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STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION

DOCKET DE 21-020

IN THE MATTER OF: Eversource Energy and Consolidated Communications
 Joint Petition to Approve Pole Asset Transfer.

DIRECT TESTIMONY

OF

Stephen R. Eckberg
Utility Analyst, New Hampshire Department of Energy

January 31, 2022

1 **Introduction**

2 **Q. Please state your full name?**

3 A. Stephen R. Eckberg

4 **Q. By whom are you employed and what is your business address?**

5 A. I'm employed by the New Hampshire Department of Energy as a Utility Analyst in the
6 Regulatory Support Division. My business address is 21 S. Fruit Street, Suite 10, Concord,
7 NH, 03301.

8 **Q. Please summarize your education and professional work experience.**

9 A. I have a B.S. degree in Meteorology and a M.S. degree in Statistics. I've been employed as a
10 utility analyst since 2007 when I was hired by the New Hampshire Office of Consumer
11 Advocate (OCA). In 2014, I joined the Public Utilities Commission, and in July 2021, I
12 became employed by the newly created Department of Energy. A more complete listing of
13 my experience is included as Attachment SRE-1.

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

15 A. The purpose of my testimony is to provide my recommendation to the Public Utilities
16 Commission (PUC) on the Joint Petition to Approve Pole Asset Transfer filed on February
17 10, 2021 by Public Service Company of New Hampshire d/b/a Eversource Energy
18 ("Eversource") and Consolidated Communications of Northern New England Company,
19 LLC d/b/a Consolidated Communications ("Consolidated").

20 **Q. Please provide a brief description of the transaction proposed in the Joint Petition**
21 **under consideration in this docket.**

22 A. The petitioners, Consolidated and Eversource, propose to transfer the ownership share of
23 certain poles which are currently jointly owned by both petitioners from Consolidated to

1 Eversource so that Eversource will be the sole owner of the poles under consideration.
2 Along with the ownership share of the poles, Eversource would also gain certain license and
3 property rights with respect to the transferred poles including the authority to collect pole
4 attachment fees from third parties as explained in the petition.

5 **Q. What is the number of jointly owned poles that are proposed to be transferred to**
6 **Eversource, to become solely owned by Eversource?**

7 A. The testimony of Mr. Lajoie at Bates 18 states that there are 343,098 jointly owned poles in
8 Eversource's service territory, with each Company owning a 50% interest in the poles, and
9 with Consolidated solely owning approximately 3,844 poles in Eversource's service territory
10 to which Eversource has attached electric facilities. Each of the 343,098 jointly owned poles
11 counts as one-half of a pole which Eversource will acquire which equates to 171,549 pole
12 equivalents. Then, add to that the 3,844 Consolidated solely owned poles to be acquired by
13 Eversource for a grand total of $171,549 + 3,844 = 175,393$ pole equivalents.

14 **Q. Could you state briefly whether you recommend approval of the joint filing made by**
15 **CCI and Eversource?**

16 A. Certainly. I do not recommend the approval of the asset transfer as proposed in the joint
17 petition.

18 **Q. Would you please explain the reason(s) why you do not recommend approval?**

19 A. The primary reason why I do not recommend approval of the pole asset transfer as described
20 in the joint petition is that Eversource ratepayers would be required to pay for costs that
21 Eversource should instead collect from Consolidated. The proposed transaction and
22 associated cost recovery mechanism would result in certain costs being included in

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1 Eversource's rate base following the completion of the proposed transaction which should
2 not be included in rate base.

3 **Q. Would you please provide some more specific details on the costs you refer to?**

4 A. The testimony of Mr. Lajoie at Bates 18, Lines 14-19 explains, "The net purchase price of
5 the Transferred Poles is BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL.

6 The net purchase price is comprised of a gross purchase price of BEGIN CONFIDENTIAL
7 [REDACTED] END CONFIDENTIAL for the Transferred Poles, reduced by BEGIN

8 CONFIDENTIAL [REDACTED]
9 [REDACTED] END

10 CONFIDENTIAL." Mr. Lajoie goes on to explain that the agreement also includes a
11 settlement of disputes between the Parties, including vegetation management costs that
12 Consolidated has not paid Eversource since 2018¹. See Testimony of Lajoie at Bates 19,
13 Lines 1-14. Specifically, the Parties have agreed to deduct BEGIN CONFIDENTIAL [REDACTED]

14 [REDACTED] END CONFIDENTIAL from the net purchase price for the Transferred Poles to
15 resolve any disputes between them, including regarding vegetation management costs. As a
16 result of the settlement, Eversource's resulting net payment amount due to Consolidated for
17 the purchase of the Transferred Poles is BEGIN CONFIDENTIAL [REDACTED] END
18 CONFIDENTIAL.

19 **Q. Of the amounts you've described above, what amount does Eversource intend to use as**
20 **the "book value" of the assets it would acquire in the transaction for the purpose of**
21 **calculating its revenue requirement relating to these newly acquired assets?**

¹ At Bates 19 Line 8, Mr. Lajoie states further that "Consolidated has denied liability for such costs."

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1 A. If the plan is approved as filed, Eversource seeks to include the full net purchase amount of
2 BEGIN CONFIDENTIAL [REDACTED] END CONFIDENTIAL as the rate base of the
3 transferred pole assets. This can be seen in the revenue requirement model included with the
4 testimony of Horton and Menard in their Attachment DPH/ELM-1 Page 1 of 1 (Bates 55) at
5 Line 15 of that attachment. Note that the Petitioners have requested that the amount shown
6 there at Line 15 in the model be treated as confidential. Including this full net purchase
7 amount in rate base means it would earn a return at the Company's most recent approved
8 overall pre-tax weighted average cost of capital (WACC) of 6.87% (See Order 26,433 at
9 page 14). As described above, the joint petition makes it clear that this net purchase amount
10 includes a settled amount of BEGIN CONFIDENTIAL [REDACTED] END
11 CONFIDENTIAL which reflects a settlement amount resolving disputes between the two
12 companies, including vegetation management amounts owed by Consolidated to Eversource
13 which have not been paid since the beginning of 2019. *See* Testimony of Lajoie at Bates 19
14 Lines 8-14. On an annual basis, Eversource bills Consolidated for approximately \$7 million
15 of vegetation management, so to the extent Consolidated has not reimbursed Eversource
16 since the beginning of 2019, the reimbursement owed to Eversource continues to rise.² It is
17 my position that the amount reflecting the dispute resolution should not be included in the net
18 book value of the assets for purposes of establishing a revenue requirement related to the
19 acquired assets. In other words, the net purchase amount stated above should not be used as
20 the rate base amount as it includes an amount agreed to by Consolidated and Eversource to
21 resolve disputes and, therefore, does not reflect only the value of the assets themselves.

² Joint Petitioners' Response to Staff 1-006 which is included as Attachment SRE-2.

1 **Q. Do you have an amount that you propose be considered as the Net Book Value (NBV) of**
2 **the Transferred Poles?**

3 A. Yes. The amount that I recommend be used as the NBV for the Transferred Poles should be
4 considered as a maximum allowable amount and that is \$13,382,128. This is the amount that
5 I recommend be used as the “book value” of the approximately 175,393 poles to be acquired
6 by Eversource.

7 **Q. What is the derivation of this value that you recommend as a maximum net book value?**

8 A. I used information provided by Consolidated pursuant to Order 26,534 requiring
9 Consolidated to prepare and provide information responsive to data requests propounded by
10 NECTA. Specifically, data request NECTA 2-019 sought updates as of December 31, 2020
11 to information contained in Fairpoint Communications (NH) 2017 ARMIS report which
12 would be used to establish a net book value of the pole assets. Consolidated provided an
13 initial response to the discovery request which NECTA averred was non-responsive. A
14 discovery dispute ensued which the Commission addressed in its Order 26,534.
15 Consolidated eventually provided the information requested and required. I attach a copy of
16 the updated “ARMIS” report as Attachment SRE-3 to my testimony. Information from that
17 document was used to calculate the value \$13,382,128 which I believe is the maximum
18 amount that Eversource should be allowed to use as the net book value of the pole assets
19 under consideration – regardless of the actual amount that Eversource pays to Consolidated.
20 It is worth noting that the joint petitioners *have not* claimed or requested that any part of the
21 currently proposed net purchase price be considered as “good will” nor that any portion of
22 the net purchase price should be considered in any way other than as rate base for the
23 purpose of determining Eversource’s revenue requirement related to the acquisition. As

1 such, the amount proposed by Eversource to be included in rate base for the transferred poles
2 – the net purchase amount – is too great and the transaction, as proposed, should not be
3 approved.

4 **Q. Have the parties previously entered into any agreements that might inform how**
5 **disputes relating to Vegetation Management expenses might be resolved?**

6 A. Yes. A Joint Use/Ownership Agreement, and related Intercompany Operating Procedures
7 govern the amount of Vegetation Management costs that may be billed by Eversource to
8 Consolidated, amongst other things.³ Intercompany Operating Procedure #2 defines specific
9 avenues for recourse if either party fails to perform their obligations under the agreement,
10 including arbitration. To date, Eversource has not fully engaged these dispute resolution
11 avenues as a means of resolving the dispute.

12 **Q. Are there aspects of the proposed transaction other than the transfer value that you**
13 **wish to comment on?**

14 A. Yes, I would like to comment on the proffered reliability benefits of the transaction and the
15 current state of the joint poles in the Consolidated maintenance area. The Joint Petitioners
16 assert that “[t]he transfer of the Transferred Poles [to the sole ownership of Eversource will
17 result in significant reliability and operational benefits,” and then proceed to describe
18 Eversource’s pole inspection and replacement program, as well as its role as a first responder.
19 I must observe that the Intercompany Operating Procedures addresses both issues:

³ Joint Petitioners’ Supplemental Response to Staff 1-008 which is included as Attachment SRE-4. Eversource currently bills Consolidated based on a formula of approximately 20% of scheduled maintenance and mid-cycle trimming costs as defined in sections 1.a and 1.b, 50% of storm trimming costs as defined in section 1.c, and 50% of hazard tree costs as defined in section 1.d. If the proposed transfer were to occur, Consolidated would no longer pay these defined amounts, but instead would pay an attachment fee to Eversource as the full owner of the poles to which Consolidated facilities are attached.. As a result of the sale, the per attachment fees for all attachers would likely be significantly reduced, beginning in year three, due to the significant increase in Eversource-owned poles but less significant increase in undepreciated pole plant. *See*, Joint Petitioners’ Response TS1-006 and TS1-009 which are included as Attachments SRE-5 and Attachment SRE-6, respectively.

1 Intercompany Operating Procedure #19 requires Consolidated to meet the same average
2 response time to emergencies in its maintenance area as the target average response time for
3 the electric company in its maintenance area, and Intercompany Operating Procedure #7
4 requires that both Eversource and Consolidated inspect all poles in their maintenance area
5 every 10 years. If Consolidated's emergency response timelines or pole inspection cycles
6 were inconsistent with the Intercompany Operating Procedures, or otherwise below the
7 standards agreed to by both Joint Petitioners within the Intercompany Operating Procedures,
8 then Eversource should have exercised its right to dispute resolution procedures under
9 Intercompany Operating Procedure #2. Rather than exercise this right, Eversource instead
10 appears to have begun setting poles in Consolidated's maintenance area.⁴ Given that
11 Eversource appears to already set poles in Consolidated's maintenance area, rather than
12 waiting for Consolidated to set the poles, it is conceivable that the timing of pole replacement
13 during emergency situations would not be impacted materially by the proposed transaction.

14 **Q. Do you have any further comments regarding Consolidated's pole maintenance and**
15 **inspection?**

16 Yes. Within the Joint Petitioners' testimony, directly after a confidential discussion of the
17 net purchase price of the transferred poles and what that purchase price is reduced by, the
18 Joint Petitioners' note that "In particular, the poles that failed inspection were identified by
19 an outside company in an inspection report dated January 20, 2020, or were earlier
20 designated and tagged as failed inspection." Subsequent discovery related to the 2020 report
21 shows that approximately 73,000 poles within the CCI maintenance area were inspected prior
22 to that report, but that a significant portion of the inspected poles were not actually within the

⁴ Joint Petitioners' Response to Staff to 2-001 which is included as Attachment SRE-7.

1 population of transferred poles and were instead jointly owned by Consolidated with a joint
2 owner other than Eversource.⁵ Neither Eversource nor Consolidated has conducted a full
3 inspection of the transferred poles that are at issue in this proceeding, an inspection which
4 could have focused on the Consolidated maintenance area and determined whether the value
5 of the transferred poles within CCI's maintenance area should be adjusted downward due to
6 an abnormally high reject/failure rate compared to other poles within CCI's territory.⁶ Of the
7 73,000 poles that were inspected, the inspection Company found 2,249 poles that did not
8 pass inspection, recommending that 2,173 poles be restored, and that 76 be replaced.⁷
9 Although Eversource had repaired poles prior to 2015,⁸ due to significant near-term cost
10 savings of doing so,⁹ neither Eversource nor Consolidated repair poles any longer, instead
11 prefer to replace repairable poles, and have modeled full replacement within the revenue
12 requirement forecast associated with this transaction.¹⁰

13 **Q. Your testimony does not support the PUC's approval of the proposed transaction based**
14 **on the cost of the purchase that will be passed on to Eversource customers. Could you**
15 **comment on the Department of Energy's general position of pole ownership by electric**
16 **distribution utilities?**

17 **A.** Yes. In general, the Department believes there could be operational and administrative
18 efficiencies associated with the transfer of jointly-owned poles to the electric distribution
19 utilities. However, such transfers must be based on the purchase of poles at net book value

⁵ Joint Petitioners' Response to DOE 4-001 which is included as Attachment SRE-8.

⁶ Similarly, neither Eversource nor Consolidated conducted a survey of pole attachments to determine the actual number of attachments on the transferred poles.

⁷ Joint Petitioners' Response to Staff 3-004 which is included as Attachment SRE-9.

⁸ Joint Petitioners' Response to DOE 4-007 which is included as Attachment SRE-10.

⁹ Joint Petitioners' Response to Staff 3-008(b), Attachment Q-STAFF 3-008 Conversation Friday Follow up 9 25 2019, page 5

¹⁰ Joint Petitioners' Response to Staff 3-003

1 and should not shift costs unreasonably from the telecommunications company to the electric
2 utility or its customers.

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

4 A. Yes.

Qualifications of Stephen R. Eckberg

My name is Stephen R. Eckberg. I am employed as a Utility Analyst with the Regulatory Support Division of the New Hampshire Department of Energy. My business address is 21 S. Fruit Street, Suite 10, Concord, New Hampshire 03301.

