

**Verizon New England Inc.  
d/b/a Verizon New Hampshire**

**State of New Hampshire**

**Docket No. DM 05-172**

**Respondent:** Troy McDonald  
**Title:** Joint Lines Specialist – ME, VT, NH  
**Respondent:** Serge Laprise  
**Title:** Manager – OSP Engineering

**REQUEST:** New Hampshire Utilities Commission Staff, Set 3 Follow-Up Topic 2

**DATED:** May 30, 2006

**ITEM:** Staff 3-44A All – Does your company believe that the other companies with whom  
Follow-Up you have an IOP are conforming to their respective IOPs for pole  
maintenance, trimming, or inspections. If not, please specifically  
describe why not for each instance. For companies with an IOP with  
more than one other company, please supply a separate response for  
each.

**REPLY:** From time to time, any company operating with an IOP arrangement can  
unintentionally or otherwise occasionally take actions that are not in  
conformance with the IOP. To be responsive to the question without  
seeking to criticize its business partners, Verizon NH highlights the  
following instances when others have not acted consistent with the IOPs.  
These examples are illustrative only and are not intended to be an  
exhaustive list of all such instances.

**Unitil:**

**IOP #17 - Joint Trim (2005):** IOP #17 provides Verizon NH and Unitil  
with the option of choosing not to participate in maintenance tree  
trimming if either party does not feel there is a benefit to joint  
participation. Irrespective of Verizon NH's notification to Unitil that it  
would not participate in certain maintenance trimming, Unitil has  
continued to invoice Verizon NH for 25% of all maintenance trimming  
expenses. This creates an administrative problem for Verizon NH, as  
each line item of every invoice must be reviewed to confirm that the trim

VZ #192

**REPLY: (Cont'd)      Unitil:(cont'd)**

expense represented an instance in which Verizon NH agreed to participate in joint trimming. In that regard, it should be noted that on three separate occasions studies were performed that established that Unitil was charging Verizon NH for sections: 1) where Verizon NH was not attached to the pole line; 2) in locations of the state that did not include a Verizon NH serving area; or 3) that involved trimming for power company space only.

Attached are letters sent to Unitil conveying Verizon NH's concern with the error rates in trim invoicing (see Attachments 1 through 3). The letters reflect 47.8%, 53.5% and 97% error rates, respectively, for the relevant periods. Unitil previously included Attachment 1 in its response to Staff 3-25; however, it neglected to include the second page of the document, which detailed the findings of Verizon NH's study of Unitil's invoice errors.

**IOP #17 - Joint Trim (2004):** During year 2004 Unitil did not follow Item 5(a) of IOP #17 requiring it to provide an Exchange of Notice (EON) for Verizon NH's review and agreement of sections to be trimmed. Item 5(e) of IOP #17 provides that Unitil is to accept financial responsibility for any "uncoordinated" trimming. Unitil continues to invoice Verizon NH for 25% of all 2004 trim costs.

**IOP #17 - Joint Trim Billing:** If Unitil decides to employ a trim vendor that is not on Verizon NH's approved contractor list, Item 5(d) requires Unitil to pay for the trimming and invoice Verizon NH 25% of the trim expense associated with the trim sections for which Verizon NH agreed to participate. While Verizon NH and Unitil have met regarding this practice, Unitil is now refusing to include a copy of the signed EON to support invoicing. This invoicing practice creates additional administrative work within the bill processing center. Verizon NH billing staff must track down EONs and attempt to match them with the correct invoice package. This activity adds additional time to the bill payment process.

**IOP #9 Item 2 - Removal of Jointly Owned Poles &  
IOP #13 Item 1B - Request to Transfer Construction:**

Unitil will routinely send one transfer notice to all attachees once it has set a pole within its maintenance area and transferred its wires. As a result, Verizon NH does not receive proper notification because other attachees have not transferred. This practice impacts the 60-day

**REPLY: (Cont'd)**     **Unitil:(cont'd)**  
time period contained in the Verizon NH – Unitil IOP.

In addition, apparently as a result of this proceeding, Unitil has begun to address its backlog of transfer notifications. Recently, Unitil served Verizon NH approximately 120 notifications for pole transfers in its Capital area. While the work associated with these notifications did not all occur in one day, Unitil apparently is seeking to claim that the IOP imposes the removal obligation on Verizon NH if Verizon NH does not complete all transfer work within 60 days. These types of backlog situations should be addressed outside of the IOP benchmarks, as Unitil cannot reasonably hold work in an attempt to force costs upon Verizon NH.

