

**UNITIL ENERGY SYSTEMS, INC.**

**DIRECT TESTIMONY OF  
THOMAS P. MEISSNER JR.**

**New Hampshire Public Utilities Commission**

**Docket No. DT 07-011**

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1 **I. INTRODUCTION**

2 **Q. Please state your name and business address.**

3 A. My name is Thomas P. Meissner Jr. My business address is 6 Liberty Lane West,  
4 Hampton, New Hampshire 03842.

5

6 **Q. For whom do you work and in what capacity?**

7 A. I am Senior Vice President and Chief Operating Officer of Unitil Corporation,  
8 and Senior Vice President of its principal subsidiaries, Unitil Energy Systems,  
9 Inc. (“Unitil”) and Fitchburg Gas and Electric Light Company (“FG&E”). My  
10 responsibilities are primarily in the areas of utility operations and engineering.

11

12 **Q Please summarize your professional and educational background.**

13 A. I have over 20 years of professional experience in the utility industry and an  
14 extensive background in all areas of energy delivery including distribution  
15 engineering; system planning; construction and maintenance; safety; inventory  
16 and supply chain management; emergency response and restoration; fleet and  
17 facilities management; metering and meter reading; system operations; and  
18 related technology and asset management systems. I joined Unitil in 1994 as a  
19 design engineer and was named Director of Engineering in 1996, Senior Vice  
20 President of Operations and Engineering in 2003, and assumed my current  
21 responsibilities as COO of Unitil Corporation in 2005. Prior to joining Unitil, I  
22 was employed for 10 years at Public Service of New Hampshire where I advanced  
23 through a variety of positions in Distribution Engineering, Southern Division

1           Engineering, Seacoast Division Engineering, and Key Accounts. The last  
2           position I held prior to joining Unitil was that of Electrical Superintendent in  
3           Portsmouth. I hold Bachelor of Science degrees in Electrical Engineering and  
4           Mechanical Engineering from Northeastern University. I also completed the  
5           Power Technology Course (“PTI Course”), a two year certificate program taught  
6           by Power Technologies, Inc. of Schenectady, NY, and earned an MBA from the  
7           University of New Hampshire.

8

9       **Q.    Do you have any licenses that qualify you to speak to issues related to**  
10       **engineering?**

11       A.    Yes, I am a registered Professional Engineer in the state of New Hampshire.

12

13       **Q.    Have you previously testified before the New Hampshire Public Utilities**  
14       **Commission ("Commission")?**

15       A.    Yes, I have previously testified before this Commission.

16

17       **Q.    What is the purpose of your testimony in this proceeding?**

18       A.    The current utility paradigm is that most utility poles in the public right-of-way  
19       are jointly owned by the electric companies and the incumbent local exchange  
20       carriers under joint ownership or joint use agreements. On January 31, 2007,  
21       Verizon New England, Inc., Bell Atlantic Communications, Inc., NYNEX Long  
22       Distance Company, Verizon Select Services, Inc. (collectively “Verizon”), and  
23       FairPoint Communications, Inc. (“FairPoint”) filed a Joint Application seeking

1 approval for the transfer of certain assets from Verizon to FairPoint which, if  
2 consummated, would result in FairPoint acquiring the Verizon franchise to  
3 provide wireline telecommunication services in New Hampshire and owning the  
4 network used to provide those services. Upon approval of the proposed  
5 transaction, it is my understanding that Verizon's ownership interest in all poles  
6 jointly owned with Unitil will be transferred to FairPoint, who will then assume  
7 all of Verizon's joint ownership rights and obligations, including placement,  
8 replacement, and maintenance of jointly owned poles. Therefore, we are  
9 concerned with how these ownership responsibilities will be carried out by the  
10 successor company. The purpose of my testimony is to identify a number of  
11 operational concerns arising from our joint ownership of utility poles with  
12 Verizon, and to request that Commission approval of the proposed transfer of  
13 these assets be conditioned on reasonable terms and conditions to ensure these  
14 issues do not negatively impact the cost, quality, and safety of electric service to  
15 our customers after the merger.

16

17 **Q. Please summarize and provide a general description of your testimony.**

18 A. My testimony is organized as follows:

19 Section II provides an overview of joint ownership of utility poles;

20 Section III covers inspection and maintenance of jointly owned poles;

21 Section IV discusses emergency response;

22 Section V deals with the timely placement and removal of utility poles;

23 Section VI discusses double poles;

1                   Section VII discusses pole line trimming;  
2                   Section VIII covers the need for a dispute resolution procedure;  
3                   and Section IX concludes my testimony.

4

5   **II.    OVERVIEW OF JOINT OWNERSHIP**

6   **Q.    What is Joint Ownership and why is it relevant to this proceeding?**

7   A.    With few exceptions, utility poles installed for electric supply and communication  
8         lines are jointly owned by the electric companies and the incumbent local  
9         exchange carriers, though they may be occupied by other parties including cable  
10        TV and broadband service providers, competitive local exchange carriers and  
11        other telecommunication service providers, as well fire alarm and municipal  
12        attachments. Unitil jointly owns most of the poles in its franchise territory in  
13        combination with Verizon. The division of ownership between Unitil and Verizon  
14        is accomplished by means of a “joint ownership” agreement, through which both  
15        parties own a half interest in each jointly owned pole in our shared areas.  
16        Because Unitil and Verizon own these assets in common and share in construction  
17        and maintenance responsibilities, and because, under the transaction contemplated  
18        by the Joint Petition filed by Verizon and FairPoint, Fairpoint intends to assume  
19        Verizon’s interests in the joint pole agreements with the electric utilities  
20        (including the agreement between Unitil and Verizon), if the Joint Petition is  
21        approved we believe existing issues related to the joint ownership of this utility  
22        pole plant will continue to have a significant impact upon the cost, quality of

1 service and safety of service to the electric customers and the communities served  
2 by Unitil.

