting and providing GTE North Incorporated ("Phone Co.") and its contractors and subcontractors with access and/or permission to work on or in the vicinity of Electric Co.'s facilities under the terms of that certain Joint Use Agreement between Phone Co. and Electric Co. effective January 1, 1996, the undersigned, its employees, subcontractors or agents, agrees to release, indemnify, save harmless, and defend Electric Co., or any of their affiliated or subsidiary companies, directors, officers, employees and agents (collectively Indemnitees) from and against any losses, liabilities, costs, expenses, suits, actions, claims and all other obligations and proceedings whatsoever, including without limitation, all judgments rendered against and all fines and penalties imposed upon Indemnitees, and any reasonable attorney fees and any other costs of litigation (hereafter referred to as liabilities) arising out of injuries to persons including, disease or death or damage to property, caused by the undersigned, its employees, agents, subcontractors or any other parties whether connected to the undersigned or not, which are in any way attributable to the performance and prosecution of any work under the Joint Use Agreement. This release and indemnification shall specifically cover, but not be limited to, any liabilities arising out of any injury or damage due to working in the vicinity of or contacting Electric Co.'s electric power lines and facilities.

The undersigned agrees to expressly waive the undersigned's immunity as a complying employer under the workers' compensation law of the jurisdictional state from indemnification. With respect to the contractors based in the State of Ohio, this waiver applies to Section 35, Article II of the Ohio Constitution and Ohio Revised Code Section 4123.74. The undersigned shall also hold Indemnitees harmless from any workers' compensation claims by the undersigned's employees, agents, and contractors in accordance with the indemnity set forth in the first paragraph.

The undersigned hereby acknowledges that he has been warned that working in the vicinity of Electric Co.'s facilities poses potential dangers and that the undersigned is aware of said dangers and will furthermore warn all employees, agents, subcontractors, or any other parties who may be working on behalf of the undersigned, of the potential dangers.

I have fully read this release and understand and consent to it in its entirety.

Name of Phone Company Contractor

By

Date

Title

American Electric Power
301 Cleveland Ave
PO Box 24100
Canton, OH 44701-4100



August 8, 1997

Mr. James M. Schrader
Administrator-Joint Use
GTE North Incorporated
550 Leader Street
Marion, Ohio 43302

Dear Jim:

The recapitulation of the 1996 annual pole rental between GTE North Incorporated and Columbus Southern Power Company is listed below. It is requested that you review it and, if satisfactory, forward the attached invoice to your Accounting Department for payment.

	<u>GTE North Incorporated on Columbus Southern</u>	<u>Columbus Southern on GTE North Incorporated</u>
Columbus-Marion	3,084	1,103
Chillicothe-Portsmouth	14,307	2,015
Athens-Athens	<u>15,458</u>	<u>1,912</u>
Total	32,849	5,030
1996 rental rate per pole	<u>\$13.07</u>	<u>\$13.07</u>
	\$429,336.43	\$65,742.10
Persent of Total Poles	86.72%	13.28%

Billing to GTE North Incorporated for the year 1996 will be \$429,336.43 less \$65,742.10 = \$363,594.33.

If you have any questions, please call me at (330) 438-7953.

Very truly yours,

A handwritten signature in cursive script, appearing to read "A.J. Shaffer".

A.J. Shaffer
Joint Use Coordinator

attachment

cc: B.J. Wagner
D.A. Davis/C.L. Ramey
E.D. May

gterecpl

EXHIBIT

2

210002677

0067099728000000000250208021999000000000000



TOTAL AMOUNT DUE: \$670,997.28
Due Date: July 19, 2013

Amount Enclosed \$

Verizon (GTE North)
 Mr. Bob Hoepfner
 8001 W. Jefferson Blvd.
 Fort Wayne IN 46804

JUN 28 2013

Make Check Payable and Send To:
 American Electric Power
 PO Box 24424
 Canton OH 44701-4424

Invoice: 250-20802199 9
 Invoice Date: June 19, 2013

Please tear on dotted line and return top portion with your payment.

Invoice: 250-20802199
 Invoice Date: June 19, 2013
 Payment Terms: Net 30
 Due Date: July 19, 2013
 Contract No:

INVOICE

Page: 1
 Customer No: 10002677
 Purchase Order: 1027

Line	Description	Quantity	UOM	Unit Amt	Net Amount
1	Frontier on AEP Poles	40,985.00	EA	19.12	783,633.20
2	AEP on Frontier Poles	(5,891.00)	EA	19.12	(112,635.92)
Rental Period Covered January 2012 thru December 2012					
100% Ohio					
40,985 Frontier attachments on Ohio Power poles @ \$19.12 ea = \$783,633.20					
Less 5,891 Ohio Power attachments on Frontier poles @ \$19.12 = \$112,635.92					
Total amount due to Ohio Power Company = \$670,997.28					

Subtotal: 670,997.28

TOTAL AMOUNT DUE: 670,997.28 USD

Please be sure to return the invoice stub and include your invoice number on your check. All payments should be sent to AEP Accounting Services in Canton, Ohio. If you have any questions, please call the number below. Thank you.

Please Wire/ACH Funds To: Ohio Power Co - Distribution
 Citibank, N.A. New York
 ABA/Routing #:
 Account #:

EXHIBIT**3**

For billing questions, please call:

614-883-6983

Original

210002486

0117349000000000000250208021924000000000003



RECEIVED

JUN 28 2013

Frontier (Verizon)

Bob Hoepfner

Joint Use - INFAOJ

8001 W. Jefferson Blvd.

Fort Wayne IN 46804

Joint Use / ROW

TOTAL AMOUNT DUE: \$1,173,490.00

Due Date: July 17, 2013

Amount Enclosed \$

Make Check Payable and Send To:

American Electric Power

PO Box 24424

Canton OH 44701-4424

Invoice: 250-20802192 4

Invoice Date: June 17, 2013

Please tear on dotted line and return top portion with your payment.

Invoice: 250-20802192
 Invoice Date: June 17, 2013
 Payment Terms: Net 30
 Due Date: July 17, 2013
 Contract No:

INVOICE



Page: 1
 Customer No: 10002486
 Purchase Order: 7270

Line	Description	Quantity	UOM	Unit Amt	Net Amount
1	Frontier on OP poles	81,270.00	EA	19.12	1,553,882.40
2	OP on Frontier poles	(19,895.00)	EA	19.12	(380,392.40)
	2012 Rental Period				
	100% Ohio				
	81,270 Frontier attachments @ \$19.12 = \$1,553,882.40 (Rev)				
	19,895 OP attachments @ \$19.12 = \$380,392.40 (Exp)				
	Total amount due Ohio Power = \$1,173,490.00				

Subtotal: 1,173,490.00

TOTAL AMOUNT DUE: 1,173,490.00 USD

Please be sure to return the invoice stub and include your invoice number on your check. All payments should be sent to AEP Accounting Services in Canton, Ohio. If you have any questions, please call the number below. Thank you.

Please Wire/ACH Funds To: Ohio Power Co - Distribution
 Citibank, N.A. New York
 ABA/Routing #:
 Account #:

EXHIBIT

4

For billing questions, please call: 330/438-7297

Original



Lawrence Morris

Centralized Joint Use Team

8001 W. Jefferson Blvd.

Fort Wayne, IN 46804

Phone: 260.461.8905

lawrence.morris@ftr.com

October 18, 2011

American Electric Power
Mr. Davle L. Key
Frontier Client Manager
P. O. Box 2021
Roanoke, VA 24022-2121

Re: Notice of Renegotiation of Joint Use Agreement, dated January 1, 1996, by and between Frontier North Inc. (f/k/a GTE NORTH INCORPORATED) and American Electric Power (f/k/a COLUMBUS SOUTHERN POWER COMPANY and OHIO POWER COMPANY)

To Whom It May Concern:

The FCC's new order and rules on pole attachments became effective on June 8, 2011 (Report and Order and Order on Reconsideration, FCC 11-50, released April 7, 2011). This new Order recognizes that Frontier is entitled to just and reasonable rates, terms, and conditions in its pole attachment agreement with your company.

When our existing agreement was negotiated, our company was in an inferior bargaining position vis-à-vis your company. It is our view that the existing rates, terms and conditions with your company are unjust and unreasonable.

By this letter, Frontier provides your company one year's written notice of the intent to terminate the existing agreement so far as it concerns the further granting of joint use of poles or making additional attachments. Termination will be effective on October 18, 2012.

Frontier further notifies your company that it seeks to immediately engage in discussions to renegotiate the pole attachment rates, terms, and conditions. To assist in making those negotiations more efficient, please send your rate calculations for the FCC's pre-existing telecommunications rate and the new telecommunications rate under the new Order. The calculations should use FERC and other appropriate data for year-end 2010 and should show the rate inputs and methodology used. Please also send representative, existing agreements with cable and telecommunications attaching entities so that, in accord with the new Order, Frontier can determine if it is similarly situated or desires to opt into similar rates, terms, and conditions.

Consistent with the FCC's new Order, for your company's attachments to Frontier's poles, Frontier intends to charge the same proportionate rate according to our respective space usage on the poles.

EXHIBIT

5



Lawrence Morris

Centralized Joint Use Team

8001 W. Jefferson Blvd.

Fort Wayne, IN 46804

Phone: 260.461.8905

lawrence.morris@ftr.com

Lastly, to the extent that multiple agreements exist between our companies within a given state, we should consider consolidating those agreements into a single agreement for more consistent, efficient, and effective network solutions for our respective customers.

Sincerely,

Lawrence M. Morris

Section Manager – Network Engineering

Centralized Joint Use Team

CC:

AEP - Ohio Power Company

Lynn Stefanko

301 Cleveland Ave. SW

Canton, OH 44701-4400

AEP - Columbus Southern Power Company

Debbie Harmon-Howe

850 Tech Center Dr.

Gahanna, OH 43230-6605



Susan L. Knowles
Director - Engineering
Centralized Joint Use Team
8001 W. Jefferson Blvd.
Fort Wayne, IN 46804
Phone: 260.461.8901
Mobile: 260.241.3584
susan.l.knowles@ftr.com

March 27, 2013

Sent via First Class U.S. Mail and via E-mail

Mr. Davie L. Key
Frontier Client Manager
American Electric Power
P.O. Box 2021
Roanoke, VA 24022-2121

Mr. Tom St. Pierre
Senior Counsel
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, OH 43215

Re: AEP- Frontier Pole Agreement Negotiations In Indiana, Michigan, and Ohio

Dear Davie and Tom,

This responds to your February 26, 2013 letters to Lawrence Morris concerning the above negotiations. Please be advised that Mr. Morris no longer works for Frontier, and Joan Huffine has assumed the responsibilities for these agreements with AEP.

AEP's letters for the Indiana, Michigan and Ohio (IN, MI and OH) negotiations have tracked identically with its letters for the West Virginia (WV) negotiations. Our initial renegotiation letters were sent October 17, 2011 for WV, and October 18, 2011 for IN, MI, and OH. You sent identical letter responses on October 19, 2011, and October 25, 2011, respectively. Because these letters were being sent and received by you for AEP and by the Centralized Joint Use Team negotiators for Frontier, in lieu of sending continued duplicative letters, Frontier sent its substantive responses on the WV negotiations. The issues in the IN, MI, and OH negotiations are the same issues in dispute with the WV negotiations.

EXHIBIT

6



Susan L. Knowles
Director - Engineering
Centralized Joint Use Team
8001 W. Jefferson Blvd.
Fort Wayne, IN 46804
Phone: 260.461.8901
Mobile: 260.241.3584
susan.l.knowles@ftr.com

Page Two
Messrs. Key and St. Pierre
March 27, 2013

As you know, on March 2, 2012, AEP filed a Complaint with the West Virginia PSC, putting the issues in these negotiations in litigation between the parties. And our companies are actively litigating the issues at the Federal Communications Commission.

To continue avoiding unnecessary and wasteful duplication of efforts and resources for each of our companies, I propose that we continue to suspend the negotiations on the Indiana, Michigan, and Ohio agreements until the West Virginia matter is resolved. We can then apply the issue resolutions from the West Virginia case to the Indiana, Michigan, and Ohio agreements, with any necessary revisions for state-specific costs. Similarly, we propose that as in West Virginia, the parties continue to allow each other access to the poles in these three states.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan L. Knowles", with a long horizontal line extending to the right.

Susan L. Knowles
Director - Engineering
Centralized Joint Use Team



Susan L. Knowles
Director - Engineering
Centralized Joint Use Team
8001 W. Jefferson Blvd.
Fort Wayne, IN 46804
Phone: 260.461.8901
Mobile: 260.241.3584
susan.l.knowles@ftr.com

January 3, 2014

Sent via First Class U.S. Mail and via E-mail

Mr. Tom St. Pierre
Senior Counsel
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, OH 43215

Re: AEP- Frontier Pole Agreements in Indiana, Michigan, and Ohio

Dear Tom,

I am in receipt of your three virtually identical letters of December 2, 2013, December 20, 2013 and December 20, 2013 addressing, respectively, our pole agreements in Ohio, Indiana, and Michigan. Thank you for your offer to negotiate. Frontier has and remains willing to negotiate new agreements in all three states. We would like to do so immediately.

To make those negotiations efficient, however, we will need your rate calculations for the FCC's pre-existing telecommunications rate and the new telecommunications rate under the FCC's 2011 Order. Because the ILEC's new right to just and reasonable rates was effective July 12, 2011, please send the rate calculations for calendar years 2011, 2012, and 2013. Also, please send the calculation for 2014 when it becomes available. Those calculations should show all rate inputs and calculation methodologies.

