# BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

Washington, DC 20554

BELLSOUTH TELECOMMUNICATIONS,\* LLC D/B/A AT&T FLORIDA \*

Complainant,

FLORIDA POWER AND LIGHT COMPANY,

V.

Respondent.

Proceeding No. 19-187

Bureau ID No.: EB-19-MD-006

REDACTED

## FLORIDA POWER & LIGHT COMPANY'S RESPONSES TO AT&T'S FIRST SET OF INTERROGATORIES

Defendant Florida Power & Light Company ("FPL"), pursuant to Rule 1.730, submits the following responses to the First Set of Interrogatories served by Complainant BellSouth Telecommunications, LLC d/b/a AT&T Florida ("AT&T").

#### **General Response**

FPL adopts and incorporates, as if fully set forth herein, its August 20, 2019 Opposition and Amended Objections to AT&T's First Set of Interrogatories. All responses set forth herein are subject to the August 20, 2019 Opposition and Amended Objections to AT&T's First Set of Interrogatories.

The responses set forth herein are based on information presently known and available to FPL. FPL reserves the right to supplement these responses as additional information becomes known or available through the discovery process or otherwise.

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#### **Responses to Individual Interrogatories**

Interrogatory No. 1. Beginning with the 2014 rental year, state the annual pole attachment rental rate that FPL contends is "just and reasonable" for AT&T's use of FPL's poles under 47 U.S.C. § 224(b). Include in your response the formula, calculations, inputs, assumptions, and source data used to calculate each annual rental rate and identify the corresponding pole attachment rental rate that would apply to FPL's use of AT&T's poles.

Response. The "just and reasonable" rates for AT&T are the rates charged to AT&T by FPL during 2014-2018, determined consistent with the FPL/AT&T joint use agreement ("JUA"). Per the JUA, AT&T is charged of the Annual Adjustment Rate for the left feet of space allocated to it on a "normal" joint use pole (i.e., 35-40 wood pool pole), while FPL is charged of the Annual Adjustment Rate for up to feet of space on a normal joint use pole. This cost allocation was requested by AT&T in 1975.

Below are the charges for a normal joint use pole for AT&T and FPL for 2014-2018.

#### Annual Adjustment Rate

	2014	2015	2016	2017	2018
JUA					
Adjustment Rate					

## Rate for Normal Joint Use Poles

	2014	2015	2016	2017	2018
AT&T JUA Rate					

	2014	2015	2016	2017	2018
FPL JUA Rate					

#### Rate for Special Joint Use Poles

For "special" joint use poles (i.e., concrete poles), the "just and reasonable" rates for AT&T for 2014-2018 are the rates below, which are the Annual Adjustment Rate, per the FPL/AT&T JUA for the feet of space allocated to it. FPL notes that it actually charged AT&T a lower rate than it was contractually permitted for special poles during 2014-2018 (see amounts below). In total, this resulted in AT&T being undercharged by for 2014-2018.

	2014	2015	2016	2017	2018
AT&T JUA Rate					
Rate charged to AT&T					

#### Rate for Transmission Structures

The FPL/AT&T JUA does not specify a rate for attaching to FPL transmission structures. However, over 25 years ago, FPL and AT&T agreed to utilize times the Annual Adjustment Rate as the applicable rate for the attachment to the feet of space allocated to it on an FPL transmission structure. The annual rates for AT&T transmission attachments for 2014-2018 are below:

	2014	2015		2016		2017		2018	
Joint Use rate									

FPL notes that the agreed upon methodology for the annual transmission structure rate results in a rate that is not inconsistent with the cost of a distribution pole vs. a transmission structure.

Supplemental information is found at Attachment R-1.

**Interrogatory No. 2.** State all facts on which you rely for your contention that the pole attachment rental rates for AT&T's use of FPL's poles provided in response to Interrogatory 1 are "just and reasonable" under 47 U.S.C. § 224(b).

**Response.** See FPL's Answer and associated attachments, to be filed on September 6, 2019.

Interrogatory No. 3. Explain in detail what steps, if any, FPL has taken to ensure that its Joint Use Agreements and License Agreements comply with the "just and reasonable" rate provision of 47 U.S.C. § 224(b), the *Pole Attachment Order*, the *Verizon Florida* decision, the *Dominion* decision, and the rate section of the *Third Report and Order* (Section III.C).

