

ORIGINAL

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March 9, 2006

Ms. Blanca S. Bayo, Director  
Division of Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED-PPSC  
06 MAR -9 PM 4:29  
COMMISSION  
CLERK

*undocketed*

Re: Review of Pole Inspection and Maintenance Practices - Confidential Work  
Papers and Confidential Attachments

Dear Ms. Bayo:

Verizon Florida Inc. (Verizon) has identified factual information in the work papers produced by Commission Staff during their utility pole inspection audit for which Verizon claims confidential treatment pursuant to Section 364.183(1), Florida Statutes and Rule 25-22.006(5). A sealed envelope containing a highlighted version of the confidential information is attached together with Verizon's Notice of Intent. A redacted version of the work papers is also attached.

In addition, Verizon claims continued confidentiality for the following information previously submitted as confidential during the course of the audit:

**Responses to Data Request No. 1 - Submitted 11/12/05:**

- Confidential Attachment No. 2
- Confidential Attachment No. 4
- Confidential Attachment No. 5a through 5p
- Confidential Attachment No. 6
- Confidential Attachment No. 7
- Confidential Attachment No. 8
- Confidential Attachment No. 9

CMP 1  
 COM \_\_\_\_\_  
 CTR \_\_\_\_\_  
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 GCL 1  
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 OTH 1 conf records

RECEIVED & FILED  
  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE  
02062 MAR-9 8  
FPSC-COMMISSION CLERK

Blanca S. Bayo  
March 9, 2006  
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**Supplemental Responses to Data Request No. 1 - Submitted 12/5/05:**

Revised Confidential Attachment No. 7  
Revised Confidential Attachment No. 8

**Responses to Data Request No. 2 - Submitted 12/12/05:**

Confidential Attachment No. 10 (Part 1 and Part 2)  
Confidential Attachment No. 12

If you require additional information, please do not hesitate to contact me.

Sincerely,



David M. Christian  
Vice President  
Regulatory Affairs Florida

Attachments

c: Tripp Coston (w/a)

**Bureau of Performance Analysis Work Plan  
Telecommunication Pole Inspection Review  
Verizon**

	with best industry practices, should be updated periodically. Compliance with policies and procedures should be verified by operations management.	climbed. Overall, the company policy is not to treat or brace its poles when a deficiency is noted, but rather to replace all substandard poles when they are identified.	
5. Determine <u>organizational structure</u> of company units responsible for pole inspection efforts. Identify changes in structures and responsibilities over the period 2002-2005.	5. The activities required for pole inspections may involve portions of several work units. Shifts in organizational structure can impact effectiveness and can indicate management's priorities and responses to perceived problems.	The company has 1,642 employees within its Construction a Customer Operations groups in FL. Specifically, the company employees 97 Outside Plant Engineering. These associates are involved in the pole inspections, design, and management and support activity for Florida. The company does not have a dedicated group of inspection staff.	No findings
6. Identify, trend, and evaluate the <u>number of personnel</u> allocated to pole inspection during the period 2002-2005.	6. Reductions or increases in workforces devoted these activities reflect changing priorities and can impact reliability results.	The company does not have any staff directly allocated to pole inspections during the period. The company's overall employee count has remained consistent over the review period.	No findings
7. Review any <u>internal or external audits or studies</u> related to pole inspections. Verify that management has responded and implemented recommendations where appropriate.	7. Audits and studies will reveal problem areas discovered. Audit findings should be properly addressed by management in the form of operational changes. Follow-up audits of remedial efforts may be required.	The company has conducted at least 36 internal audits related to service reliability and service quality. The company has not conducted a specific pole inspection audit or review, but has conducted reviews of construction standards, pole placement, pole attachments etc.  The company did have an external review done in a targeted area of Tampa to examine the overall condition of company owned poles. The audit examined a sample of [REDACTED] poles to determine if the poles were defective and needed to be replaced. The results of the review determined [REDACTED] of the poles were defective.	No findings
8. Document <u>how inspection programs are used</u> and evaluate ability to identify faulty poles. Evaluate use of inspection results.	FPSC rule 25-4.069 states the company should pursue a maintenance program aimed at achieving efficient operations while maintaining safe, adequate, and continuous service at all times. The company's inspection program should identify and correct all poles that may cause a safety concern or possible	The company does not conduct or document any routine pole inspections. Any time a lineman determines that a pole is no longer effective, a workorder is issued for the pole to be replaced.  The company used the results of an independent review to determine it has a very low [REDACTED] defective pole rate. The company has not done any internal assessments of the stability of its poles.	The company does not conduct pole inspections as prescribed by the NBSC.