In addition, for Frontier to determine whether it desires to continue under a joint use relationship or instead under a pole licensing arrangement similar to AEP's other attaching entities, we need to review AEP's existing agreements with other cable and telecommunication attaching entities. To that end, please immediately send the existing agreements with cable and telecommunications attaching entities. If necessary, Frontier will sign reasonable confidentiality provisions for your existing agreements.

Upon receipt of the above-requested information necessary for our negotiations, we can select dates for those negotiations.

EXHIBIT

7



Susan L. Knowles
Director - Engineering
Centralized Joint Use Team
8001 W. Jefferson Blvd.
Fort Wayne, IN 46804
Phone: 260.461.8901
Mobile: 260.241.3584
susan.l.knowles@ftr.com

Your letters also contain certain recitations of AEP's view of the parties' prior actions in this matter. Please allow me to set the record straight.

You will recall that, on October 18, 2011, Frontier sent renegotiation and termination notices for our pole agreements in Indiana, Michigan, and Ohio. All three agreements terminated effective October 18, 2012. AEP was sending identical letters for the West Virginia (WV) negotiations and these three Midwest negotiations. In lieu of sending continued duplicative letters and because the Midwest issues were the same as those in the WV litigation, Frontier sent its substantive responses on the WV negotiations. Although it seemed self-evident, AEP questioned the lack of state-specific responses and was expressly advised of Frontier's practice on March 27, 2013.

In the interim, on March 2, 2012, AEP filed a Complaint with the West Virginia PSC, putting the issues in these negotiations in litigation between the parties. Our companies were actively litigating the issues at the Federal Communications Commission and in federal district court. The WV litigation settled in October 2013 with no resolution of the various issues remaining in dispute in the Midwest states.

The Midwest states remain unresolved, and AEP sent notices of default on December 3, 2013 for Ohio and on December 20, 2013 for Indiana and Michigan. Accordingly, we would like to immediately commence negotiations for those states.

Meanwhile, we are checking on the make-ready work invoices for Indiana and Michigan and will provide a status as soon as is possible. Unfortunately, the spreadsheets of make-ready invoices were not included with your December 20, 2013 e-mail and were first received in the certified letter delivered on December 27, 2013. We will need a reasonable amount of time to review the status of those invoices.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan L. Knowles", with a long horizontal line extending to the right.

Susan L. Knowles
Director - Engineering
Centralized Joint Use Team

Copy to:

Joseph J. Starsick, Jr.

American Electric Power
P.O. Box 2021
Roanoke, Virginia 24022-2121
540-988-2308
Fax 540-985-2423



October 25, 2011

Frontier Communications
Attn: Lawrence M. Morris, Section Manager
Centralized Joint Use Team
8001 W. Jefferson Blvd.
Fort Wayne, IN 46804

RE: Frontier / AEP Agreements in Ohio

Dear Mr. Morris:

I received your letter dated October 18, 2011 concerning the termination of the agreements between Frontier and the AEP companies in Ohio (Columbus Southern Power Company and Ohio Power Company).

After our review of your letter, we have the same basic question that we have been asking Frontier for some time; is Frontier requesting a continuation of a joint use relationship with AEP or is Frontier requesting that we enter into a pole attachment agreement? There are fundamental differences between the two types of agreements including the following:

- Joint Use Agreement: Each party uses available space on pole as needed for proposed attachments; Each party performs engineering on their own facilities; Each party can request additional pole height or size to accommodate needs and pole owner will install what is needed
- Pole Attachment Agreement: Attaching party restricted to agreement defined space on poles; Attaching party pays for all engineering and make ready expenses required to accept proposals; Requests for additional pole height or larger poles can be denied

While we are in agreement that the FCC rates and recent order covers typical attachers such as CATV and CLEC's, it specifically does not cover ILEC's. If, for purposes of this new agreement, Frontier is requesting that we consider them strictly as an attacher similarly situated to a CATV or CLEC company, it will affect the type of agreement that we are prepared to negotiate. If you can clarify Frontier's position on this topic, it will assist with this negotiation process.

As requested, we are providing the net cost of a bare pole which we would intend to use as the basis of any attachment rate be it Joint Use or Pole Attachment. Please provide Frontier's equivalent. Also, if Frontier is looking for a Pole Attachment agreement, we would like to know what that means to AEP from an attachment rate perspective.

We look forward to discussing further.

Sincerely,

A handwritten signature in dark ink, appearing to read 'David L. Key'.

David L. Key
Frontier Client Manager
540-985-2308

EXHIBIT

8

OHIO POWER					
CALCULATION OF ANNUAL POLE COST - JOINT USE					
2010 DATA (2011 RATE)					
NET CALCULATION					
Line	Description	Acct. Ref.	Report Reference or Formula	\$	Line
1	Gross Investment				1
2	Poles	384	FORM 1; Page 207 (g)Ln84	330,393,070	2
3	Conductor	385	FORM 1; Page 207 (g)Ln86	294,050,642	3
4	Services	389	FORM 1; Page 207 (g)Ln89	136,978,205	4
5	Total Overhead Accs		Sum Accs 384,385,389	761,422,717	5
6	Total Dist. Plant		FORM 1; Page 207 (g)Ln75	1,626,195,073	6
7	Total Utility Plant		FORM 1; Page 200 (b)Ln8	9,073,346,306	7
8					8
9	Deprec. Reserve				9
10	Poles		(L2/L8)*L12	108,842,474	10
11	Overhead Accs		(L6/L8)*L12	252,861,051	11
12	Total Dist. Plant		FORM 1; Page 219 (c)Ln26	639,327,222	12
13	Total Utility Plant		FORM 1; Page 200 (b)Ln14	3,768,679,494	13
14					14
15	Deferred Taxes				15
16	Poles		(L2-L10)/(L7-L13)*L23	62,408,513	16
17	Overhead Accs		(L6-L11)/(L7-L13)*L23	120,782,488	17
18	Total Utility Plant				18
19	For Accel. Amort. Pply	281	FORM 1; Page 273 (k)Ln8	268,593,585	19
20	For Other Pply	282	FORM 1; Page 276 (k)Ln2	999,685,803	20
21	Deferred P.T. Other	283	FORM 1; Page 277 (k)Ln9	401,212,157	21
22	Deferred Taxes	190	FORM 1; Page 234 (c)Ln8	183,666,463	22
23	Deferred Taxes Tot. Pli.		Sum Accs 281,282,283 Less 190	1,476,924,882	23
24					24
25	Net Pole Investment		L2-L10-L18	108,341,883	25
26	Net Overhead Accs		L6-L11-L17	387,059,178	26
27	Net Plant Investment		L7-L13-L23	4,740,741,930	27
28					28
29	Appurt. Elimination Rate		Rate for Electric Company	16.00%	29
30	Number of Poles		Company Records	662,277	30
31	Net Cost of a Bare Pole		(L25*(1-L29))/L30	219.37	31
32					32
33	Deprec. Rate - Poles		FORM 1; Page 337 actual Composite rate	3.88%	33
34	Administrative Exp.		FORM 1; Page 323 (b)Ln 197	109,387,429	34
35	Pole Maintenance Exp		L26/L20*L38	20,485,661	35
36	Mainten. of Overhead Lines	593	FORM 1; Page 322 (b)Ln 149	47,211,089	36
37	Operating Taxes				37
38	Taxes Other Than Income	408	FORM 1; Page 114 (c)Ln 14	206,292,690	38
39	Income Taxes - Federal	408.1a	FORM 1; Page 114 (c)Ln 16	-49,087,677	39
40	Income Taxes - Other	408.1b	FORM 1; Page 114 (c)Ln 16	-13,229,428	40
41	Provision for Def. Inc. Tax	410.1	FORM 1; Page 114 (c)Ln 17	472,647,232	41
42	Provision for Def. Inc. Tax (cr.)	411.1	FORM 1; Page 114 (c)Ln 18	-246,365,872	42
43	Investment Tax Cr. Adj. - Net	411.4	FORM 1; Page 114 (c)Ln 19	-370,763	43
44	Operating Taxes - Total			389,786,294	44
45					45
46	Depreciation Expense Factor		(L33*L2)/L25	7.83%	46
47	Admin. Factor		L34/L27	2.31%	47
48	Pole Mainten. Factor		L35/L25	12.17%	48
49	Tax Expense Factor		L44/L27	7.78%	49
50	Rate of Return		Commission Order	11.25%	50
51	Annual Cost Factor		L48+L47+L48+L49+L50	41.14%	51
52	Annual Net Pole Cost		L61*L31	\$80.26	52
Updated 03/23/11					

210002677

0065448239000000000250207377756000000000007



TOTAL AMOUNT DUE: \$654,482.39
Due Date: June 30, 2012

Amount Enclosed \$

Verizon (GTE North)
 Mr. Bob Hoeppner
 8001 W. Jefferson Blvd.
 Fort Wayne IN 46804

JUN 07 2012

- 8001 W. Jefferson Blvd.

Make Check Payable and Send To:
 American Electric Power
 PO Box 24424
 Canton OH 44701-4424

Invoice: 250-20737775 6
 Invoice Date: May 31, 2012

Please tear on dotted line and return top portion with your payment.

Invoice: 250-20737775
 Invoice Date: May 31, 2012
 Payment Terms: Net 30
 Due Date: June 30, 2012
 Contract No:

INVOICE

Page: 1
 Customer No: 10002677
 Purchase Order: 1027

Line	Description	Quantity	UOM	Unit Amt	Net Amount
1	Frontier on AEP Poles	40,816.00	EA	18.73	764,483.68
2	AEP on Frontier Poles	(5,873.00)	EA	18.73	(110,001.29)
Rental Period Covered 1/1/11 - 12/31/11 100% Ohio 40,816 Frontier Attachments on AEP Poles @ \$18.73 ea = \$764,483.68 Less 5,873 AEP Attachments on Frontier Poles @ \$18.73 = \$110,001.29 Total amount due to AEP - OH = \$654,482.39					
Subtotal:					654,482.39

TOTAL AMOUNT DUE: 654,482.39 USD

942.000.4120.400 = \$ 654,482.39

Please Wire/ACH Funds To: Ohio Power Co - Distribution
 Citibank, N.A. New York
 ABA/Routing #:
 Account #:

EXHIBIT**9**

For billing questions, please call:

614-883-6983

Original

FRONTIER COMMUNICATIONS

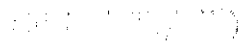
Based on CPI-U Index Percentage Rate

$$\begin{array}{r} \$ 18.15 \text{ Last Year Rate} \\ \times \quad 1.032 \text{ (CPI-U Index)} \\ \hline \$ 18.73 \text{ Bill generated in 2012 for billing period 1-1-11---12-31-11} \end{array}$$

CPIU for period ending 2011 is 3.2

$$\begin{array}{r} 1.0000 \\ 1.032 \\ \hline 1.0320 \end{array}$$

01146800440000000025020737651900000000000008



Amount Enclosed

JUN 08 2012

John J. Cox / JJC

Make Check Payable and Send To:
American Electric Power
PO Box 24424
Canton OH 44701-4424

Invoice: 250-20737651 9
Invoice Date: June 01, 2012

Invoice: 250-20737651
 Invoice Date: June 01, 2012
 Payment Terms: Net 30
 Due Date: July 01, 2012
 Contract No:

**AEP AMERICAN
ELECTRIC
POWER**

Page: 1
Customer No: 10002486
Purchase Order: 7270

Subtotal:	<u>1,146,800.44</u>
-----------	---------------------

TOTAL AMOUNT DUE: 1,146,800.44 USD

$$942.000.4120.400 = \$ 1,146,800.44$$
EXHIBIT

10

Original



June 4, 2012

Mr Bob Hoepfner
Frontier (Verizon)
8001 W Jefferson Blvd
Fort Wayne IN 46804

Dear Mr Hoepfner:

The recapitulation for the 2011 annual pole rental between Frontier and Ohio Power Company is listed below.

Ohio Power Region	Frontier on OP Poles	Frontier Area/Location	OP on Frontier Poles
Canton	25,630	Medina	5,775
Canton	81	Ashland	42
Western	1,944	Marion	541
Western	1,214	Brookville	225
Western	1,583	Norwalk	740
Western	2,640	Bowling Green	872
Gahanna	6,013	Medina	2,350
Gahanna	5,280	Athens	1,255
Gahanna	506	Marion (Waldo)	225
Chillicothe	18,336	Portsmouth	7,535
Chillicothe	3,023	Athens	264
Total Poles	66,250		19,824
2011 Rental Rate per Pole	<u>\$18.73</u>		<u>\$18.73</u>
	\$1,240,862.50		\$371,303.52
Additional Contacts found on Ohio Power Poles from inv.	14,802		
	\$277,241.46		
Percent of Total Poles	80.35%		19.65%
Total Rental Due	\$1,518,103.96		\$371,303.52

Verizon owes Ohio Power Company \$1,518,103.96 and Ohio Power Company owes Frontier \$371,303.52 in rental fees for 2011. Therefore, the net billing to Frontier is \$1,146,800.44. Attached is an invoice for this amount. Please forward it to your accounting department for prompt payment.

If you have any questions, please call me at (330) 438-7297.

Sincerely,

Lynn Stefanko

Lynn Stefanko
Joint Use Administrator

attachment
H:\internal\Lasfiles\Micro-Word\Corresp\Verizon Letter (OP).doc

Verizon Ohio Power

Based on CPI-U Index Percentage Rate

$$\begin{array}{r} \$ 18.15 \text{ 2010 Rate} \\ \times \quad 1.032 \text{ (CPI-U Index)} \\ \hline \$ 18.73 \text{ 2011 Rate} \end{array}$$

Rate based on consumer price index for year ending 2011 (Annual average CPIU of 3.2%)

American Electric Power
P.O. Box 2021
Roanoke, Virginia 24022-2121
540-985-2306
Fax 540-985-2423



September 24, 2012

Frontier Communications
Attn: Lawrence M. Morris, Section Manager
Centralized Joint Use Team
8001 W. Jefferson Blvd.
Fort Wayne, IN 46804

RE: Frontier / AEP Joint Use Agreements in Ohio

Dear Mr. Morris:

This letter is a follow up to the letter that I sent to you on October 25, 2011, concerning Frontier's notice to terminate the joint use agreements between Frontier and the AEP companies in Ohio (Columbus Southern Power Company and Ohio Power Company). To date, we have not received a response to that letter. In addition, we provided our annual pole costs in effect at that time and requested the same from Frontier. We are providing our updated pole cost for the year ending 2011 and request the equivalent 2011 end of year pole cost for Frontier to use in our discussions. Please note that our two Ohio companies have now been merged into just one company, Ohio Power Company.