3

4 **Q. Please describe your understanding of the structure of the joint ownership**  
5 **agreement between Verizon and Unitil.**

6 A. Certainly. Unitil is party to an agreement with Verizon that provides for joint  
7 ownership of poles and anchors when and where such joint ownership is of  
8 mutual advantage. There are two parts to this agreement: 1) the Joint Ownership  
9 Agreement (JOA) which specifies the division of rights and obligations of the  
10 parties with respect to pole ownership and maintenance; and 2) Intercompany  
11 Operating Procedures (IOPs) which provide the detailed administrative,  
12 operational and maintenance procedures associated with the agreement. The IOPs  
13 are attached to, and integral to, the JOA, collectively forming the Agreement. In  
14 addition, the JOA is subject to applicable industry codes and regulations, and state  
15 and local laws and zoning requirements, and more stringent standards may apply.  
16 A copy of the JOA and IOPs between Verizon and Unitil is attached as UES  
17 Schedule TPM-1.

18

19 It is my general understanding that the joint pole ownership agreements between  
20 Verizon and the other electric utility companies in New Hampshire may be  
21 similar in structure and scope to the JOA between Verizon and Unitil. My  
22 testimony, however, is limited to a discussion of the Verizon-Unitil JOA and  
23 IOPs.

1

2 **Q. How are installation and maintenance responsibilities divided between the**  
3 **Joint Owners ?**

4 A. Responsibility for the installation and maintenance of jointly owned poles is  
5 divided between the owners into specific geographic areas defined in our IOPs  
6 with Verizon and are referred to as “maintenance areas.” Each joint owner is  
7 responsible for maintaining all jointly owned poles in its maintenance areas in  
8 safe and serviceable condition, and for replacing or repairing poles that become  
9 deteriorated or defective, or are of insufficient size or strength for existing or  
10 proposed attachments. It is generally intended that each joint owner is responsible  
11 for placing and removing all jointly owned poles within its designated  
12 maintenance areas. In other words, Verizon installs all the poles in its designated  
13 maintenance areas, and Unitil installs all the poles in its designated maintenance  
14 areas.

15

16 **Q. What will happen when Verizon’s local exchange and long distance business**  
17 **in New Hampshire is transferred to FairPoint?**

18 A. It is my understanding that Verizon’s ownership interest in all poles jointly owned  
19 with Unitil will be transferred to FairPoint, who will then assume all of Verizon’s  
20 rights and obligations under the JOA with Unitil. FairPoint will then be  
21 responsible for maintaining all jointly owned poles in its maintenance areas in  
22 safe and serviceable condition, and for placing and removing all jointly owned  
23 poles in its designated maintenance areas.



1

2 **Q. Has Unitil been concerned about Verizon’s performance of its obligations**  
3 **under the JOA?**

4 A. Yes. We have experienced a number of issues with Verizon’s performance of its  
5 obligations under our JOA. Since November 2005, we have participated as a  
6 mandatory party in Docket DM 05-172, Investigation Into Utility Poles, before  
7 this Commission. During this investigation, multiple complaints were raised by  
8 customers, municipalities, the Department of Transportation, and other parties  
9 with regard to pole installations, removals and maintenance. In addition, Unitil  
10 has specific issues with Verizon’s performance under the JOA and IOPs in such  
11 areas as pole inspections, tree trimming, emergency response, and timeliness of  
12 pole placements and removals.

13

14 These important performance issues related to safety, cost, and quality of service  
15 remain unresolved, and we believe it is critical that they be fully considered in  
16 this proceeding, and that reasonable conditions be imposed on Verizon’s transfer  
17 of pole assets to FairPoint to ensure the surviving company is prepared and  
18 compelled to undertake the duties and responsibilities commensurate with  
19 ownership of these assets.

20

21 **Q. Why have these issues surfaced after decades of joint ownership?**

22 A. Joint ownership of utility poles by electric and telephone utility companies is a  
23 relic of a regulatory model that no longer fits today’s circumstances. Joint

1 ownership agreements date back to a time when both electric and telephone  
2 utilities were natural monopolies under cost of service regulation, with limited  
3 competitive pressures, when both companies had a mutual interest in occupying  
4 the same poles and sharing in the construction costs and on-going maintenance  
5 obligations of pole infrastructure. Joint ownership arrangements served the  
6 companies equitably for many decades, but the environment today has changed  
7 dramatically from that which existed when joint ownership agreements were first  
8 established to gain efficiencies through joint planning and construction of new  
9 lines.

10

11 Today, the electric and telephone companies share a huge infrastructure of in-  
12 service pole plant that must be inspected, maintained and replaced. Local  
13 exchange carriers are no longer exclusive providers of telecommunication  
14 services, and face increasing competitive pressures, forcing operational  
15 adjustments that may conflict with their obligations to the other joint owner and  
16 the needs of other parties reliant on the pole-based infrastructure. Other  
17 competitive providers of telecommunication services also place their facilities on  
18 the same poles, and have a right to non-discriminatory access to these poles. Yet,  
19 the joint ownership agreements and intercompany operating procedures have  
20 remained largely unchanged for decades, and were never designed to meet the  
21 needs of today's business environment. The competitive environment in the  
22 telecommunication industry today was unimaginable at the time joint ownership  
23 was initiated.

