

State of Florida



## Public Service Commission

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

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

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**DATE:** October 11, 2007

**TO:** Office of Commission Clerk (Cole)

**FROM:** Division of Competitive Markets and Enforcement (D. Rich, C.Vinson)  
Office of General Counsel (A. Teitzman)

**RE:** Docket No. 070634-EI – Staff Proposal to Revise Annual Reporting Requirements for Commission-Ordered Wood Pole Inspections by Investor-Owned Electric Utilities.

Docket No. 070635-TL – Staff Proposal to Revise Annual Reporting Requirements for Commission-Ordered Wood Pole Inspections by Incumbent Local Exchange Telecommunications Carriers.

**AGENDA:** 10/23/07 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S: \psc\CMP\WP\070634-070635.rcm.doc

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### Case Background

On February 27, 2006, the Commission issued Order No. PSC-06-0144-PAA-EI in Docket No. 060078-EI, requiring each electric investor-owned utility (IOU) to implement an eight-year wood pole inspection cycle. Similarly, the Commission issued Order No. PSC-06-0168-PAA-TL on March 1, 2006, requiring the same in the telecommunications arena for incumbent local exchange carriers (ILECs.) These orders also required companies to submit annual inspection reports.

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Specifically, Order Nos. PSC-06-0144-PAA-EI and PSC-06-0168-PAA-TL state: "All annual inspection reports, including the 2006 Pole Inspection Report, shall contain the following informational sections:

1. A review of the methods the company used to determine NESC compliance for strength and structural integrity of the wood poles included in the previous year's annual inspections, taking into account pole loadings, where required;
2. An explanation of the inspected poles selection criteria, including, among other things, geographic location and the rationale for including each such selection criterion;
3. Summary data and results of the company's previous year's wood pole inspections, addressing the strength, structural integrity, and loading requirements of the NESC; and
4. The cause(s) of each pole failure for poles failing inspection, to the extent that such cause(s) can be discerned in the inspection. Also, the specific actions the company has taken, or will take, to correct each pole failure.

By March 31, 2007, all companies submitted a first annual inspection report for the 2006 reporting year.

After a thorough review and compilation of these initial company reports, staff determined that certain revisions to the required information could help provide additional clarity to future reports.

To discuss possible revisions, staff facilitated an informal teleconference with interested parties on September 13, 2007. Commission approval of these suggested changes is needed to amend the standing orders.

### **Discussion of Issues**

**Issue 1:** Should the Commission revise the annual reporting requirements for the wood pole inspection plan?

**Recommendation:** Yes. (Rich, Vinson)

**Staff Analysis:** Five items of information not previously included in the Commission's orders have been identified by staff as necessary to ensure comprehensive pole inspection monitoring. Additionally, a portion of one of the ordered elements of the annual pole inspection report was determined by staff to be unnecessary for monitoring the companies' programs.

Staff's review of the first annual reports also revealed that additional information would be beneficial to a fuller understanding of company inspection programs. The additional information needed for each year of reporting data consists of:

- The number of poles failing inspection and designated for replacement,
- The number of replacements made to date,
- The plan for replacement of the remaining poles that failed inspection,
- The projected number of poles to be inspected in the next annual inspection cycle, and
- The cumulative number and percentage of poles inspected in the eight-year cycle.

Staff notes that several of the IOUs and ILECs provided some, or all, of this additional information in their 2006 activity reports.

Additionally, staff's review of the first annual reports led to a conclusion that the portions of Requirement 4, that companies provide to the Commission "the cause of *each* failure for poles failing inspection" and "the specific actions...to correct *each* pole failure" are unnecessary and burdensome (emphasis added.) Staff believes this level of detail in the annual report is unnecessary. Instead, staff proposes that the companies gather and retain this data for "each pole," but that the requirement to annually provide data on each pole be removed. If staff discovers a need for this data, or aggregated data such as total poles failing due to decay or overload, the companies could then provide the requested data as a report supplement.

Staff believes modifying future reports in this manner would allow the Commission to more accurately gauge the status of pole inspection efforts and progress. This revision would provide staff a clearer, more comprehensive indication whether companies are on track to complete 100 percent of the required inspection in eight years.

Staff presented these recommended changes in an informal conference call held on September 13, 2007. The teleconference was formally noticed and well-attended by the IOUs and ILECs impacted by the proposed changes. The participants made no objections. Staff recommends the proposed revisions be approved by the Commission.

**Issue 2:** Should the reporting format, as shown in Attachment 1, be adopted as the new standard for reporting companies?

**Recommendation:** Yes. (Rich, Vinson)

**Staff Analysis:** The proposed changes in reporting requirements described in Issue 1 are reflected in Attachment 1. The proposed additions are shaded. Staff recommends that the proposed template be adopted as the format for future annual pole inspection reports.

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**Issue 3:** Should this docket be closed?

**Recommendation:** Yes. (Teitzman)

**Staff Analysis:** 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.

**\_\_\_\_\_ (Company)**  
**Annual Wood Pole Inspection Report**  
 (Reporting Year 20\_\_\_\_)

<b>a</b>	<b>b</b>	<b>c</b>	<b>d</b>	<b>e</b>	<b>f</b>	<b>g</b>	<b>h</b>	<b>i</b>	<b>j</b>	<b>k</b>	<b>l</b>	<b>m</b>
Total # of Wooden Poles in the Company Inventory	# of Pole Inspections Planned this Annual Inspection	# of Poles Inspected this Annual Inspection*	# of Poles Failing Inspection this Annual Inspection	Pole Failure Rate ( % ) this Annual Inspection	# of Poles Designated for Replacement this Annual Inspection	Total # of Poles Replaced this Annual Inspection	# of Poles Requiring Minor Follow-up this Annual Inspection	# of Poles Overloaded this Annual Inspection	Method(s) V = Visual E = Excavation P= Prod S = Sound B= Bore R = Resistograph	# of Pole Inspections Planned for Next Annual Inspection Cycle	Total # of Poles Inspected (Cumulative) in the 8-Year Cycle To Date	% of Poles Inspected (Cumulative) in the 8-Year Cycle To Date
If b - c > 0, provide explanation												
If d - g > 0, provide explanation												
Description of selection criteria for inspections												