We are prepared to immediately commence negotiation of new joint use agreements. Please provide your proposed form of agreement as soon as possible. We would like to implement any new agreement upon termination of our current joint use agreements so that the benefits of joint use are not suspended. We are concerned however that we will need to move very quickly to complete our negotiations by the date of termination of our current agreements. We acknowledge that upon termination of our current agreements, existing attachments will continue to be governed by the terms of such agreements pursuant to Section 21.01, but we believe it is likely that both parties may desire to make future attachments.

As we have indicated before, we value our relationship with Frontier and the savings that are achieved by both parties in sharing pole space with each other. We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read 'David L. Key'.

David L. Key
Frontier Client Manager
540-985-2306

EXHIBIT

11

Updated 04/02/12

American Electric Power
P.O. Box 2021
Roanoke, Virginia 24022-2121
640-985-2308
Fax 640-985-2423



February 26, 2013

Frontier Communications
Attn: Lawrence M. Morris, Section Manager
Centralized Joint Use Team
8001 W. Jefferson Blvd.
Fort Wayne, IN 46804

RE: Joint Use Agreements Between the Frontier Incumbent Local Exchange Carrier Operating Companies ("Frontier") and the AEP Operating Companies (Ohio Power Company and Indiana Michigan Power Company or "AEP") Covering the States of Michigan, Ohio and Indiana (the "Joint Use Agreements")

Dear Mr. Morris:

On October 18, 2011, Frontier provided notice of termination of the Joint Use Agreements to become effective October 18, 2012. Frontier further requested that the parties negotiate terms of new joint use agreements to be effective upon termination of the Joint Use Agreements. On October 25, 2011, AEP responded to such notice by providing its annual pole cost data, and requesting Frontier's annual pole cost data. AEP further inquired as to the type of relationship Frontier would be seeking post termination of the Joint Use Agreements. AEP received no response from Frontier. On September 24, 2012, AEP reminded Frontier that the Joint Use Agreements would be terminating and urged Frontier to participate in negotiation of new joint use agreements. AEP also provided its most recent pole cost data, and again requested Frontier's pole cost data. Frontier did not respond.

AEP remains ready to negotiate new joint use agreements so that both parties can continue to enjoy the benefits of joint use. In the absence of new joint use agreements, AEP will continue to invoice Frontier for existing joint use attachments pursuant to Section 21.01 of the Joint Use Agreements which states the following:

"Subject to the provisions of Article 15 Defaults, herein, this Agreement may be terminated by either party . . . by giving one (1) year's notice in writing to the other party . . . Despite any termination under this Article, this Agreement shall remain in full force and effect with respect

EXHIBIT

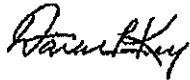
12

American Electric Power
P.O. Box 2021
Roanoke, Virginia 24022-2121
640-985-2306
Fax 640-985-2423

to all poles jointly used by the parties at the time
of such termination until a new agreement is
entered into by the parties."

If Frontier would like to commence negotiation of new joint use agreements,
please provide your annual pole cost data and a proposed form of
agreement. We look forward to hearing from you.

Sincerely,



Davle L. Key
Frontier Client Manager
540-985-2306

- c. Susan L. Knowles
Director -- Engineering
Centralized Joint Use Team
Frontier Communications
8001 W. Jefferson Blvd.
Fort Wayne, IN 46804

AEP Ohio Rate of Return and Depreciation Rate for Poles

2011 and 2012 Rate of Return - Weighted Average

	Depreciable	Total Value	Weighted Average	Source
Ohio Power	ROR 7.97	Plant Base 341,499	2,721,747	ROR: PUCO Case No. 11-351-EL-AIR (12/14/11); Depr Plant Base: 2011 FERC Form 1 Page 337.2 (b) Line 19 and Page 337.4 (b) Line 42
Columbus Southern	7.78	239,554	1,863,730	
ROR	581,053	4,585,477	7.89	

2011 Depreciation Rate for Poles - Weighted Average

	Depr. Rate for Acct 364	Depreciable Plant Base	Total Value	Weighted Average	
Ohio Power	4.84	341,499	1,652,855		2011 FERC Form 1 Page 337.2 (e) Line 19
Columbus Southern	4.00	239,554	958,216		2011 FERC Form 1 Page 337.4 (e) Line 42
Depreciation Rate	581,053	2,611,071	4.49		Depr Plant Base: 2011 FERC Form 1 Page 337.2 (b) Line 19 and Page 337.4 (b) Line 42

2012 Depreciation Rate for Poles for Merged Company Ohio Power

	Original Cost (A)	Annual Accrual (B)	Depr. Rate for Acct 364 (B) / (A)	
Ohio Power	544,210,123	29,038,481	5.34%	PUCO Case No. 11-351-EL-AIR (12/14/11); Stipulation par. IV.A.5 and Attachment D. Acct 364 (11/23/11); 2012 FERC Form 1 Page 337.3 (e) Line 43
Adjusting for Theoretical Reserve				
Amortization*	(8,199,019)			
Depreciation Rate	544,210,123	20,839,462	3.83%	

*Adjustment for depreciation reserve overaccrual to be amortized over 7 years. The determination of a zero base distribution increase includes this amortization. Likewise, it should not be used to increase pole rates.

P.U.C.O. NO. 20

SCHEDULE PA
(Pole Attachment)Availability of Service

Available to any operator of a cable system, other than a Public Utility, who has obtained, under law, any necessary public or private authorization and permission to construct and maintain attachments such as wire, cable, facility or other apparatus to the Company's poles, pedestals, or to place same in the Company's conduit duct space, so long as those attachments do not interfere, obstruct, or delay the service and operation of the Company or create a hazard to safety. As used in this Tariff, an "Attachment" shall mean the physical connection of (a) a messenger strand supporting the wires, cables or strand-mounted associated facilities and equipment of a cable system or (b) service drops affixed to the pole and located more than one vertical foot away from the point at which the messenger strand is attached to the pole (but not a strand-originating or mid-span service drop) or (c) service drops located on a dedicated service, drop or lift pole. An Attachment shall consume no more than one foot (1') of vertical space on any distribution pole owned by the Company.

Rates and Charges

The following distribution rates and charges shall apply to each pole of the Company, if any portion of it is occupied by or reserved for the customer's attachments.

Initial Contact Fee.....\$2.50 per pole

To cover the cost to the Company not separately accounted for in processing the application for each initial contact, but no such initial contact fee shall be required if the customer has previously paid an initial contact fee with respect to such pole location.

Billing for Initial Contact Fee will be rendered on the annual billing date each year for all accumulated initial contacts from the preceding year.

Annual Attachment Charge:

A. CATV and All Others.....\$6.26 per pole per year

For each additional attachment made during the current rental year, as authorized and pursuant to the terms and conditions of the agreement as required herein, the annual charge shall be billed on the next annual billing date using the previous year's rate, and shall be computed on the assumption that all attachments made during the contract year were on the pole for one-half the year and the annual charge shall be prorated accordingly.

If the customer has notified the Company of the abandonment by customer of any poles during the contract year, such poles shall be deemed to have been used for one-half of the year and an appropriate credit shall be given.

Billing of annual charges will be rendered in advance annually on each agreement's annual billing date and will be the rate in effect at the time of billing. In addition, the Company shall bill the customer for the prorated portion of any rate increase granted during the contract year.

Filed pursuant to Orders dated December 14, 2011 in Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-351-EL-AIR, and 11-352-EL-AIR

Issued: December 22, 2011

Issued by
Pablo Vegas, President
AEP Ohio

Effective: January 1, 2012

EXHIBIT
14

P.U.C.O. NO. 20

SCHEDULE PA
(Pole Attachment)Special Charges

Customer shall reimburse the Company for all non-recurring expenses caused by or attributable to Customer's attachments.

All charges for inspection, installation, removal, replacement or rearrangement work necessary to facilitate the Customer's attachments and requirements shall be based on the full cost and expense to the Company in performing such work. The charges shall be determined in accordance with the normal and customer methods used by the Company in determining such cost.

Billings for special charges shall be rendered as the work is performed. Company may require advance payment of special charges before any work is initiated.

The Company reserves the right to waive any portion of the charges under this schedule applicable to non-profit entities, rural electric cooperatives and Political Subdivisions of the State of Ohio.

Payments

Bills are due and payable in full by mail, checkless payment plan, electronic payment plan, or at an authorized payment agent of the Company, within 30 days from the date the bill is issued by the Company. On bills not so paid, the customer shall pay interest on such unpaid balance at a rate of 8% per year (the "Interest Rate").

Contracts

Pole attachments shall be allowed only upon signing by the Company and the customer of a written Agreement making reference to this schedule, and upon the approval by the Company of a written application submitted by customer requesting permission to contact specific poles.

Term of Contract

Agreements executed with reference to this schedule shall continue in force until terminated by either party giving to the other prior written notice as prescribed in said agreements. No such termination, however, shall reduce or eliminate the obligation of the customer to make payments of any amounts due to Company for any services covered by this schedule, and shall not waive charges for any attachment until said attachment is removed from the pole to which it is attached.

Should the customer not place attachments or reserve space on the Company's poles in any portion of the area covered by the agreement within six months of its effective date, the Company may, at its option, terminate the Agreement.

Special Terms and Conditions

Terms and conditions of service for this schedule shall be pursuant to any Agreement existing between the Company and the customer on October 1, 2011. In the event that no such Agreement existed, then the terms and conditions of service shall be in accordance with the Company's standard Agreement and this schedule.

Filed pursuant to Orders dated December 14, 2011 in Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-351-EL-AIR, and 11-352-EL-AIR

Issued: December 22, 2011

Effective: January 1, 2012

Issued by
Pablo Vegas, President
AEP Ohio

P.U.C.O. NO. 20

SCHEDULE PA
(Pole Attachment)Attachment Inventories

The Company reserves the right to conduct periodic inventories of Licensee installations on its poles for the purpose of ensuring the accuracy of pole-attachment rental invoices. The Company shall have the right to conduct such inventories every five (5) years or more often if, in the Company's reasonable discretion, conditions warrant. Licensee shall reimburse the Company for Licensee's reasonable share of the actual expense associated with such inventory. The Company's right to conduct such inventory shall not relieve Licensee of any responsibility, obligation, or liability imposed by law or assumed under the Agreement. The Company shall provide Licensee with no less than 90 days' advance written notice of its intention to conduct such Attachment inventory and shall provide to Licensee a reasonable opportunity to participate in the planning and implementation of the inventory. The first inventory conducted after the effective date of the revision contained on this Sheet shall be for the purposes of determining a base line count of Licensee Attachments (the "Base Inventory"). To the extent that the Base Inventory results in the discovery of Attachments that were not previously permitted by the Company pursuant to the Company's permitting process ("Unauthorized Attachments") the Company shall be entitled to collect back rent ("Back Rent") for such Unauthorized Attachments in an amount not to exceed the lesser amount of (i) five (5) years' rent at the prevailing per-unit rental rate in effect during each of the applicable years; or (ii) the number of lesser actual years that the Attachments have been installed, at the prevailing applicable per-unit rate; or (iii) the number of years, less than five (5), back to a prior inventory. The calculation of Back Rent herein shall include an interest charge for the applicable period of time set forth above calculated at the Interest Rate. With respect to future inventories conducted after the Base Inventory, to the extent that such inventory results in the discovery of Unauthorized Attachments that were made after the Base Inventory, the Company shall be entitled to collect from Licensee (a) an Unauthorized Attachment or occupancy sanction in the amount of \$25 per Unauthorized Attachment, plus (b) Back Rent. Notwithstanding the foregoing, an Attachment made to a service or drop pole shall not be considered to be an Unauthorized Attachment if the Licensee seeks to permit the Attachment within thirty (30) days of attaching to the Company's pole.

Filed pursuant to Orders dated December 14, 2011 in Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-351-EL-AIR, and 11-352-EL-AIR

Issued: December 22, 2011

Effective: January 1, 2012

Issued by
Pablo Vegas, President
AEP Ohio

210002486

011734900000000000002502080219240000000000003



TOTAL AMOUNT DUE: ~~\$1,173,490.00~~
 Due Date: July 17, 2013

Amount Enclosed \$

JUN 28 2013

Frontier (Verizon)
 Bob Hoepfner
 Joint Use - INIFAOJ
 8001 W. Jefferson Blvd.
 Fort Wayne IN 46804

Make Check Payable and Send To:
 American Electric Power
 PO Box 24424
 Canton OH 44701-4424

Invoice: 250-20802192 4
 Invoice Date: June 17, 2013

Please tear on dotted line and return top portion with your payment.