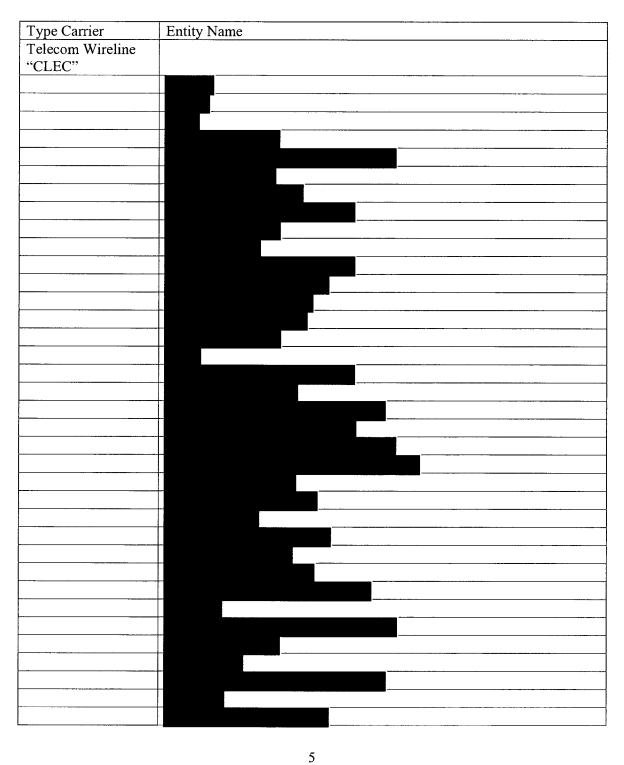
**Response.** See FPL's Answer and associated attachments, to be filed on September 6, 2019.

Interrogatory No. 4. Beginning with the 2014 rental year, identify all entities that have had a Joint Use Agreement or License Agreement with FPL and state whether the entity is an incumbent local exchange carrier, CLEC, cable company, or wireless provider.

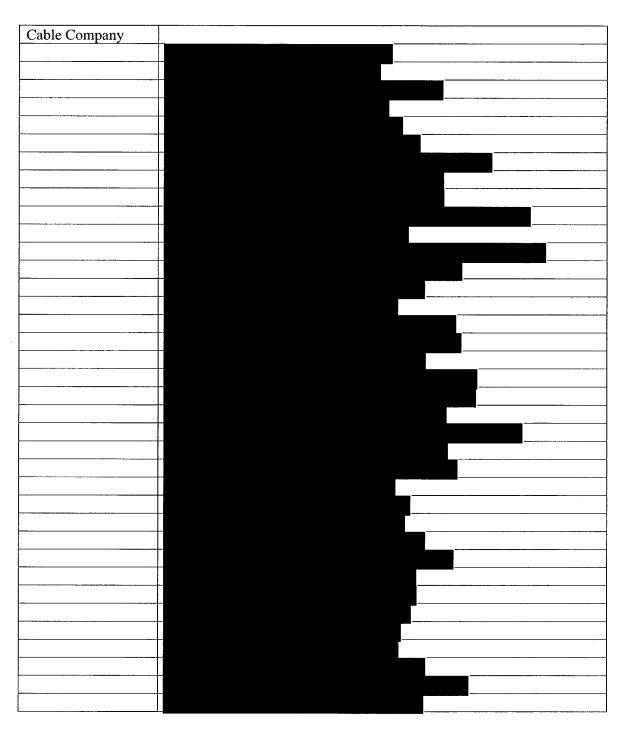
**Response.** The tables below identify all incumbent local exchange carriers, CLECs, cable companies, or wireless providers that have had a joint use or license agreement with FPL. In addition to the entities listed below, FPL has a small number of attachment agreements with governmental entities.