I earned a B.S. in Meteorology from the State University of New York at Oswego and an M.S. in Statistics from the University of Southern Maine.

After receiving my M.S. degree, I was employed as an analyst in the Boston office of Hagler Bailly, Inc, a consulting firm working with regulated utilities to perform evaluations of energy efficiency and demand-side management programs. From 2000 through 2003, I was employed at the NH Governor's Office of Energy and Community Services as the Director of the Weatherization Assistance Program. Following that, I was employed at Belknap Merrimack Community Action Agency as the Statewide Program Administrator of the NH Electric Assistance Program (EAP). In that capacity, I presented testimony before the NH Public Utilities Commission (PUC) in dockets related to the design, implementation and management of the EAP. I have also testified before Committees of the New Hampshire General Court on issues related to energy efficiency and low income electric bill assistance. From 2007 – 2014 I was employed as a Utility Analyst with the New Hampshire Office of the Consumer Advocate (OCA). During my tenure with the OCA, I attended rate making and regulatory training at New Mexico State University's Center for Public Utilities.

In my position with the OCA, I entered pre-filed testimony jointly with Kenneth E. Traum, former Assistant Consumer Advocate, in the following dockets:

- DG 08-048 Unitil Corporation and Northem Utilities, Inc. Joint Petition for Approval of Stock Acquisition
- DW 08-070 Lakes Region Water Company Financing & Step Increase
- DW 08-098 Aquarion Water Company of New Hampshire

- DE 09-035 Public Service of New Hampshire Distribution Service Rate Case

I entered (non-joint) pre-filed testimony in the following dockets:

- DT 07-027 Kearsarge Telephone Company, Wilton Telephone Company, Hollis Telephone Company & Merrimack County Telephone Company Petition for Alternative Form of Regulation. Phase II & Phase III.
- DW 08-073 Pennichuck Water Works, Inc. Petition for Rate Increase
- DW 08-070 Lakes Region Water Company Third Step Increase.
- DW 08-065 Hampstead Area Water Company Petition for Rate Increase.
- DE 09-170 2010 CORE Energy Efficiency Programs.
- DW 10-090 Pittsfield Aqueduct Company Petition for Rate Increase.
- DW 10-091 Pennichuck Water Works Petition for Rate Increase.
- DW 10-141 Lakes Region Water Petition for Rate Increase.
- DE 10-188 2011-2012 CORE and Natural Gas Energy Efficiency Programs.
- DE 11-250 PSNH Installation of a Wet Flue-Gas Desulphurization Scrubber.
- DE 12-262 2013-2014 CORE and Natural Gas Energy Efficiency Programs.
- DE 12-292 PSNH 2013 Default Energy Service Rate.
- DE 12-262 2014 CORE Energy Efficiency Programs Update Filing.
- DE 13-108 PSNH 2012 Energy Service Reconciliation.
- DG 14-091 Liberty Utilities Special Contract and Lease Agreement with Innovative Natural Gas, LLC dba iNATGAS.

In August 2014, I joined the PUC's Sustainable Energy Division (SED). My responsibilities included grant review and administration, and compliance oversight of New Hampshire's Renewable Portfolio Standard requirements. While employed with SED, I filed testimony in:

- DE 18-140 Liberty Utilities Petition for Approval of a Renewable Natural Gas Supply and Transportation Contract

In October 2019, I joined the PUC's Electric Division. I have filed testimony in:

- DE 17-136 2018-2020 New Hampshire Statewide Energy Efficiency Plan - 2020 Third Year Programs.
- DE 19-197 Development of a Statewide, Multi-Use Online Energy Data Platform (Joint Testimony with Jason Morse).
- DE 20-092 2021 – 2023 Triennial Energy Efficiency Plan.
- DE 21-030 Unitil Request for Change in Rates.

In July 2021, with the passage of HB2, the New Hampshire Legislature created the Department of Energy, I became an employee of the Regulatory Support Division of the Department of Energy.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020

Date Request Received: 04/12/2021

Date of Response: 04/27/2021

Request No. STAFF 1-006

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Request from: New Hampshire Public Utilities Commission Staff

Witness: Douglas P. Horton

Request:

Reference Lajoie Testimony, Bates 19. Please provide:

- a. The full amount billed to Consolidated for vegetation management by year for 2018, 2019 and 2020.
- b. The dates and amounts billed.
- c. Copies of all invoices for such amounts billed.
- d. List of any payments made by Consolidated during that time period.

Response:

- a. Please see Attachment Staff 1-006 A for the amounts billed to Consolidated for maintenance and storm tree trimming for the 2018-2020 time period.
- b. Please see the response to part a.
- c. Please see the attached zip files for the 2018-2020 invoices sent to CCI for maintenance trimming and storm related trimming work.
- d. Please see Attachment Staff 1-006 D for a list of CCI payments received for vegetation management related costs during the 2018-2020 time period. Please note there is a time lag between when expenses are incurred, when invoices are sent, and when payment is received.

**Total CCI/Fairpoint Maintenance Trimming Reimbursement Billing
2017 to present**

Year Billed	Service Period	TOTAL	Hazard	SMT/Traffic	Date Billed
2020	Jan-20	580,506.02	502,771.63	77,734.39	5/4/20
2020	Feb-20	564,026.79	415,798.39	148,228.40	5/5/20
2020	Mar-20	333,051.10	199,749.11	133,301.99	6/9/20
2020	Apr-20	484,421.24	230,908.37	253,512.87	7/10/20
2020	May-20	519,530.64	368,944.00	150,586.64	10/8/20
2020	Jun-20	1,124,164.43	1,001,274.82	122,889.61	10/8/20
2020	Jul-20	772,300.36	515,517.14	256,783.22	10/8/20
2020	Aug-20	345,786.95	215,921.49	129,865.46	11/18/20
2020	Sep-20	372,538.54	264,390.08	108,148.46	12/28/20
2020	Oct-20	495,751.90	329,442.03	166,309.87	12/29/20
2020	Nov-20	761,713.12	632,079.84	129,633.28	12/30/20
2019	Jan-19	591,565.83	316,561.79	275,004.04	6/10/19
2019	Feb-19	798,238.34	412,864.92	385,373.42	6/6/19
2019	Mar-19	766,932.78	494,527.98	272,404.80	6/7/19
2019	Apr-19	509,659.92	323,859.83	185,800.09	6/12/19
2019	May-19	657,627.79	504,894.66	152,733.13	9/17/19
2019	Jun-19	1,401,166.24	1,191,227.93	209,938.31	9/18/19
2019	Jul-19	543,801.61	425,606.61	118,195.00	9/19/19
2019	Aug-19	612,685.08	400,143.08	212,542.00	11/29/19
2019	Sep-19	328,596.84	170,977.84	157,619.00	11/29/19
2019	Oct-19	204,534.00	0.00	204,534.00	12/31/19
2019	Nov-19	91,707.00	0.00	91,707.00	12/30/19
2020	Dec-19	1,480,621.08	1,415,809.08	64,812.00	2/12/20
2018	Jan-18	492,269.63	454,343.61	37,926.02	7/20/18
2018	Feb-18	804,399.63	737,091.19	67,308.44	7/23/18
2018	Mar-18	478,887.08	443,384.58	35,502.50	7/24/18
2018	Apr-18	421,445.72	410,292.67	11,153.05	7/25/18
2018	May-18	409,343.02	290,126.11	119,216.91	7/19/18
2018	Jun-18	764,526.71	458,591.20	305,935.51	9/11/18
2018	Jul-18	458,309.18	212,144.08	246,165.10	9/13/18
2018	Aug-18	783,537.80	322,570.08	460,967.72	12/19/18
2018	Sep-18	1,091,175.69	625,224.18	465,951.51	12/10/18
2018	Oct-18	774,442.97	346,726.42	427,716.55	12/21/18
2019	Nov-18	1,080,708.82	382,904.17	697,804.65	1/11/19
2019	Dec-18	538,418.40	351,118.30	187,300.10	6/11/19
2018	Nov-17	326,856.22	105,491.28	221,364.94	3/23/18
2018	Dec-17	413,376.42	165,950.66	247,425.76	3/26/18

Year Billed	Total Amount	Hazard Amount	SMT/Traffic Amount
2018	\$7,218,570.07	\$4,571,936.06	\$2,646,634.01
2019	\$8,125,642.65	\$4,974,687.11	\$3,150,955.54
2020	\$7,834,412.17	\$6,092,605.98	\$1,741,806.19
Total 2018-2021	\$23,178,624.89	\$15,639,229.15	\$7,539,395.74

**Total CCI/Fairpoint Storm Reimbursement Billing
2017 to present**

Year	Storm Date	Storm Work Order	TOTAL	Date Billed
2018	10/24/2017	MS17M006	5,055.45	1/9/18
2018	10/29/2017	MS17N006	399,523.22	1/9/18
2018	11/10/2017	MS17P006	11,961.10	1/9/18
2018	12/23/2017	MS17Q006	26,718.09	6/20/18
2018	01/23/2018	MS18A006	23,298.15	6/19/18
2018	03/02/2018	MS18B006	6,063.72	6/20/18
2018	03/08/2018	MS18C006	24,290.67	6/20/18
2018	04/04/2018	MS18D006	46,813.51	6/19/18
2018	04/16/2018	MS18E006	18,830.81	6/19/18
2018	05/04/2018	MS18F006	41,959.34	6/19/18
2018	06/18/2018	MS18G006	57,131.32	10/29/18
2018	07/17/2018	MS18H006	3,282.76	10/29/18
2018	07/28/2018	MS18J006	7,096.52	10/29/18
2018	08/03/2018	MS18K006	6,458.82	10/29/18
2018	08/07/2018	MS18L006	5,551.15	10/29/18
2019	09/21/2018	MS18M006	2,220.54	1/23/19
2019	10/15/2018	MS18N006	14,465.67	1/23/19
2019	10/27/2018	MS19P006	7,772.44	1/23/19
2019	11/03/2018	MS18Q006	34,747.62	1/23/19
2019	11/13/2018	MS18R006	11,233.89	1/23/19
2019	11/26/2018	MS18S006	87,000.47	1/23/19
2019	01/09/2019	MS19A006	21,070.89	6/20/19
2019	02/25/2019	MS19C006	16,921.46	6/20/19
2019	02/28/2019	MS19B006	6,385.34	6/20/19
2019	04/03/2019	MS19D006	12,911.18	6/20/19
2020	10/17/2019	MS19F006	78,916.09	3/4/20
2020	10/31/2019	MS19G006	83,990.59	3/5/20
2021	02/07/2020	MS20A006	34,159.42	3/24/21
2021	02/27/2020	MS20B006	18,290.51	3/19/21
2021	03/23/2020	MS20C006	2,077.96	3/19/21
2021	04/13/2020	MS20D006	18,288.80	3/25/21
2021	05/15/2020	MS20E006	14,526.02	3/25/21
2021	07/08/2020	MS20G006	3,895.94	3/22/21
2021	08/04/2020	MS20F006	28,236.91	3/22/21
2021	09/30/2020	MS20H006	2,760.58	3/18/21
2021	10/17/2020	MS20K006	3,783.81	3/18/21
2021	11/02/2020	MS20M006		3/24/21
2021	12/05/2020	MS20N006	59,875.66	3/17/21
2021	12/24/2020	MS20Q006	7,816.73	3/17/21

Included in MS20A006

Year Billed	Total Amount
2018	\$684,034.63
2019	\$214,729.50
2020	\$162,906.68
2021	\$193,712.34
Total 2018-2021	\$1,255,383.15

Type of Bill Paid	Posted Date	Receipt Amount	Year
MAINTENANCE/HAZARD TREE TRIMMING	01/11/2018	\$526,813.69	2018
MAINTENANCE/HAZARD TREE TRIMMING	01/11/2018	\$364,114.68	2018
MAINTENANCE/HAZARD TREE TRIMMING	01/11/2018	\$357,484.99	2018
MAINTENANCE/HAZARD TREE TRIMMING	01/11/2018	\$448,281.07	2018
MAINTENANCE/HAZARD TREE TRIMMING	01/23/2018	\$138,699.19	2018
MAINTENANCE/HAZARD TREE TRIMMING	01/24/2018	\$441,494.81	2018
MAINTENANCE/HAZARD TREE TRIMMING	04/27/2018	\$326,856.22	2018
MAINTENANCE/HAZARD TREE TRIMMING	05/02/2018	\$413,376.42	2018
MAINTENANCE/HAZARD TREE TRIMMING	08/24/2018	\$492,269.63	2018
MAINTENANCE/HAZARD TREE TRIMMING	08/24/2018	\$478,887.08	2018
MAINTENANCE/HAZARD TREE TRIMMING	08/27/2018	\$421,445.72	2018
MAINTENANCE/HAZARD TREE TRIMMING	11/29/2018	\$1,222,835.89	2018
MAINTENANCE/HAZARD TREE TRIMMING	01/22/2019	\$783,537.80	2019
MAINTENANCE/HAZARD TREE TRIMMING	01/22/2019	\$1,091,175.69	2019
MAINTENANCE/HAZARD TREE TRIMMING	01/25/2019	\$774,442.97	2019
MAINTENANCE/HAZARD TREE TRIMMING	02/12/2019	\$1,080,708.82	2019
MAINTENANCE/HAZARD TREE TRIMMING	04/16/2020	\$485,229.20	2020
MAINTENANCE/HAZARD TREE TRIMMING	04/16/2020	\$211,659.94	2020
MAINTENANCE/HAZARD TREE TRIMMING	04/16/2020	\$332,125.65	2020
MAINTENANCE/HAZARD TREE TRIMMING	04/16/2020	\$317,316.36	2020

Year	Amount Received
2018	\$5,632,559.39
2019	\$3,729,865.28
2020	\$1,346,331.15
Total 2018-2020	<u>\$10,708,755.82</u>