**Public Service of New Hampshire (PSNH):**

**IOP #10 - Removal of Joint Poles:** Prior to Verizon NH's initiating an electronic exchange of notice process, PSNH would routinely send one transfer notice to all attachees once it had set the pole and transferred its wires. As a result, Verizon NH would not receive proper notification because other attachees had not transferred. This practice impacts the 60-day rule contained in the Verizon NH – PSNH IOP. Also, it has been a challenge for both Verizon NH and PSNH to determine to which dual poles in PSNH's maintenance areas the 60-day clock applies.

**National GRID (NGRID):**

**IOP "N" - Monthly Billing Procedure:** NGRID has been behind in the Joint Ownership billing process. NGRID was first contacted regarding this issue in 2005 to address the fact that, beginning in 2003, it had not returned the necessary paperwork (form 1045) to allow Verizon NH to prepare the monthly invoices relating to the net pole and anchor sets between both companies. NGRID's explanation was it lacked staffing to perform the necessary function. Since this initial contact, one year ago, NGRID has completed the 1045 billing process for 2003 but has not completed the process for years 2004 and 2005. It also is not current for year 2006.

Troy F. McDonald  
Joint Lines Specialist

NH DKT 07-011  
EXHIBIT JFN-V  
Rebuttal Testimony of John F. Nestor



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October 4, 2005

Robert Conner – Director, Operations Services  
Unitil Service Corp.  
6 Liberty Lane West  
Hampton, NH 03842

**RE: 2005 Maintenance Tree Trim Invoices**

Dear Mr. Conner:

Based on our phone conversation back in June of this year I would like to say thank you for offering to work with me on the resolution of year 2005 maintenance trim invoicing. It was clear during our discussions that you and I share a common goal in ensuring that our companies resolve our differences in a professional manner and rebuild a positive working relationship which is to both our benefit.

I am writing this letter to inform you that I have completed a review of year 2005 maintenance trim invoicing in the Unitil-Capitol area for the period of January thru April which revealed results which are in need of clarification. I cataloged every hour of each day by reviewing all trim contractor timesheets and associated traffic control services to ensure the trimming services performed were a benefit to Verizon before acceptance and payment of the invoices received. Please note that all locations identified on the trim contractor timesheets were also reviewed in the field. What I found was that 47.8% of the amount invoiced to Verizon, totaling \$15,965.00, was for services not performed on Verizon's behalf.

The data analysis revealed that 47.8% of the invoicing that Unitil expected Verizon to pay was comprised of the following:

- Verizon was invoiced for locations that are a non-Verizon serving area.

- Verizon was invoiced for locations where Unitil’s tree trim contractor trimmed out the electrical space only and left the communication space untrimmed.
- Verizon was invoiced for locations where maintenance trimming was not required for the communication space.
- Verizon was invoiced for locations where a Verizon communication cable was not attached to the pole line.

Following is a breakdown of the trim data in spreadsheet format for your review:

| Comparative Data (Trim)                                 | Jan    | Feb    | Mar    | Apr    | Total    |
|---|--------|--------|--------|--------|----------|
| Total VZ Verified Hours vs Timesheet Hours              | 15.5%  | 52.5%  | 54.9%  | 64.6%  |          |
| Timesheet Hours Billed for Non-Verizon Serving Area     | 293.25 | 45.00  | 18.00  | 54.00  | 410.25   |
| Timesheet Hours Billed for Sections NOT trimmed for Tel | 275.25 | 304.50 | 225.00 | 269.00 | 1,073.75 |
| Timesheet Hours Billed for Sections VZ NOT needing Trim | 16.00  | 161.50 | 91.50  | 90.00  | 359.00   |
| Timesheet Hours Billed for Sections VZ NOT Attached     | 36.00  | 17.00  | 0.00   | 0.00   | 53.00    |