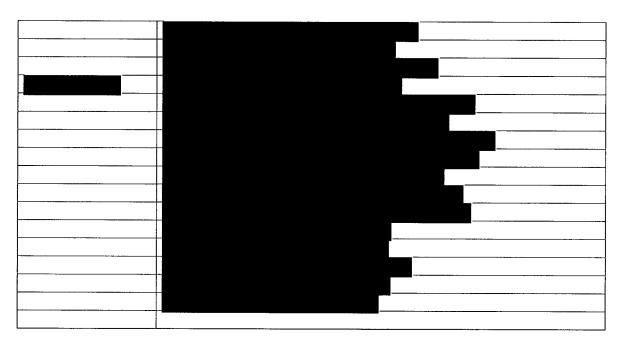
Type Carrier	Entity Name
ILEC	
	AT&T Florida

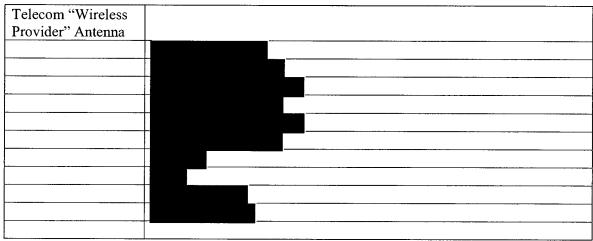
Type Carrier	Entity Name
ILEC	



Type Carrier	Entity Name
Telecom Wireline	
"CLEC"	
7.00	





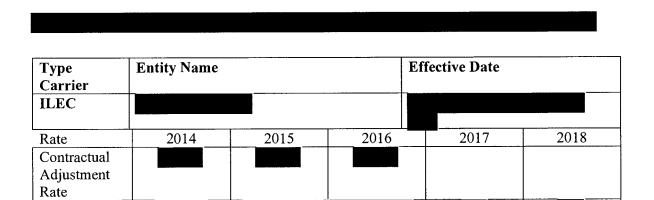


Interrogatory No. 5. State the rates, terms, and conditions of all Joint Use Agreements and License Agreements with FPL that were in effect at any time from the 2014 rental year forward. Include in your response the name of the entity that is a party to the Joint Use Agreement or License Agreement with FPL and the dates on which the Joint Use Agreement or License Agreement with FPL was in effect.

**Response.** Rates for 2014-2018 and agreement effective dates are provided below. See attached agreements for terms and conditions.

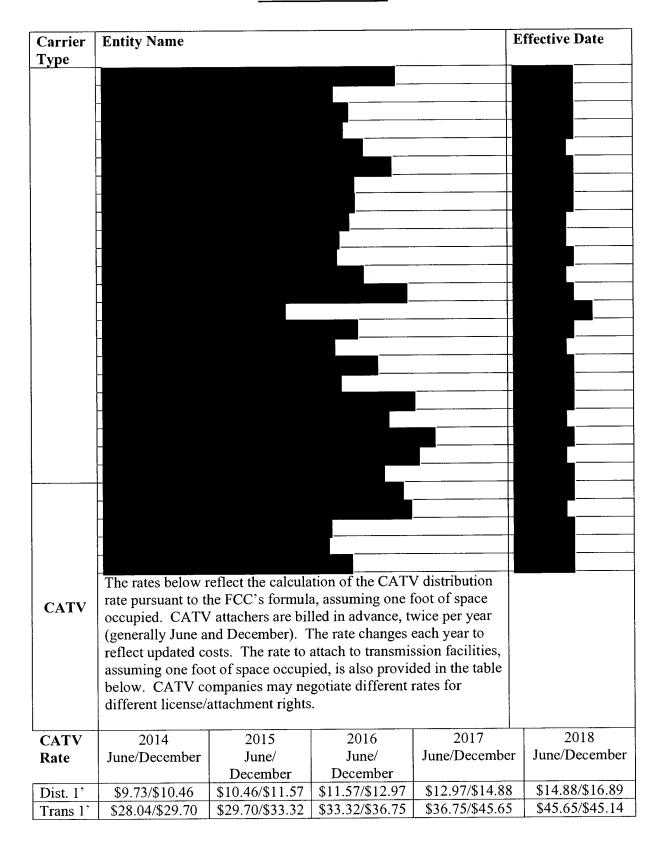
Type Carrier	Entity Name		Effective Date			
ILEC	AT&T Florida		1.01	January 1, 1975		
Rate	2014	2015	2016	2017	2018	
Contractual Adjustment Rate						
Wood pole (4' allocated)						
Special pole (4' allocated) (1)						
Transmission Structure (4' allocated)						