Type of Bill Paid	Posted Date	Receipt Amount	Year
STORM RELATED TREE TRIMMING	03/08/2018	11,961.10	2018
STORM RELATED TREE TRIMMING	03/08/2018	5,055.45	2018
STORM RELATED TREE TRIMMING	03/12/2018	399,523.22	2018
STORM RELATED TREE TRIMMING	08/24/2018	41,959.34	2018
STORM RELATED TREE TRIMMING	08/24/2018	18,830.81	2018
STORM RELATED TREE TRIMMING	08/24/2018	46,813.51	2018
STORM RELATED TREE TRIMMING	08/24/2018	23,298.15	2018
STORM RELATED TREE TRIMMING	08/24/2018	26,718.09	2018
STORM RELATED TREE TRIMMING	08/24/2018	6,063.72	2018
STORM RELATED TREE TRIMMING	08/24/2018	24,290.67	2018
STORM RELATED TREE TRIMMING	01/17/2019	57,131.32	2019
STORM RELATED TREE TRIMMING	01/17/2019	7,096.52	2019
STORM RELATED TREE TRIMMING	01/17/2019	3,282.76	2019
STORM RELATED TREE TRIMMING	01/17/2019	6,458.82	2019
STORM RELATED TREE TRIMMING	02/12/2019	87,000.47	2019
STORM RELATED TREE TRIMMING	02/12/2019	2,220.54	2019
STORM RELATED TREE TRIMMING	02/12/2019	14,465.67	2019
STORM RELATED TREE TRIMMING	02/12/2019	7,772.44	2019
STORM RELATED TREE TRIMMING	02/12/2019	34,747.62	2019
STORM RELATED TREE TRIMMING	02/12/2019	11,233.89	2019
STORM RELATED TREE TRIMMING	02/21/2019	5,551.15	2019
STORM RELATED TREE TRIMMING	10/28/2019	45.92	2019
STORM RELATED TREE TRIMMING	04/16/2020	12,911.18	2020
STORM RELATED TREE TRIMMING	04/16/2020	6,385.34	2020
STORM RELATED TREE TRIMMING	04/16/2020	16,921.46	2020
STORM RELATED TREE TRIMMING	04/16/2020	21,070.89	2020

Year	Amount Received
2018	\$604,514.06
2019	\$237,007.12
2020	\$57,288.87
Total 2018-2020	\$898,810.05

NHPUC Docket DE 21-020

Consolidated Response to NHPUC Procedural Order of November 19, 2021

COMPANY: Consolidated Communications of Northern New England Company, LLC
 STUDY AREA: New Hampshire SUBMISSION 1
 PERIOD: From: Jan 2020 To: Dec 2020 Table III
 COSA: FPNH Page 1 of 1

Table III - POLE AND CONDUIT RENTAL CALCULATION INFORMATION

(Dollars in thousands; Operating data in actual units)

ROW	ROW TITLE (a)	Amount (b)
Financial Information (\$000)		
100	Telecommunications Plant-in-Service	395,349
101	Gross Investment - Poles	63,530
102	Gross Investment - Conduit	17,388
200	Accumulated Depreciation - Total Plant-in-Service	184,883
201	Accumulated Depreciation - Poles	35,765
202	Accumulated Depreciation - Conduit	4,924
301	Depreciation Rate - Poles	5.8
302	Depreciation Rate - Conduit	2.2
401	Net Current Deferred Operating Income Taxes - Poles	0
402	Net Current Deferred Operating Income Taxes - Conduit	0
403	Net Current Deferred Operating Income Taxes - Total	0
404	Net Non-current Deferred Operating Income Taxes - Poles	4,865
405	Net Non-current Deferred Operating Income Taxes - Conduit	-11,148
406	Net Non-current Deferred Operating Income Taxes - Total	-20,842
501.1	Pole Maintenance Expense	13,625
501.2	Pole Rental Expense	3,507
501	Pole Expense	17,132
502.1	Conduit Maintenance Expense	439
502.2	Conduit Rental Expense	0
502	Conduit Expense	439
503	General & Administrative Expense	8,615
504	Operating Taxes	8,043
Operational Data (Actual)		
601	Equivalent Number of Poles	251,845
602	Conduit System Trench Kilometers	1,108
603	Conduit System Duct Kilometers	6,483
700	Additional Rental Calculation Information	0



780 N. Commercial Street, Manchester, NH 03101

Eversource Energy
P.O. Box 330
Manchester, NH 03105-0330
(603) 634-2261
Fax (603) 634-2511

Erica L. Menard
Manager, Revenue Requirements NH

erica.menard@eversource.com

May 20, 2021

By Electronic Mail Only

Brian D. Buckley, Staff Attorney
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301

**Re: Docket No. DE 21-020 Public Service Company of New Hampshire d/b/a Eversource Energy
Joint Petition to Approve Pole Asset Transfer**

Dear Attorney Buckley:

Attached is a supplemental response to STAFF 1-008. If you have any questions, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink that reads "Erica L. Menard". The signature is written in a cursive, flowing style.

Erica L. Menard
Manager, Revenue Requirements NH

ELM:kd
Enclosures

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020

Date Request Received: 04/12/2021

Date of Response: 04/26/2021

Date Supplement Request Received: 05/13/2021

Date of Supplement Response: 05/20/2021

Request No. STAFF 1-008-SP01

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Lee G. Lajoie, Michael Shultz, Sarah Davis

Request:

Reference Lajoie Testimony, Bates 19, describing a "Joint Ownership Agreement dated September 1, 2011 between Eversource and Consolidated."

- a. Please provide a copy of the aforementioned Joint Ownership Agreement, including any and all schedules, appendices, amendments, modifications, and supplements of or to that agreement.
- b. Please provide a copy of any other currently effective joint ownership agreements which have been entered into by either Eversource or Consolidated, including Intercompany Operating Procedures.

Response:

ORIGINAL RESPONSE:

- a. See attachment Staff 1-008a
- b. The Joint Petitioners have not entered into any other such agreements between the companies.

SUPPLEMENTAL RESPONSE:

The response to part a. is being supplemented to include the Intercompany Operating Procedures (IOPs) as part of the Joint Use/Ownership agreement. Please see Attachment Staff 1-008-SP01 for the agreement that includes the IOPs.

The response to part b. is not being revised as part of this supplement.

JOINT USE/OWNERSHIP AGREEMENT

DATED: September 1, 2011

BETWEEN

NORTHERN NEW ENGLAND TELEPHONE OPERATIONS LLC
D/B/A FAIRPOINT COMMUNICATIONS – NNE

AND

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

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AGREEMENT

This AGREEMENT, made this 1st day of September, 2011, between NORTHERN NEW ENGLAND TELEPHONE OPERATIONS LLC, d/b/a FAIRPOINT COMMUNICATIONS – NNE, a limited liability company organized and existing under the laws of the State of Delaware, having its principal office at 521 East Morehead Street, Suite 250, Charlotte, North Carolina 28202 (“FairPoint”), and PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE, organized and existing under the laws of the State of New Hampshire, having its principal office at 780 North Commercial Street, Manchester, New Hampshire 03101 hereinafter sometimes called “the parties”

WITNESSETH THAT:

WHEREAS, the parties desire to provide for the joint use/ownership of the poles and anchors when and where such joint use/ownership will be of mutual advantage;

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties do, for themselves, and their successors and assigns, mutually covenant and agree as follows:

- | | |
|-------------------------------|--|
| Scope of Agreement | Article 1. This Agreement shall be in effect in the areas in the State of New Hampshire in which both parties have the right to operate on the effective date hereof and thereafter. |
| Permission for and Joint Use | Article 2. Each party permits the joint use/ownership of any of its poles anchors now standing or hereafter erected within said areas to the extent that this Agreement, under the terms and conditions of this Agreement and of Intercompany Operating Procedures adopted pursuant to this Agreement, except that each party reserves the right to exclude from joint use/ownership poles and anchors which are, in its judgment, necessary for its sole use or its use together with attachments of municipalities or other third parties referred to in Article 4. |
| Rights and Obligations: IOP's | Article 3. To carry out the purpose of this Agreement to facilitate the joint use/ownership of poles, the Agreement set forth the rights and obligations of the parties with respect to such use, including without limitation their rights and obligations with respect to the following matters: <ul style="list-style-type: none"> A. Allocation of ownership and allocation of space B. Division of costs and expenses C. Acquisition of joint ownership D. Construction standards E. Performance of work F. Payment and billing |

- G. Custody and maintenance areas
- H. Changes in character of circuits
- I. Termination of joint ownership
- J. Administration of Agreement

Certain of the basic contractual provisions of this Agreement are not set forth in the body of the Agreement, but are set forth with operational or administrative procedures in Intercompany Operating Procedures (IOP's). IOP's in effect at any time shall be attached hereto and shall be a part of this Agreement. The IOP's in effect or taking effect upon the effective date of this Agreement are listed in Schedule A attached hereto.

The provisions of IOP's in effect at any time shall be subject to review upon the written request of either party given to the other. Amendments to IOP's, including elimination of any effective IOP's or addition of new IOP's, shall be made effective by written instrument signed on behalf of each party by a duly authorized officer of such party or by some other representative designated herein or by such officer by written notice to the other party.

Sole Agreement

Article 4. This Agreement and the IOP's constitute the entire agreement between the parties respecting joint ownership and use of poles and anchors; provided however, the parties have jointly or separately contracted and may in the future jointly or separately contract with third-party cable television companies, competitive local exchange carriers ("CLECS") or other telecommunications service providers, governmental entities and other companies as required or permitted by law for the joint use of, or the use of space on, poles covered by this Agreement and nothing herein contained is intended to prevent such third-party contracts.

Construction Standards

Article 5. Construction and maintenance of all poles, guys and anchors and of all attachments of both parties under this Agreement shall conform to the applicable provisions of the latest edition of the National Electrical Safety Code and to all applicable governmental requirements.

Municipal Space Attachments

Article 6. Upon each of the poles covered by this Agreement, and located or to be located within a municipal public road or highway, municipal space on the pole shall be provided as required in the pole license issued by the municipality and the pole attachment agreement entered into between the pole owner and municipality.

Attachments

Article 7. When temporary construction on jointly owned poles does not conform to the requirements of Article 5 and its unsafe or restrictive to one of the parties, the parties will cooperate in correcting the unsafe or restrictive conditions. Irrespective of which party may be financially responsible for the costs of any transfer or rearrangement of any attachments, each party, through its own personnel or through its agents or

contractors, shall place, maintain, rearrange and transfer its own attachments.

Electrical
Interference

Article 8. Each party shall so construct, operate and maintain its facilities that electrical interference with the facilities of the other is avoided or minimal and shall, at its own expense, correct any such electrical interference caused by its facilities which is more than minimal, when it occurs.

Work
Responsibility

Article 9. The work of installation, replacement, relocation or removal of new or existing jointly owned poles, guys and anchors shall be divided equitably between the parties. The division of this work shall be by the establishment of maintenance areas in which one party or the other is assigned the responsibility for such work.

Payment of
Taxes

Article 10. Each party shall be responsible for payment of a portion of the taxes and other governmental charges relating to the jointly-owned property covered by this Agreement in proportion to its ownership thereof, except that any such taxes or charges imposed upon the property solely because of the ownership or use of that property by only one of the parties shall be paid by that party.

Bills and Payment
for Work

Article 11. Within 60 days after the completion by one party of work for which the other party is to be partially or wholly responsible financially, the party that did the work shall render to the other party an itemized statement of charges showing the cost of the work, and if found to be correct, the charges shall be promptly paid.

Existing Rights of
Other Parties

Article 12. If either of the parties hereto has, prior to the execution of the Agreement, conferred upon others, not parties to the Agreement, by contract or otherwise, rights in or privileges to use any poles covered by this Agreement, nothing herein contained shall be construed as affecting said rights or privileges, and either party hereto shall have the right, by contract or otherwise, to continue and extend such existing rights, or privileges; it being expressly understood, however, that for the purpose of this Agreement, the attachments of any such outside party shall be treated as attachments belonging to the grantor, and the rights, obligations and liabilities hereunder of the grantor in respect to such attachments shall be the same as if it were the actual owner thereof. Attachments made by third parties under community antenna TV contracts or under other contracts executed by both parties to this Agreement, and fire and police signal attachments of municipalities or other public authorities, shall not be considered to be covered by this Article.

Assignment of
Rights

Article 13. Except as otherwise provided in this Agreement, neither party hereto shall assign or otherwise dispose of this Agreement or any of its rights or interests hereunder, or in any of the jointly used poles or the attachments or rights-of-way covered by this Agreement, to any firm, corporation or individual, without the written consent of the other party; provided, however, that nothing herein contained shall prevent or limit the right of either party to mortgage any or all of its property, rights, privileges and franchises, or to lease or transfer any of them to another corporation organized for the purpose of conducting a business of the same general character as that of such party, or to enter into any merger or consolidation; and, in case of the foreclosure of such mortgage, or in case of such lease, transfer, merger, or consolidation, its rights and obligations hereunder shall pass to, and to be acquired and assumed by, the purchaser on foreclosure, the transferee, lessee, assignee, merging or consolidating company, as the case may be; and provided, further, that subject to all of the terms and conditions of this Agreement, either party may permit any corporation conducting a business of the same general character as that of such party, and owned, operated, leased and controlled by it, or associated or affiliated with in interest, or connected with it, the use of all or any part of the space reserved hereunder for such party on any pole covered by this Agreement for the attachments used by such party, in the conduct of its said business; and for the purpose of this Agreement, all such attachment maintained on any such pole by the permission as aforesaid of either party hereto shall be considered as the attachments of the party granting such permission, and the rights, obligations and liabilities of such party under this Agreement, in respect to such attachments, shall be the same as if it were the actual owner thereof.

Liability for
Damages

Article 14. Whenever any liability is incurred by either of the parties or both for damages resulting from injury to the employees or for damage to the property of either party, or for injuries to other persons or property, arising out of the joint use/ownership of poles, anchors or guys whether or not jointly owned, or due to the proximity of the wires and fixtures of the parties attached to jointly used poles, anchors, or guys, the liability for such damage, as between the parties hereto, shall be as follows:

- (a) Each party shall be liable for injuries to persons other than its own employees or for damage to property other than its own caused in whole or in part by its negligence, or by its failure to comply at any time with the specifications referred to in Article 5 of this Agreement, or by its failure to perform its obligations hereunder, when so caused without any negligence or any such failure by the other party. The party that is liable agrees to indemnify, hold harmless and defend the other party on account thereof.

- (b) Each party shall be liable for all damages for injuries to its employees or damage to its property caused solely by its negligence or by its failure to comply with the specifications referred to in Article 5 of this Agreement or by its failure to perform its obligations hereunder or caused by the concurrent negligence or failure of both parties and agrees to indemnify, save harmless and defend the other party on account thereof. When either party hereto, or its insurer, shall make any payments to an employee or to his relatives or representatives on account of an injury caused in a manner described in this Article, in conformity with (1) the provisions of any workmen's compensation act or any act creating a liability in the employer to pay compensation for personal injury to an employee by accident arising out of or in the course of the employment whether based on negligence on the part of the employer or not or (2) any plan for employee's disability benefits or death benefits now established or hereafter adopted by the parties hereto or either of them, such payments shall be construed to be damages within the terms of this paragraph.
- (c) In the case of damages resulting from injuries to persons other than employees of either party, or from damage to property not belonging to either party that are caused in part by each party, whether through such party's negligence or through its failure to comply with the specifications referred to in Article 5 of this Agreement or by its failure to perform its obligations hereunder or are due to causes which cannot be traced solely to the sole negligence of one party or failure of one party to comply with said specifications or perform its obligations hereunder, each party shall be liable for said damages in proportion to the amount of negligence attributable to it and each party shall indemnify, hold harmless and defend the other party for its proportionate share of said damages.
- (d) Where the claimant desires to settle any such claim upon terms acceptable to one of the parties hereto but not to the other, the party to which said terms are acceptable may, at its election pay to the other party one-half (1/2) of the expense which such settlement would involve and thereupon said other party shall be bound to indemnify, save harmless and defend the party making such payment from all further liability and expense on account of such claim or in any way connected herewith.