1

2 **Q. How have these issues directly impacted Unitil?**

3 A. At least in part as a result of competitive pressures on Verizon, with whom we  
4 share pole ownership, there has been a subtle shifting of costs and obligations  
5 onto us, the electric company. Inspection and maintenance practices once  
6 undertaken by Verizon have been abandoned; participation in programs such as  
7 tree trimming has been curtailed; response to emergencies is subject to lengthy  
8 delays, even as electric crews wait at the scene at premium rates of pay;  
9 restoration of service to customers may be delayed; the time needed for Verizon  
10 to set new poles has increased significantly, negatively impacting our own  
11 construction schedules and the need dates of customers; and the increasing  
12 number of double poles represents a mounting financial liability. As a result,  
13 Unitil customers who reside in the Verizon maintenance areas may experience a  
14 lower standard of service even though they pay the same rates as customers in the  
15 Unitil maintenance areas. Even the burden of administering joint ownership has  
16 increased significantly, as we no longer enjoy a cooperative working relationship  
17 with our joint ownership partner.

18

19 **Q. What are the specific issues that should be considered by the Commission?**

20 A. UES believes that it is not in the public interest to continue an ownership model in  
21 which one party facing competitive pressures is able to make operational  
22 adjustments that conflict with its ownership obligations, and which effectively  
23 shift costs onto the other joint owner. It is also not in the public interest for one

1 competitive provider of telecommunication services to own the poles upon which  
2 other competitive telecommunication providers are attached, or are seeking to  
3 attach. Unitil believes that many of the issues discussed in this testimony would  
4 be permanently resolved through sole ownership of all pole plant in the public  
5 right-of-way by the electric companies. We have expressed to both Verizon and  
6 FairPoint our interest in purchasing Verizon's portion of the pole plant located in  
7 the Unitil service territory, but neither party has expressed interest in such a  
8 transaction. Thus, as an alternative to sole ownership, we are requesting instead  
9 that the Commission impose conditions on the sale to FairPoint to address a  
10 number of important issues.

11

12 There are six specific issues that we feel should be considered and addressed  
13 through reasonable conditions imposed on the transfer of assets:

- 14 ○ Inspection and maintenance of jointly owned poles
- 15 ○ Emergency response
- 16 ○ Timely placement and removal of poles
- 17 ○ Double poles
- 18 ○ Pole line trimming
- 19 ○ Dispute resolution

20 UES does not oppose the transfer of assets so long as each of these issues is  
21 adequately addressed. A more detailed discussion of each issue, including  
22 recommendations, is provided below in the sections that follow.

23

1 **III. INSPECTION AND MAINTENANCE OF JOINTLY OWNED POLES**

2 **Q. Does the Joint Ownership Agreement have specific requirements regarding**  
3 **the inspection and maintenance of jointly owned poles?**

4 A. Yes. Intercompany Operating Procedure #16 of the IOP specifies that all joint  
5 poles shall be initially inspected at or before the age of 20 years. Thereafter, poles  
6 shall be re-inspected at intervals not to exceed 10 years. Each company is to be  
7 responsible for the inspection and treatment of all jointly owned poles in its  
8 respective maintenance areas, and the cost of inspection and treatment is to be  
9 borne individually by each company for its respective maintenance areas. In  
10 addition, Article 5 of the JOA specifies that construction and maintenance of all  
11 poles and anchors conform to the latest edition of the National Electrical Safety  
12 Code (NESC).

13

14 **Q. Does the National Electrical Safety Code have specific requirements**  
15 **regarding the inspection and maintenance of jointly owned poles?**

16 A. Yes. National standards pertinent to the inspection and maintenance programs of  
17 each company are set forth in rules 214, 253, and 261 of the NESC. A copy of  
18 these rules is attached as UES Schedule TPM-2. NESC Rule 214.A.2. requires  
19 that inspections be performed at such intervals as experience has shown to be  
20 necessary and may be performed in a separate operation or while performing  
21 other duties. NESC Rule 214.A.3. requires that poles and equipment be subjected  
22 to practical tests to determine required maintenance. Rules 253 and 261 specify  
23 the strength requirements and overload factors of structures when installed, and

1 “at replacement.” The minimum strength requirements “at replacement”  
2 determine the on-going serviceability of the pole. In other words, if inspections  
3 reveal defects or deterioration, rules 253 and 261 set forth standards for  
4 determining whether a pole retains sufficient strength for existing or proposed  
5 attachments, or whether replacement or rehabilitation are required.

6

7 **Q. Does Unitil have inspection and maintenance programs meeting the**  
8 **applicable requirements?**

9 A. Yes. We inspect all jointly owned poles in our maintenance areas on a 10 year  
10 cycle. All poles are visually inspected and are tested at and below grade to  
11 determine the structural integrity of the wood, estimate remaining pole strength,  
12 and evaluate ongoing serviceability. Records of inspections and any defects  
13 found are recorded on applicable inspection sheets, and are maintained for one  
14 complete cycle, but not less than six years. Identified deficiencies are prioritized  
15 and scheduled for corrective action as appropriate; conditions that are found to  
16 represent a hazardous condition are corrected immediately. All deficiencies  
17 identified through this inspection program are recorded and tracked until  
18 corrective action has been completed. This inspection and test schedule is  
19 consistent with the provisions of IOP #16, and meets all the requirements of  
20 NESC rules 214, 253, and 261.