Invoice: 250-20802192
 Invoice Date: June 17, 2013
 Payment Terms: Net 30
 Due Date: July 17, 2013
 Contract No:

INVOICE



Page: 1
 Customer No: 10002486
 Purchase Order: 7270

Line	Description	Quantity	UOM	Unit Amt	Net Amount
1	Frontier on OP poles	81,270.00	EA	19.12 \$6.07	1,553,882.40 493,308.90
2	OP on Frontier poles	(19,895.00)	EA	19.12 \$12.28	(380,392.40) 244,310.60
	2012 Rental Period				
	100% Ohio				
	81,270 Frontier attachments @ \$19.12 = \$1,553,882.40 (Rev)				
	19,895 OP attachments @ \$19.12 = \$380,392.40 (Exp)				
	Total amount due Ohio Power = \$1,173,490.00				

Subtotal: ~~\$1,173,490.00~~
 \$248,998.30

TOTAL AMOUNT DUE: ~~\$1,173,490.00 USD~~
 \$248,998.30

Please be sure to return the invoice stub and include your invoice number on your check. All payments should be sent to AEP Accounting Services in Canton, Ohio. If you have any questions, please call the number below. Thank you.

942.000.4120.400 = \$248,998.30

Please Wire/ACH Funds To: Ohio Power Co - Distribution
 Citibank, N.A. New York
 ABA/Routing #:
 Account #:

EXHIBIT

15

For billing questions, please call: 330/438-7297

Original

RECEIVED

JUN 28 2013



June 16, 2013

Mr Bob Hoepfner
Frontier
8001 W Jefferson Blvd
Fort Wayne IN 46804

Joint Use / ROW

Dear Mr Hoepfner:

The recapitulation for the 2012 annual pole rental between Frontier and Ohio Power Company is listed below.

Ohio Power Region	Frontier on OP Poles	Frontier Area/Location	OP on Frontier Poles
Canton	25,679	Medina	5,857
Canton	92	Ashland	43
Western	1,945	Marion	538
Western	1,198	Brookville	225
Western	1,587	Norwalk	741
Western	2,637	Bowling Green	873
Gahanna	5,995	Medina	2,346
Gahanna	5,308	Athens	1,253
Gahanna	506	Marion (Waldo)	226
Chillicothe	18,492	Portsmouth	7,527
Chillicothe	3,029	Athens	266
Total Poles	66,468		19,895
Additional Contacts found on Ohio Power poles from inventory	<u>14,802</u> 81,270		19,895
2013 Rental Rate per Pole	\$19.12		\$19.12
Total Rental Due	\$1,553,882.40		\$380,392.40
Percent of Total Poles	76.96%		23.4%

Frontier owes Ohio Power Company \$1,553,882.40 and Ohio Power Company owes Frontier \$380,392.40 in rental fees for 2012. Therefore, the net billing to Frontier is \$1,173,490.00. Attached is an invoice for this amount. Please forward it to your accounting department for prompt payment.

If you have any questions, please call me at (330) 438-7297.

Sincerely,

Lynn Stefanko

Lynn Stefanko
Joint Use Administrator

attachment

\\:\internal\Lasfiles\Micro-Word\Corresp\Frontier Letter (OP).doc

Verizon Ohio Power

Based on CPI-U Index Percentage Rate

$$\begin{array}{r} \$ 18.73 \text{ 2010 Rate} \\ \times \quad 1.021 \text{ (CPI-U Index)} \\ \hline \$ 19.12 \text{ 2011 Rate} \end{array}$$

Rate based on consumer price index for year ending 2012 (Annual average CPIU of 2.1%)

Hoeppner, Robert

From: Huffine, Joan
Sent: Monday, July 01, 2013 11:33 AM
To: Hoeppner, Robert
Cc: Huffine, Joan; Knowles, Susan L.
Subject: AEP OH Power/CSP 2013 Revised Rates
Attachments: AEP - Ohio Power CSP 2012 Rate use 2011 FERC data 7 1 2013.xlsx

Bob – attached and below are the rates (hi-lighted in yellow) to be used for your 2013 invoices for both AEP-Ohio Power and AEP-Columbus Southern Power as they have merged and now report FERC data as one company but you still received separate invoices. If you have any questions, please let me know. Thank you.

AEP OH (including CSP) Summary of Rates - 2013 Rates using AEP's 2012 FERC Data 7/1/2013

AEP - OHIO POWER	ELCO OWNED POLES	TELCO OWNED POLES	FTR pays to AEP-OH	AEP-OH pays to FTR	ELCO GRI
			2013 RATE	2013 RATE	
FCC Telecom Rate (3 Attachers)	81,270	19,895	\$13.79	\$27.92	\$555,4
FCC Telecom Rate (5 Attachers)	81,270	19,895	\$9.32	\$23.45	\$466,5
New Telecom Non-Urban	81,270	19,895	\$6.07	\$12.28	\$244,4
AEP Invoiced	81,270	19,895	\$19.12	\$19.12	\$380,3

Same rate for both parties-uses CPI

Joan E. Huffine
Sr. Business Consultant – Network Engineering
Centralized Joint Use Team
Frontier Communications
8001 W. Jefferson Blvd.
Fort Wayne, IN 46804
joan.huffine@ftr.com
260-461-3429 (o)
260-461-8900 (f)



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<http://www.Facebook.com/FrontierCentral>
Follow us:

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RECEIVED

JUN 28 2013

Joint Use / ROW

Verizon (GTE North)
Mr. Bob Hoepfner
8001 W. Jefferson Blvd.
Fort Wayne IN 46804

TOTAL AMOUNT DUE: ~~\$670,997.28~~

Due Date: July 19, 2013

Amount Enclosed \$

Make Check Payable and Send To:
American Electric Power
PO Box 24424
Canton OH 44701-4424

Invoice: 250-20802199 9
Invoice Date: June 19, 2013

Please tear on dotted line and return top portion with your payment.

Invoice: 250-20802199
Invoice Date: June 19, 2013
Payment Terms: Net 30
Due Date: July 19, 2013
Contract No:

INVOICE



Page: 1
Customer No: 10002677
Purchase Order: 1027

Line	Description	Quantity	UOM	Unit Amt	Net Amount
1	Frontier on AEP Poles	40,985.00	EA	10.12 6.07	783,633.20 248,778.95
2	AEP on Frontier Poles	(5,891.00)	EA	10.12 12.28	(112,635.92) 72,344.48
	Rental Period Covered January 2012 thru December 2012 100% Ohio 40,985 Frontier attachments on Ohio Power poles @ \$19.12 ea = \$783,633.20 Less 5,891 Ohio Power attachments on Frontier poles @ \$19.12 = \$112,635.92 Total amount due to Ohio Power Company = \$670,997.28				

Subtotal:

~~\$ 670,997.28~~
\$ 176,437.47

TOTAL AMOUNT DUE:

~~670,997.28 USD~~
\$ 176,437.47

Please be sure to return the invoice stub and include your invoice number on your check. All payments should be sent to AEP Accounting Services in Canton, Ohio. If you have any questions, please call the number below. Thank you.

942.000.4120.400 = \$ 176,437.47

Please Wire/ACH Funds To: Ohio Power Co - Distribution
Citibank, N.A. New York
ABA/Routing #:
Account #:

EXHIBIT

16

For billing questions, please call:

614-883-6983

Original

COLUMBUS SOUTHERN POWER
FRONTIER COMMUNICATIONS YEARLY POLE RECAP - 2012

COLUMBUS SOUTHERN POWER				FRONTIER					
Columbus Region	<u>12 Starting #'s Poles Disc. Total Poles</u>			Billable (End + Disc)	<u>'12 Starting #'s Poles Disc. Total poles</u>				
Columbus	4,095	6	4,089	4095	Columbus	1,162	1	1,161	1,162
Portsmouth	16,022	43	15,979	16,022	Portsmouth	2,125	7	2,118	2,125
Athens	17,652	43	17,609	17,652	Athens	2,060	2	2,054	2,060
Medina	3,216	8	3,208	3,216	Medina	544	1	543	544
<u>TOTAL--2012</u>				<u>40,985</u>	<u>TOTAL--2012</u>				<u>5891</u>

FRONTIER COMMUNICATIONS
Based on CPI-U Index Percentage Rate

\$	18.73	2011 Rate
	1.021	(CPI-U Index)
<hr/>		
\$	19.12	2012 Rate

CPIU for period ending 2012 was 1.021

	1
x 1.021	
1.021	

Hoepfner, Robert

From: Huffine, Joan
Sent: Monday, July 01, 2013 11:33 AM
To: Hoepfner, Robert
Cc: Huffine, Joan; Knowles, Susan L.
Subject: AEP OH Power/CSP 2013 Revised Rates
Attachments: AEP - Ohio Power CSP 2012 Rate use 2011 FERC data 7 1 2013.xlsx

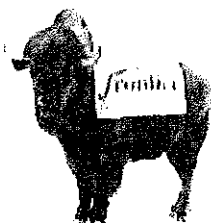
Bob – attached and below are the rates (hi-lighted in yellow) to be used for your 2013 invoices for both AEP-Ohio Power and AEP-Columbus Southern Power as they have merged and now report FERC data as one company but you still received separate invoices. If you have any questions, please let me know. Thank you.

AEP OH (including CSP) Summary of Rates - 2013 Rates using AEP's 2012 FERC Data
7/1/2013

AEP - OHIO POWER	ELCO OWNED POLES	TELCO OWNED POLES	FTR pays to AEP-OH	AEP-OH pays to FTR	ELCO GR
			2013 RATE	2013 RATE	
FCC Telecom Rate (3 Attachers)	81,270	19,895	\$13.79	\$27.92	\$555.4
FCC Telecom Rate (5 Attachers)	81,270	19,895	\$9.32	\$23.45	\$466.5
New Telecom Non-Urban	81,270	19,895	\$6.07	\$12.28	\$244.4
AEP Invoiced	81,270	19,895	\$19.12	\$19.12	\$380.3

Same rate for both parties-uses CPI

Joan E. Huffine
Sr. Business Consultant – Network Engineering
Centralized Joint Use Team
Frontier Communications
8001 W. Jefferson Blvd.
Fort Wayne, IN 46804
joan.huffine@ftr.com
260-461-3429 (o)
260-461-8900 (f)



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<http://www.facebook.com/FrontierCentral>

Follow us:

AEP OH (OH Power & CSP) Summary of Rates - 2012 Rates using AEP's 2011 FERC Data and Costs

AEP - OHIO (OP & CSP)	ELCO OWNED POLES	TELCO OWNED POLES	FTR pays to AEP-OH	AEP-OH pays to FTR	2012 Rate		
					ELCO PAYS GROSS	TELCO PAYS GROSS	TELCO PAYS NET
FCC Telecom Rate (3 Attachers)	122,255	25,786	\$13.79	\$27.92	\$719,945.12	\$1,685,896.45	\$965,951.33
FCC Telecom Rate (5 Attachers)	122,255	25,786	\$9.32	\$23.45	\$604,681.70	\$1,139,416.60	\$534,734.90
New Telecom Non-Urban	122,255	25,786	\$6.07	\$12.28	\$316,652.08	\$742,087.85	\$425,435.77

OHIO POWER (OP)	ELCO OWNED POLES	TELCO OWNED POLES	FTR pays to AEP-OH	AEP-OH pays to FTR	2012 Rate		
					ELCO PAYS GROSS	TELCO PAYS GROSS	TELCO PAYS NET
FCC Telecom Rate (3 Attachers)	81,270	19,895	\$13.79	\$27.92	\$555,468.40	\$1,120,713.30	\$565,244.90
FCC Telecom Rate (5 Attachers)	81,270	19,895	\$9.32	\$23.45	\$466,537.75	\$757,436.40	\$290,898.65
New Telecom Non-Urban	81,270	19,895	\$6.07	\$12.28	\$244,310.60	\$493,308.90	\$248,998.30

COLUMBUS SOUTHERN POWER (CSP)	ELCO OWNED POLES	TELCO OWNED POLES	FTR pays to AEP-OH	AEP-OH pays to FTR	2012 Rate		
					ELCO PAYS GROSS	TELCO PAYS GROSS	TELCO PAYS NET
FCC Telecom Rate (3 Attachers)	40,985	5,891	\$13.79	\$27.92	\$164,476.72	\$565,183.15	\$400,706.43
FCC Telecom Rate (5 Attachers)	40,985	5,891	\$9.32	\$23.45	\$138,143.95	\$381,980.20	\$243,836.25
New Telecom Non-Urban	40,985	5,891	\$6.07	\$12.28	\$72,341.48	\$248,778.95	\$176,437.47