**Bureau of Performance Analysis Work Plan  
Telecommunication Pole Inspection Review  
Verizon**

and cause damage to the other provider	company's responsibility and liabilities in case of pole failure. The contracts should also include the lessee's responsibility in attaching its equipment along the poles.	reciprocal no matter the owner	by the failure of a neglected pole.
14. Determine the number of Verizon poles in service broken down by type.	14. The company should maintain detailed records of the number, type, and location of its pole plant in service.	The company has 107,863 owned poles. The company has them broken down by height and class. The majority are class [REDACTED] feet in length.	No finding

	<p><b>Data Request(s) Generated:</b>          No. _____ Description:          No. _____ Description:</p> <p><b>Follow-up Required:</b></p>
<p><b>Document #15:</b>  <b>Date Requested:</b>  <b>Date Received:</b>  <b>Comments: (i.e., Confidential)</b></p>	<p><b>Document Title and Purpose of Review:</b>          a) Does Verizon track the average total minutes of customer interruptions per year? If so, please provide results from 2002 through 2005.          b) Did Verizon track the average total minutes of customer interruptions for specific outage events? If so, please provide specific results for all hurricanes during period 2002 through 2005?</p> <p><b>Summary of Contents:</b> A. Verizon does not track the average total minutes of customer interruptions per year. However, in compliance with Commission rule 25.4.070(7), Verizon reports monthly trouble reports and service results on Schedule 11 as required to the FL PSC.          B. Verizon does not track the minutes of customer interruption, but instead tracks and reports the number of customer trouble reports to the PSC on schedule 11 as noted in 15a. The company provided a listing on trouble reports for 2003 and 2004 for the storm periods Jul-Dec. The company also notes the increase in tickets over the previous year.</p> <p><b>Conclusions:</b></p> <p><b>Data Request(s) Generated:</b>          No. _____ Description:          No. _____ Description:</p> <p><b>Follow-up Required:</b></p>
<p><b>Document #16:</b>  <b>Date Requested:</b>  <b>Date Received:</b>  <b>Comments: (i.e., Confidential)</b></p>	<p><b>Document Title and Purpose of Review:</b>          Does Verizon track the number of outages caused by pole failures per year? If so, please provide the number outages for each year 2002 through 2005</p> <p><b>Summary of Contents:</b> Verizon does not track the number of outages caused by pole failures. The number of customer reports associated with all trouble types are tracked and reported to the PSC on Schedule 11</p> <p><b>Conclusions:</b></p> <p><b>Data Request(s) Generated:</b>          No. _____ Description:          No. _____ Description:</p> <p><b>Follow-up Required:</b></p>
<p><b>Document #17:</b>  <b>Date Requested:</b>  <b>Date Received:</b>  <b>Comments: (i.e., Confidential)</b></p>	<p><b>Document Title and Purpose of Review:</b> The following questions are in regard to Verizon's response to Data Request 1.3:          Please explain why the audit group was unable to locate [REDACTED] of Verizon's poles during this review.</p> <p><b>Summary of Contents:</b> The purpose of the audit was to verify and update Verizon's records. Poles not found were deleted from the records.</p> <p><b>Conclusions:</b></p> <p><b>Data Request(s) Generated:</b>          Parenting.com</p>

