

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on May 21, 2008

COMMISSIONERS PRESENT:

Garry A. Brown, Chairman
Patricia L. Acampora
Maureen F. Harris
Robert E. Curry, Jr.
Cheryl A. Buley

CASE 08-M-0593 - Proceeding on Motion of the Commission to Evaluate a
Standardized Facility and Equipment Transfer Program.

ORDER INITIATING PROCEEDING

(Issued and Effective June 5, 2008)

BY THE COMMISSION:

INTRODUCTION

The Commission exercises authority over the electric and telecommunications companies that own distribution poles.¹ In the course of every-day operations, facilities and equipment are routinely transferred between utility poles due to road construction, capital improvements, damage or decay. In the interest of public safety and to reduce costs, Department of Public Service Staff (Staff) informs the Commission that there is increasing evidence of a need to establish better coordination efforts between utilities transferring facilities and equipment to new poles and to speed the removal of old poles.

¹ Under Public Service Law (PSL) §§ 2(18) and 5(1)(d)(telephone) and 2(12) and 5(1)(b)(electric) the Commission has general authority over utility operations and plant in New York. The Commission also has specific authority to ensure that utility plant and equipment is safe, adequate and reliable.

Installing new poles and conduit is essential to maintaining safe, adequate and reliable service. However, removal of older, often structurally unsound poles has not kept pace with new installations. This results in a partial transfer of facilities where one utility transfers all or part of its equipment to the new pole, while the remaining facilities are left on the old pole. In the interim, two sets of facilities, those on new poles and the other on older poles, are maintained in close proximity until the transfer is complete. This is an acceptable practice if the transfers are completed within a reasonable amount of time. However, when such transfers are delayed or never completed it creates a double-pole condition which results in added costs and inefficiencies and affects public safety. Various state agencies, municipalities and citizens have submitted numerous complaints over the years concerning incomplete facility transfers. Routine inspections conducted by Staff yield that as much as five percent of observed outside plant is in an incomplete transfer condition or the old pole has been abandoned.

Accordingly, we are instituting this proceeding to evaluate the potential benefits of a standardized facilities equipment transfer program (SAFET). The SAFET program should enhance the coordination, communication, monitoring and notification relating to facility transfers by utility pole owners, attaching entities and the public.

BACKGROUND

Currently, the Department's Office of Electric, Gas and Water and the Office of Telecommunications conduct routine field inspections of utility facilities. Staff takes into account the overall condition of outside plant and attached facilities. When field inspections identify nonstandard conditions, Staff reports them to the pole owners for corrective action and records the information in a database for statistical analysis. To date, Staff has identified incomplete facility transfers for approximately five percent of

the observed locations.² Staff advises the Commission that most of the incomplete facility transfers involve poles no longer suitable for use and/or abandoned for extended periods of time, in some cases years.

Coordination among utilities and other parties regarding the transfer of facilities to new poles appears inconsistent and the result of a lack of a means to effectively communicate. Electric and telephone utilities are the pole owners responsible for setting and removing distribution poles and, bear the primary responsibility for informing other attaching entities, such as facility-based competitive local exchange carriers and cable television companies, of the need to transfer facilities. Municipalities and state and local departments of transportation are also partners with pole owners in these transfers and need to coordinate the construction of roads, signage, street lights and traffic signals which could affect poles and conduit placement.

For utility poles that are jointly owned by the electric and telephone companies, conventional joint pole ownership agreements outline the management and responsibilities of the poles and conduit. The general protocols for facility transfers involve the relocation of the poles by the electric utility, followed by facility transfer by the telecommunications carriers and other parties.³ Ineffective communication often delays transfer by the telecommunication carriers and other parties to new poles, which ultimately delays the removal of old poles. Because telecommunications facilities are transferred after electric, the telecommunications carriers are usually responsible for pole removal.

Finally, outside of New York, twenty states have addressed the growing concern over delayed facility transfers by participating in the National Joint Utility

² Analysis based on random inspections consisting of over 5,000 sites during Years 2006 and 2007 in upstate New York by the Office of Telecommunications in twenty-seven different communities.

³ Third parties are licensed entities who pay a rental charge for their attachments and are not responsible for pole removal.

Notification System (NJUNS).⁴ Although the Northeastern States are not currently members of NJUNS, Massachusetts, New Hampshire, Maine and Vermont have all taken recent actions to address utility pole operations that include incomplete facility transfers.

