



221 E. Fourth St
Cincinnati, OH 45202

June 26, 2015

Ms. Barcy McNeal
Secretary of the Commission
Public Utilities Commission of Ohio
Docketing Division
180 East Broad Street
Columbus, Ohio 43215-3793

RE: Case No. 15-0973-TP-ATA

Dear Ms. McNeal:

Cincinnati Bell Telephone Company LLC (CBT), pursuant to discussions with Commission Staff regarding CBT's cost of capital calculation, hereby files the attached revision for Case No. 15-0973-TP-ATA. This attachment includes a revision to Exhibit C that explains the revised ROR calculation for CBT's Tariff Pole Attachment and Conduit Occupancy filing. Per Staff instructions, the following pages from the May 15th filing should be replaced with the attached documents.

Exhibit C
Pole Attachment Rate Calculation
Calculation of Conduit Occupancy Rate
Proposed Tariff Sheet

The new Pole Attachment Rate Calculation and Conduit Occupancy Rate Calculation has been calculated with a revised lower cost of capital. The ROR has been reduced based on an FCC Staff Report which has been submitted to Staff by request and has subsequently been approved.

If you have any questions regarding this filing, please do not hesitate to contact me at 513-565-2421 or email at kevin.mann@cinbell.com

Sincerely,

Kevin R. Mann
Regulatory Specialist

Exhibit C
(Description of Tariff Page Changes and Rate Support)

These tariff revisions are being filed in accordance with the Commission's orders in Case No. 13-579-AU-ORD to update the rates for pole attachments and conduit occupancy, consistent with 47 C.F.R. 1.1409(e)(1) for pole attachments and 47 C.F.R. 1.1409(e)(3) for conduit occupancy.

ROR calculation is based on the FCC Staff Report "Prescribing the Authorized Rate of Return" DA 13-1111. The ROR used for this calculation was derived by taking the average of the CAPM WACC Lower Bound and the CAPM WACC Upper Bound found on Appendix K CAPM and DCF WACC Ranges (p68). Please see the link below for the FCC document.

https://apps.fcc.gov/edocs_public/attachmatch/DA-13-1111A1.pdf

Column A	Column B	Column C	
Line	Calculation of Conduit Occupancy Rate Using 2014 ARMIS Data (OH)		Source
	NET INVESTMENT PER Conduit		
5	Investment in Conduit Plant	\$87,727,000	Cell C45
6	/Conduit Duct Ft	28,900,863	Cell C63
7	=Net Investment per Duct Ft	\$3.04	Cell C5 * Cell C6
8			
9	CARRYING CHARGES		
10	Maintenance		
11	Chargeable Maintenance Expenses	\$1,138,000	Cell C49
12	/Net Investment in Conduit Plant	\$87,727,000	Cell C45
13	=Maintenance Carrying Charge	1.30%	Cell C11 * Cell C12
14			
15	Depreciation		
16	Deprec Rate Applied to Net ConduitPlant	2.50%	Cell C50
17			
18	CARRYING CHARGES CONTINUED		
19	Administrative		
20	Administrative Expenses	53,808,000	Cell C51
21	Total Plant in Service	2,124,290,000	Cell C46
22	Administrative Carrying Charge	2.53%	Cell C20 * Cell C21
23			
24	Taxes		
25	Normalized Tax Expense	43,491,000	Cell C52
26	Total Plant in Service	2,124,290,000	Cell C46
27	Tax Carrying Charge	2.05%	Cell C25 * Cell C26
28			
29	Return		
30	FCC Default Rate	2.52%	Cell C70/Cell C67 * Cell C55
31	TOTAL CARRYING CHARGES	10.90%	Cell C13 + Cell C16 + Cell C22 + Cell C27 + Cell C30
32			
33	Space Factor Calculation		
34	Default Capacity Factor	0.50	Default Factor - §1.1409 (e) (3)
35			
36			
37	Net Investment Per Conduit	\$3.04	Cell C7
38	*Carrying Charges	10.90%	Cell C31
39	*Capacity Factor	0.50	Cell C34
40	=Conduit Rate per ft	\$0.17	Cell C37 * Cell C38 * Cell C339
41			
42			
43			
44	DATA ENTRY AND SOURCE		ARMIS 43-01
45	Gross Investment in Conduit Plant	\$87,727,000	Row 101
46	Gross Investment in Total Plant	\$2,124,290,000	Row 100
47	Depreciation Reserve for Conduit Plant	\$54,566,000	Row 201
48	Depreciation Reserve for TPIS	\$2,029,827,000	Row 200
49	Chargeable Conduit Maintenance	\$1,138,000	Row 501.1
50	Depreciation Rate for Conduit	2.50%	Row 301
51	Total General and Administrative	\$53,808,000	Row 503
52	Taxes	\$43,491,000	Row 504
53	Accumulated Deferred Taxes	-\$46,912,000	Row 406 + Row 403
54	Accumulated Deferred Taxes (Conduit)	-\$11,003,000	Row 405+ Row 402
55	Overall Rate of Return	9.98%	
56	Conduit Trench Kilometers	2,765	Row 602
57	Conduit Duct Kilometers	8,809	Row 603
58	Kilometer to Miles Conversion Factor	0.62137	
59	Conduit Trench Miles	1,718	
60	Conduit Duct Miles	5,474	
61	Miles to Feet Conversion	5,280	
62	Conduit Trench Ft	9,071,505	
63	Conduit Duct Ft	28,900,863	
64			
65			
66	Conversion Data for ROR Element in Gross Calculation		
67	Gross Investment in Conduit Plant	\$87,727,000	
68	-Depreciation Reserve for Conduit	\$54,566,000	
69	-Accumulated Deferred Taxes	-\$11,003,000	
70	=Net Investment in Conduit Plant	\$22,158,000	