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<p>Comments: (i.e., Confidential) CONFIDENTIAL</p>	<p>Please include the audit report or study date, title of the audit, a brief audit topic description and name of the performing auditor(s).                  b. Please provide a list of any internal audits, external audits, or external studies conducted by or for the company during the period 2002-2005 regarding service reliability and service quality. Please include the audit report or study date, title of the audit, brief audit topic description and name of the performing auditor(s).                  c. Please provide any risk analysis studies or evaluations performed by management over the period 2002-2005 for purposes of identifying internal audit coverage needs and adequacy of internal controls.</p> <p><b>Summary of Contents:</b> In 2002, the company used ATCO to perform an audit of Verizon's poles (██████████). The auditor's physically visited each pole for obvious physical, clearance, or safety issues. Verizon's records were updated to reflect information from this audit</p> <p>B. Verizon has conducted 36 internal audits related to service reliability and service quality. The company provided listing of these audits.</p> <p>C. Verizon's management team analyzes risk on a day-to-day basis, and thus it is impossible to list all such analyzes or evaluations. For Hurricanes, the company has developed and maintains a comprehensive emergency preparedness and restoration plan that addresses all aspects of business operations during and emergency situation. The company provided a Confidential copy of this plan.</p> <p><b>Conclusions:</b> The audit was unable to locate ██████████ of the poles targeted for review. The company did replace ██████████ of the poles.</p> <p><b>Data Request(s) Generated:</b>                  No. _____ Description:                  No. _____ Description:</p> <p><b>Follow-up Required:</b></p>
<p>Document #4: Date Requested: Date Received: Comments: (i.e., Confidential) CONFIDENTIAL</p>	<p><b>Document Title and Purpose of Review:</b>                  a. Please list and provide the number of joint use agreements with other utilities allowing Verizon Florida to attach its equipment to the other company's utility poles.                  b. Please provide a copy of each of the agreements.</p> <p><b>Summary of Contents:</b> The company has seven joint use Agreements with power companies (Bartow, Lakeland, FPL, Progress, TECO, Peach River, and Withlacoochee. The company provided copies of each of these agreements</p> <p><b>Conclusions:</b></p> <p><b>Data Request(s) Generated:</b>                  No. _____ Description:                  No. _____ Description:</p> <p><b>Follow-up Required:</b></p>
<p>Document #5: Date Requested: Date Received: Comments: (i.e., Confidential)</p>	<p><b>Document Title and Purpose of Review:</b>                  a. Please list and provide the number of joint use agreements where Verizon Florida has agreed to allow another company to attach its equipment on Verizon's utility poles.                  b. Please provide a copy of each of the agreements.</p>

CONFIDENTIAL	<p>includes costs of repairs, moves, changes, rent, training, and minor purchases not included in treatment units.</p> <p><b>Conclusions:</b></p> <p><b>Data Request(s) Generated:</b>  No. _____ Description:  No. _____ Description:</p> <p><b>Follow-up Required:</b></p>
<p><b>Document #13:</b>  <b>Date Requested:</b>  <b>Date Received:</b>  <b>Comments: (i.e., Confidential)</b></p> <p>CONFIDENTIAL</p>	<p><b>Document Title and Purpose of Review:</b>  Describe any portions of the pole inspection efforts and activities outsourced or completed by contractors during the period 2002-2005. Please provide copies of any current contracts for outsourcing.</p> <p><b>Summary of Contents:</b> Referred to question 3a. for the ATCO audit results. The company also provided its outsourcing requirements for contracts</p> <p><b>Conclusions:</b> The company does not routinely contract with a company to monitor/inspect/treat or replace poles.</p> <p><b>Data Request(s) Generated:</b>  No. _____ Description:  No. _____ Description:</p> <p><b>Follow-up Required:</b></p>
<p><b>Document #14:</b>  <b>Date Requested:</b>  <b>Date Received:</b>  <b>Comments: (i.e., Confidential)</b></p>	<p><b>Document Title and Purpose of Review:</b>  Describe any changes in the company's approach to pole inspection activities, efforts or funding during the period 2002-2005.</p> <p><b>Summary of Contents:</b> The company issued a statement in 6-2005 addressing remedial pole work. The company, since 2000 has opposed and restricted remedial pole work on Verizon owned poles. Poles not meeting minimum structural standards are replaced rather than repaired.</p> <p><b>Conclusions:</b></p> <p><b>Data Request(s) Generated:</b>  No. _____ Description:  No. _____ Description:</p> <p><b>Follow-up Required:</b></p>
<p><b>Document #15:</b>  <b>Date Requested:</b>  <b>Date Received:</b>  <b>Comments: (i.e., Confidential)</b></p>	<p><b>Document Title and Purpose of Review:</b>  Please describe how the company evaluates and monitors any pole inspections and maintenance work outsourced to contractors.</p> <p><b>Summary of Contents:</b> Verizon agreements with its contractors provide performance expectants, audits and reports, plant rules, service quality measurements, and may other items that hold a contractor to high standards.</p> <p><b>Conclusions:</b> While the company has contracting standards, the company does not contract with any group for pole maintenance related work.</p> <p><b>Data Request(s) Generated:</b>  No. _____ Description:  No. _____ Description:</p>

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**Finding 4**

Verizon's mapping system database of pole records may contain inaccurate information.