**Total Hours Charged to VZ for work not benefiting VZ: 1896.00**

**Total Hours Charged by Trim Contractor for all Work: 3969.00**

**Percentage of Hours on Timesheets not Benefiting VZ: 47.8%**

While reviewing all trim contractor timesheets and associated traffic control service I also tabulated the dollars billed to Verizon by Unitil and compared them to the locations that were verified as acceptable. I am including a copy of the tabulated data for your review.

| Month         | Total Hrs Labor | Total Hrs Equip | Total Trim \$\$\$ | VZ Verified Labor Hrs | VZ Verified Equip Hrs | VZ Verified Total Cost | VZ Accepted 25% Trim Cost | Total Traffic Control \$\$\$ | VZ Verified Traffic Cost | VZ Accepted 25% Traffic Cost | Total VZ Accepted Costs | Amount Invoiced by Unitil: |
|---------------|-----------------|-----------------|-------------------|-----------------------|-----------------------|------------------------|---------------------------|------------------------------|--------------------------|------------------------------|-------------------------|----------------------------|
| Jan           | 849.00          | 76.00           | \$29,090.98       | 127.00                | 16.63                 | \$4,566.45             | \$1,141.61                | \$3,118.00                   | \$1,913.63               | \$478.41                     | \$1,620.02              | \$6,529.70                 |
| Feb           | 1215.00         | 36.00           | \$40,029.12       | 642.10                | 14.40                 | \$21,428.36            | \$5,357.09                | \$5,953.50                   | \$2,152.50               | \$538.13                     | \$5,895.22              | \$8,984.86                 |
| Mar           | 675.00          | 0.00            | \$22,338.09       | 370.50                | 0.00                  | \$12,343.21            | \$3,085.80                | \$9,040.50                   | \$1,747.73               | \$436.93                     | \$3,522.73              | \$8,300.26                 |
| Apr           | 1230.00         | 0.00            | \$40,977.45       | 795.00                | 0.00                  | \$26,485.43            | \$6,621.36                | \$0.00                       | \$0.00                   | \$0.00                       | \$6,621.36              | \$9,809.51                 |
| <b>Total:</b> |                 |                 |                   |                       |                       |                        |                           |                              |                          |                              | <b>\$17,659.33</b>      | <b>\$33,624.33</b>         |

I believe it to be both professional and respectful to provide you with all the information I have to allow you time to internally review the issues that contributed to the invoicing of trim and associated traffic control services for which, based on my review, Verizon should not have been expected to pay. I am sending this data to you asking for your response to the above data analysis.

After you have had a chance to review I would request a meeting between your company and Verizon at our office in Manchester to discuss your findings. As I understand there have been meetings between Unitil and Verizon at a higher level on other issues I would like our meeting to focus on year 2005 trim invoicing and process improvement going forward. At this point I would anticipate Lisa Thorne, Director - Verizon Regulatory and myself to be at the meeting. Please note that, due to the my findings with respect to the accuracy of the invoicing, it is my intention to freeze movement on all year 2005 maintenance trim invoicing, in both the Capitol and Seacoast areas, until we have an explanation of the invoicing.

In the meantime if you need clarification on any of the information provided in this letter please do not hesitate to contact me. You can reach me in my office at 207 797-1311 or on my cell phone at 207 650-9138 anytime. Again, I would like to take this opportunity to thank you for working with me on resolution of this issue.