21

22 **Q. Does Verizon have inspection and maintenance programs meeting the**  
23 **applicable requirements.**

1 A. No. It is our understanding that Verizon abandoned its systematic pole inspection  
2 program many years ago, replacing it with a jobsite inspection program intended  
3 to safeguard worker safety. Verizon claims that it performs pole inspections on an  
4 ongoing basis in conjunction with planned work, yet its jobsite inspection  
5 program is designed only to identify conditions that may represent a physical  
6 hazard to Verizon workers. Inspections are limited to those poles that are climbed  
7 or worked on, visual inspections of adjacent poles on either side of the pole  
8 worked on, and those that are subject to heavy, unbalanced loads during  
9 construction work. Furthermore, the tests carried out by Verizon technicians are  
10 intended only to identify “hazardous conditions” and do not ensure compliance  
11 with the structural safety requirements of NESC as they do not include methods to  
12 evaluate the remaining pole strength. Verizon is unable to provide any  
13 documentary evidence of a systematic inspection program meeting the  
14 requirements of either NESC or IOP #16 with Unitil, and does not keep any  
15 records of inspections, or of deficiencies found, nor does Verizon record or track  
16 all defects until corrected.

17

18 **Q. What is your recommendation for this issue?**

19 A. I recommend that FairPoint be required to develop and implement a  
20 comprehensive pole inspection program for all jointly owned poles in its  
21 maintenance areas fully meeting the requirements of IOP #16 and all applicable  
22 provisions of National Electrical Safety Code. Such a program shall ensure that  
23 all jointly owned poles are initially inspected at or before the age of 20 years, after

1           which poles shall be re-inspected at intervals not to exceed 10 years. The program  
2           should include visual inspections and practical tests at and below grade to  
3           determine the structural integrity of the wood and estimate remaining pole  
4           strength and ongoing serviceability. Records of inspections should be recorded  
5           and maintained to demonstrate compliance with the applicable inspection  
6           intervals, and records of any defects found should maintained at least until  
7           corrective actions are taken.

8

9   **IV.   EMERGENCY RESPONSE**

10 **Q.   Does the Joint Ownership Agreement have specific requirements regarding**  
11 **emergency response?**

12 A.   There are no specific provisions related to emergency response in the JOA, except  
13       that it is generally intended that each joint owner is responsible for placing and  
14       removing all jointly owned poles within its designated maintenance areas, and  
15       both parties must cooperate in the execution of work to make facilities safe and  
16       accomplish any necessary transfer work. Therefore, for emergencies involving a  
17       broken pole in Verizon’s maintenance area, Verizon is responsible for responding  
18       to the emergency to set a new pole. For emergencies involving a broken pole in  
19       Unitil’s maintenance area, Unitil is responsible for setting the new pole. Both  
20       utilities may be required to respond to the scene, regardless of maintenence area,  
21       to secure their facilities and ensure public safety.

22

23 **Q.   Under what circumstances is emergency response necessary?**



1 A. Emergency response involves such situations as vehicle accidents, including those  
2 resulting in a broken utility pole, outages affecting electric or telephone service,  
3 trees across power lines, wires down, or other types of emergencies involving  
4 joint facilities in the public right-of-way. These situations often result in  
5 emergency response from local municipal emergency personnel (police, fire), and  
6 prompt response from utilities may be necessary to ensure public safety. Utility  
7 companies who license poles in the public right-of-way must be able to respond to  
8 emergencies in a timely fashion 24 hours per day, 365 days per year.

9  
10 **Q. Does Unitil have specific arrangements and procedures for responding to**  
11 **emergencies in the public right-of-way?**

12 A. Yes. Unitil has a number of arrangements and procedures in place to ensure  
13 prompt response to emergency calls. First and foremost, we have a standby  
14 system under which both supervisors and line crews are on paid standby outside  
15 of regular business hours to ensure there are personnel available to respond at all  
16 times. We have personnel on paid standby at each of our operating locations. In  
17 addition, all line personnel are subject to a residency requirement requiring them  
18 to live within 18 miles of their respective reporting location to ensure they are  
19 able to respond quickly to emergencies. We also have a 2<sup>nd</sup> shift crew covering  
20 the hours of 3:00 PM to 11:00 PM Monday through Friday, when many  
21 emergencies occur. Our customer service center is staffed 24/7 to ensure that  
22 anyone reporting an emergency is able to immediately reach a company  
23 representative. Customer service representatives are able to page or otherwise call

1 in either a supervisor or a repair crew. As a result of these arrangements, we are  
2 typically able to respond to the scene of an emergency within one hour of the  
3 initial call, on average.

4

5 **Q. Does the Verizon have similar arrangements and procedures for responding**  
6 **to emergencies in the public right-of-way?**

7 A. No. Verizon has no technicians or supervisors on paid standby or otherwise on-  
8 call, nor is there any requirement that Verizon technicians live within a specified  
9 distance or a maximum drive time from their reporting garages. When notified of  
10 an emergency, Verizon uses an overtime list to systematically call technicians,  
11 starting with the garage covering the accident scene, and proceeding through  
12 subsequent garages until they solicit a sufficient number of technicians to respond  
13 to the emergency. This process may take an extended period of time as all of the  
14 technicians may need to be called at as many as three different garages. Even after  
15 calling all of the technicians at multiple garages, Verizon may not be able to  
16 secure a sufficient number of technicians. Furthermore, for those technicians that  
17 do respond, they may reside far from the location of the emergency, thus resulting  
18 in further delays.

19

20 As a direct consequence of this system, and the lack of standby arrangements or  
21 residency requirements, Verizon's average response time to emergencies is  
22 substantially different than Unitil's. In response to data requests in DM 05-172,  
23 Verizon produced data (collected in a ten month period in 2005) that

1 demonstrated a 142 minute average response time to the trouble scene for  
2 emergencies in southern New Hampshire, compared to an average response time  
3 of 53 minutes for Unitil. Verizon has provided updated data in this docket for the  
4 period from August 2006 through December 2006 which states that its response  
5 times have improved to an average of 105 minutes, or 98 minutes in the area  
6 south of the Lakes Region and 117 minutes for the area north of the Lakes  
7 Region. This same data shows that the average response times for those garages  
8 serving Unitil averaged 112 minutes for the Greenland garage and 128 minutes  
9 for the Concord garage, and the data often omits response times when Verizon is  
10 unable to solicit a sufficient number of technicians and must instead call in a  
11 contractor, which presumably results in a lengthy delay. Individual response times  
12 in some cases exceeded four hours.