EXHIBIT

Line No.	2012 Using 2011 AEP Ohio FERC Data and Costs	FCC Telecom Non-Urban Rate	FCC Telecom Non-Urban Rate
1	Input Description	2012 Rate	
	Maximum Rate = Space Factor X Net Bare Pole Cost (NBPC) X Annual Carrying Charge (ACC)		
2	Space Factor		
3	Space Occupied	1.25	1.25
	ELCO Space Occupied	8	8
4	Sharing Allocation Factor	66.67%	66.67%
5	Unusable Space	24	24
6	Usable Space		
7	Total Space Usable + Unusable		
8	Number of Attaching Entities	3	5
9	Pole Height	40	40
10	Space Factor Total	16.46%	11.13%
	ELCO Space Factor	33.33%	28.00%
11	Net Bare Pole Cost		
12	Gross Pole Investment (Acct 364)	\$582,110,980	\$582,110,980
13	Less Accum. Depreciation - Poles (108-Poles)	\$224,185,369	\$224,185,369
14	Less Accum. Defrd. Income Taxes (190,281-283)	\$116,391,786	\$116,391,786
15		\$241,533,825	\$241,533,825
16	Less Appurtenances (Non-pole costs)	0.8500	0.8500
17	Net Bare Pole Cost	\$205,303,751	\$205,303,751
18	Total Number of Poles	989,282	989,282
19	NBPC Per Pole	\$207.53	\$207.53
20	Annual Carrying Charge		
21	Administrative		
22	Total General and Administrative	\$163,915,750	\$163,915,750
23	Gross Electric Plant Investment	\$15,449,783,589	\$15,449,783,589
24	Less Accum. Depreciation (Acct 108)	\$6,098,377,155	\$6,098,377,155
25	Less Accum. Deferred Taxes (Plant) (Accts 190,281-283)	\$3,040,930,472	\$3,040,930,472
26	Net Utility Plant Investment	\$6,310,475,962	\$6,310,475,962
27	Administrative Total	2.60%	2.60%
28	Maintenance		
29	Maintenance of Overhead Lines (Acct 593)	\$75,964,519	\$75,964,519
30	Pole Investment in Accts 364,365,369	\$1,429,219,151	\$1,429,219,151
31	Less Accum. Depreciation Accts 364,365,369	\$550,427,727	\$550,427,727
32	Less Accum. Defrd. Income Taxes Accts 364,365,369	\$285,769,166	\$285,769,166
33	Net Investment in Accts 364,365,369	\$593,022,258	\$593,022,258
34	Maintenance Total	12.81%	12.81%
35	Depreciation		
36	Gross Pole Investment (Acct 364)	\$582,110,980	\$582,110,980
37	Net Pole Investment	\$241,533,825	\$241,533,825
38	Depreciation Rate for Poles	3.68%	3.68%
39	Depreciation Total	8.87%	8.87%
40	Taxes		
41	Taxes Other Than Income (408.1)	\$398,494,481	\$398,494,481
42	Income Taxes Utility Operating Income (409.1)	\$173,525,518	\$173,525,518
43	Deferred Income Taxes (410.1)	\$596,165,325	\$596,165,325
44	Investment Tax Credit Adjustments (411.4)	-\$2,093,303	-\$2,093,303
45	Less Provision for Deferred Income Taxes (411.1)	-\$542,311,812	-\$542,311,812
46	Total Taxes	\$623,780,209	\$623,780,209
47	Gross Electric Plant Investment	\$15,449,783,589	\$15,449,783,589
48	Accum. Depreciation (Acct 108)	\$6,098,377,155	\$6,098,377,155
49	Accum. Deferred Taxes (Plant) (Acct190, 281-283)	\$3,040,930,472	\$3,040,930,472
50	Net Electric Plant Investment	\$6,310,475,962	\$6,310,475,962
51	Taxes Total	9.88%	9.88%
52	Rate of Return (Cost of Capital)	6.20%	6.20%
53	ACC Per Pole	40.36%	40.36%
54	Final Rate (Upper Bound)	\$13.79	\$9.32
55	Final ELCO Rate	\$27.92	\$23.45
56	NBPC x ACC	\$83.76	\$83.76
57	Maint. & Admin ACC	15.41%	15.41%
58	New Telecom - Non-Urban Cost	0.44 \$36.85	
59	New Telecom - Urban Cost	0.66 \$55.28	
60	New Telecom - Non-Urban Rate	\$6.07	
61	New Telecom - Urban Rate	\$6.15	
62	New Telecom Maint & Admin (Lower Bound)	\$5.26	\$3.56
63	ELCO New Telecom - Non-Urban Rate	\$12.28	
64	ELCO New Telecom - Urban Rate	\$15.48	
65	ELCO New Telecom Maint & Admin (Lower Bound)	\$10.66	\$8.95

AEP Ohio 2011 Data

1 NET COST OF A BARE POLE

A	Gross Pole Investment Acct. 364	\$582,110,980
B	Depreciation Reserve - Poles	\$224,185,369
C	Accum. Def Income Taxes - Poles	\$116,391,786
D	Net Pole Investment (A-B-C)	\$241,533,825
E	X-Arms, Etc = (D*.15)	\$36,230,074
F	Net Pole Invest Less X-Arms (D-E)	\$205,303,751
G	Total Dist Poles in Service	989,282
H	Net Cost of Bare Pole (F/G)	\$207.53

2 DEPRECIATION RATE ADJUSTED TO REFLECT NET INVESTMENT

A	Depreciation Rate for Gross Pole Investment	3.68%
B	Gross Pole Investment (1A)	\$582,110,980
C	Net Pole Investment (1D)	\$241,533,825
D	Gross Pole/Net Pole Investment Ratio = (B/C)	2.410
E	Depreciation Rate Net Investment (A*D)	8.87%

3 ADMINISTRATIVE & GENERAL EXPENSE FACTOR

A	Total Admin. & Gen. Expense	\$163,915,750
B	Gross Plant Investment - Electric	\$15,449,783,589
C	Plant Depreciation Reserve (108)	\$6,098,377,155
D	Accum. Def. Income Taxes (Accts 190, 281-283)	\$3,040,930,472
E	Net Plant Investment (B-C-D)	\$6,310,475,962
F	Admin. & Gen. Expense Factor (A/E)	2.60%

4 MAINTENANCE EXPENSE FACTOR

A	Overhead Line Maintenance Exp. (593)	\$75,964,519
B	Gross Pole Investment (364)	\$582,110,980
C	Gross OH Conductor Investment (365)	\$564,481,857
D	Gross Services Investment (369)	\$282,626,314
E	Depreciation Reserves (Accts 364, 365, & 369)	\$550,427,727
F	Accum. Def Income Taxes (Accts 364, 365, & 369)	\$285,769,166
G	Net Investment in Poles, OH cond. & Services (B+C+D-E-F)	\$593,022,258
H	Maintenance Expense Factor (A/G)	12.81%

5 NORMALIZED TAX FACTOR - NET PLANT

A	Taxes Other Than Income, Acct. 408.1	\$398,494,481
B	Income Taxes - Federal, Acct. 409.1	\$168,987,812
C	Income Taxes - Other, Acct. 409.1	\$4,537,706
D	Deferred Income Taxes, Acct 410.1	\$596,165,325
E	Deferred Income Credit, Acct 411.1	-\$542,311,812
F	Investment Tax Credits, Acct 411.4	-\$2,093,303
G	Total (A thru F)	\$623,780,209
H	Net Plant Investment (3E)	\$6,310,475,962
I	Normalized Tax Factor (G/H)	9.88%

6 COST OF CAPITAL = AUTHORIZED RATE OF RETURN

A	Authorized Rate of Return	6.20%
---	---------------------------	--------------

7 COMBINED CARRYING CHARGE FACTOR - POLES

A	Depreciation Expense Factor (2E)	8.87%
B	Administrative & General Expense Factor (3F)	2.60%
C	Maintenance Expense Factor (4H)	12.81%
D	Normalized Tax Factor (5I)	9.88%
E	Authorized Rate of Return (6A)	6.20%
F	Total Carrying Charge Factor (A thru E)	40.36%

AEP OH (Includes both OH Power & CSP)
CALCULATION OF ANNUAL POLE COST
2011 Data (2012 RATE)

Line	Description	Acct. Ref.	Report Reference or Formula	\$	Line
1	Gross Investment				1
2	Poles	364	FORM 1; Page 207 (g)Ln64	582,110,980	2
3	Conductor	365	FORM 1; Page 207 (g)Ln65	564,481,857	3
4	Services	369	FORM 1; Page 207 (g)Ln69	282,626,314	4
5	Total Overhead Accts		Sum Accts 364,365,369	1,429,219,151	5
6	Total Dist. Plant		FORM 1; Page 207 (g)Ln75	3,540,883,305	6
7	Total Utility Plant		FORM 1; Page 200 (b)Ln8	15,449,783,589	7
8					8
9	Deprec. Reserve				9
10	Poles		(L2/L6)*L12	224,185,369	10
11	Overhead Accts		(L5/L6)*L12	550,427,727	11
12	Total Dist. Plant		FORM 1; Page 219 (c)Ln26	1,363,681,942	12
13	Total Utility Plant		FORM 1; Page 200 (b)Ln14	6,098,377,155	13
14					14
15	Deferred Taxes				15
16	Poles		(L2-L10)/(L7-L13)*L23	116,391,786	16
17	Overhead Accts		(L5-L11)/(L7-L13)*L23	285,769,166	17
18	Total Utility Plant				18
19	For Accel. Amort. Ppty	281	FORM 1; Page 273 (k)Ln8	353,460,058	19
20	For Other Ppty	282	FORM 1; Page 275 (k)Ln2	1,678,755,624	20
21	Deferred FIT-Other	283	FORM 1; Page 277 (k)Ln9	595,271,709	21
22	Deferred Taxes	190	FORM 1; Page 234 (c)Ln8	413,443,081	22
23	Deferred Taxes Tot. Plt.		Sum Accts 190, 281,282,283	3,040,930,472	23
24					24
25	Net Pole Investment		L2-L10-L16	241,533,825	25
26	Net Overhead Accts		L5-L11-L17	593,022,258	26
27	Net Plant Investment		L7-L13-L23	6,310,475,962	27
28					28
29	Appurt. Elimination Rate		Rate for Electric Company AEP provided 9/24/12	15.00%	29
30	Number of Poles		Company Records	989,282	30
31	Net Cost of a Bare Pole		(L25*(1-L29))/L30	207.53	31
32					32
33	Deprec. Rate - Poles		AEP provided 9/24/12	0.0368	33
34	Administrative Exp.		FORM 1; Page 323 (b)Ln 197	163,915,750	34
35	Pole Maintenance Exp		L25/L26*L36	30,939,818	35
36	Mainten. of Overhead Lines	593	FORM 1; Page 322 (b)Ln 149	75,964,519	36
37	Operating Taxes				37
38	Taxes Other Than Income	408	FORM 1; Page 114 (c)Ln 14	398,494,481	38
39	Income Taxes - Federal	409.1a	FORM 1; Page 114 (c)Ln 15	168,987,812	39
40	Income Taxes - Other	409.1b	FORM 1; Page 114 (c)Ln 16	4,537,706	40
41	Provision for Def. Inc. Tax	410.1	FORM 1; Page 114 (c)Ln 17	596,165,325	41
42	Provision for Def. Inc. Tax (cr.)	411.1	FORM 1; Page 114 (c)Ln 18	-542,311,812	42
43	Investment Tax Cr. Adj. - Net	411.4	FORM 1; Page 114 (c)Ln 19	-2,093,303	43
44	Operating Taxes - Total			623,780,209	44
45					45
46	Depreciation Expense Factor		(L33*L2)/L25	8.87%	46
47	Admin. Factor		L34/L27	2.60%	47
48	Pole Mainten. Factor		L36/L26	12.81%	48
49	Tax Expense Factor		L44/L27	9.88%	49
50	Rate of Return		AEP provided 9/24/12	6.20%	50
51	Annual Cost Factor		L46+L47+L48+L49+L50	40.36%	51
52	Annual Net Pole Cost		L51*L31	\$83.76	52



American Electric Power
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Thomas G. St. Pierre
Senior Counsel

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Fax 614-716-3440
tgstpierre@AEP.com

December 2, 2013

Ms. Susan L. Knowles
Director – Engineering
Frontier Communications
8001 W Jefferson Blvd.
Fort Wayne, Indiana 46804

Re: Agreement Between Columbus Southern Power Company, Ohio Power Company (the surviving merged entity, Ohio Power Company, is referred to herein as “AEP Ohio”) and GTE North Incorporated (“Frontier”) for Joint Use of Poles in the State of Ohio Dated January 1, 1996 (the “Agreement”) – Notice of Default

Dear Ms. Knowles:

You will recall that Frontier provided notice of termination pursuant to Section 21.01 of the above referenced Agreement on October 18, 2011, to become effective October 18, 2012. AEP Ohio responded on October 25, 2011, by acknowledging receipt of the notice of termination and requesting whether Frontier would be seeking expansive joint use rights pursuant to the Agreement or limited licensee rights. AEP Ohio further provided its pole cost data and requested that Frontier provide the same. Frontier did not respond.

On September 24, 2012, AEP reminded Frontier that the Agreement would be terminating and urged Frontier to participate in negotiation of a new joint use agreement. AEP Ohio again provided its most recent pole cost data and requested Frontier to provide the same. Frontier did not respond.

On October 18, 2012, the Agreement terminated subject to survival of certain terms pursuant to Section 21.01. On February 26, 2013, AEP Ohio again reminded Frontier that AEP Ohio stood ready to negotiate terms of a new joint use agreement. AEP Ohio further put Frontier on notice that AEP Ohio intended to invoice rental for the 2012 Rental Year pursuant to Section 21.01 of the Agreement due to Frontier's refusal to negotiate terms of a new joint use agreement. Frontier did not respond.

Section 21.01 of the Agreement provides that: “Despite any termination under this Article, this Agreement shall remain in full force and effect with respect to all poles jointly used by the parties at the time of such termination until a new Agreement is entered into between the parties.” On June 17, 2013, and June 19, 2013, AEP Ohio issued rental invoices 250-20802199 and 250-20802192 totaling \$1,844,487.28 pursuant to the rental rate formula set forth in Section 12 and the continuation of such terms pursuant to Section 21.01 of the Agreement. Frontier responded by paying \$425,435.77, leaving an unpaid balance of \$1,419,051.51 which was due on August 18, 2013.

Notice is hereby provided that Frontier's failure to pay all rent due constitutes a default under Section 15 of the Agreement. Please submit all rental amounts owed to AEP Ohio as soon as possible. If this

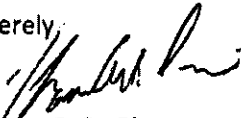
EXHIBIT

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default is not cured within the cure period set forth in Section 15 of the Agreement, AEP Ohio will be forced to pursue all legal and equitable remedies available to it. It is our sincere desire that such action will not be necessary.

Please also note that AEP Ohio is again willing to negotiate terms of a new joint use agreement for 2014. If Frontier is interested in negotiating a new agreement, please submit Frontier's most current pole cost data and dates when Frontier would be available to discuss terms of such an agreement.