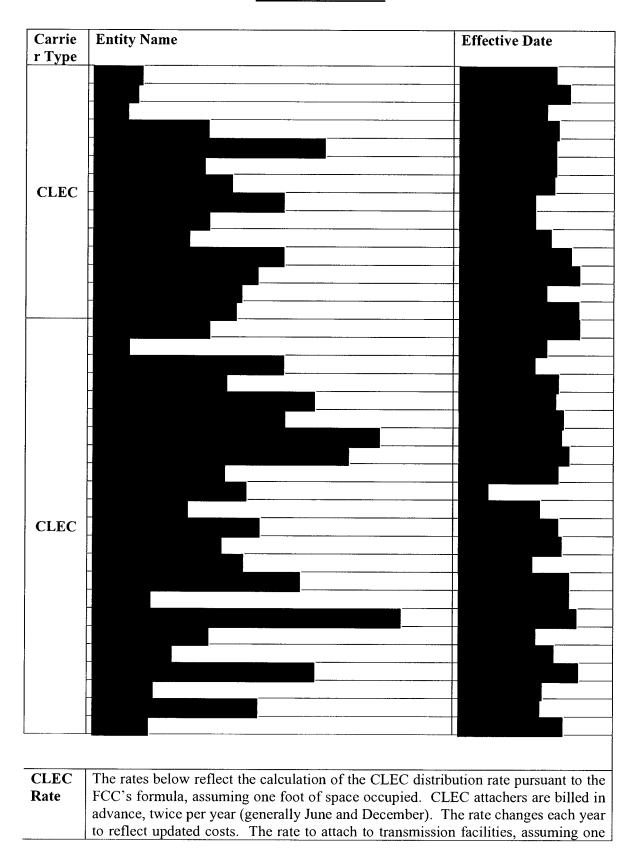
Type Carrier	Entity Name			Effective Date			
ILEC							
Rate	2014	2015	2016	2017	2018		
Contractual							
Adjustment							
Rate							
Wood pole							
(4' allocated)							
Special pole							
(4' allocated)							
(1)							
Transmission							
Structure (4'							
allocated)							



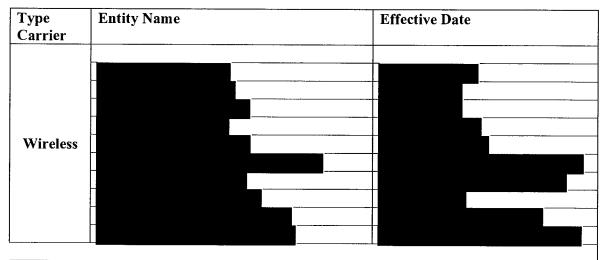
Wood pole
Special pole
Transmission
Structure

Carrier	Entity Name	Effective Date	
Type			
C A TOX 7			
CATV			
CATV			
CAIV			





Carrie r Type	Entity Name	Effect	ive Date					
	foot of space occupied, is also provided in the table below. CLEC attachers may negotiate different rates for different license/attachment rights.							
Rate	2014	2015	2016	2017	2018			
	June/Decembe	June/	June/	June/Decembe	June/December			
	r	December	December	r				
Dist. 1'	\$9.70/\$10.44	\$10.44/\$11.5	\$11.54/\$12.9	\$12.94/\$14.84	\$14.84/\$16.85			
		4	4					
Trans	\$64.25/\$68.06	\$68.06/\$76.3	\$76.34/\$84.2	\$84.22/\$104.6	\$104.60/\$103.4			
1'		4	2	0	3			



The rates below reflect the calculation of the distribution rate for wireless pursuant to the FCC's formula, assuming one foot, three feet and five feet of space occupied. Wireless attachers are billed in advance, twice per year (generally June and December). The rate changes each year to reflect updated costs. Wireless attachers may negotiate different rates for different license/attachment rights.

Rate	2014	2015	2016	2017	2018
Dist. 1'	\$9.70/\$10.44	\$10.44/\$11.54	\$11.54/\$12.94	\$12.94/\$14.84	\$14.84/\$16.85
Dist. 3'	\$29.10/\$31.32	\$31.32/\$34.61	\$34.61/\$38.80	\$38.80/\$44.52	\$44.42/\$24.99
Dist. 5'		\$52.19/\$57.70	\$57.70/\$64.67	\$64.67/\$74.21	\$74.21/\$33.06

Type Carrier	Entity Name			Effective Date			
Other							
Rate	2014	2015	2016	2017	2018		
Contractual Adjustment Rate							
Wood pole (1')							

Type Carrier	Entity Name			Effective Date		
Other						
(Antenna)	ļ					
/ WIFI						
Rate	2014	2015	2016	2017	2018	
Bracket on						
pole (1')						

#### Other

FPL has not included certain other entities with which FPL has attachment agreements with (primarily cities and counties for traffic signals and associated equipment), as the attachments are limited in number and FPL does not charge an attachment fee for these attachments.