Where a jointly used pole is to be replaced or abandoned and one of the parties has removed all its construction from the old pole, it shall notify the other party thereof in writing. If the other party fails to remove its attachments from the old pole or fails to remove the old pole within sixty (60) days from the receipt of such notice, it shall become solely

I-A-8

responsible for said pole, and shall be solely liable for injury to persons not in the employ of either of the parties hereto, or of their contractors, and for damage to property not belonging to either of the parties hereto, if such injury of damage occurs after the end of the 60 days.

Liability and
Damages Jointly
Owned but not
Jointly Used

Article 15. Whenever any liability is incurred by either party or both for damages for injuries to the employees or damage to the property of either party or for injury or damage to other persons or their property arising out of the use of poles, anchors, or guys jointly owned but not jointly used, the liability for such damages, as between the parties hereto, shall be as follows:

The party using the poles, anchors, or guys agrees to indemnify, save harmless and defend the party not using the poles, anchors or guys from any liability in connection herewith, except liability arising out of the negligent erection or maintenance thereof by the party claiming indemnity and liability arising out of the location thereof.

Contractors
Engaged By
Either Party

Article 16. All contractors and their employees engaged by either party to do any work in connection with jointly used poles or attachments thereon shall, as between the parties hereto only and not for the benefit of any third party, be considered the agent of the party employing them.

Default

Article 17. Whenever either party is in default with respect to any work that is its responsibility under this Agreement and has not cured the default within 60 days after receipt of written notice thereof from the other party, the other party may have such work performed and shall be reimbursed promptly for all its costs by the defaulting party.

Term of
Agreement

Article 18. This Agreement shall take effect upon the day and year first above written and shall be in effect for an initial period of two years from the effective date and shall continue thereafter until terminated by either party by giving not less than one year's notice in writing to the other party, provided however, that the provision of this Agreement relating to poles jointly owned shall nevertheless continue in full force and effect as to such poles until joint ownership thereof is terminated.

Waiver of Portions
of Agreement

Article 19. The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this Agreement, or its waiver of the same in any instance or instances, shall not be construed to be a general waiver or relinquishment of any of such terms or conditions, but the same shall be and remain at all times in full force and effect.

Ownership of
Poles, Guys and
Anchors

Article 20. Title to poles shall be determined as follows, and in each case one-half undivided interest as tenant in common shall pass from the party erecting the pole to the other party:

- (a) With respect to any existing pole that the parties have installed prior to the effective date hereof and determined is to be jointly owned, but for which the addendum has not been completely processed, title shall pass, or be considered to have passed, upon payment of the bill relating to the pole.
- (b) With respect to poles that are installed after the effective date of this Agreement and that the parties shall have determined are to be jointly owned, title shall pass upon the completion of the work of setting the pole in place.
- (c) With respect to solely-owned poles that are now in existence or that are installed in the future and are subsequently determined should be jointly owned, title shall pass upon payment of the bill.
- (d) With respect to poles that were previously jointly owned by one of the parties hereto and a third party whose interest has been acquired by the other party hereto, and that are not covered by any addendum between the parties hereto, it is hereby agreed that each party has held and now holds a one-half undivided interest therein as tenant in common.
- (e) With respect to jointly owned poles that one party desires to abandon pursuant to this Agreement, title shall pass from the party terminating its interest to the remaining party upon the completion of the removal of all the attachments of the party that is terminating its ownership.
- (f) When a pole is removed from service and both parties have determined to abandon it, the last party to remove its attachments shall sell or otherwise dispose of the pole and for that purpose each party hereby grants to the other the right to convey its interest to any third party or parties.
- (g) Reference to "poles" in this Article 20 shall be considered to include both poles and anchors.

Cancellation of
Existing Agreement

Article 21. The Agreement dated October 15, 1976, between the parties including supplements and amendments thereto, relating to jointly owned and jointly used poles, guys, and anchors heretofore entered into between the parties to this Agreement within the territory covered by this Agreement is hereby terminated as of the effective date of this Agreement except as to liabilities already accrued and all of the poles covered under that agreement are hereby brought under this Agreement and hereafter shall be subject to the terms and conditions hereof.

Establishing
Joint Use

Article 22. If, in specific situations, joint ownership in accordance with the provisions of the Agreement is unattractive to one of the parties, even though joint ownership may be desirable or economical from the overall standpoint, nothing herein shall preclude the establishment of joint use on such terms or such basis (including a rental basis in lieu of joint ownership) as may be agreed upon in writing by designated representatives of the parties hereto.

Rentals

Article 23. (a) Except as provided in Section (b) of this Article, the rentals due from either party to the other, shall be based on the equitable sharing of the economies of joint use and shall be computed at the rate of \$19.64 per annum to be paid by the Electric Company for each jointly used pole owned by the Telephone Company and \$19.64 per annum to be paid by the Telephone Company for each jointly used pole owned by the Electric Company.

(b) No rental shall be paid by the Licensee for the use of any pole of the Owner where such use consists only in attaching thereto guy strand of the License for the purpose of providing support and not for the purpose of supporting the said wires or cables.

(c) Rental payments hereunder shall cover rentals accruing during the calendar year and shall be based on the number of poles on which space is occupied or reserved on the first day of September of the year in which the rentals accrue. Within ninety (90) days following such date, each party shall submit a written statement to the other party giving the number of poles on which space was occupied by, or reserved for the other party, as of such date. The party in whose favor there is a balance shall then render a bill for the net difference to the other party. Rental payments shall be made within thirty (30) days of the receipt of such statement. An annual joint field check will be made of attachments in accordance with the current operating practice. In the event this is not done and unauthorized attachments are found rental will apply for these attachments from the year following the year in which the last field check was made of the particular area. However, if the Licensee can show to the Owner's satisfaction when the attachment was placed rental will apply from that date.

Notices;
Designated
Representatives

Article 24. (a) Notices under this Agreement shall be sent by mail, postage prepaid, to the parties at the following addresses or to such other address as either party may, from time to time, designate in writing:

Northern New England Telephone Operations LLC
d/b/a Fairpoint communications – NNE
521 East Morehead Street
Suite 250
Charlotte, North Carolina 28202

Public Service Company of New Hampshire
780 North Commercial Street
Manchester, New Hampshire 03101


(b) The designated representatives of the parties at the effective date of this Agreement are the following:

Erin Austin – Vice President – Network Engineering
Northern New England Telephone Operations LLC
d/b/a Fairpoint Communication - NNE


David Bickford, Director – Customer Operations
Public Service Company of New Hampshire

IN WITNESS WHEREOF, each party has caused this Agreement to be signed in its name and its corporate seal to be affixed by an officer thereunto duly authorized as of the day and year first above written.

NORTHERN NEW ENGLAND TELEPHONE OPERATIONS LLC
d/b/a FAIRPOINT COMMUNICATIONS - NNE

By 
VP - Network Engineering

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By 

**INTERCOMPANY OPERATING PROCEDURES BETWEEN
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

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Schedule A

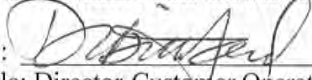
Date: Sept. 1, 2011

**INTERCOMPANY OPERATING PROCEDURES BETWEEN
PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**


	<u>Dated</u>
Work on Joint Poles	Sept. 1, 2011
Communications, Coordination & Dispute Resolution	Sept. 1, 2011
Construction and Joint Ownership of New or Existing Poles and Anchors	Sept. 1, 2011
Joint Poles – Allocation of Space	Sept. 1, 2011
Custody and Maintenance of Jointly Owned Poles and Anchors	Sept. 1, 2011
Guys and Anchors	Sept. 1, 2011
Inspection and Treatment of Standing Poles	Sept. 1, 2011
Joint Tree Trimming Agreement	Sept. 1, 2011
Pole (Vertical) Grounds and Bonding	Sept. 1, 2011
Exchange of Notice Procedure	Sept. 1, 2011
Removal of Joint Poles	Sept. 1,
2011	
Flat Rate Billing	Sept. 1, 2011
Pole Accident and Other Third Party Pole Billing	Sept. 1, 2011
Rights-of-Way, Easements and Licenses	Sept. 1, 2011
Unauthorized Attachments	Sept. 1, 2011
Pushbraces	Sept. 1, 2011
Monthly Net Billing Procedure	Sept. 1, 2011
Joint Use Agreement for Poles and Facilities in the Former Pease Air Force Base	Sept. 1, 2011
Emergency Response	Sept. 1, 2011
Existing Joint Use Rental Poles and Rental Methodology	Sept. 1, 2011

This schedule "A" replaces and supersedes the schedule "A" incorporated as part of the October 1, 1994, Agreement between the Parties, and replaces and supersedes the Intercompany Operating Procedures of the October 1, 1994 agreement.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By:  Date: 8/30/11
Title: Director-Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By:  Date: 8/18/11
Title: Vice President – Network Engineering

INTERCOMPANY OPERATING PROCEDURE

IOP #1

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #1 - WORK ON JOINT POLES


EFFECTIVE September 1, 2011

Each Company shall place and maintain its own attachments in accordance with the requirements of the National Electrical Safety Code and other applicable codes.

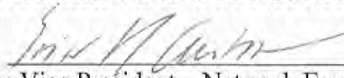
This IOP is issued to emphasize the need to observe this requirement on the part of both companies; each company shall perform its work promptly and in such a manner as not to interfere with the service of the other company. As examples; the placing and tensioning of telephone cable strand, if not done properly, might cause the tops of jointly occupied poles to move thereby creating a problem with Public Service wire ties; the placing and tensioning of electric conductors and tensioning of guy strands, if not done properly, might cause telephone guy strands to become slack.

The construction methods employed by each company must take into account what effect they could have on the other company's facilities. To further this goal, it is agreed that each company will compensate the other company for remedial work that was caused through negligent or non-standard work practices by the other company. This would not include circumstances beyond the control of the company, ex., act of God, equipment failure or force majeure. Remedial work invoicing will not take place until the incident is reviewed between the respective managers or management level employees representing both companies.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By:  Date: 8/30/11
Title: Director-Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By:  Date: 8/18/11
Title: Vice President – Network Engineering

INTERCOMPANY OPERATING PROCEDURE

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS****IOP #2 - COMMUNICATIONS, COORDINATION & DISPUTE RESOLUTION****EFFECTIVE September 1, 2011****Communication and Coordination**

PSNH and FairPoint shall each designate an employee to serve as a Joint Pole Coordinator. The Joint Pole Coordinators shall meet monthly during the first year after the Merger and the first year of the term of the new Joint Ownership Agreement (JOA) and at least quarterly thereafter to discuss joint pole operations and procedures, budget issues and general methods of improving joint pole administration. The Joint Pole Coordinators shall also be responsible for maintaining contact information relating to other relevant stakeholders including but not limited to representatives of parties with pole attachments, municipal and state officials, emergency response personnel, etc.

PSNH and FairPoint shall each designate a senior management representative with ultimate responsibility for joint pole operations. Issues arising under the JOA that cannot be resolved at the Joint Pole Coordinator level shall be escalated to the senior management representatives. The senior management representatives shall discuss the disputed issue(s) within ten (10) business days after such issues have been raised by one or both Joint Pole Coordinators. The senior management representatives shall resolve the matter within thirty (30) days from the date when the disputed issue(s) is brought to their attention. Failure to reach agreement at this senior management level shall allow one or both Parties to submit the dispute to the dispute resolution process prescribed below.

Resolution of Disputes

PSNH and FairPoint agree that all disputes not resolved at the senior management level, as described above shall be resolved as follows:

First, the Parties shall attempt to resolve the matter through mediation. Either Party may initiate mediation by notice in writing to the other Party. Within five business days following the receipt of such notice, the other Party will provide a list of three possible mediators. The Party requesting mediation will choose one mediator. Mediation will then be scheduled within 30 days. If mediation results in an agreed resolution, the resulting agreement shall be the final and binding resolution of the matter.


Second, if the matter is not resolved by mediation, the Parties may, by mutual agreement, submit the matter to arbitration. Arbitration will proceed by each Party selecting one representative to a three member arbitration panel. The selection will be communicated to the other Party within ten (10) days of the request for arbitration. Within fourteen (14) days, the two arbitrators will

INTERCOMPANY OPERATING PROCEDURE

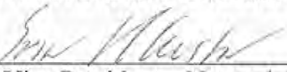
then select a mutually agreeable individual to serve as the third member of the panel. Arbitration will be scheduled within thirty (30) days of the notice of the choice of the third arbitrator, unless a longer period is agreed to by both Parties. A final decision shall be made in writing, shall be based on a two-thirds vote of the panel members and shall constitute the final and binding resolution of the matter. The arbitration shall be heard in Concord, New Hampshire, unless the Parties agree otherwise.