Verizon has a mapping system database that houses the location of each of its 107,863 poles within Florida. Verizon transitioned from a paper-based recordkeeping structure to an electronic database in the mid-1980s. In 2002, Verizon contracted with an outside auditor to conduct a sample audit of its pole infrastructure for a portion of its territory around the Tampa area. The audit staff visited [REDACTED] poles within five territories in the Tampa, Florida area to verify Verizon's property records. The audit group also conducted visual assessments of the overall condition of each pole.

The audit stated that, of the [REDACTED] poles on the data sheet and record maps, [REDACTED] ([REDACTED]) could not be located. Verizon management stated that these [REDACTED] poles were removed from the company's records as a result of the audit. The audit also located an additional [REDACTED] ([REDACTED]) poles within the territory that were not listed in the database.

The audit verified that Verizon did not have accurate pole records and maps. The company used this sample audit to gain an understanding of its poles infrastructure. The company updated its records to reflect the audit findings, but has not conducted any further review of its remaining territory. If this audit is representative of the overall service territory, approximately [REDACTED] of the company's pole records could be inaccurate.

Without an accurate pole database and mapping system, Verizon may not be able to respond in a timely manner to service continuity issues. Further, its accounting and depreciation records could be incorrect.

***Company Response:***



**FLORIDA PUBLIC SERVICE COMMISSION  
AUDIT DOCUMENT/RECORD REQUEST  
NOTICE OF INTENT**

TO: Mr. Frank App  
UTILITY: Verizon Florida  
FROM: Tripp Coston

Tripp Coston  
(Audit Manager)

REQUEST NUMBER: Review Staff Work Papers      DATE OF REQUEST: 02/03/06  
AUDIT PURPOSE: Review of Telephone Pole Inspection and Maintenance Operations  
REQUEST THE FOLLOWING ITEM(S) BE PROVIDED BY: 2/23/06  
REFERENCE RULE 25-22.006, F.A.C., THIS REQUEST IS MADE:

INCIDENT TO AN INQUIRY  
X OUTSIDE OF AN INQUIRY

**ITEM DESCRIPTION:**

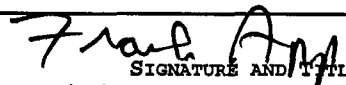
Confidential information contained in Staff work papers (attached) produced during the audit of Verizon's utility pole inspection and maintenance procedures.

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TO:    AUDIT MANAGER    TRIPP COSTON      DATE:    3-9-06

**THE REQUESTED RECORD OR DOCUMENTATION:**

- |   |  |
|---|--|
| X | (1)    HAS BEEN PROVIDED TODAY   |
|   | (2)    CANNOT BE PROVIDED BY THE REQUESTED DATE BUT WILL BE MADE AVAILABLE BY  |
|   | (3)    AND IN MY OPINION, ITEM(S) <u>SEE ABOVE</u> IS(ARE) PROPRIETARY AND CONFIDENTIAL BUSINESS INFORMATION AS DEFINED IN 364.183, 366.093, OR 367.156, F.S. TO MAINTAIN CONTINUED CONFIDENTIAL HANDLING OF THIS MATERIAL, THE UTILITY OR OTHER PERSON MUST, WITHIN 21 DAYS AFTER THE AUDIT EXIT CONFERENCE, FILE A REQUEST FOR CONFIDENTIAL CLASSIFICATION WITH THE DIVISION OF RECORDS AND REPORTING. REFER TO RULE 25-22.006, F.A.C. |
|   | (4)    THE ITEM WILL NOT BE PROVIDED. (SEE ATTACHED MEMORANDUM)  |

  
SIGNATURE AND TITLE OF RESPONDENT

Distribution:    Original:    Utility (for completion and return to Auditor)  
                  Copy:    Audit File and FPSC Analyst      PSC/RGO-6 (Rev.6/00)