Sincerely,



Thomas G. St. Pierre
Senior Counsel

cc: Joseph J. Starsick, Jr.
Pablo A. Vegas, AEP Ohio President and Chief Operating Officer
Mark Coleman
Pamela Ellis
Davie Key
Kevin Kuehne

Iacoboni, Linda

From: Thomas G St Pierre <tgstpierre@aep.com>
Sent: Tuesday, January 14, 2014 2:42 PM
To: Knowles, Susan L.
Cc: Starsick, Joseph; Mark A Coleman; Pamela F Ellis; Davie L Key JR.
Subject: Joint Use Agreement Defaults in Ohio, Indiana and Michigan
Attachments: 2012 FERC Data.pdf; April 1 2013 Email to Knowles.pdf; Pole Attachment Agreement - FCC States.doc

Susan,

I am in receipt of your January 3, 2014, correspondence and certain invoices related to the above matter. We are pleased to hear that Frontier is now interested in discussing terms of a new joint use relationship. We are disappointed to hear that Frontier is not offering to cure the existing defaults of the Ohio, Indiana and Michigan joint use agreements. As you are probably aware, the cure period for the Ohio default has now expired, so Ohio Power Company will be proceeding with enforcement of the terms of the Ohio agreement. We will follow a similar path in Michigan and Indiana. We further reject payment of the Frontier invoices, because they are not consistent with the terms of the joint use agreements.

We remain open to negotiating terms of a new agreement in each state. We are willing to implement such rates and terms going forward upon execution of the agreements. I am a bit confused concerning your assertion that it was your understanding that the parties would hold the Indiana, Michigan and Ohio negotiations in abeyance pending the outcome of the West Virginia litigation. I was very clear in my April 1, 2013, email (attached) to you that we would not be permitting the West Virginia Public Service Commission to set rates in states that already actively regulate joint use. As you probably know, Ohio, Indiana and Michigan actively regulate the joint use and sale of public utility property. In fact, approximately ten years ago our companies jointly sought permission of the Indiana Utility Regulatory Commission to sell poles pursuant to our joint use agreement. As such, each of these agreements must be addressed pursuant to the regulatory framework in each state.

As we have in the past I am again providing our most recent pole cost accounting data. We again request that Frontier provide the same. Pursuant to your request I am also providing a copy of our pole attachment agreement form.

Although it appears we will be litigating defaults under the existing agreements, we nevertheless are anxious to seek a path forward under new agreements. We look forward to receiving the Frontier pole cost data so that we can commence such negotiations immediately.

Thomas G. St. Pierre
Senior Real Estate Counsel
American Electric Power
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
(614) 716-1658

EXHIBIT
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DRG AUDIT REVIEW - SUMMARY

HYPOTHESIS:

1. Prove AEP is replacing poles and taking ownership.
2. Prove Frontier is using less space than noted in the agreement.
3. Prove that other 3rd parties are using more space, including AEP.

RESULTS:

- Can neither prove nor disprove at this time.
- Height/Class & Year not provided electronically in audit results by DRG. Decision by David et al to reduce cost of audit.
- High percentage of unknown poles.
- Frontier is in a worse position after audit than before in terms of ownership.

NEXT STEPS:

- QC, provide results from David
- Obtain answers and results from Rex's inquiries
- Provide records
- Others?

AEP/FTR RECORDS (1995, 2002, 2011)

	1995		2002		2011		Scenario #1		Scenario #2	
	Poles Owned	%Owned	Poles Owned	%Owned	Poles Owned	%Owned	Poles Owned	%Owned	Poles Owned	%Owned
Frontier	50,062	19.19%	51,552	17.34%	48,059	15.93%	39,817	13.78%	44,865	15.53%
AEP	210,859	80.81%	238,088	82.66%	241,753	84.07%	245,257	84.87%	242,799	84.02%
TBD									1,307	0.45%
Total	260,921		289,640		289,812		285,074		288,971	

DRG AUDIT REVIEW - SUMMARY

FTR RECORDS

AEP	116,668	40.38%
FTR	42,366	14.66%
OTHER	69	00.02%
UNKNOWN	129,868	44.94%
TOTAL	288,971	100.00%

FTR UNKNOWN RECORDS (Lead Number = Drop Pole)

Unknown FTR Records	129,868	
Lead# = Drop Poles	98,397	(75.77%)
Lead# = Unknown, misc.	12,236	(9.42%)
FTR lead #	19,235	(14.81%)
DRG Final Owner – AEP	17,550	(91.24%)
DRG Final Owner – FTR	1,685	(8.76%)

FTR UNKNOWN RECORDS (Assigned Final Owner by DRG)

AEP	126,958	97.76%
FTR	2,910	2.24%

AEP RECORDS

AEP	239,890	83.02%
FTR	42,133	14.58%
ADDED	1,963	0.68%
OTHER	291	0.10%
UNKNOWN	343	0.12%
BLANKS	4,351	1.50%
TOTAL	288,971	100.00%

AEP ADDED, UNKNOWN, BLANK RECORDS – 6,657 Poles (Assigned Final Owner by DRG)

AEP	5,856	87.97%
FTR	801	12.03%
TOTAL	6,657	100.00%

DRG AUDIT REVIEW - SUMMARY

AEP VS. FTR RECORDS

<u>AEP Records</u>	<u>FTR Records</u>	<u>DRG TO AEP</u>	<u>DRG TO FTR</u>	<u>DRG UNK</u>	<u>TOTAL</u>	<u>AUDIT%</u>
AEP	AEP	111,021	0	0	111,021	38.42%
FTR	FTR	0	34,072	0	34,072	11.79%
AEP	FTR	4,181	2,017	1,273	7,471	2.59%
AEP	OTHER	58	0	1	59	0.02%
AEP	UNKNOWN	121,089	20	230	121,339	41.99%
FTR	AEP	1,262	329	325	1,916	0.66%
FTR	OTHER	2	7	1	10	0.00%
FTR	UNKNOWN	2,082	2,583	1,470	6,135	2.12%
ADDED	AEP	350	13	17	380	0.13%
ADDED	FTR	17	516	38	571	0.20%
ADDED	UNKNOWN	708	54	250	1,012	0.35%
OTHER	AEP	74	0	1	75	0.03%
OTHER	FTR	2	30	4	36	0.01%
OTHER	UNKNOWN	130	1	49	180	0.06%
UNKNOWN	AEP	23	0	3	26	0.01%
UNKNOWN	FTR	4	71	9	84	0.03%
UNKNOWN	UNKNOWN	70	3	160	233	0.08%
BLANK	AEP	3,226	2	22	3,250	1.12%
BLANK	FTR	19	92	21	132	0.05%
BLANK	UNKNOWN	939	7	23	969	0.34%
TOTALS		245,257	39,817	3,897	288,971	100.00%
		84.87%	13.78%	1.35%	100.00%	

SCORING

SCORING CATEGORIES:

- AEP Records
- FTR Records
- Owner Tag
- Owner Birthmark
- Adjacent Pole Owner
- Height/Class Match
- Birth Match

DRG AUDIT REVIEW - SUMMARY

DRG SCORING DIFFERENTIAL – 288,971 POLES

100% (AEP)	111,021	38.42%
100% (FTR)	34,072	11.79%
Tie Score	3,871	1.34%
AEP +1	8,924	3.09%
AEP +2	20,943	7.25%
AEP +3	21,710	7.51%
AEP +4	48,027	16.62%
AEP +5	30,326	10.49%
AEP +6	4,274	1.48%
AEP +7	52	0.02%
FTR +1	2,944	1.02%
FTR +2	1,771	0.61%
FTR +3	647	0.22%
FTR +4	218	0.08%
FTR +5	170	0.06%
FTR +6	1	0.00%
FTR +7	0	0.00%
AEP	245,277	84.88%
FTR	39,823	13.78%
UNKNOWN	3,871	1.34%

HEIGHT/CLASS MATCH & BIRTH MATCH

Height/Class Match (AEP)	174,563	
Incorrect score to AEP	4,930	
Records Match		2,652
Non-Records Match		2,278

Birth Match (AEP)	168,175	
Incorrect score to AEP	2,597	
Records Match		1,240
Non-Records Match		1,357

Height/Class Match & Birth Match	158,472	
Incorrect score ht/cl & birthmatch	744	
Records Match		366
Non-Records Match		378

DRG AUDIT REVIEW - SUMMARY

POLE & ATTACHMENT HEIGHTS

SPACE

- Average field height of the 7,086 poles is 41.25'
- Average power space 1 = 8.07'
- Average power space 2 = 8.16'
- Average FTR1 = 1.34'
- Average FTR2 = 1.07'

ATTACHMENTS

- 7,086 poles had attachment heights listed (2.45%)
- Average number of attachers is 2.744
- 42 of the 7,086 poles show AEP attachment height with 1 attachment, 4 with 2 attachments

HEIGHT

- Average field height of the 7,086 poles is 41.25'

SOLELY OWNED FTR POLES (2,118 POLES)

<u>Wire Centers</u>	<u># Poles</u>	<u>AEP Records</u>	<u># Poles</u>
Moundsville	665	Added	2,082 (98.30%)
New Martinsville	233	AEP	12
Valley Grove	261	FTR	16
Warwood	15	Blanks	8
West Liberty	212	Total	2,118
Wheeling	386		
Woodsdale	346		
Total	2,118		

<u>FTR Records</u>	<u># Poles</u>
AEP	18
FTR	1,099 (51.88%)
None	847
Unknown	154
Total	2,118

DRG AUDIT REVIEW - SUMMARY

HYPOTHETICAL OWNER BY DRG

UPDATED DRG RECORDS

OwnerByDRG_Hpy	OwnerScoreReason	CountOfOwnerScoreReason
AEP Reasons		
AEP	1) Records Match.	114271
AEP	2) Singe Record	122773
AEP	3) OwnerTag.	4146
AEP	4) Adjacent Pole Owner.	770
AEP	5) Birth Mark.	39
AEP	6) Heigth/Class Match.	660
AEP	7) Birth Match.	140
Frontier Reasons		
Frontier	1) Records Match.	34072
Frontier	2) Singe Record	6826
Frontier	3) OwnerTag.	3179
Frontier	4) Adjacent Pole Owner.	501
Frontier	5) Birth Mark.	6
Frontier	6) Heigth/Class Match.	207
Frontier	7) Birth Match.	74
Unknown		1307

CURRENT RECORDS

OwnerByDRG_Hpy	OwnerScoreReason	CountOfOwnerScoreReason
AEP Reasons		
AEP	1) Records Match.	111021
AEP	2) Singe Record	124615
AEP	3) OwnerTag.	5370
AEP	4) Adjacent Pole Owner.	837
AEP	5) Birth Mark.	41
AEP	6) Heigth/Class Match.	768
AEP	7) Birth Match.	95
Frontier Reasons		
Frontier	1) Records Match.	34072
Frontier	2) Singe Record	6351
Frontier	3) OwnerTag.	3583
Frontier	4) Adjacent Pole Owner.	520
Frontier	5) Birth Mark.	6
Frontier	6) Heigth/Class Match.	248
Frontier	7) Birth Match.	73
Unknown		1372

DRG AUDIT REVIEW - SUMMARY

	<u>UPDATED DRG RECORDS</u>		<u>CURRENT RECORDS</u>	
AEP	242,799	84.02%	242,747	84.00%
FTR	44,865	15.53%	44,853	15.52%
UNKNOWN	1,307	0.45%	1,372	0.48%
TOTAL	288,971	100.00%	288,971	100.00%

STORM DAMAGE

In Huntington West there is an example where poles were replaced due to storm damage after the poles were audited this last May/June. We will need to get any pole replacement activity by AEP done after any poles that were audited. In the case of Huntington West, we have no records to fall back on to compare.

"ADDED POLES" & "BLANKS"

AEP	239,890	83.02%
FTR	42,133	14.58%
ADDED	1,963	0.68%
OTHER	291	0.10%
UNKNOWN	343	0.12%
BLANKS	4,351	1.50%
TOTAL	288,971	100.00%

*poles not assigned a wire center, wc = "added pole"

ADDED POLES (DRG FINAL OWNER)

AEP	1,356	69.08%
FTR	607	30.92%
TOTAL	1,963	100.00%

BLANKS (DRG FINAL OWNER)

AEP	4,243	97.52%
FTR	108	2.48%
TOTAL	4,351	100.00%

AEP OH (OH Power & CSP) Summary of Rates - 2012 Rates using AEP's 2011 FERC Data

AEP - OHIO (OP & CSP)	ELCO OWNED POLES	TELCO OWNED POLES	FTR pays to AEP-OH	AEP-OH pays to FTR	2012 Rate		
					ELCO PAYS GROSS	TELCO PAYS GROSS	TELCO PAYS NET
FCC Telecom Rate (3 Attachers)	122,255	25,786	\$15.03	\$30.44	\$784,925.84	\$1,837,492.65	\$1,052,566.81
FCC Telecom Rate (5 Attachers)	122,255	25,786	\$10.16	\$25.57	\$659,348.02	\$1,242,110.80	\$582,762.78
New Telecom Non-Urban	122,255	25,786	\$6.61	\$13.39	\$345,274.54	\$808,105.55	\$462,831.01

OHIO POWER (OP)	ELCO OWNED POLES	TELCO OWNED POLES	FTR pays to AEP-OH	AEP-OH pays to FTR	2012 Rate		
					ELCO PAYS GROSS	TELCO PAYS GROSS	TELCO PAYS NET
FCC Telecom Rate (3 Attachers)	81,270	19,895	\$15.03	\$30.44	\$605,603.80	\$1,221,488.10	\$615,884.30
FCC Telecom Rate (5 Attachers)	81,270	19,895	\$10.16	\$25.57	\$508,715.15	\$825,703.20	\$316,988.05
New Telecom Non-Urban	81,270	19,895	\$6.61	\$13.39	\$266,394.05	\$537,194.70	\$270,800.65