Third, if the dispute is not resolved by mediation or submitted to arbitration, the Parties shall have all of their respective rights at law and in equity to resolve the matter before a court or regulatory agency having jurisdiction, including, without limitation, the Commission. PSNH and FairPoint agree that the Commission has jurisdiction over disputes arising out of this Memorandum of Understanding, the JOA and the IOP.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By:  Date: 8/30/11
Title: Director-Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By:  Date: 8/18/11
Title: Vice President - Network Engineering

INTERCOMPANY OPERATING PROCEDURE

IOP #3

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

**IOP #3 - CONSTRUCTION AND JOINT OWNERSHIP OF NEW OR EXISTING POLES
AND ANCHORS**

EFFECTIVE September 1, 2011

The purpose of this Intercompany Operating Procedure is to attain better advance planning of new pole line construction, establish a notification time frame in which FairPoint notifies PSNH that it does not desire to participate in the joint ownership of the new poles, to divide new pole work more equally between companies and to restrict the purchase of poles on an individual basis. Because of the mutual advantages to be gained by the companies through joint planning and construction of new lines, it shall be the general policy of the companies to construct new pole lines as jointly owned lines in cases where it appears reasonable that both companies will use the line within three (3) years from the date of construction. This policy shall not, however, be deemed to require the construction of joint pole lines where the company first having a requirement for new poles desires to construct the line and exclude the other from joint ownership, or where the party not having received a service request does not wish to participate in the ownership of a joint pole line. In order to carry out this policy, the companies agree to the following provisions:

1. a. When it has been determined by one company that new poles are required that company shall so communicate its need to the other company as soon as practicable.
- b. Any decisions arrived through joint coordination shall be documented, in a timely manner by an Exchange of Notice form as outlined in IOP #10.
- c. Normally, within 30 days from the date of receipt of the written notification, the second company shall notify the initiating company whether or not it desires to have the new line constructed as a joint pole line. The 30 day time frame will not apply to service related pole(s) required to provide facilities as requested by a customer.
- d. For a service related pole request FairPoint will notify PSNH via e-mail that it does not desire to participate in the joint ownership of the new poles within fifteen days. In this case, the ownership, installation and maintenance of the poles shall be entirely the responsibility of PSNH without regard to maintenance area. If FairPoint does not notify it's intent to PSNH within 15 days the ownership, installation and maintenance of the new poles will default to be entirely the responsibility of PSNH without regard to maintenance area.
- e. For service related pole requests PSNH and FairPoint shall schedule joint pole sets to be accomplished, on average, not later than the date the customer has requested

INTERCOMPANY OPERATING PROCEDURE

IOP #3

the installation to be completed, which shall be no shorter than 15 days for small jobs (not more than 3 pole sets) or no shorter than 30 days for large jobs after the date that all pre-payments have been made and all necessary property rights and governmental permits have been obtained. The time frames set forth in this paragraph shall not apply to major highway construction, which shall be planned in advance and implemented in accordance with such plans.

- f. The Party performing the pole set shall also perform the construction trimming necessary to accommodate telecom, electric and attaching party facilities.
- 2. PSNH and FairPoint shall work cooperatively to arrange the scheduling of pole replacements required for highway construction. PSNH and FairPoint shall participate in meetings of the New Hampshire Department of Transportation and municipal public works officials to coordinate and schedule relocation work thereby committing the necessary resources to meet the agreed upon schedules. The Parties understand and agree that the relocation schedule includes the removal of double poles once facilities of the joint owners and third party attachees have been removed.
- 3. It is the intent of this practice that each company shall construct all new joint pole lines within its designated maintenance area.
- 4. **Pole Suitable For Joint Ownership**
If the pole is suitable for joint use, the company desiring the Joint Ownership shall acquire it by paying the owner in accordance with the latest edition of the Reciprocal Flat Rate Billing Schedule. Within 3 years of the construction of jointly owned pole(s), the company which does not have attachments on the pole(s) but has previously agreed to joint ownership under the terms of this agreement, may arrange to sell to the other joint owner its remaining interest in the pole(s) and anchor(s) and recover its trimming expense incurred at the time of pole placement according to the following schedule:

	<u>Yr. 1</u>	<u>Yr. 2</u>	<u>Yr. 3</u>	<u>Thereafter</u>
Pole & anchor	flat rate	flat rate	flat rate	flat rate
Trimming costs	full expense	2/3 expense	1/3 expense	no recovery

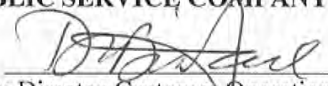
- 5. **Pole Not Suitable For Joint Use**
If within three (3) years the company that refused the initial construction request wishes the line to now be reconstructed so that it is suitable for joint occupancy, on receipt of proof of its refusal to participate in joint ownership at the time of construction the second company shall be obligated to pay the first company:
 - a. The full flat rate cost of the poles and anchors to be replaced.
 - b. The full cost of the first company's transfer and rearrangement work.

INTERCOMPANY OPERATING PROCEDURE

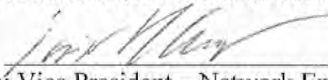
IOP #3

- c. The full cost of any additional trimming necessary to provide the same amount of line clearances that existed just prior to the premature pole replacement.
 - d. Its share of the flat rate cost of the new poles and anchors placed as outlined in the then current Intercompany Operating Procedure Flat Rate Billing.
 - e. If there is no proof of refusal by either company to participate in joint ownership at the time of construction the second company shall be obligated to pay the first company only:
 - (1) Its share of the flat rate cost of new poles and anchors placed as outlined in the then current Intercompany Operating Procedure on Flat Rate Billing.
6. It is mutually agreed by both companies that the setting company may install solely owned poles and anchors of the other company where such poles and anchors are part of a mutually agreed job and the pole line is jointly owned by both companies. The request with the location desired must be identified in the field or prior to performing the work. The setting company will bill the owner of the pole the full flat rate billing for poles and anchors set.
7. It is agreed the construction practices using the boxing of poles or the use of extension brackets will not be the normal work practice of either joint pole owner. Boxing may be permitted when agreed to by the joint pole owners. When such boxing is agreed to it shall be safely accessible by bucket trucks, ladders or emergency equipment and otherwise consistent with the requirements of applicable codes including the National Electrical Safety Code. Joint pole owners shall allow limited, reasonable use of extension arms for purposes of clearing obstacles or improving alignment of attachment facilities. Under no circumstances may extension arms be used to avoid tree trimming requirements. Any use of extension arms shall be consistent with the requirements of applicable codes, including the National Electrical Safety Code.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By:  Date: 8/30/11
Title: Director-Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By:  Date: 8/18/11
Title: Vice President - Network Engineering

INTERCOMPANY OPERATING PROCEDURE

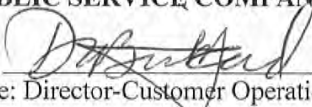
**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #4 - JOINT POLES - ALLOCATION OF SPACE

EFFECTIVE September 1, 2011

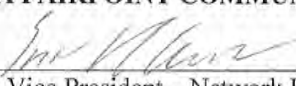
1. Minimum pole height for joint poles will be forty (40) feet, Class 3. It is further agreed that the standard work practice would be to not exceed a fifty (50) foot, Class 3 pole.
2. Use of thirty-five foot and smaller poles for stub poles, private property poles, etc., will be by mutual agreement of the joint owners.
3. Additional height on existing poles may be purchased for sole use by either utility, based on the Flat Rate Reciprocal Billing Agreement. Additional height purchased by a utility shall be noted in both Company's pole records.
4. Replacement of poles will require that utilities jointly review current space and height requirements. Billing will be based upon these requirements.
5. Joint pole space allocation will be as described in **Joint Pole Space Allocation Sheet**.
6. **CLEARANCES** - Minimum vertical clearances of communications conductors are shown on **attachments A and B**.
7. Mutual excess height requirements for joint owners resulting from requirements for additional ground clearance such as railroad and railroad crossings shall be mutually agreed upon to achieve minimum clearance in the best interest of both owners.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By 
Title: Director-Customer Operations

Date: 8/30/11

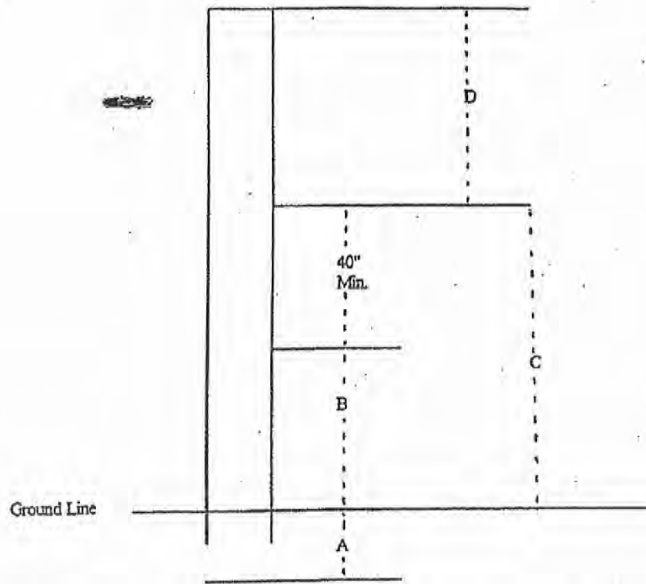
**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By 
Title: Vice President - Network Engineering

Date: 8/18/11

INTERCOMPANY OPERATING PROCEDURE

JOINT POLE SPACE ALLOCATION



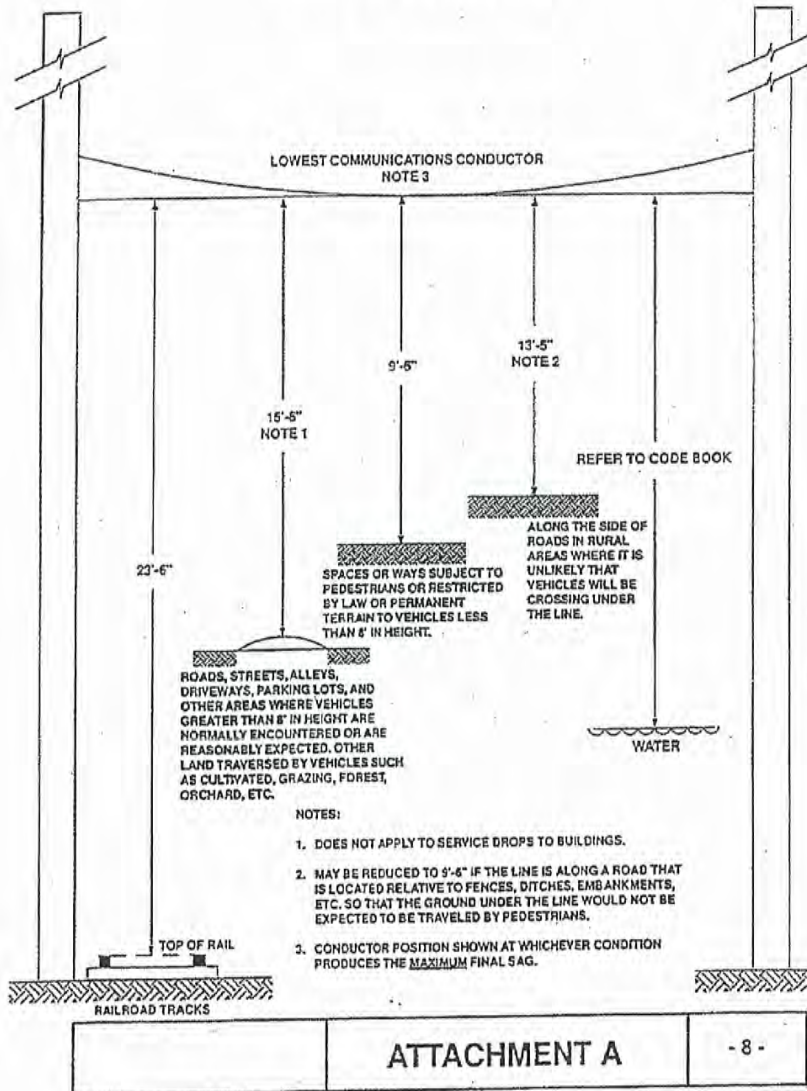
Pole Length	Pole Ownership Elec/Comm. Note 1	A Normal Setting Depths Note 2	B Communication Max/Height Note 3	C Electric Minimum Height Note 3	D Electric Maximum Space Note 3
35	35/35	6'-0"	21'-2"	24'-6"	4'-6"
40	40/40	6'-0"	23'-8"	27'-0"	7'-0"
40	40/35	6'-0"	21'-2"	24'-6"	9'-6"
40	35/40	6'-0"	26'-2"	29'-6"	4'-6"
45	40/45	6'-6"	28'-2"	31'-6"	7'-0"
45	45/45	6'-6"	25'-11"	29'-3"	9'-3"
45	45/40	6'-6"	23'-8"	27'-0"	11'-6"
45	45/35	6'-6"	21'-2"	24'-6"	14'-0"
50	45/50	7'-0"	30'-5"	33'-9"	9'-3"
50	50/50	7'-0"	28'-2"	31'-6"	11'-6"
50	50/45	7'-0"	25'-11"	29'-3"	13'-9"
50	50/40	7'-0"	23'-8"	27'-0"	16'-0"
50	50/35	7'-0"	21'-2"	24'-6"	18'-6"

1. The minimum pole setting depth is as defined in the NESC.
2. Dimensions B, C, or D may be adjusted by mutual agreement between the joint owners to avoid a pole change out if the field and code conditions permit.
3. Space shall be made available for authorized 3rd party attachees through equal contribution by each owner whenever engineering standards allow 45/40 indicates a 45' pole however FairPoint pays for and occupies the space as if it were a 40' joint pole. 40/45 indicates a 45' pole where PSNH pays for and occupies space as if it were a 40' joint pole.