13

14 **Q. How does this disparity in response time affect emergency response?**

15 A. In the event of a broken pole in Verizon's maintenance areas, the responding  
16 electric crew must wait for a Verizon crew to arrive on scene and set a new pole  
17 before proceeding with restoration and repairs. Unitil crews often wait an  
18 extended period of time before a Verizon crew arrives to set the pole. In our own  
19 maintenance area we arrive on scene promptly, fully prepared to set a pole, and  
20 proceed with repairs. As a result of this disparity in response time, two different  
21 levels of service have emerged. Customers in Verizon's maintenance areas are  
22 subject to lengthy delays in restoration due to Verizon's much slower response  
23 time. Customers in Unitil's maintenance areas can expect faster restoration as the

1 electric company is able to immediately set the pole and proceed with repairs.  
2 Furthermore, in situations where the electric crew and telephone crew must work  
3 together to hold or transfer facilities, there may be delays in securing public  
4 safety. The municipalities have argued that the safety of first responders and the  
5 free flow of traffic is compromised when different response standards exist.

6

7 **Q. Are there other issues involving emergency response?**

8 A. Yes. When poles are damaged due to vehicle accidents or other causes, our  
9 typical practice is to replace the damaged pole and transfer facilities to a new pole  
10 during the initial emergency. On occasion, there are times when the responding  
11 crew may determine that the pole does not represent an immediate hazard, or the  
12 pole may be “made safe” by affixing temporary bracing. In such situations, it is  
13 our practice to replace such poles as soon as practicable, typically within a few  
14 days. Verizon’s practice is that once a pole has been “made safe,” it concludes  
15 that the pole is no longer a hazard and replacement can wait for normal  
16 scheduling. The damaged pole is placed in Verizon’s scheduling queue, to be  
17 replaced when Verizon’s schedule permits, often after lengthy delays. Further  
18 delays may be experienced once the electric facilities and other attachments are  
19 transferred to the new pole, as Verizon may not return to complete its own  
20 transfers and remove the old pole. This gives rise to situations where broken or  
21 damaged poles are tied off or braced to new poles in the public right-of-way for  
22 extended periods of time. The municipalities have argued that the term “make  
23 safe” is inappropriate in these circumstances as the repaired pole is not

1 structurally sound and may now be more of a safety hazard than it was before the  
2 accident. We agree.

3

4 **Q. What are the recommendations or remedies for these issues?**

5 A. First of all, it is recommended that the Commission require FairPoint to meet the  
6 same average response time standards as the electric utilities. The Commission  
7 should allow FairPoint's management discretion as to how this standard be met,  
8 such as by implementing standby arrangements, residency requirements or other  
9 systems and procedures to ensure prompt response. In addition, for those poles  
10 that are temporarily made safe, FairPoint should be required to complete transfers  
11 and repairs, and remove the defective pole on an expedited basis. These  
12 reasonable conditions will ensure that customers and municipalities will receive  
13 equal or similar levels of service and response, irrespective of the maintenance  
14 areas of the Joint Owners.

15

16 **V. TIMELY PLACEMENT AND REMOVAL OF POLES**

17 **Q. Does the Joint Ownership Agreement have specific requirements regarding**  
18 **timely placement and removal of poles?**

19 A. There are provisions in the IOP governing the placement and removal of poles,  
20 including the operational and administrative procedures to be followed. These  
21 include procedures governing construction and joint ownership of new poles and  
22 anchors (IOP #2); procedures governing pole replacement (IOP #3); and the  
23 administrative "Exchange of Notice" procedure that is to be followed to initiate

1 requests for work and joint ownership in new poles (IOP #19). However, these  
2 procedures are largely silent with respect to schedules and timeframes. The  
3 administrative procedures specify that if either party receives a request for work  
4 and/or joint ownership, it has 30 days to respond by signing and returning the  
5 notice. Other than this requirement to sign and return the originating request, there  
6 are no other timeframes in our JOA with Verizon specifying when, or how  
7 quickly, the work should be completed. Furthermore, as it is intended that each  
8 joint owner is responsible for placing and removing all jointly owned poles within  
9 its designated maintenance areas, Verizon claims a sole and exclusive right to set  
10 all jointly owned poles within its maintenance areas if it has signed and returned  
11 the notice requesting such work. Verizon asserts that the electric companies  
12 cannot set poles in its maintenance area, irrespective of customer need date,  
13 priority, or the inability of Verizon to complete the work in the necessary  
14 timeframe. Thus, whether it takes 1 week, 1 month, or 1 year to have a pole set in  
15 Verizon's maintenance area is entirely subject to Verizon's priorities, schedules,  
16 and available technician hours.

17

18 **Q. What has been your experience with the timeliness of pole placements?**

19 A. Pole placements in Verizon's maintenance areas have been subject to long and  
20 unreasonable delays. At field meetings with customers and Unitil representatives,  
21 Verizon has typically quoted 8 weeks to complete pole sets, and almost always  
22 fails to meet this timeframe. It has been our experience that Verizon sets poles  
23 only after our repeated requests for scheduling status and constant pressure on

1 Verizon's engineering and construction management. In some cases, we have had  
2 to set poles ourselves in Verizon's maintenance area in order to complete required  
3 construction before customer electric load jeopardized continuity of service to our  
4 customers. In other cases, we have experienced significant cost overruns as a  
5 result of pole setting delays by Verizon. Customers requesting electric service  
6 may be subject to long delays in receiving such service if they are dependent on  
7 pole set(s) in Verizon's maintenance area. Relocations in the public right-of-way  
8 have been similarly delayed by Verizon's untimely pole placements and transfers.

