State of Florida



Hublic Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

- **DATE:** October 12, 2006
- **TO:** Director, Division of the Commission Clerk & Administrative Services (Bayó)
- **FROM:** Division of Competitive Markets and Enforcement (R.Moses, L.Harvey, C.Vinson) Office of General Counsel (A. Teitzman)
- **RE:** Docket No. 060077-TL Proposal to require local exchange telecommunications companies to implement ten-year wood pole inspection programs.
- AGENDA: 10/24/06 Regular Agenda Decision on Proposal Prior to Hearing Interested Persons May Participate

COMMISSIONERS ASSIGNED: All

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: I:060077EMB.doc

Case Background

On February 7, 2006, the Commission approved a staff recommendation in this docket requiring Florida's incumbent local exchange companies to implement wood pole inspection programs based upon an eight-year cycle and requiring the companies to provide annual reporting on pole inspection results. The Commission directed staff to conduct an informal meeting with the parties to discuss the PAA order's requirements and possible alternatives. This meeting was held on February 21, 2006.

On March 1, 2006, the Commission issued Order No. PSC-06-0168-PAA-TL (PAA order.) It required the companies to file plans for implementing their pole inspection programs.

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The PAA order also specifically afforded a degree of flexibility in the manner the companies would implement the PAA order, directing staff to bring before the Commission any plans that materially deviate from its stated requirements.

On March 22, 2006, Verizon and Embarq (formerly Sprint) filed separate protests of the Commission's PAA order requesting formal hearings. The remaining Florida ILECs all filed proposals that complied with the PAA order's requirements. Due to the PAA order's treatment of severability, the protests by Verizon and Embarq did not prevent the PAA from becoming final at the end of the protest period for the other parties.

On April 3, 2006, Verizon filed a wood pole inspection program proposal, and subsequent discussions between staff and Verizon yielded revisions to the company's proposal. On July 18, 2006, the Commission accepted that amended proposed plan upon staff's recommendation.

On May 3, 2006 Embarq filed a wood pole inspection plan, and subsequent discussions with staff led to a revised plan being filed on July 6. Further revised plans were filed on September 12, 21, and October 4, 2006. This recommendation presents the final plan for approval by the Commission.

Discussion of Issues

Issue 1: Should the Commission approve Embarq's revised wood pole inspection plan (Attachment A)?

Recommendation: Yes. (Moses, Harvey, Vinson)

<u>Staff Analysis</u>: As ordered, Embarq's proposed wood pole inspection plan requires inspection of 100% of the company's wood poles on an eight-year cycle. There are, however, two variations from the PAA order's requirements. Therefore, Commission approval of Embarq's wood pole inspection plan is necessary.

In its proposals and responses to the PAA, Embarq noted that many of the National Electric Safety Code (NESC) rules regarding pole strength and loadings (e.g. Sections 25 and 26) apply only to Grades B and C construction standards. These grades are required for poles bearing electric distribution and transmission conductors. Embarq's poles bearing only telecommunications facilities (or telecommunications plus cable facilities) are generally subject to lesser Grade N construction standards. On this basis, Embarq has proposed differing inspection methodologies for its shorter Grade N poles.

Variations from the PAA Order

Embarq categorizes its wood poles that bear electric utility conductors exceeding 750 volts (Grade B and C), plus its telephone-only poles 35 feet and longer (Grade N), as "Priority 1" poles. Embarq proposes inspections including load calculation and drilling for all Priority 1 poles. The proposed drilling will trial the use of the Resistograph above and below ground level as an alternative to traditional excavation and drilling.

Embarq's remaining wood poles, Grade N poles 30 feet or less in length and bearing only telecommunications facilities (or telecommunications plus cable facilities) are categorized as "Priority 2" poles. For these poles, Embarq also proposes the use of the Resistograph as an alternative to traditional excavation and drilling. Since Priority 2 poles are not subject to NESC strength requirements, Embarq proposes to perform the Resistograph testing only when a "visual inspection and/or sound and prod testing reveals suspected damage or decay."

Due to the small diameter of the drill bit involved with the Resistograph method, Embarq believes this device may be less intrusive and preferable to traditional drilling and excavation. Staff notes that the Resistograph represents new technology that has seen limited application. Still, as in the case of Verizon, staff believes the Resistograph to be a reasonable alternative, worthy of consideration for longer term use. Resistograph, when drilled at a 45 degree angle at ground level, provides information on the condition of the pole underground. As such, staff believes its use should be accepted on an experimental basis.

A second variation from the PAA order in Embarq's plan involves performing load calculations. For the Priority 2 poles, Embarq does not propose load calculations as described on page 10 of the PAA order. Instead, staff understands that as wood quality inspections are conducted on Priority 2 poles, load calculations will be selectively performed based upon need,

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as determined from a visual inspection of pole attachments. Though the PAA order cites Section 26 of the NESC in requiring load calculations be conducted in conjunction with wood pole inspections, staff does not believe this section of the NESC is applicable to Grade N construction.

In comparison to the wood pole inspection plans already approved by the Commission, staff believes the Embarq plan provides adequate testing of the company's poles and reliable data to assess the effectiveness of the plan for continued use in future years. Other than the exceptions regarding the conducting of load calculations and excavation of Priority 2 poles, all requirements of the PAA order have been met in staff's opinion and staff recommends Embarq's plan (Attachment A) should be approved by the Commission.

Issue 2: Should this docket be closed?

<u>Recommendation</u>: Yes, the docket should be closed. (Teitzman)

<u>Staff Analysis:</u> Analysis of results, annual reporting, and monitoring of plan adherence by staff can be accomplished without an open docket. Should any issues arise, a new docket could be initiated at a future date.