Supplemental information is found at Attachment R-5.

Interrogatory No. 6. Beginning with the 2014 rental year, state the annual pole attachment rental rate that FPL charged each entity identified in response to Interrogatory 4, the number of poles or attachments for which the pole attachment rental rate was charged, and whether the entity uses FPL's poles pursuant to a License Agreement or a Joint Use Agreement. Include in your response the formula, calculations, inputs, assumptions, and source data used to

calculate each pole attachment rental rate charged and state whether the rate was charged on a per-pole, per attachment, or other basis and whether the rate was paid.

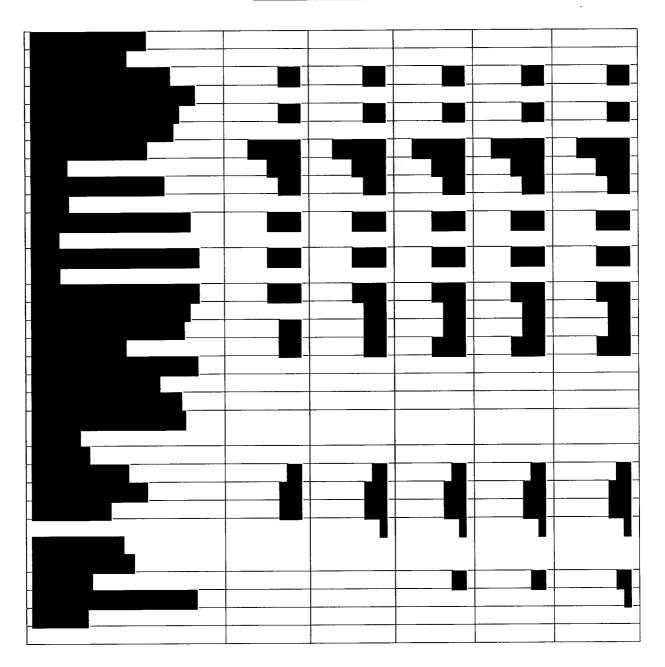
Response. See FPL's answer to Interrogatory No. 5 for rates charged/paid.

	No. of p	oles or Attac	hments	
2014	2015	2016	2017	2018
		_		
				-
	-			-
	<del>-</del>			
	2014			No. of poles or Attachments  2014 2015 2016 2017

	No. of poles or Attachments					
	Join	it Use Agreen	nent	License Agreement		
Carrier	2014	2015	2016	2017	2018	

For information associated with CATV, attachments to this response.

License Agreement	No. of poles or Attachments (If two numbers are provided, the second number is transmission.							
	If the entry is blank there were zero attachments for that period.)							
Telecommunications	2014	2014 2015 2016 2017 2018						
Carrier								



License Agreement		No. of poles or Attachments						
Carrier	2014	2015	2016	2017	2018			

			-
		" - "	

License Agreement	No. of poles or Attachments					
Carrier	2014	2015	2016	2017	2018	

#### <u>Other</u>

FPL has not included certain other entities with which FPL has attachment agreements with (primarily cities and counties for traffic signals and associated equipment), as the attachments are limited in number and FPL does not charge an attachment fee for these attachments.

Supplemental information is found at Attachment R-6.

Interrogatory No. 7. With respect to each License Agreement identified in response to Interrogatory 5, identify any advantage or benefit that FPL contends AT&T receives over and above those provided to the attaching entity. Include in your response, beginning with the 2014 rental year, a quantification of the annual monetary value of each such claimed advantage or benefit expressed on a per-pole basis, the language from each License Agreement that establishes or supports the claimed advantage or benefit, and all data, formulas, calculations, inputs, assumptions, and source data used to quantify the monetary value of each claimed advantage or benefit.

**Response.** See FPL declarations provided by FPL in its Answer which will be filed on September 6, 2019.

Interrogatory No. 8. Beginning with the 2014 rental year, for each claimed advantage or benefit identified in response to Interrogatory 7, state by year the amount of money that FPL collected from each entity identified in response to Interrogatory 4 concerning that competitive benefit. Include in your response all formulas, calculations, inputs, assumptions, and source data used to invoice these amounts.