9  
10 Issues with untimely pole sets were perhaps best reflected in the frustrations of  
11 the various parties in DM 05-172. Customers, contractors, state and municipal  
12 government representatives and other parties claimed that pole placements are not  
13 being accomplished in a timely manner. Since pole installations are part of the  
14 critical path for any construction job, project delays caused by untimely pole  
15 placements by Verizon impacts our ability to deliver service. In some cases,  
16 project delays may jeopardize the physical integrity of our plant, or cause us to  
17 incur unnecessary costs, due entirely to the inaction of Verizon.

18

19 **Q. Does Unitil have a scheduling process to manage and prioritize the**  
20 **scheduling of pole placements?**

21 A. Yes. We maintain schedules and manage our work to meet "need dates." Work is  
22 prioritized on an on-going basis to meet the need dates of customers, as well as  
23 our own internal project schedules. If our internal resources are insufficient to

1 meet customer or company schedules in the required timeframe, crews may work  
2 overtime, and we also supplement our internal workforce with qualified external  
3 line contractors. In essence, the need date is “fixed,” and the available resource  
4 hours to achieve scheduled dates is “variable.”

5

6 **Q. Does Verizon have a scheduling process to manage and prioritize the**  
7 **scheduling of pole placements?**

8 A. Verizon also claims to prioritize pole sets by the the service order date requested  
9 by the customer. However, Verizon’s schedules are limited by the available  
10 technician hours in Verizon’s internal 30-day construction schedule. Verizon does  
11 not supplement its workforce with external contractors or other means, so for all  
12 practical purposes, the available resource hours are fixed, regardless of the  
13 amount of work to be completed and the need dates of customers. Verizon’s  
14 scheduling paradigm assumes that available resources are “fixed,” and need dates  
15 must necessarily be “variable.” If a particular job cannot be completed in the 30-  
16 day scheduling window, the work is simply pushed into the next 30-day  
17 scheduling period. If the same job is once again not completed in that 30-day  
18 scheduling window, it is again pushed into a subsequent 30-day scheduling  
19 period.

20

21 **Q. What is your recommendation for this issue?**

22 A. The Commission should require that FairPoint be required to provide Unitil with  
23 specific timeframes tied to need dates for accomplishing pole placements and



1 removals. Such timeframes should be clearly specified in the IOPs. To the extent  
2 either joint owner is unable to complete pole placements within a reasonable  
3 timeframe as necessary to meet customer or company need dates, the Commission  
4 should require that the IOPs provide that the company needing the work  
5 completed may move forward with placing such poles.

6

7 **VI. DOUBLE POLES**

8 **Q. What is a “double pole”?**

9 A. A double pole is a situation that exists when a new pole and an old pole are set  
10 side-by-side in the same location, for the same facilities. This occurs when an  
11 existing pole in the public right-of-way is being replaced with a new pole. The  
12 new pole is initially set next to the old pole, at which point all parties on the pole,  
13 including cable and municipal attachments, must then transfer their facilities from  
14 the old pole to the new pole before the old pole can be removed. For practical  
15 reasons, the transfer of facilities begins with the facilities located at the top of the  
16 pole and proceeds sequentially down the pole. Electric facilities are normally  
17 located at the top of the pole, and are therefore the first to be transferred.  
18 Municipal and other licensee attachments must be transferred next, followed,  
19 finally, by the telephone company’s facilities. A delay in the transfer of any of  
20 these facilities, in turn, delays the removal of the old pole, resulting in a so called  
21 “double pole.”

22

1 **Q. Does the Joint Ownership Agreement have specific requirements regarding**  
2 **double poles?**

3 A. Yes, IOP #13 establishes the protocol to be followed to coordinate the transfers of  
4 the joint owners and other attachees. This procedure requires that the maintaining  
5 owner be responsible for coordinating the transfer of attachments, and stipulates  
6 that each company is responsible for transferring its facilities within 60 days. If  
7 transfers are not completed within the agreed time limits, the company that is the  
8 last one to remove its attachments from a jointly-owned pole is responsible to  
9 remove and dispose of it.

10

11 **Q. Why is this a significant issue?**

12 A. By some counts, there are as many as 7,000 double poles in the state of New  
13 Hampshire. According to Verizon's own response to DM 05-172, Staff 3-23  
14 (attached as UES Schedule TPM-3 ), Verizon reports that it has 5,479 poles  
15 pending transfer activity, of which 3,356 have been pending for more than one  
16 year. Furthermore, Verizon reports 3,113 poles pending removal in Verizon's  
17 own pole maintenance areas, for which it is solely responsible for coordinating  
18 the timely transfer of attachments including its own, and removing the old pole.  
19 These figures were provided as of November 30, 2005, and the number of double  
20 poles have likely increased since that time. In a technical session in DM 05-172,  
21 Verizon estimated that the number of double poles had risen to nearly 7,000.

22

1 Municipalities are concerned that the proliferation of double poles within the  
2 public right-of-way represents a public safety issue, as well as an aesthetic  
3 concern within their communities. This reflects poorly upon both joint owners,  
4 and municipalities are finding it necessary to pursue increasingly aggressive  
5 actions through licensing or other means to control the proliferation of double  
6 poles within the public right-of-way. This causes operational concerns for Unitil,  
7 and damages our relationship with the communities we serve.

8

9 **Q. How should this issue be addressed?**

10 A. I recommend that Commission approval of the Verizon/FairPoint transaction be  
11 conditioned on a plan to eliminate the existing backlog of double poles within 36  
12 months of the closing date. Thereafter, each party shall effect their transfers in a  
13 manner consistent with IOP #13 to ensure that such a backlog does not occur  
14 again.