Column A	Column B	Column C	
Line	Calculation of Pole Attachment Rate Using 2014 ARMIS Data (OH)		Source
	NET INVESTMENT PER BARE POLE		
5	Investment in Pole Plant	\$47,858,000	Cell C49
6	-Net Investment in Appurtenances (5%)	\$2,392,900	Cell C5 * 5%
7	=Net Invest in Bare Pole Plant	\$45,465,100	Cell C5 - Cell C6
8	/Number of Poles	99,445	Cell C60
9	=Net Investment per Bare Pole	\$457.19	Cell C7/Cell C8
10			
11	CARRYING CHARGES		
12	Maintenance		
13	Chargeable Maintenance Expenses	\$748,000	Cell C53
14	/Net Investment in Pole Plant	\$47,858,000	Cell C49
15	=Maintenance Carrying Charge	1.56%	Cell C13/Cell C14
16			
17	Depreciation		
18	Deprec Rate Applied to Net Pole Plant	8.90%	Cell C54
19			
20	CARRYING CHARGES CONTINUED		
21	Administrative		
22	Administrative Expenses	53,808,000	Cell C55
23	Total Plant in Service	2,124,290,000	Cell C50
24	Administrative Carrying Charge	2.53%	Cell C22/Cell C23
25			
26	Taxes		
27	Normalized Tax Expense	43,491,000	Cell C56
28	Total Plant in Service	2,124,290,000	Cell C50
29	Tax Carrying Charge	2.05%	Cell C27/Cell C28
30			
31	Return		
32	FCC Default Rate	-2.96%	Cell C66/Cell C63 * Cell C59
33	TOTAL CARRYING CHARGES	12.08%	Cell C15+Cell C18+Cell C24+Cell C29+Cell CE32
34			
35	Space Factor Calculation		
36	Space Occupied by Attachee	1	FCC Default
37	/Total Useable Space	13.5	FCC Default
38	Space Factor	7.41%	Cell C36/Cell C37
39			

40			
41	Net Investment Per Bare Pole	\$457.19	Cell C9
42	*Carrying Charges	12.08%	Cell C33
43	*Space Factor	7.41%	Cell C38
44	=Pole Attachment Rate	\$4.09	Cell C41* Cell C42 * Cell 43

45
46
47

48	DATA ENTRY AND SOURCE		ARMIS 43-01
49	Gross Investment in Pole Plant	\$47,858,000	Row 101
50	Gross Investment in Total Plant	\$2,124,290,000	Row 100
51	Depreciation Reserve for Pole Plant	\$71,532,000	Row 201
52	Depreciation Reserve for TPIS	\$2,029,827,000	Row 200
53	Chargeable Pole Maintenance	\$748,000	Row 501.1
54	Depreciation Rate for Poles	8.90%	Row 301
55	Total General and Administrative	\$53,808,000	Row 503
56	Taxes	\$43,491,000	Row 504
57	Accumulated Deferred Taxes	-\$46,912,000	Row 406 + Row 403
58	Accumulated Deferred Taxes (Poles)	\$9,467,000	Row 404 + Row 401
59	Overall Rate of Return	9.98%	
60	Number of Poles	99,445	Row 601

61
62

Conversion Data for ROR Element in Gross Calculation

63	Gross Investment in Pole Plant	\$47,858,000
64	-Depreciation Reserve for Poles	\$71,532,000
65	-Accumulated Deferred Taxes	\$9,467,000
66	=Net Investment in Pole Plant	-\$14,207,000

Exhibit B
(Proposed Tariff Sheets)

3. RATES AND CHARGES (Cont'd)

3.1 Pole and Anchor Attachment, Anchor and Associated Guy Strand Utilization and Conduit Occupancy (Cont'd)3.1.2 RatesAnnual

A. Pole and Anchor Attachment

Per pole, per year for each one foot of usable space occupied by attaching party's attachment and for each power supply, equipment case, or cabinet attached to a pole. (Cable)

\$4.09 (R)

(D)

B. Conduit Occupancy

1. Per foot of duct occupied per year (See Note 1) \$0.17 (R)
2. For the purpose of determining the duct feet chargeable the duct considered occupied shall be measured from the:
 - a. center to center of adjacent manholes, or
 - b. center of a manhole to the end of a duct not terminated in a manhole.

3.2 Charges - Nonrecurring3.2.1 Determination

Charges for all work performed by the Telephone Company or by its authorized representative in connection with the furnishing of pole, anchor and conduit system accommodations as covered by this tariff shall be based upon the full cost, plus (10%) of such amount, to the Telephone Company for performance of such work. Such charges will apply for, but not be limited to, precense survey, make-ready work, inspection and removal of attachee's communications facilities and supervision, at the option of the Telephone Company, of attachee performed work in and around the immediate vicinity of a conduit system.

Note 1: The charge may be billed on either an annual, monthly or combination of annual and monthly basis. (D)

Issued: May 15, 2015

Effective: September 1, 2015

By: Ted Heckmann, Assistant Secretary and Managing
Director, Regulatory Affairs

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 15-0973-TP-ATA

Summary: Amended Application Submitting amendments to Tariff Pole Attachment and Conduit Occupancy filing. electronically filed by Mr. Kevin R Mann on behalf of Cincinnati Bell Telephone