DISCUSSION

Incomplete facility transfers and the failure to remove old poles poses numerous safety and reliability concerns and causes additional costs to the utility and ratepayer due to poor planning and budgeting, stop-start work and higher maintenance expenses. According to Staff, inadequate and often non-existent communication prevents utilities from exchanging pertinent and timely information about the state of their facility transfer efforts. As a result, construction projects are delayed and cost over-runs incurred. Good communication should lead to better utility coordination and partnering. If the utility is able to efficiently complete its transfer tasks and effectively communicate that to its partners and other parties, better planning for capital construction and maintenance is possible. Such efficiency avoids stop-start work efforts by allowing for coordinated transfers, joint-trenching operations and better project management and notification.

Based on Staff's observations and the complaints received, it is probable that the magnitude of double-pole conditions in New York is significant. A standardized facilities transfer program should allow pole owners and attaching entities to better manage and coordinate their efforts to avoid conflicts, unnecessary costs and reduce the amount of double-pole conditions.

Complaints

The Department has received complaints from the different operating regions of the New York State Department of Transportation (DOT) and from officials of

⁴ NJUNS identifies itself as a national organization of member utilities formed for the purpose of improving the coordination of joint ventures. NJUNS facilitates efficient and coordinated communication among utilities in its member states.

various municipalities. These complaints indicate facility transfers are not taking place smoothly or expeditiously. For example, the Cities of Cairo and Beacon brought complaints in 2002 of double-pole conditions that were not being addressed. The City of Beacon cited 75 double-pole locations in two blocks of its Main Street. In 2004, the Town of Whitestown and in 2006, the Town of Cornwall filed complaints of double-pole situations. Recently we received a complaint from the Village of Cornwall on Hudson, identifying 42 double-pole locations, four of which Staff identified as hazardous and requiring immediate attention.

In 2005, the DOT contacted the Commission with regard to project construction delays and additional costs incurred because utilities delayed transferring facilities to new poles. DOT representatives cited several examples of highway project delays that added expenditures of \$1 million to \$24 million. DOT asked Department Staff to help coordinate, contact and communicate with facility operators to address these concerns. While DOT continues to have meetings with facility operators to keep delays and costs down, the problems are not fully resolved. DOT also received a complaint in 2006 from Greene County on the need to remove 20 critical poles and requested a solution to what it terms the systemic problem of pole removal. In 2005, the City of Oswego reported that utility delays in transferring facilities during a downtown improvement project resulted in inefficient use of a contracted crew and a minimum of \$63,000 in cost over-runs. Oswego representatives said they were frustrated by these delays throughout the project.

Staff is routinely asked to facilitate the communication between utilities, municipalities and other entities to address delayed transfers and related safety issues. Unfortunately, the request for Staff's intervention is not always timely and significant resources and money are often already expended.

CONCLUSION

It is probable that the magnitude of double-pole conditions in New York is significant. The ineffective coordination and communication relating to facility transfers

on utility poles and the lack of a unified system to support the planned removal of old facilities may present a serious problem. If allowed to continue, the safety, reliability and efficiency of the provision of utility and public services may be compromised. Staff's observations and the numerous complaints of various local and state agencies support our conclusion that a proceeding is needed to evaluate the potential benefits of a standardized facilities equipment transfer program for record-keeping, communication, coordination, monitoring and notification related to utility facility transfers. The proceeding should inquire as to the feasibility of SAFET's use by utility pole owners and other parties and public partners to provide a more comprehensive facility management program, lower maintenance and capital costs and improve public safety. Once developed, SAFET should serve as unified database for new pole installations, and automatically inform other entities when poles are available for telecommunications and cable facility transfers; identify which entity will be responsible for removing the old poles; and, provide notification that the old poles are ready for removal.

The Commission orders:

1. A proceeding is initiated to evaluate the potential benefits of a standardized facility and equipment transfer program for record-keeping, communication, coordination, monitoring and notification related to facility transfers between utility poles and conduit owned by electric and telephone corporations. The Secretary to the Commission shall establish a schedule and procedure for soliciting comments and other pertinent information on the issues to be considered in this proceeding.

2. This proceeding is continued.

By the Commission,

(SIGNED)

JACLYN BRILLING
Secretary