15

16 **VII. POLE LINE TRIMMING**

17 **Q. Does the Joint Ownership Agreement have specific requirements regarding**  
18 **pole line trimming?**

19 A. Yes. Intercompany Operating Procedure #17 of our IOP with Verizon establishes  
20 a definite method of allocating the costs of trimming associated with the  
21 construction and maintenance of joint pole lines. The division of costs is  
22 specified for maintenance trimming, heavy storm work, removal of hazardous  
23 trees, and construction trimming. For maintenance trimming, the division of costs

1 is 75 percent Unitil and 25 percent Verizon. Clearance standards are provided for  
2 both maintenance trimming and construction trimming specifying the extent of  
3 trimming for each. The IOP also provides procedures for administration and  
4 billing.

5

6 **Q. Does Unitil have defined programs for construction and maintenance**  
7 **trimming of joint pole lines?**

8 A. Yes. We perform maintenance trimming of all the lines in our service territory,  
9 irrespective of maintenance area. This includes cyclical trimming, hot spot  
10 trimming (when required), removal of danger trees, and heavy storm work.  
11 Construction trimming is coordinated with Verizon, and the responsibility for  
12 performing such trimming is divided between the parties in accordance with the  
13 maintenance areas defined in the IOP.

14

15 **Q. Does Verizon have defined programs for construction and maintenance**  
16 **trimming of joint pole lines?**

17 A. Verizon does not employ cyclical maintenance trimming programs in the same  
18 manner as Unitil, and does not perform maintenance trimming, hot spot trimming,  
19 or removal of danger trees in its maintenance areas. Verizon may agree to  
20 participate in the cost of such trimming if performed by Unitil, though the level of  
21 this participation is inadequate, often in dispute, and not in accordance with the  
22 IOP. With respect to new construction, when Verizon places jointly owned poles  
23 in its maintenance area it performs the associated trimming based upon the

1 specifications laid out in the applicable IOP and shares such costs in accordance  
2 with the IOP. Verizon also shares in the cost of heavy storm work.

3

4 **Q. Do you believe that Verizon conforms to the IOP for pole line trimming?**

5 A. No. Verizon interprets its IOP with Unitil as providing it with the option of  
6 choosing not to participate in maintenance tree trimming if Verizon does not feel  
7 there is a benefit to joint participation. As a result, Verizon simply states that it  
8 has no need for trimming, or that it receives no benefit, and refuses to participate  
9 in the costs of such trimming. This interpretation of the IOP makes little sense, as  
10 there would never be a reason for Verizon to agree to pay for trimming if it can  
11 simply decline and avoid the expense.

12

13 It is our position that all utilities with pole and line facilities are responsible for  
14 regular and ongoing tree trimming and tree removal to maintain clearances and  
15 protect their lines in accordance with statutory and industry standards. The intent  
16 of IOP #17 is for Unitil and Verizon to share in the cost of maintenance trimming  
17 for all jointly owned lines. Since maintenance trimming is required to maintain  
18 line clearances, there will always be a “mutual benefit” to such trimming. We  
19 recognize there is a greater need to maintain clearances around electric lines, but  
20 submit that the 75-25 cost split reflects this greater need and appropriately  
21 allocates the benefits and costs between the telephone and electric companies. If  
22 IOP #17 is interpreted as to allow Verizon to decline to participate in the cost of

1 maintenance trimming of joint facilities, it permits them to benefit from these  
 2 services without sharing in their cost.

3

4 **Q. What is the total value of amounts outstanding for tree trimming services**  
 5 **that has not been paid by Verizon for the period from 2005 through 2007 to**  
 6 **date?**

7 A. The total arrearage outstanding as of July 11, 2007 is \$340, 748.23. The amount  
 8 in arrearage continues to grow each month as additional tree trimming is  
 9 completed. Details of amounts invoiced and paid are provided in the table below:

	Capital		Seacoast		Total	
<u>Year</u>	<u>Invoiced</u>	<u>Paid</u>	<u>Invoiced</u>	<u>Paid</u>	<u>Invoiced</u>	<u>Paid</u>
2005	57,175.21	9,809.51	78,125.43	-	135,300.64	9,809.51
2006	55,234.72	31,866.13	127,961.69	-	183,196.41	31,866.13
2007	15,285.45	1,679.08	50,330.45	-	65,615.90	1,679.08
Total	127,695.38	43,354.72	256,417.57	-	384,112.95	43,354.72

10

11 **Q. How much has Unutil spent in total on tree trimming during this time period?**

12 A. Since 2005, we have spent over \$1.7 million on maintenance tree trimming. This  
 13 amount is detailed in the table below.

<u>Year</u>	<u>Capital</u>	<u>Seacoast</u>	<u>Total</u>
2005	\$ 345,634.00	\$ 349,745.00	\$ 695,379.00
2006	339,864.00	356,090.00	695,954.00
2007	135,653.00	195,755.00	331,408.00
Total	\$ 821,151.00	\$ 901,590.00	\$ 1,722,741.00

14

1 **Q. Why has Verizon paid some amounts, but not others?**

2 A. We have no explanation for why certain amounts have been paid, and others have  
3 not. For example, while Verizon has paid some amounts in Capital, it has paid  
4 nothing in Seacoast. This includes not only maintenance trimming, but also  
5 amounts for storm trimming and construction trimming. Some of these amounts  
6 were agreed to by Verizon representatives in the field, but then were subsequently  
7 refused. There has been no explanation for this. When paperwork is exchanged to  
8 coordinate joint trimming, it is often declined with the notation “not interested.”  
9 Efforts to coordinate trimming in advance have proved fruitless. When payments  
10 are made, they are often are paid many months after the invoice date. Instead of  
11 paying the amount on the invoice, Verizon often chooses to pay a lesser amount,  
12 again with no explanation. Our efforts to coordinate trimming with Verizon are  
13 best characterized as an exercise in futility. In general, Verizon simply chooses to  
14 pay what it wants, when it wants.