INTERCOMPANY OPERATING PROCEDURE

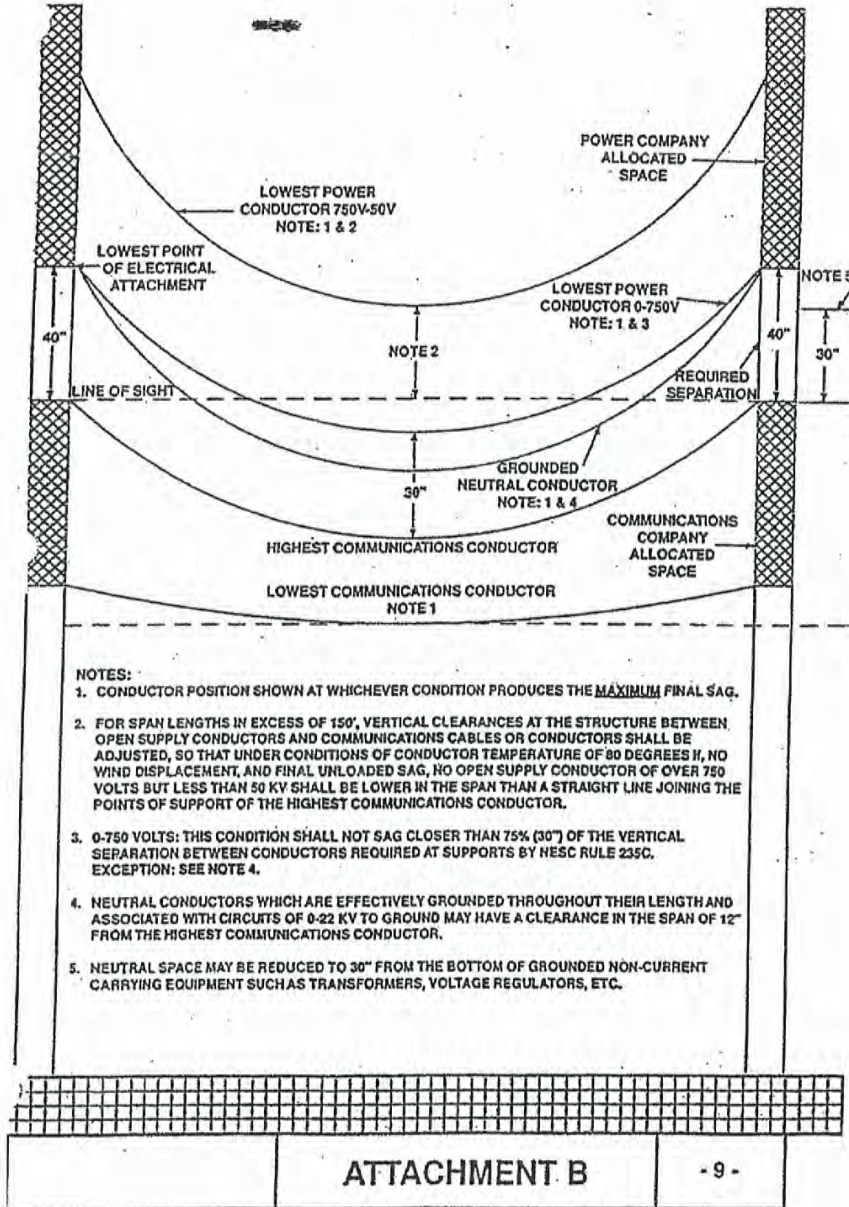
POLE LINES BASED ON NESC RULES
232 & 235

CLEARANCES DETERMINED BY
NESC RULE 232 TABLE 232-1



INTERCOMPANY OPERATING PROCEDURE

POLE LINES BASED ON NESC RULES
232 & 235



ATTACHMENT B

- 9 -

INTERCOMPANY OPERATING PROCEDURE

IOP #5

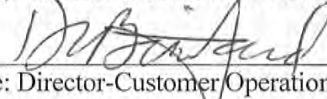
**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #5 - CUSTODY AND MAINTENANCE OF JOINTLY OWNED POLES AND ANCHORS

EFFECTIVE September 1, 2011

1. Custodianship of jointly owned poles and anchors shall be as indicated in the attached list of municipalities showing the maintenance areas assigned to each party.
2. The maintaining company shall inspect and maintain all poles and anchors in its custody to assure that they are in a safe and serviceable condition in accordance with the provisions of **Article 5** of the Agreement, the expense thereof to be proportioned between the parties hereto in accordance with the division of ownership except as otherwise expressly provided.
3. The maintaining company shall notify the joint owner and replace such poles as become defective or are of insufficient size and strength for existing or proposed attachments, and the cost thereof shall be borne as provided in the Intercompany Operating Flat Rate Billing Schedule.
4. Upon notice in writing, it shall be the duty of the maintaining company to replace promptly any pole that may be considered unsafe by the party, and if the maintaining company does not do so within a reasonable time, the other party may replace said pole and the custodian shall be billed the full flat rate.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By 
Title: Director-Customer Operations

Date: 8/30/11

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By 
Title: Vice President – Network Engineering

Date: 8/18/11

INTERCOMPANY OPERATING PROCEDURE

IOP #5

CUSTODY AND MAINTENANCE OF JOINTLY OWNED POLES AND ANCHORS

FAIRPOINT MAINTENANCE

PSNH MAINTENANCE

Albany
Alexandria
Atkinson
Barrington
Bath
Bedford
Belmont
Bethlehem
Bow
Brookline
Candia
Canterbury
Charlestown
Claremont
Concord
Conway
Cornish
Croydon
Danbury
Deering
Dublin
Dummer
Dunbarton
Durham
Enfield
Epping
Errol
Francestown
Franconia
Gilford
Gilmanton
Goffstown
Gorham
Grafton
Grantham
Greenland
Hampstead
Hancock
Hanover
Harrisville
Hebron

Allenstown
Alstead
Amherst
Andover
Antrim
Ashland
Auburn
Barnstead
Bennington
Berlin
Bradford
Brentwood
Bridgewater
Bristol
Brookfield
Cambridge
Campton
Carroll
Chester
Chesterfield
Chichester
Clarksville
Colebrook
Columbia
Dalton
Danville
Deerfield
Derry
Dover
Easton
Eaton
Effingham
Epsom
Farmington
Fitzwilliam
Franklin
Freedom
Fremont
Gilsum
Goshen
Greenfield

INTERCOMPANY OPERATING PROCEDURE

CUSTODY AND MAINTENANCE OF JOINTLY OWNED POLES AND ANCHORS

FAIRPOINT MAINTENANCEPSNH MAINTENANCE

Hill	Greens Grant
Hooksett West of Merrimack River	Greenville
Hudson	Hampton
Jaffrey	Haverhill
Kecene	Henniker
Lancaster	Hillsborough
Littleton	Hinsdale
Londonderry	Hollis
Loudon	Hooksett East of Merrimack River
Lyman	Hopkinton
Lyme	Jefferson
Manchester West of Merrimack River	Laconia
Mason	Landaff
Madbury	Lee
Milan	Lempster
Milford	Lisbon
Nashua	Litchfield
New Boston	Lyndeboro
New Castle	Madison
Newfields	Manchester East of Merrimack River
Newington	Marlborough
New Ipswich	Marlow
Northfield	Martins Location
Northwood	Meredith
Nottingham	Merrimack
Orange	Middleton
Pelham	Millsfield
Pembroke	Milton
Pittsburg	Mont Vernon
Randolph	Nashua South of Nashua River
Rochester	Nelson
Rye	Newbury
Sanbornton	New Durham
Sandown	New Hampton
Sandwich	New London
Shelburne	Newmarket
Somersworth	Newport
Springfield	North Hampton
Stark	Northumberland

INTERCOMPANY OPERATING PROCEDURE

IOP #5

CUSTODY AND MAINTENANCE OF JOINTLY OWNED POLES AND ANCHORS

FAIRPOINT MAINTENANCE

PSNH MAINTENANCE

Strafford
Stratham
Swanzey
Tamworth
Tilton
Troy
Warner
Weare
Wentworth Location
Wilmot
Winchester
Windham

Orford
Ossipee
Peterborough
Piermont
Pinkhams Grant
Pittsfield
Plainfield
Portsmouth
Raymond
Richmond
Rindge
Rollinsford
Roxbury
Salisbury
Sharon
Stewartstown
Stoddard
Stratford
Sugar Hill
Sullivan
Sunapee
Surry
Sutton
Temple
Thornton
Tuftonboro
Unity
Wakefield
Westmoreland
Whitefield
Wilton

INTERCOMPANY OPERATING PROCEDURE

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #6 - GUYS AND ANCHORS


EFFECTIVE September 1, 2011

1. All jointly occupied line poles and solely occupied line poles that will be jointly occupied at a later date shall be guyed and anchored to hold the combined load of both companies and any other 3rd party attachments, in accordance with the provisions of **Article 5** of this agreement.
2. On jointly occupied line poles each Company shall, unless mutually agreed otherwise, place guy strands to hold its plant. Each company shall determine the size of its own guy strand in accordance with its own practices. There shall be no jointly owned guy strands. All required anchors will be placed by the maintaining Company with no billing to the joint owner.
3. When guying is required by both Companies, the proper size triple thimble rod(s) and anchor(s) to hold the combined loads of both Companies shall be placed by the maintaining company.
4. A 10" power installed screw anchor and 1" triple thimble rod will be minimum standard for both companies.
5. On service poles, when guying is not required by the maintaining Company, but is required by the other Company, or separate anchors are required, the maintaining Company shall place anchors for the other Company, if the location desired is identified in the field or on a plan prior to performing the work. Billing will be in accordance with the Flat Rate Billing Schedule in effect at that time.
6. When existing line poles are to become jointly occupied and the existing anchors are determined to be suitable for the combined loads of both Companies, such anchors will be made jointly owned in accordance with the terms of the then current Intercompany Operating Procedure on Construction and Joint Ownership of New or Existing Poles and Anchors. Guy rod adapters will not be used under any circumstances.
7. If the rod will not accommodate another guy strand, an additional rod and anchor must be installed to accommodate the additional guy strand. When placing additional facilities on existing jointly occupied line poles, the Company doing so will place any additional anchors required, because of its additional attachments.

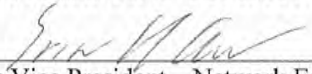
INTERCOMPANY OPERATING PROCEDURE

IOP #6

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By  Date: 5/30/11
Title: Director-Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By  Date: 9/10/11
Title: Vice President – Network Engineering

INTERCOMPANY OPERATING PROCEDURE

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #7 - INSPECTION AND TREATMENT OF STANDING POLES

EFFECTIVE September 1, 2011

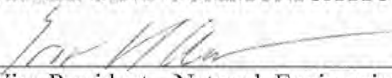
The purpose of this intercompany operating procedure is to provide a uniform practice by both Companies for the inspection and treatment of jointly-owned poles in order to lengthen the life of pole plant and obtain mutual benefits for each Company.

1. All joint poles shall be inspected initially at or before the age of 20 years. Poles shall be re-inspected at a maximum of 10 year intervals thereafter.
2. Each Company shall be responsible for the inspection and treatment of all jointly-owned poles within their respective maintenance areas. Within each maintenance area all such poles shall be inspected, treated, reinforced or replaced in accordance with that respective Company's standards, specifications or procedures. Inspection and treatment may be performed by Company employees or authorized agents or contractors.
3. The cost of inspection and treatment shall be born individually by each Company for their respective maintenance areas.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By:  Date: 8/30/11
Title: Director-Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By:  Date: 9/19/11
Title: Vice President - Network Engineering

INTERCOMPANY OPERATING PROCEDURE

IOP #8

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #8 - JOINT TREE TRIMMING AGREEMENT

EFFECTIVE September 1, 2011

The purpose of this Intercompany Operating Procedure is to establish a definite method of allocating the costs of trimming and any related basal ground spraying of tree and brush stumps associated with the construction and maintenance of a joint pole line.

1. Maintenance Trimming

- a. Maintenance trimming shall be done on a joint basis with the division of costs as follows: Where PSNH and FairPoint agree that the trimming benefits both parties, FairPoint will contribute 25% of the trimming costs and PSNH will contribute 75%, where the parties are unable to agree on a trimming plan, FairPoint will contribute 15% and PSNH will contribute 85%. For efficiency in administration, it is mutually agreed that maintenance trimming costs will be shared with PSNH paying 80% and FairPoint paying 20%. (see attachment #1) This division of cost sharing is based on joint field sampling of actual trimming. (Based on that sampling it was agreed by PSNH and FairPoint that 50% of the trimming was a benefit to both parties at a FairPoint reimbursement rate to PSNH of 25% and 50% of the trimming was to be reimbursed by FairPoint at a rate of 15 %.) Prior to the beginning of the following year's annual maintenance trimming cycle PSNH shall provide to FairPoint, its anticipated budgeted dollar amount for the areas shared with both parties. In no year shall the trimming plan involve more than 20% of the electric company's miles of lines. PSNH shall notify FairPoint in the event that this estimate is expected to exceed the annual budgeted amount by greater than 2%. Subsequently, both parties shall mutually agree to negotiate an equitable payment arrangement for the completed work for the amount greater than 2%. It is further agreed that PSNH will provide quarterly reports to FairPoint in an attempt to better communicate the annual progression of costs associated with trimming.
- b. Cost sharing for mid-cycle reliability or service improvement projects shall be done in a coordinated manner via the Exchange of Notice Form 605a. The division of costs for approved joint projects shall be PSNH paying 80% and FairPoint paying 20% (see explanation in paragraph a). Invoicing shall include a description of the nature of the work to distinguish it from normal maintenance cycle trimming. (see attachment #1)
- c. Heavy storm work such as hurricanes, wet snow, tornadoes and ice storms are handled without prior review. Both parties agree to a 50/50 basis for sharing costs for heavy storm work. Billing should include information regarding the cities/towns,

INTERCOMPANY OPERATING PROCEDURE

IOP #8

street and lines that were trimmed as a result of a heavy storm. The parties agree to reciprocal acceptance of each other's tree contractors for heavy storms.

- d. Removal of weakened or toppled trees and large limbs which threaten both parties' plant will be removed on a 50/50 basis. For scheduled hazard trimming prior to the beginning of the following years annual maintenance trimming cycle PSNH shall provide to FairPoint its anticipated budgeted dollar amount for the areas shared with both parties. PSNH shall notify FairPoint in the event that this estimate is expected to exceed the annual budgeted amount by greater than 2%. Subsequently, both parties shall mutually agree to negotiate an equitable payment arrangement for the completed work for the amount greater than 2%.

2. Construction Trimming

Trimming for addition, extension or reconstruction shall be surveyed in the field and a determination made whether both parties have a need. All construction trimming agreements will be performed via the Exchange of Notice Form 605a. The division of costs shall be: PSNH paying 60% and FairPoint paying 40%. (see attachment #2)

3. Ground Cutting

The cost of removal of roadside brush and small trees shall be done on a joint basis and borne at the same percentages as is stated in items 1 and 2 of this agreement.

4. Chemical Treatment

The cost of basal ground spraying of tree and brush stumps at the time of ground trimming and chemical treatment shall be borne at the same percentages as is stated in items 1 and 2 of this agreement.

5. Administration

- a. Each company will annually furnish the other company with a list of its approved trimming contractors.
- b. For construction trimming done by a contractor that is not on both companies' list of approved contractors, the constructing company will pay the full cost of the trimming bill and then bill the other company its share of the total cost. Such bill shall be accompanied by a copy of the contractor's bill.
- c. When construction trimming is done by mutually approved contractors, the contractor will bill each company separately for its share of the trimming costs. Bills rendered by the contractor to each company will show the total cost of the job and the percentage and cost billed to the other company.