**Response.** As will be described FPL's Answer, which will be filed on September 6, 2019, the advantage to AT&T consists of AT&T not being charged for certain activities and requirements. Accordingly, the advantage is the avoidance of costs, not the collection of the costs.

Notwithstanding this erroneous premise, see confidential documents attached for a sample of one CLEC attacher's and one CATV attacher's make ready costs for the period January 2018 through July 2019. Consistent with FPL's objections, providing this information for each of several dozen attachers since 2014 would be unduly burdensome.

Supplemental information is found at Attachment R-8.

Interrogatory No. 9. Beginning with the 2014 rental year, state the rate of return used by FPL in the calculation of rates under 47 C.F.R. § 1.1406(d), including the cost of debt, cost of equity, and capital structure, and, if different, FPL's state-authorized weighted average cost of capital and/or weighted cost of equity, including, as appropriate, the cost of debt, cost of equity, and capital structure. Include in your response the formula, calculations, inputs, assumptions, and source data used.

**Response.** The rate of return for January – May 2014 is specified in the Florida Public Service Commission's (FPSC) order in Docket No. 080677-EI. See In re: Petition for increase in

rates by Florida Power & Light Company, Order No. PSC-PSC-2011-0089-S-EI (issued February 1, 2011).

The rates of return used in FPL's pole attachment rates after May 2014 were calculated using the midpoint of the return on equity range ("ROE") specified in settlements approved by the FPSC in Docket Nos. 120015-EI (for rental years June 2014 through May 2017), and 160021-EI (for rental years beginning June 2017 through December 2018). See In re: Petition for increase in rates by Florida Power & Light Company, Order Nos. PSC-13-0023-S-EI (issued Jan. 14, 2013) and Petition for increase in rates by Florida Power & Light Company, PSC-16-0560-AS-EI (issued Dec. 15, 2016). The remaining cost of capital components are taken from the cost of capital schedule (MFR D-1a) filed in those dockets.

The rates of return and associated calculations are provided in Attachment R-9.

Interrogatory No. 10. Identify all data regarding poles jointly used by FPL and AT&T, including all survey, audit or sampling data, concerning pole height, the average number of attaching entities, the space occupied by FPL, AT&T, and any other entity. Include in your response when the data was compiled or collected, the entity or entities that complied or collected it, the accuracy requirements, if any, imposed or related to the compilation or collection of the data, and the rules, parameters, guidelines, upon which the data was collected.

**Response.** As AT&T is well aware, surveys of FPL and AT&T poles with attachments located in FPL's service territory are targeted to be surveyed on a five-year cycle (i.e., FPL targets surveying 20% of these poles annually). Prior to each survey, FPL meets with pole owners/attaching entities to review and obtain approval of survey guidelines (e.g., scope of work, timing, data to be collected, etc.). Surveys have been conducted by FPL's contractor, Alpine

Communication Corp., with survey results verified (through a 10% sample) jointly by representatives from FPL, AT&T and other attaching entities. If survey verification reveals an error rate less than 3%, the survey results are considered approved. Information obtained through the survey includes pole location (state plane/GIS coordinates), pole ownership, pole type (e.g., wood, concrete), pole height, attaching entities (i.e., FPL, AT&T, cable, telecommunication and wireless) and number of attachments per pole. AT&T should have copies of these surveys that have been performed over the years.

Additionally, in July 2019, FPL conducted a random statistically valid sample survey, targeting 2,000 FPL poles that had AT&T facilities attached to them. This survey was performed by Alpine Communications Corp. The purpose of this survey was to collect data that is not collected during annual surveys referenced above. Specifically, as to the 2,000 randomly sampled FPL poles, the survey collected the following data: (1) number of governmental attaching entities/attachments; (2) number of AT&T attachments; and (3) space occupied by AT&T. FPL is in the process of compiling and reviewing the data and working on a declaration which shall be included in FPL's Answer.

Supplemental information is found at Attachment 10.

Respectfully submitted,

ECKERT SEAMANS CHERIN & MELLOTT, LLC

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#### **CERTIFICATE OF SERVICE**

I hereby certify that I caused a copy of the foregoing Responses to AT&T's First Set of Interrogatories to be served on the following by hand delivery, U.S. mail or electronic mail (as indicated):

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/s/ William C. Simmerson
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