15

16 **Q. What are the recommendations or remedies for these issues?**

17 A. First, I am recommending that Commission approval of the transaction be  
18 conditioned on Verizon agreeing to pay Unitil any amounts outstanding for tree  
19 trimming services performed by Unitil and still owed by Verizon, consistent with  
20 the division of costs specified in the JOA. Second, I recommend that approval  
21 also be conditioned on FairPoint’s agreeing to participate monetarily in tree  
22 trimming programs to maintain line clearances and protect joint lines in  
23 accordance with statutory and industry standards, and in accordance with the

1 Unitil-Verizon JOA. This condition should reflect the understanding that a)  
2 FairPoint has an ongoing obligation, consistent with good utility practice, to  
3 perform maintenance tree trimming around its poles and wires, b) FairPoint  
4 benefits from maintenance tree trimming performed by Unitil where there are  
5 jointly owned facilities, and c) to the extent FairPoint benefits from any such  
6 trimming performed by Unitil, it should reimburse Unitil for the reasonable value  
7 of such trimming in accordance with the division of costs specified in the IOP.  
8

9 **VIII. DISPUTE RESOLUTION**

10 **Q. Does the Joint Ownership Agreement have a dispute resolution procedure?**

11 A. Not specifically. There is an article in our JOA pertaining to default with respect  
12 to any work that is the responsibility of the other joint owner under the  
13 Agreement, and outlining a remedy if the default is not cured. However, since  
14 many issues arise out of a fundamental disagreement over the interpretation of the  
15 Agreement itself, this section is often difficult to apply. The other party may  
16 simply disagree that it is in default with respect to any such work. Furthermore,  
17 because the Agreement is premised on a cooperative and mutually beneficial  
18 relationship between the parties, there is a lack of specificity about a great many  
19 details, such as timeframes. Therefore, for most of the issues that we have  
20 outlined, the primary recourse is litigation. This is impractical for most day to day  
21 operational issues and concerns.

22  
23 **Q. What would be a more practical dispute resolution procedure?**



1 A. The joint owners should develop a dispute resolution procedure beginning with  
2 appropriate designees at each company. To the extent any issues arising under the  
3 Agreement cannot be resolved at this level, the disagreement should be escalated  
4 within the management of each company. If management of the respective joint  
5 owners is unable to reach agreement, then either party should be permitted to  
6 submit the dispute to the Commission, and the Commission should hear and  
7 resolve these disputes pursuant to its general supervisory powers to ensure safe  
8 and reasonable service. This is far more practical than attempting to litigate  
9 disagreements involving operational concerns.

10

11 **Q. What is your recommendation?**

12 A. As a condition to the Commission's approval of the transaction, FairPoint should  
13 be directed to work with Unitil to devise a multi-step dispute resolution process  
14 that would ultimately provide for the submission of disputes involving the JOA to  
15 the Commission.

16

17 **IX. CONCLUSION**

18 **Q. Please summarize your conclusions.**

19 A. As previously stated, Unitil does not believe that it is in the public interest to  
20 continue a pole ownership model under which one party facing competitive  
21 pressures is able to make operational adjustments that conflict with its ownership  
22 obligations, and which effectively shifts costs onto the other joint owner. Electric  
23 and telephone utilities operate in a different competitive environment and have

1 differing priorities in terms of safety, reliability, customer service, and strategic  
2 direction. Fundamentally changing this model is the best long term solution to the  
3 issues arising out of joint ownership.

4

5 As an alternative to a fundamental change in the ownership model, I am  
6 recommending instead that the Commission impose reasonable conditions on the  
7 sale to FairPoint to address a number of important issues. These conditions are  
8 summarized as follows:

9

- 10 1. That FairPoint be required to develop and implement a comprehensive  
11 pole inspection program for all jointly owned poles in its maintenance  
12 areas meeting the requirements of IOP #16 and all applicable provisions of  
13 National Electrical Safety Code;
- 14  
15 2. That FairPoint be required to meet the same emergency response  
16 expectations as the electric utilities; and further, that FairPoint be required  
17 to replace and remove poles that have been damaged and/or “made safe”  
18 on an expedited basis;
- 19  
20 3. That FairPoint be required to define specific timeframes tied to need dates  
21 for accomplishing pole placements and removals, and that such  
22 timeframes be clearly specified in the IOPs, with provision for the

1            company needing the work to move forward with pole placements if the  
2            timeframes are not met;

3

4            4. That FairPoint be required to develop and implement a plan to eliminate  
5            the existing backlog of double poles within 36 months of the closing date;

6

7            5. That FairPoint be required to participate in maintenance tree trimming  
8            programs to maintain line clearances and protect joint lines, consistent  
9            with good utility practice, and to share in the cost of such programs in  
10           accordance with the Unitil-Verizon JOA;

11

12           6. That FairPoint be directed to work with Unitil to devise a multi-step  
13           dispute resolution process that would ultimately provide for the  
14           submission of disputes involving the JOA to the Commission;

15

16           7. And, that Verizon be compelled to pay Unitil any amounts outstanding for  
17           tree trimming services performed by Unitil and still owed by Verizon,  
18           consistent with the division of costs specified in the JOA.

19

20    **Q.    Does that conclude your testimony?**

21    **A.    Yes, it does.**