INTERCOMPANY OPERATING PROCEDURE

IOP #8

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By: *D. [Signature]* Date: 8/30/11
Title: Director-Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

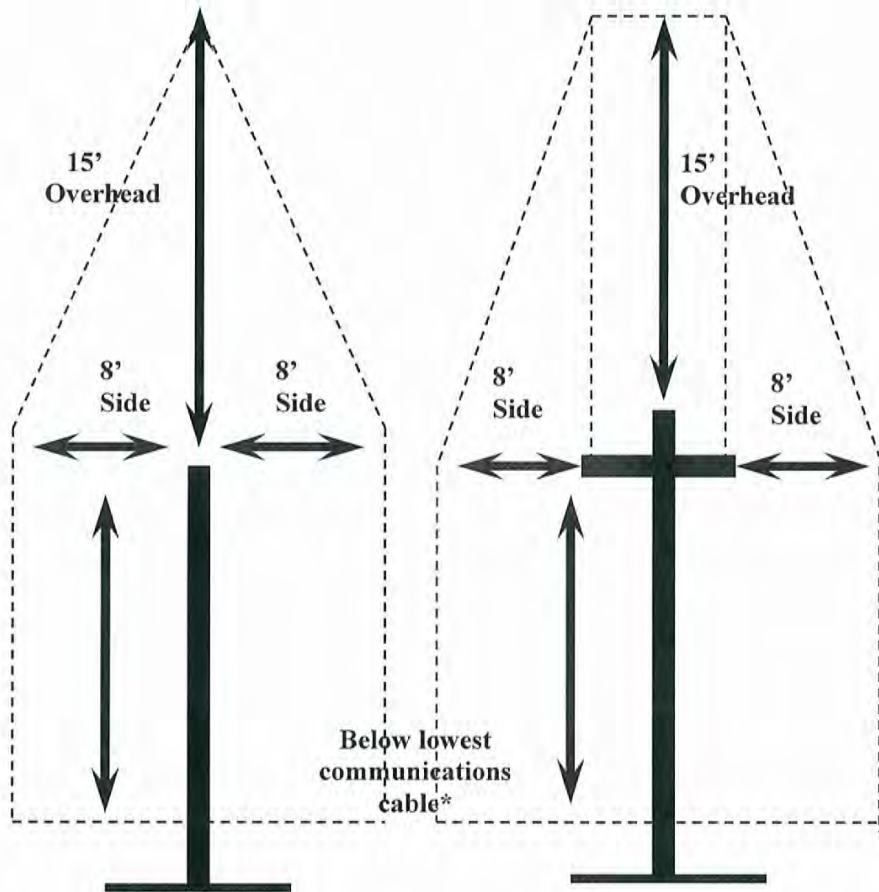
By: *[Signature]* Date: 9/10/11
Title: Vice President – Network Engineering

INTERCOMPANY OPERATING PROCEDURE

IOP #8

ATTACHMENT 1

MAINTENANCE TRIMMING



* Fast growing tree species under the lines are removed, when possible, rather than pruned. If necessary to prune, accepted arboricultural practices are to be used (i.e. No shelf trimming or hedging). Proper directional pruning cuts shall be made several feet below communications cables to encourage growth away from lines.

Division of Trimming Costs

PSNH = 80%

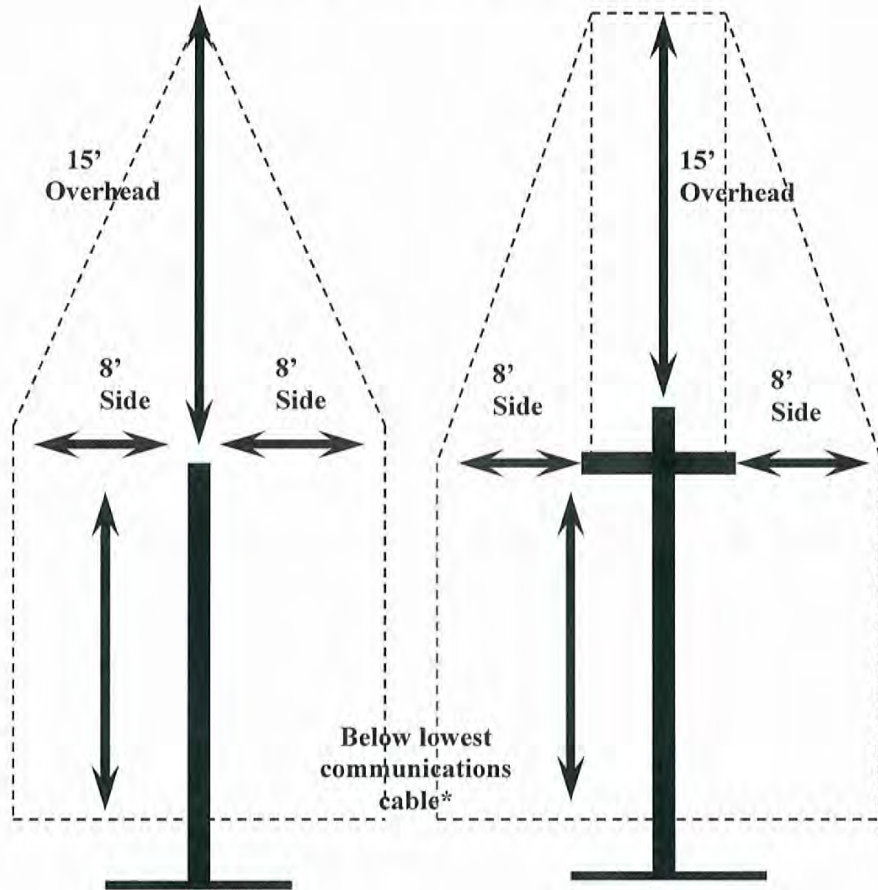
INTERCOMPANY OPERATING PROCEDURE

FairPoint = 20%

INTERCOMPANY OPERATING PROCEDURE

ATTACHMENT 2

CONSTRUCTION TRIMMING



* Fast growing tree species under the lines are removed, when possible, rather than pruned. . If necessary to prune, accepted arboricultural practices are to be used (i.e No shelf trimming or hedging). Proper directional pruning cuts shall be made several feet below communications cables to encourage growth away from lines.

Division of Trimming Costs

PSNH = 60%
FairPoint = 40%

INTERCOMPANY OPERATING PROCEDURE

IOP #9

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #9 - POLE (VERTICAL) GROUNDS AND BONDING

EFFECTIVE September 1, 2011

Pole (vertical) grounds and bonds between FairPoint cable strand and PSNH multi-grounded neutral will be provided as follows:

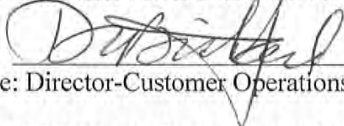
1. For the purpose of this Intercompany Operating Procedure, the following definitions will apply:
 - a. **Pole (vertical) grounds:** will consist of an 8' x 5/8" copperplate or galvanized ground rod or two 5' x 5/8" sectional copperplate or galvanized rods coupled together and driven as one rod, driven in the ground vertically, full length, except where rock bottom is encountered, at a point not less than 12 inches from the butt of the pole with head of the ground rod not less than 3 inches under the surface of the earth. A bare ground wire will be attached securely with static proof staples to the quarter of the pole away from the flow of traffic and covered with molding for a minimum of 8 feet above the earth's surface. Ground wires will have a minimum conductivity equivalent to #6 copper conductor and will be connected to the ground rod at one end and to PSNH's multi-grounded system neutral at the other end.
 - b. **Bond:** will have a minimum conductivity of #6 copper conductor connected to FairPoint cable strand or to its open wire, C rural wire or multiple wire protectors at one end and to PSNH multi-grounded system neutral, or to a vertical pole ground which in turn is connected to PSNH's multi-grounded system neutral, at the other end.
2. No intercompany billing is required with this Intercompany Operating Procedure.
3. **Pole grounds - new construction:** the two companies will coordinate their respective requirements for pole grounds. The Company installing the joint pole will also furnish and install pole grounds at such locations as required by both companies. FairPoint will normally require 4 grounds per mile of new line.
4. Pole grounds - existing poles:
 - a. When replacing an existing pole on which there is a pole ground, the Company setting the new pole will furnish and install a new pole ground except when mutually agreed that a ground is no longer required at that location.

INTERCOMPANY OPERATING PROCEDURE

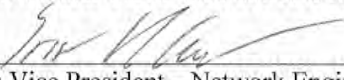
IOP #9

- b. When replacing an existing pole on which there is no pole ground, the Company setting the new pole will furnish and install a new pole ground, when required by either company if notified in advance.
- c. Any pole ground to be added to an existing pole will be installed by the Company requiring such ground.
- 5. Any pole grounds installed by FairPoint under 4b and 4c above will be extended to the top of FairPoint assigned space with sufficient length of conductor for connection to the PSNH multi-grounded system neutral.
- 6. In all cases, the connection of either a pole ground or a bonding conductor to PSNH's multi-grounded system neutral will be done by PSNH within sixty (60) days receipt of written notice.
- 7. If a vertical ground exists on the pole then a FairPoint Technician may bond to the vertical ground within the **communication** space on the pole.
- 8. The integral parts of a pole ground will be maintained by the Company that maintains the pole, except that PSNH will maintain all pole ground components above FairPoint space regardless of maintenance areas.
- 9. This Intercompany Operating Procedure is applicable to joint occupancy of pole lines supporting PSNH facilities in the 0 to 35 KV range only. Joint Occupancy with higher voltages, if encountered, will be subject to special construction.
- 10. In direct buried applications, PSNH will provide a #6 copper ground where available for use by FairPoint.
- 11. Butt plates are not acceptable for pole grounds.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By:  Date: 8/30/11
Title: Director-Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By:  Date: 9/10/11
Title: Vice President - Network Engineering

INTERCOMPANY OPERATING PROCEDURE

IOP #10

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS****IOP #10 - EXCHANGE OF NOTICE PROCEDURE****EFFECTIVE September 1, 2011**

With the issuance of the various Intercompany Operating Procedures between FairPoint Communications and Public Service of New Hampshire, the **Joint Ownership - Exchange of Notice form 605A** exchanged between the two companies, is in effect a legal document indicating agreements reached between representatives of the two companies.

1. The party requesting the work to be performed or requesting Joint Ownership shall initiate the Joint Ownership - Exchange of Notice form 605A.
 - a. The Joint Ownership – Exchange of Notice form 605A shall be exchanged electronically between the companies.
 - b. The Joint Ownership – Exchange of Notice form 605A shall include the names of the authorized representatives that agreed to the work to be performed.
 - c. Specific notes or comments regarding the Joint Ownership – Exchange of Notice shall be included in the Notes/Comments section of Joint Ownership – Exchange of Notice form 605A.
 - d. Any changes, revisions or comments made by the receiving company shall be noted in the notes/comments section of the Joint Ownership – Exchange of Notice form 605A.
2. In the case where the work is of mutual need to both parties (i.e. road job) the Joint Ownership - Exchange of Notice form 605A shall be initiated by the custodian of the specified maintenance area.
3. Before the Joint Ownership - Exchange of Notice is written, contact must be made between representatives of each company to discuss the proposed work. This can be done by a telephone call and/or joint field survey.
4. The party initiating the work will issue to the other party the Joint Ownership – Exchange of Notice form 605A electronically.
5. The receiving party upon verification that the proposed work depicted on the Joint Ownership - Exchange of Notice form 605A is necessary and in agreement with previous agreed upon joint discussions and/or field survey(s) will return the notice signed within 30 days for the following type of work.:

INTERCOMPANY OPERATING PROCEDURE

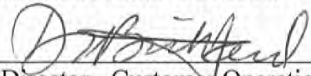
IOP #10

- | <u>Item</u> | <u>Nature of Notice or Request</u> |
|-------------|---|
| 1. | Application to purchase/sell interest in solely owned poles/anchors. |
| 2. | Application to sell interest in jointly owned poles/anchors. |
| 3. | Notice of intent to place new poles. |
| 4. | Notice of need to replace jointly owned poles/anchors. |
| 5. | Notice of need to relocate jointly owned poles/anchors. |
| 6. | Notice of intent to abandon poles/anchors. |
| 7. | Notice to increase or change voltage. |
| 8. | Notice of non-standard conditions. |
| 9. | Notice to custodian of pole in need of replacement. |
| 10. | Request to transfer. |
| 11. | Other |
| 12. | Future |
| 6. | <p>If the Joint Ownership – Exchange of Notice form 605A is not acceptable to the receiving party, corrections shall be discussed between the representatives of the companies. The revised copy shall be returned to the originating party noting agreed to corrections within 30 days.</p> <p>a. If the originating party agrees to corrections made on the notice by the receiving party, the Joint Ownership - Exchange of Notice for 605A will be processed.</p> <p>b. At all times, agreed to or not, the Joint Ownership - Exchange of Notice form 605A must be signed and returned within 30 days.</p> |

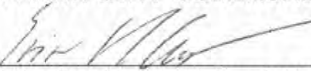
INTERCOMPANY OPERATING PROCEDURE

IOP #10

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By  Date: 8/30/11
Title: Director - Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By  Date: 9/18/11
Title: Vice President - Network Engineering

INTERCOMPANY OPERATING PROCEDURE

IOP #10

Public Service of New Hampshire			
Joint Ownership - Exchange of Notice			
To: FairPoint Communications	Tel Notice #	Elec Notice #	
Telco Rep:	Tel Order #	Elec Work Order #	
		Elec Financial #	
From: Public Service of New Hampshire	Tel Municipality	Elec Municipality	
PSNH Rep:	Tel Route/Street	Elec Route/Street	
Date:	Telephone Exchange	Elec Exchange	
Completion Date:	Tel Code Exchange	Maintenance Area:	Tel: Elec:
Notes/Comments:		Electric Total: \$0.00	
		Telephone Total: \$0.00	
		<div style="border: 1px solid black; padding: 5px; min-height: 100px;"> PSNH: </div> <div style="border: 1px solid black; padding: 5px; min-height: 100px; margin-top: 10px;"> TELCO: </div>	
Voltage		Prepared By:	
Agreed By		Date:	Public Service of NH
Agreed By		Date:	FairPoint Communications

Form 605A

INTERCOMPANY OPERATING PROCEDURE IOP #10

Page 2 of 2

Nature of Work Codes

FairPoint Work Codes

PSNH Work Codes

- A = Install Mutual Height
 B = Install Excess Height
 C = Initial Interest
 D = Remaining Interest
 E = Remove
 F = Damaged Pole
 G = Install Anchor
 S = Sacrifice Life
 T = Trim Trees

 I = Excess Height
 K = Purchase/Sale of Full Interest
 L = Unauthorized Attachment
 N = Pole Topping

 A = Install Pole/Anchor
 B = Replace Pole
 C = Initial Interest
 D = Remaining Life
 E = Sacrifice Life
 F = Remove Pole
 G = Salvage Credit
 H = Motor Vehicle Accident

 Completion Date:

Tel Notice #	Elec Notice #
Tel Order #	Elec Order #
Tel Municipality	Elec Financial #
	Electric Municipality

Pole Number	Tel Company	Elec Company	Existing Plant			Billing			Proposed Plant				Elec Pay							
			Work Code	Ownership	Length	Class	% Cond	Anch. Size	Year Placed	Tel Pay	Elec Pay	Length		Class	Excess Hgt	Req'd Add Hgt	Anch. Size	Tel Pay		
			REF																	
Totals																				

INTERCOMPANY OPERATING PROCEDURE

IOP #11

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #11 - REMOVAL OF JOINT POLES

EFFECTIVE September 1, 2011

1. Removal of Jointly Owned Poles

- a. Except as otherwise provided in this IOP, removal of Jointly Owned poles will be in agreement with the maintenance areas as assigned in Intercompany Operating Procedure #5 (Custody and Maintenance of Jointly Owned Poles and Anchors).
- b. The maintaining company is responsible to notify the co-owner and all authorized licensees when a pole is ready to be transferred. A pole will be considered ready to be transferred by a company when the attachments to be moved are free from obstruction from any foreign cable, wire, or appurtenance and the required trimming is completed.
- c. Upon receipt of the "Notification of request to transfer facilities" each company is responsible for transferring its facilities within 60 days, unless otherwise agreed. The 60 day requirement may be extended for unique circumstances or for unusually large/complex projects but only after agreement by each company's appropriate Engineering or Operations Manager. The agreement must be documented by a signed EON by both company's appropriate Engineering or Operations Manager. After one of the Joint-Owners has given notice to the other owner in accordance with paragraph b. above that a pole is ready to be transferred, all liability for the pole including removal will be that of the other company if that company does not remove its facilities within the agreed upon time.
- d. The last party off the pole(s) is responsible to notify the maintaining company that the pole is ready for removal.
- e. In the event transfers are not completed and notification was provided in accordance with subsection C of this agreement within the agreed time limits by both companies, the company that is the last one to remove its attachments from a jointly-owned pole will remove and dispose of it. There will be no billing, associated with the removal, to the other company.
- f. The owners will mutually agree that pole topping will be performed at the bottom of the electric supply space.
- g. When it is mutually agreed that a pole is to be replaced using the "cut & kick" method

INTERCOMPANY OPERATING PROCEDURE

IOP #11

(same hole or close enough to lash) the pole butt will be removed by the maintaining party and the remainder of the pole will be removed by the last party to transfer attachments.