Respectfully,

***Troy F. McDonald***

Troy F. McDonald  
Joint Lines Specialist – ME, NH & VT

Cc: Lisa Thorne, Director – Regulatory  
Paula Brown, VP – Regulatory  
Anthony Montani, Director – Engineering & Planning  
Ann Winkelman, Manager – Joint Lines  
Carol Leone, Joint Lines Specialist – MA/RI

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NH DKT 07-011  
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November 18, 2005

Robert Conner – Director, Operations Services  
 Unitil Service Corp.  
 6 Liberty Lane West  
 Hampton, NH 03842

**RE: 2005 Maintenance Tree Trim Invoices – Unitil-Capitol and Unitil-Seacoast**

Dear Bob:

I have received your letter dated Nov. 4<sup>th</sup> and would like to take this opportunity say thank you for reviewing the data I sent and for providing me with the results. I am glad to see there is an agreement on the invoicing in the Unitil-Capitol area for the months of January thru April with the exception of \$2,661.74. I am sure you and I can come to a resolution on the outstanding amount. I would also like to provide you with the status of the remaining 2005 maintenance trim for both the Unitil-Capitol and the Unitil-Seacoast areas.

**Unitil-Capitol:**

I have reviewed the invoicing for the months of May and June in the amount of \$13,783.12. The field review and the analysis of data during this time period indicates that 53.5% or \$7,376.86 of the total invoice has the same invoicing issues as January thru April. Please note we are in agreement of trimming in the amount of \$6,406.26 which is currently being processed for payment. Following is a breakdown for your review:

| Month         | Total Hrs Labor | Total Hrs Equip | Total Trim \$\$\$ | VZ Verified Labor Hrs | VZ Verified Equip Hrs | VZ Verified Total Cost | VZ Accepted 25% Trim Cost | Total Traffic Control \$\$\$ | VZ Verified Traffic Cost | VZ Accepted 25% Traffic Cost | Total VZ Accepted Costs | Amount Invoiced by Unitil: | Comments     |
|---------------|-----------------|-----------------|-------------------|-----------------------|-----------------------|------------------------|---------------------------|------------------------------|--------------------------|------------------------------|-------------------------|----------------------------|--------------|
| May           | 721.00          | 72.00           | \$24,758.21       | 487.00                | 57.60                 | \$16,897.18            | \$4,224.30                | \$4,788.00                   | \$1,543.50               | \$385.88                     | \$4,610.17              | \$7,433.82                 | May & June = |
| June          | 584.00          | 0.00            | \$19,455.96       | 198.00                | 0.00                  | \$6,596.37             | \$1,649.09                | \$5,779.75                   | \$588.00                 | \$147.00                     | \$1,796.09              | \$6,349.30                 | \$13,783.12  |
| <b>Total:</b> |                 |                 |                   |                       |                       |                        |                           |                              |                          |                              | <b>\$6,406.26</b>       | \$13,783.12                |              |

With respect to the July thru September trim invoicing and supporting documentation which we received on October 31<sup>st</sup> of this year we are currently reviewing the information and I will provide you with a response as soon as complete.

**Unitil-Seacoast:**

Rebuttal Testimony of John F. Nestor

The Until-Seacoast is a little different due to the fact that although we provided a response earlier in the process to Scott Wade I was told that it did not matter as we were going to be invoiced 25% of the total trim costs regardless of the response we provided. It was actually due to this position that I opted to focus on the Until-Capitol area first. Please note that the first Exchange of Notice (EON) I received from Scott Wade this year was EON #1376 dated May 9, 2005. Our OSP Engineer returned the EON on June 1<sup>st</sup> and provided Scott with the locations we agreed provided mutual benefit. The second EON from Scott dated May 9, 2005 was field reviewed and returned, along with a list of the sections we agreed provided mutual benefit, to Scott on July 12<sup>th</sup>.

Until-Seacoast has charged Verizon, on a statement of account, a total of \$51,669.85 for maintenance trim and associated traffic control cost for the months of January thru September of this year. I sent an email to Scott on Nov. 17<sup>th</sup> questioning if the charges reflect the level of participation we agreed to back in July or if the charges are consistent with his view that Verizon should compensate Unutil 25% of all trimming cost regardless of our opinion of mutual benefit or need. Once I receive a response from Scott and an actual invoice I will calculate the amount to process for payment.