COLUMBUS SOUTHERN POWER (CSP)	ELCO OWNED POLES	TELCO OWNED POLES	FTR pays to AEP-OH	AEP-OH pays to FTR	2012 Rate		
					ELCO PAYS GROSS	TELCO PAYS GROSS	TELCO PAYS NET
FCC Telecom Rate (3 Attachers)	40,985	5,891	\$15.03	\$30.44	\$179,322.04	\$616,004.55	\$436,682.51
FCC Telecom Rate (5 Attachers)	40,985	5,891	\$10.16	\$25.57	\$150,632.87	\$416,407.60	\$265,774.73
New Telecom Non-Urban	40,985	5,891	\$6.61	\$13.39	\$78,880.49	\$270,910.85	\$192,030.36

EXHIBIT

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Line No.	2012 Rate w/ 2011 AEP Ohio FERC Data	2012 Rate	2012 Rate
1	Input Description	2012 Rate	2012 Rate
	Maximum Rate = Space Factor X Net Bare Pole Cost (NBPC) X Annual Carrying Charge (ACC)		
2	Space Factor		
3	Space Occupied	1.25	1.25
	ELCO Space Occupied	8	8
4	Sharing Allocation Factor	66.67%	66.67%
5	Unusable Space	24	24
6	Usable Space		
7	Total Space Usable + Unusable		
8	Number of Attaching Entities	3	5
9	Pole Height	40	40
10	Space Factor Total	16.46%	11.13%
	ELCO Space Factor	33.33%	28.00%
11	Net Bare Pole Cost		
12	Gross Pole Investment (Acct 364)	\$582,110,980	\$582,110,980
13	Less Accum. Depreciation - Poles (108-Poles)	\$224,185,369	\$224,185,369
14	Less Accum. Defrd. Income Taxes (190,281-283)	\$116,391,786	\$116,391,786
15		\$241,533,825	\$241,533,825
16	Less Appurtenances (Non-pole costs)	0.8500	0.8500
17	Net Bare Pole Cost	\$205,303,751	\$205,303,751
18	Total Number of Poles	989,282	989,282
19	NBPC Per Pole	\$207.53	\$207.53
20	Annual Carrying Charge		
21	Administrative		
22	Total General and Administrative	\$163,915,750	\$163,915,750
23	Gross Electric Plant Investment	\$15,449,783,589	\$15,449,783,589
24	Less Accum. Depreciation (Acct 108)	\$6,098,377,155	\$6,098,377,155
25	Less Accum. Deferred Taxes (Plant) (Accts 190,281-283)	\$3,040,930,472	\$3,040,930,472
26	Net Utility Plant Investment	\$6,310,475,962	\$6,310,475,962
27	Administrative Total	2.60%	2.60%
28	Maintenance		
29	Maintenance of Overhead Lines (Acct 593)	\$75,964,519	\$75,964,519
30	Pole Investment in Accts 364,365,369	\$1,429,219,151	\$1,429,219,151
31	Less Accum. Depreciation Accts 364,365,369	\$550,427,727	\$550,427,727
32	Less Accum. Defrd. Income Taxes Accts 364,365,369	\$285,769,166	\$285,769,166
33	Net Investment in Accts 364,365,369	\$593,022,258	\$593,022,258
34	Maintenance Total	12.81%	12.81%
35	Depreciation		
36	Gross Pole Investment (Acct 364)	\$582,110,980	\$582,110,980
37	Net Pole Investment	\$241,533,825	\$241,533,825
38	Depreciation Rate for Poles	4.49%	4.49%
39	Depreciation Total	10.82%	10.82%
40	Taxes		
41	Taxes Other Than Income (408.1)	\$398,494,481	\$398,494,481
42	Income Taxes Utility Operating Income (409.1)	\$173,525,518	\$173,525,518
43	Deferred Income Taxes (410.1)	\$596,165,325	\$596,165,325
44	Investment Tax Credit Adjustments (411.4)	-\$2,093,303	-\$2,093,303
45	Less Provision for Deferred Income Taxes (411.1)	-\$542,311,812	-\$542,311,812
46	Total Taxes	\$623,780,209	\$623,780,209
47	Gross Electric Plant Investment	\$15,449,783,589	\$15,449,783,589
48	Accum. Depreciation (Acct 108)	\$6,098,377,155	\$6,098,377,155
49	Accum. Deferred Taxes (Plant) (Acct 190, 281-283)	\$3,040,930,472	\$3,040,930,472
50	Net Electric Plant Investment	\$6,310,475,962	\$6,310,475,962
51	Taxes Total	9.88%	9.88%
52	Rate of Return (Cost of Capital)	7.89%	7.89%
53	ACC Per Pole	44.00%	44.00%
54	Final Rate (Upper Bound)	\$15.03	\$10.16
55	Final ELCO Rate	\$30.44	\$25.57
56	NBPC x ACC	\$91.32	\$91.32
57	Maint. & Admin ACC	15.41%	15.41%
58	New Telecom - Non-Urban Cost	0.44	\$40.18
59	New Telecom - Urban Cost	0.66	\$60.27
60	New Telecom - Non-Urban Rate	\$6.81	
61	New Telecom - Urban Rate		\$6.71
62	New Telecom Maint & Admin (Lower Bound)	\$5.26	\$3.56
63	ELCO New Telecom - Non-Urban Rate	\$13.39	
64	ELCO New Telecom - Urban Rate		\$16.88
65	ELCO New Telecom Maint & Admin (Lower Bound)	\$10.66	\$8.95

AEP OHIO 2011 Data

1 NET COST OF A BARE POLE

A	Gross Pole Investment Acct. 364	\$582,110,980
B	Depreciation Reserve - Poles	\$224,185,369
C	Accum. Def Income Taxes - Poles	\$116,391,786
D	Net Pole Investment (A-B-C)	\$241,533,825
E	X-Arms, Etc = (D*.15)	\$36,230,074
F	Net Pole Invest Less X-Arms (D-E)	\$205,303,751
G	Total Dist Poles in Service	989,282
H	Net Cost of Bare Pole (F/G)	\$207.53

2 DEPRECIATION RATE ADJUSTED TO REFLECT NET INVESTMENT

A	Depreciation Rate for Gross Pole Investment	4.49%
B	Gross Pole Investment (1A)	\$582,110,980
C	Net Pole Investment (1D)	\$241,533,825
D	Gross Pole/Net Pole Investment Ratio = (B/C)	2.410
E	Depreciation Rate Net Investment (A*D)	10.82%

3 ADMINISTRATIVE & GENERAL EXPENSE FACTOR

A	Total Admin. & Gen. Expense	\$163,915,750
B	Gross Plant Investment - Electric	\$15,449,783,589
C	Plant Depreciation Reserve (108)	\$6,098,377,155
D	Accum. Def. Income Taxes (Accts 190, 281-283)	\$3,040,930,472
E	Net Plant Investment (B-C-D)	\$6,310,475,962
F	Admin. & Gen. Expense Factor (A/E)	2.60%

4 MAINTENANCE EXPENSE FACTOR

A	Overhead Line Maintenance Exp. (593)	\$75,964,519
B	Gross Pole Investment (364)	\$582,110,980
C	Gross OH Conductor Investment (365)	\$564,481,857
D	Gross Services Investment (369)	\$282,626,314
E	Depreciation Reserves (Accts 364, 365, & 369)	\$550,427,727
F	Accum. Def Income Taxes (Accts 364, 365, & 369)	\$285,769,166
G	Net Investment in Poles, OH cond. & Services (B+C+D-E-F)	\$593,022,258
H	Maintenance Expense Factor (A/G)	12.81%

5 NORMALIZED TAX FACTOR - NET PLANT

A	Taxes Other Than Income, Acct. 408.1	\$398,494,481
B	Income Taxes - Federal, Acct. 409.1	\$168,987,812
C	Income Taxes - Other, Acct. 409.1	\$4,537,706
D	Deferred Income Taxes, Acct 410.1	\$596,165,325
E	Deferred Income Credit, Acct 411.1	-\$542,311,812
F	Investment Tax Credits, Acct 411.4	-\$2,093,303
G	Total (A thru F)	\$623,780,209
H	Net Plant Investment (3E)	\$6,310,475,962
I	Normalized Tax Factor (G/H)	9.88%

6 COST OF CAPITAL = AUTHORIZED RATE OF RETURN

A	Authorized Rate of Return	7.89%
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7 COMBINED CARRYING CHARGE FACTOR - POLES

A	Depreciation Expense Factor (2E)	10.82%
B	Administrative & General Expense Factor (3F)	2.60%
C	Maintenance Expense Factor (4H)	12.81%
D	Normalized Tax Factor (5I)	9.88%
E	Authorized Rate of Return (6A)	7.89%
F	Total Carrying Charge Factor (A thru E)	44.00%

AEP Ohio
CALCULATION OF ANNUAL POLE COST
2011 Data (2012 RATE)
NET CALCULATION

Line	Description	Acct. Ref.	Report Reference or Formula	\$	Line
1	Gross Investment				1
2	Poles	364	FORM 1; Page 207 (g)Ln64	582,110,980	2
3	Conductor	365	FORM 1; Page 207 (g)Ln65	564,481,857	3
4	Services	369	FORM 1; Page 207 (g)Ln69	282,626,314	4
5	Total Overhead Accts		Sum Accts 364,365,369	1,429,219,151	5
6	Total Dist. Plant		FORM 1; Page 207 (g)Ln75	3,540,883,305	6
7	Total Utility Plant		FORM 1; Page 200 (b)Ln8	15,449,783,589	7
8					8
9	Deprec. Reserve				9
10	Poles		(L2/L6)*L12	224,185,369	10
11	Overhead Accts		(L5/L6)*L12	550,427,727	11
12	Total Dist. Plant		FORM 1; Page 219 (c)Ln26	1,363,681,942	12
13	Total Utility Plant		FORM 1; Page 200 (b)Ln14	6,098,377,155	13
14					14
15	Deferred Taxes				15
16	Poles		(L2-L10)/(L7-L13)*L23	116,391,786	16
17	Overhead Accts		(L5-L11)/(L7-L13)*L23	285,769,166	17
18	Total Utility Plant				18
19	For Accel. Amort. Ppty	281	FORM 1; Page 273 (k)Ln8	353,460,058	19
20	For Other Ppty	282	FORM 1; Page 275 (k)Ln2	1,678,755,624	20
21	Deferred FIT-Other	283	FORM 1; Page 277 (k)Ln9	595,271,709	21
22	Deferred Taxes	190	FORM 1; Page 234 (c)Ln8	413,443,081	22
23	Deferred Taxes Tot. Plt.		Sum Accts 190, 281,282,283	3,040,930,472	23
24					24
25	Net Pole Investment		L2-L10-L16	241,533,825	25
26	Net Overhead Accts		L5-L11-L17	593,022,258	26
27	Net Plant Investment		L7-L13-L23	6,310,475,962	27
28					28
29	Appurt. Elimination Rate		Rate for Electric Company	15.00%	29
30	Number of Poles		Company Records	989,282	30
31	Net Cost of a Bare Pole		(L25*(1-L29))/L30	207.53	31
32					32
33	Deprec. Rate - Poles		FORM 1 Pages 337.2 (19e); 337.4 (42e)	0.0449	33
34	Administrative Exp.		FORM 1; Page 323 (b)Ln 197	163,915,750	34
35	Pole Maintenance Exp		L25/L26*L36	30,939,818	35
36	Mainten. of Overhead Lines	593	FORM 1; Page 322 (b)Ln 149	75,964,519	36
37	Operating Taxes				37
38	Taxes Other Than Income	408	FORM 1; Page 114 (c)Ln 14	398,494,481	38
39	Income Taxes - Federal	409.1a	FORM 1; Page 114 (c)Ln 15	168,987,812	39
40	Income Taxes - Other	409.1b	FORM 1; Page 114 (c)Ln 16	4,537,706	40
41	Provision for Def. Inc. Tax	410.1	FORM 1; Page 114 (c)Ln 17	596,165,325	41
42	Provision for Def. Inc. Tax (cr.)	411.1	FORM 1; Page 114 (c)Ln 18	-542,311,812	42
43	Investment Tax Cr. Adj. - Net	411.4	FORM 1; Page 114 (c)Ln 19	-2,093,303	43
44	Operating Taxes - Total			623,780,209	44
45					45
46	Depreciation Expense Factor		(L33*L2)/L25	10.82%	46
47	Admin. Factor		L34/L27	2.60%	47
48	Pole Mainten. Factor		L36/L26	12.81%	48
49	Tax Expense Factor		L44/L27	9.88%	49
50	Rate of Return		PUCO Case No. 11-351-EL-AIR (avg)	7.89%	50
51	Annual Cost Factor		L46+L47+L48+L49+L50	44.00%	51
52	Annual Net Pole Cost		L51*L31	\$91.32	52

AEP OH (OH Power & CSP) Summary of Rates - 2013 Rates using AEP's 2012 FERC Data

AEP - OHIO (OP & CSP)	ELCO OWNED POLES	TELCO OWNED POLES	FTR pays to AEP-OH	AEP-OH pays to FTR	2013 Rate		
					ELCO PAYS GROSS	TELCO PAYS GROSS	TELCO PAYS NET
FCC Telecom Rate (3 Attachers)	122,255	25,786	\$15.63	\$31.65	\$816,126.90	\$1,910,845.65	\$1,094,718.75
FCC Telecom Rate (5 Attachers)	122,255	25,786	\$10.56	\$26.59	\$685,649.74	\$1,291,012.80	\$605,363.06
New Telecom Non-Urban	122,255	25,786	\$6.88	\$13.93	\$359,198.98	\$841,114.40	\$481,915.42