A review of my Unutil-Seacoast files and spreadsheet indicates that I have only received one additional EON from Unutil-Seacoast this year being EON #2005-3 dated Nov. 15<sup>th</sup> via email for locations in the municipality of Plaistow which was immediately passed onto OSP Engineering for field review. It is my understanding that the field review has been completed and the EON is on its way back to Unutil. With that said I believe it is also fair to say, with respect to the Unutil-Seacoast area, that two (2) of the three (3) EONs received were responded to within thirty (30) days while the other was responded to a little over sixty (60) days. I would respectfully ask if the invoicing represents the level of participation we agreed to given the fact that we did provide a timely response once an EON was received. It is clear that account #2279 was being assessed trimming charges even though an EON was not provided for the months of January thru March.

My biggest concern is that even though a response was provided in the first part of July to Unutil-Seacoast, charges to account #2279 on July 29<sup>th</sup> in the amount of \$17,068.07 and on Oct. 31<sup>st</sup> in the amount of \$16,366.16 seem to have ignored the effort we made to provide you a timely response.

I would like to thank you for becoming involved in this issue. It is my opinion that since you and I have started working together progress has been made which is to the benefit of both companies. I believe it is due to our commitment to focus on resolving the issue and establish a process regardless of historical issues.

Respectfully,

**Troy F. McDonald**

Troy F. McDonald  
Joint Lines Specialist – ME, NH & VT

Cc: Marty Wilkinson – FMC Manager (Verizon)  
Serge Laprise – FMC Manager (Verizon)  
Louise Guillemete – OSP Billing Supervisor (Verizon)





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January 13, 2006

Robert Conner – Director, Operations Services  
Unitil  
6 Liberty Lane West  
Hampton, NH 03842

**RE: 2005 Maintenance Tree Trimming Invoices – Unitil-Seacoast, January thru September**

Dear Bob:

I am sending you this letter so that Unitil can have the results of the data research I performed prior to our meeting on the 18<sup>th</sup> on the invoicing by Unitil-Seacoast to Verizon in the amount of \$47,820.23 for maintenance trimming. I will start off by saying that I am a little surprised that of the said \$47,820.23 invoiced I can only verify a total of \$1,432.55. Based on the research I performed in the Unitil-Capitol area I expected to see similar data results but the data analysis indicates that approximately 97% of the invoicing does not apply to Verizon which leads me to believe that there may be back-up documentation missing from the package I received from Scott Wade. In any event please note that I would be more than willing to spend additional time working directly with Unitil-Seacoast to understand why this is the case.

Back in June of 2005 Scott Wade was presented with a list of sections which Verizon agreed to participate in joint trim (see Elco memo #1376 sent 05.09.05 – Tel memo #05-0-226 returned 06.01.05). Of the 117 sections Verizon agreed to participate in I could only find 12 of the sections in the Plaistow area on the back-up documentation for the months of January thru September of year 2005.

In July Scott Wade was presented with a second list of sections in the East Kingston area which Verizon agreed to participate in joint trim (see Elco memo #1377 sent 05.09.05 – Tel memo #05-3-898 returned 07.12.05). Of the 20 sections listed on the Exchange of Notice I could not find one included in the trimming performed by Asplundh for the months of January thru September of year 2005.

Please note that I have spent the past two (2) days reviewing the invoicing, statements of accounts, trim lists, Asplundh invoices as well as reviewed each hour of every day detailed on the trim contractor timesheets yet all I could identify was \$1,432.55. I would ask that Scott Wade's department review the same data as I to see if they can match the trim list provided by Verizon with the sections trimmed by Asplundh. I trust you and I have interacted enough for Unitil to realize that I have a need to ensure that we pay for work we agreed to. I also need to ensure we do not pay for work we did not. Again, I am more than willing to assist Scott, or any of his associates, any way I can. I have enclosed a copy of the spreadsheet I used during the data verification for your use.

I look forward to meeting with you at your office on the 18<sup>th</sup>. If you have any questions, or need additional information, please do not hesitate to contact e at 207 797-1311.

Sincerely,

**Troy F. McDonald**

Troy F. McDonald  
Joint Lines Specialist – ME, NH & VT

Cc: Marty Wilkinson – FMC Manager (Verizon)  
Serge Laprise – FMC Manager (Verizon)  
Louise Guillemette – OSP Billing Supervisor (Verizon)  
Carol Leone – Joint Lines Specialist MA/RI (Verizon)