OHIO POWER (OP)	ELCO OWNED POLES	TELCO OWNED POLES	FTR pays to AEP-OH	AEP-OH pays to FTR	2013 Rate		
					ELCO PAYS GROSS	TELCO PAYS GROSS	TELCO PAYS NET
FCC Telecom Rate (3 Attachers)	81,270	19,895	\$15.63	\$31.65	\$629,676.75	\$1,270,250.10	\$640,573.35
FCC Telecom Rate (5 Attachers)	81,270	19,895	\$10.56	\$26.59	\$529,008.05	\$858,211.20	\$329,203.15
New Telecom Non-Urban	81,270	19,895	\$6.88	\$13.93	\$277,137.35	\$559,137.60	\$282,000.25

COLUMBUS SOUTHERN POWER (CSP)	ELCO OWNED POLES	TELCO OWNED POLES	FTR pays to AEP-OH	AEP-OH pays to FTR	2013 Rate		
					ELCO PAYS GROSS	TELCO PAYS GROSS	TELCO PAYS NET
FCC Telecom Rate (3 Attachers)	40,985	5,891	\$15.63	\$31.65	\$186,450.15	\$640,595.55	\$454,145.40
FCC Telecom Rate (5 Attachers)	40,985	5,891	\$10.56	\$26.59	\$156,641.69	\$432,801.60	\$276,159.91
New Telecom Non-Urban	40,985	5,891	\$6.88	\$13.93	\$82,061.63	\$281,976.80	\$199,915.17

EXHIBIT

Line No.	2013 Rate w/ 2012 AEP Ohio FERC Data	FCC Telecom Non-Urban Rate	FCC Telecom Urban Rate	
1	Input Description	2013 Rate		
	Maximum Rate = Space Factor X Net Bare Pole Cost (NBPC) X Annual Carrying Charge (ACC)			
2	Space Factor			
3	Space Occupied	1.25	1.25	Art. 2.03 = 2'
	ELCO Space Occupied	8	8	Art. 2.03 = 8'
4	Sharing Allocation Factor	66.67%	66.67%	
5	Unusable Space	24	24	
6	Usable Space			
7	Total Space Usable + Unusable			
8	Number of Attaching Entities	3	5	
9	Pole Height	40	40	Article 2.02 = 40'
10	Space Factor Total	16.48%	11.13%	
	ELCO Space Factor	33.33%	28.00%	
11	Net Bare Pole Cost			
12	Gross Pole Investment (Acct 364)	\$597,342,234	\$597,342,234	
13	Less Accum. Depreciation - Poles (108-Poles)	\$223,583,470	\$223,583,470	
14	Less Accum. Defrd. Income Taxes (190,281-283)	\$127,239,178	\$127,239,178	
15		\$246,519,586	\$246,519,586	
16	Less Appurtenances (Non-pole costs)	0.8500	0.8500	
17	Net Bare Pole Cost	\$209,541,648	\$209,541,648	
18	Total Number of Poles	989,161	989,161	
19	NBPC Per Pole	\$211.84	\$211.84	
20	Annual Carrying Charge			
21	Administrative			
22	Total General and Administrative	\$159,175,788	\$159,175,788	
23	Gross Electric Plant Investment	\$15,791,351,250	\$15,791,351,250	
24	Less Accum. Depreciation (Acct 108)	\$6,670,266,900	\$6,670,266,900	
25	Less Accum. Deferred Taxes (Plant) (Accts 190,281-283)	\$3,105,102,500	\$3,105,102,500	
26	Net Utility Plant Investment	\$6,015,981,850	\$6,015,981,850	
27	Administrative Total	2.66%	2.65%	
28	Maintenance			
29	Maintenance of Overhead Lines (Acct 593)	\$87,464,618	\$87,464,618	
30	Pole Investment in Accts 364,365,369	\$1,489,883,863	\$1,489,883,863	
31	Less Accum. Depreciation Accts 364,365,369	\$557,659,221	\$557,659,221	
32	Less Accum. Defd. Income Taxes Accts 364,365,369	\$317,358,436	\$317,358,436	
33	Net Investment in Accts 364,365,369	\$614,866,206	\$614,866,206	
34	Maintenance Total	14.22%	14.22%	
35	Depreciation			
36	Gross Pole Investment (Acct 364)	\$597,342,234	\$597,342,234	
37	Net Pole Investment	\$246,519,586	\$246,519,586	
38	Depreciation Rate for Poles	3.83%	3.83%	
39	Depreciation Total	9.28%	9.28%	
40	Taxes			
41	Taxes Other Than Income (408.1)	\$404,969,760	\$404,969,760	
42	Income Taxes Utility Operating Income (409.1)	\$100,510,968	\$100,510,968	
43	Deferred Income Taxes (410.1)	\$540,713,172	\$540,713,172	
44	Investment Tax Credit Adjustments (411.4)	-\$1,768,489	-\$1,768,489	
45	Less Provision for Deferred Income Taxes (411.1)	-\$395,675,882	-\$395,675,882	
46	Total Taxes	\$648,749,529	\$648,749,529	
47	Gross Electric Plant Investment	\$15,791,351,250	\$15,791,351,250	
48	Accum. Depreciation (Acct 108)	\$6,670,266,900	\$6,670,266,900	
49	Accum. Deferred Taxes (Plant) (Acct190, 281-283)	\$3,105,102,500	\$3,105,102,500	
50	Net Electric Plant Investment	\$6,015,981,850	\$6,015,981,850	
51	Taxes Total	10.78%	10.78%	
52	Rate of Return (Cost of Capital)	7.89%	7.89%	
53	ACC Per Pole	44.83%	44.83%	
54	Final Rate (Upper Bound)	\$15.63	\$10.56	
55	Final ELCO Rate	\$31.65	\$26.59	
56	NBPC x ACC	\$94.96	\$94.96	
57	Maint. & Admin ACC	16.87%	16.87%	
58	New Telecom - Non-Urban Cost	0.44 \$41.78		
59	New Telecom - Urban Cost	0.66 \$62.67		
60	New Telecom - Non-Urban Rate	\$6.88		
61	New Telecom - Urban Rate		\$6.97	
62	New Telecom Maint & Admin (Lower Bound)	\$5.88	\$3.98	
63	ELCO New Telecom - Non-Urban Rate	\$13.93		
64	ELCO New Telecom - Urban Rate		\$17.55	
65	ELCO New Telecom Maint & Admin (Lower Bound)	\$11.91	\$10.01	

AEP OHIO 2012 Data

1 NET COST OF A BARE POLE

A	Gross Pole Investment Acct. 364	\$597,342,234
B	Depreciation Reserve - Poles	\$223,583,470
C	Accum. Def Income Taxes - Poles	\$127,239,178
D	Net Pole Investment (A-B-C)	\$246,519,586
E	X-Arms, Etc = (D*.15)	\$36,977,938
F	Net Pole Invest Less X-Arms (D-E)	\$209,541,648
G	Total Dist Poles in Service	989,161
H	Net Cost of Bare Pole (F/G)	\$211.84

2 DEPRECIATION RATE ADJUSTED TO REFLECT NET INVESTMENT

A	Depreciation Rate for Gross Pole Investment	3.83%
B	Gross Pole Investment (1A)	\$597,342,234
C	Net Pole Investment (1D)	\$246,519,586
D	Gross Pole/Net Pole Investment Ratio = (B/C)	2.423
E	Depreciation Rate Net Investment (A*D)	9.28%

3 ADMINISTRATIVE & GENERAL EXPENSE FACTOR

A	Total Admin. & Gen. Expense	\$159,175,788
B	Gross Plant Investment - Electric	\$15,791,351,250
C	Plant Depreciation Reserve (108)	\$6,670,266,900
D	Accum. Def. Income Taxes (Accts 190, 281-283)	\$3,105,102,500
E	Net Plant Investment (B-C-D)	\$6,015,981,850
F	Admin. & Gen. Expense Factor (A/E)	2.65%

4 MAINTENANCE EXPENSE FACTOR

A	Overhead Line Maintenance Exp. (593)	\$87,464,618
B	Gross Pole Investment (364)	\$597,342,234
C	Gross OH Conductor Investment (365)	\$600,626,006
D	Gross Services Investment (369)	\$291,915,623
E	Depreciation Reserves (Accts 364, 365, & 369)	\$557,659,221
F	Accum. Def Income Taxes (Accts 364, 365, & 369)	\$317,358,436
G	Net Investment in Poles, OH cond. & Services (B+C+D-E-F)	\$614,866,206
H	Maintenance Expense Factor (A/G)	14.22%

5 NORMALIZED TAX FACTOR - NET PLANT

A	Taxes Other Than Income, Acct. 408.1	\$404,969,760
B	Income Taxes - Federal, Acct. 409.1	\$91,930,521
C	Income Taxes - Other, Acct. 409.1	\$8,580,447
D	Deferred Income Taxes, Acct 410.1	\$540,713,172
E	Deferred Income Credit, Acct 411.1	-\$395,675,882
F	Investment Tax Credits, Acct 411.4	-\$1,768,489
G	Total (A thru F)	\$648,749,529
H	Net Plant Investment (3E)	\$6,015,981,850
I	Normalized Tax Factor (G/H)	10.78%

6 COST OF CAPITAL = AUTHORIZED RATE OF RETURN

A	Authorized Rate of Return	7.89%
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7 COMBINED CARRYING CHARGE FACTOR - POLES

A	Depreciation Expense Factor (2E)	9.28%
B	Administrative & General Expense Factor (3F)	2.65%
C	Maintenance Expense Factor (4H)	14.22%
D	Normalized Tax Factor (5I)	10.78%
E	Authorized Rate of Return (6A)	7.89%
F	Total Carrying Charge Factor (A thru E)	44.83%

AEP Ohio

CALCULATION OF ANNUAL POLE COST

2012 Data (2013 RATE)

NET CALCULATION

Line	Description	Acct. Ref.	Report Reference or Formula	\$	Line
1	Gross Investment				1
2	Poles	364	FORM 1; Page 207 (g)Ln64	597,342,234	2
3	Conductor	365	FORM 1; Page 207 (g)Ln65	600,626,006	3
4	Services	369	FORM 1; Page 207 (g)Ln69	291,915,623	4
5	Total Overhead Accts		Sum Accts 364,365,369	1,489,883,863	5
6	Total Dist. Plant		FORM 1; Page 207 (g)Ln75	3,718,113,471	6
7	Total Utility Plant		FORM 1; Page 200 (b)Ln8	15,791,351,250	7
8					8
9	Deprec. Reserve				9
10	Poles		(L2/L6)*L12	223,583,470	10
11	Overhead Accts		(L5/L6)*L12	557,659,221	11
12	Total Dist. Plant		FORM 1; Page 219 (c)Ln26	1,391,679,118	12
13	Total Utility Plant		FORM 1; Page 200 (b)Ln14	6,670,266,900	13
14					14
15	Deferred Taxes				15
16	Poles		(L2-L10)/(L7-L13)*L23	127,239,178	16
17	Overhead Accts		(L5-L11)/(L7-L13)*L23	317,358,436	17
18	Total Utility Plant				18
19	For Accel. Amort. Ppty	281	FORM 1; Page 273 (k)Ln8	376,657,740	19
20	For Other Ppty	282	FORM 1; Page 275 (k)Ln2	1,764,794,823	20
21	Deferred FIT-Other	283	FORM 1; Page 277 (k)Ln9	604,077,136	21
22	Deferred Taxes	190	FORM 1; Page 234 (c)Ln8	359,572,801	22
23	Deferred Taxes Tot. Plt.		Sum Accts 190, 281,282,283	3,105,102,500	23
24					24
25	Net Pole Investment		L2-L10-L16	246,519,586	25
26	Net Overhead Accts		L5-L11-L17	614,866,206	26
27	Net Plant Investment		L7-L13-L23	6,015,981,850	27
28					28
29	Appurt. Elimination Rate		Rate for Electric Company	15.00%	29
30	Number of Poles		AEP Company Records	989,161	30
31	Net Cost of a Bare Pole		(L25*(1-L29))/L30	211.84	31
32					32
33	Deprec. Rate - Poles		PUCO Case No. 11-351-EL-AIR,Att.D.	0.0383	33
34	Administrative Exp.		FORM 1; Page 323 (b)Ln 197	159,175,788	34
35	Pole Maintenance Exp		L25/L26*L36	35,067,371	35
36	Mainten. of Overhead Lines	593	FORM 1; Page 322 (b)Ln 149	87,464,618	36
37	Operating Taxes				37
38	Taxes Other Than Income	408	FORM 1; Page 114 (c)Ln 14	404,969,760	38
39	Income Taxes - Federal	409.1a	FORM 1; Page 114 (c)Ln 15	91,930,521	39
40	Income Taxes - Other	409.1b	FORM 1; Page 114 (c)Ln 16	8,580,447	40
41	Provision for Def. Inc. Tax	410.1	FORM 1; Page 114 (c)Ln 17	540,713,172	41
42	Provision for Def. Inc. Tax (cr.)	411.1	FORM 1; Page 114 (c)Ln 18	-395,675,882	42
43	Investment Tax Cr. Adj. - Net	411.4	FORM 1; Page 114 (c)Ln 19	-1,768,489	43
44	Operating Taxes - Total			648,749,529	44
45					45
46	Depreciation Expense Factor		(L33*L2)/L25	9.28%	46
47	Admin. Factor		L34/L27	2.65%	47
48	Pole Mainten. Factor		L36/L26	14.22%	48
49	Tax Expense Factor		L44/L27	10.78%	49
50	Rate of Return		PUCO Case No. 11-351-EL-AIR (avg)	7.89%	50
51	Annual Cost Factor		L46+L47+L48+L49+L50	44.83%	51
52	Annual Net Pole Cost		L51*L31	\$94.96	52