- h) Poles may be salvaged by the maintaining company or the last off party when agreed by both parties. The co-owner will be paid by the party removing the pole 1/2 flat rate billing for salvaged poles.

PUBLIC SERVICE OF NEW HAMPSHIRE

By *[Signature]*
Title: Director-Customer Operations

Date: 5/30/11

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By *[Signature]*
Title: Vice President – Network Engineering

Date: 8/18/11

INTERCOMPANY OPERATING PROCEDURE IOP #12

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #12 - FLAT RATE BILLING

EFFECTIVE September 1, 2011


1. This procedure outlines the Flat Rate Reciprocal Billing Agreement reached among the Joint Owners. These rates may be reviewed by request of either co-owner on an annual basis.
2. In order to establish standardized costs, a flat rate reciprocal billing amount of \$ 620.00 per pole, will take effect on the date of this agreement. This rate will be applied to all poles placed on or after that date, regardless of size.
3. In the event that additional height beyond a standard pole is to be for the exclusive use of a single utility, the rate for that utility will be increased by \$106.00 per 5 ft of the affected pole. When these poles are replaced for any reason, joint-owner space requirements will be evaluated and billing for the replacement will be based on the agreed allocation.
4. When an anchor is set solely for the benefit and use of one company, such as for service/subscriber poles, the anchor will be billed at the flat rate of \$480.00.
5. Pole removals will be billed at a 1/2 rate amount of \$275.00. Upon mutual agreement of the joint owners, in the event that a party which is not responsible, removes a pole, the removing party will bill the joint owner at the full flat rate.
6. Billing will not occur for plant sacrifice, shifting and straight removal transactions.
7. When one company desires to purchase interest in an existing non-joint pole, the following billing procedure based on set date, will apply:
 - a. For poles 20 or less years old, billing will be at the current flat rate reciprocal billing amount.
 - b. For poles more than 20 years old, no billing will occur.

INTERCOMPANY OPERATING PROCEDURE

IOP #12

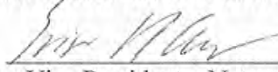
- 8. a. When a co-owner requests the pole to be Topped, the Topping will be billed at the current flat rate of \$65.00 noted on the exchange of notice 605A.
- b. Any pole Topping not requested on the original Exchange of Notice form 605A and which is subsequently requested by the joint owner, that requires an additional trip, will be billed at twice the current flat rate.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By 
Title: Director-Customer Operations

Date: 8/30/11

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By 
Title: Vice President - Network Engineering

Date: 8/10/11

INTERCOMPANY OPERATING PROCEDURES

IOP #13

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #13 - POLE ACCIDENT AND OTHER THIRD PARTY POLE BILLINGS

EFFECTIVE September 1, 2011

These procedures will be applied in the handling of customer billing for pole accidents and other third party pole work.

1. POLE ACCIDENTS

When joint poles are damaged by the actions of a third party, the pole custodian will, (1) determine if the pole needs replacement and (2) replace the pole if necessary. The pole custodian should cover full pole replacement costs including removals (labor, equipment and materials) from the party causing the pole damage. There will be no pole billing to the joint owner. Each owner should bill the third party for their shifting and transfer costs.

2. MINOR POLE RELOCATIONS

Minor pole relocations which can be accomplished by trenching, straightening or jacking will be performed by the pole custodian at no cost to the joint owner. The pole custodian, at its sole option, can attempt to be reimbursed by the party requesting the pole movement.

3. REIMBURSABLE RELOCATION OF POLES

The pole custodian will replace the necessary poles, with no billing to the joint owner. All billing to the Federal, State or Municipal Agencies by the companies will be based on statutory requirements.

4. NON REIMBURSABLE HIGHWAY PROJECT RELOCATION OF POLES

In general, relocation of poles within the Rights of Way owned by cities, towns and the State projects are not reimbursable projects, therefore, the pole custodian will replace the necessary poles as outlined in IOP #3 and bill the joint owner, based upon the Flat Rate Reciprocal Billing Agreement.

INTERCOMPANY OPERATING PROCEDURES

IOP #13

5. POLE RELOCATIONS REQUESTED BY DEVELOPERS

In the event that a developer requests pole relocations, whether required by the city/town or not, the developer will reimburse the pole custodian the full cost (labor, equipment and material) of relocating the pole(s). There will be no pole billing to the joint owner. Each owner should bill the developer for their transfer costs.

6. POLE RELOCATIONS REQUESTED BY PROPERTY OWNER

Request by property owners for relocation of a pole in the public way will be judged on the adverse effects the present location has on access or egress from the property. If circumstances warrant and the joint owners agree, the relocation will be done at the utility company's expense.

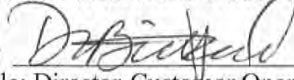
The custodian will bill the joint owner per the current Flat Rate Reciprocal Billing Agreement.

If payment is required from the requester, the requester will reimburse the pole custodian the full cost (labor, equipment and material) for pole replacement. There will be no billing to the joint owner. Each company will bill the property owner for their shifting and transfer costs.

7. BILLING FOR LICENSEES

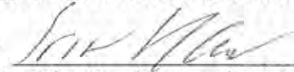
Billing for pole work conducted to accommodate licensees will be performed by each company individually. There will be no credits administered between the joint owners. The custodian will bill the joint owner per the current Flat Rate Reciprocal Billing schedule for 1/2 interest.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By 
Title: Director-Customer Operations

Date: 8/30/11

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By 
Title: Vice President - Network Engineering

Date: 8/16/11

INTERCOMPANY OPERATING PROCEDURE

IOP #14

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #14 - RIGHTS-OF-WAY, EASEMENTS AND LICENSES

EFFECTIVE September 1, 2011

1. DEFINITIONS

a. For the purposes of this IOP the following definitions apply:

1. **Right-of-way** - A legal right of passage across, over and/or under another person's realty. (May be an easement, a license, a permit or verbal permission.)
2. **Easement** - An interest in realty owned by another that entitles its holder to a specific use or enjoyment of the realty or a portion thereof.

2. EXISTING LINES

The company acquiring an interest in existing poles shall, with the necessary cooperation of the other Company, unless otherwise agreed, secure necessary rights-of-way, easements and licenses from property owners and public authorities.

3. NEW LINES

- a. The Company erecting new joint poles, anchors or underground facilities shall, with the necessary cooperation of the other Company, unless otherwise agreed, secure necessary rights-of-way, easements and licenses from property owners and public authorities. All such rights obtained by either Company shall be in the joint names of both Companies. Where possible, a blanket easement, right-of-way or license will be obtained for all poles, anchors, guys and stubs. Where necessary, each Company shall obtain easements, rights-of-way and licenses for poles, anchors, guys and stubs required for sole use.
- b. Exceptions to the above are the crossing of State owned public waters and the crossing, or occupancy of Railroad property or rights-of-way. In such instances, or similar ones, unless otherwise agreed, each Company will obtain whatever permits are necessary to fulfill its own requirements.

INTERCOMPANY OPERATING PROCEDURE

IOP #14

4. RECORDING AND RECORDING FEES

- a. All documents shall be recorded promptly, and a copy shall be furnished to the other Company.
- b. The recording fees for municipal grants, licenses, rights-of-way and private property easements will be paid by the Company obtaining same in their maintenance area.
- c. An easement is not required for an overhead or underground line extension or service that is located exclusively on the property of the owner on which the overhead or underground line extension or service is located. If, however, such an overhead or underground line extension or service will be used to supply other customers or facilities on the property, other property is large enough to be subdivided based on local zoning ordinances, or the line can be used or extended at a future date to supply other customers a permanent easement shall be obtained. The wire/cable whether overhead or underground must cross only the property being served. If any part of the wire/cable or equipment crosses any other property than the property being served an easement is required from the owner of the property that is being crossed.

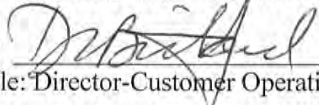
5. OTHER PAYMENTS

- a. Nominal payments paid to property owners for easements, etc. will be paid by the Company obtaining same.
- b. Payments other than "nominal", when mutually agreed in advance, will be shared equally by the two Companies.

6. FORMS

see attached

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By 
Title: Director-Customer Operations

Date: 8/30/11

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By 
Title: Vice President - Network Engineering

Date: 9/16/11

INTERCOMPANY OPERATING PROCEDURE

FORM 6011 (8/02)

PSNH - POLE LOCATION PLAN

Municipality		Street / Road		Reason for Proposal	
<input checked="" type="checkbox"/> PSNH <small>INTERNAL USE ONLY</small>		<input type="checkbox"/> TELCO <small>MEMO REQ'D</small>		<input checked="" type="checkbox"/> OTHER	
		Plan Date: 8/11/09			
AWC	WR# or CRS#	Company Name	Agency / Company Name	DIGSAFE	
DMS Work Req #	Trimming %	Project #	Trimming %	Project / App #	Trimming %
Job Writer	Engineer	Contact Person	Authorization #	Legal Date	Legal Time
Circuit Map	Voltage	Exchange	<input type="checkbox"/> EASEMENT <input type="checkbox"/> MUNICIPAL LICENSE <input type="checkbox"/> STATE LICENSE		

INDICATE NORTH WITH AN ARROW

Pole Numbers		Pole Sz-CI	Eq BH	INSTALL	REMOVE	REF	100% LTS	J/O	100% TEL	Span	DIST. FROM EOP	Remarks	DOC REQ
LTS	TEL			POUF	PB	100% LTS	J/O	100% TEL					
				NOT TO SCALE									
								↑ N					

**INTERCOMPANY OPERATING PROCEDURE
PETITION**

IOP #14

_____, New Hampshire, _____, 20 ____

To the Department of Transportation of The State of New Hampshire

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE and NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC D/B/A FAIRPOINT COMMUNICATIONS, request(s) a license to install and maintain underground conduits, cables and wires and maintain poles and structures with wires, cables, conduits and devices thereon together with such sustaining, strengthening and protecting fixtures as may be necessary along, across and under the following public ways:

**NORTHERN NEW ENGLAND TELEPHONE
OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

**PUBLIC SERVICE COMPANY
OF NEW HAMPSHIRE**

By _____

By _____

Plant Records Supervisor

POLE LICENSE

Upon the foregoing petition and it appearing that the public good so required, it is hereby

ORDERED

_____, 20 ____

That the PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE and NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC D/B/A FAIRPOINT COMMUNICATIONS, be and hereby are/is granted a license to install and maintain underground conduits, cables, and wires and to erect and maintain poles and structures with wires, cables, conduits and devices thereon together with sustaining, strengthening and protecting fixtures in the public way or ways covered by said petition.

The maximum and minimum length of poles shall be 50 feet and 20 feet respectively; height of structures be 40 feet and 15 feet respectively. The approximate location of the poles, structures or underground conduits are designated or defined as shown upon plan marked Public Service Company of New Hampshire No. _____ dated _____ attached to and made a part of this order. All of said wires except such as are vertically attached to poles and structures shall be placed at a height of not less than 18 feet above the surface of the highway.

Approved By: _____
For Director of Administration N.H. Department of Transportation

Received and entered in the records of the city/town of

_____ Book _____ Page _____ Date _____

Attest _____

City/Town Clerk

INTERCOMPANY OPERATING PROCEDURE

IOP #14

Transfer of Pole License

_____, New Hampshire _____ 20__

In connection with the transfer by _____

_____ to _____

_____ by instrument dated the _____ day of _____

_____, of part/full interest in certain property located as shown upon the

attached plan marked _____

No. _____, dated _____, the transferor hereby assigns

City/Town/State Highway Commission, dated _____ and recorded in the

records of the City/Town of _____ Book _____ Page _____

FAIRPOINT

By _____

Recorded in the _____ records of the City/Town

of _____ Book _____ Page _____

on the _____ day of _____ 19____.

Attest: _____

Town/City Clerk

INTERCOMPANY OPERATING PROCEDURE

IOP #15

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #15 - UNAUTHORIZED ATTACHMENTS

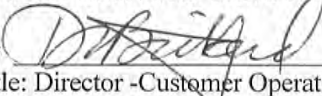
EFFECTIVE September 1, 2011

The purpose of this Inter-Company Operating Procedure is to provide a program to effect joint ownership of poles and anchors upon which either party is attached without authorization.

1. Effective the date of this agreement, all unauthorized attachments discovered by either party, as well as all billings rendered, will be billed at the current flat rate as is in effect at the date of discovery.
2. The joint owner billing for the unauthorized attachments must show that joint ownership was refused. The Joint Ownership - Exchange of Notice will be the document of proof.

Unauthorized attachments discovered in the field and when a Joint Ownership – Exchange of Notice has exceeded the 90 day return (refer to IOP #10), will be considered unauthorized. This will not apply in cases of major storm replacements and vehicle damage when agreed to by each Company’s Operations Managers. This agreement must be documented on the signed EON.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By 
Title: Director -Customer Operations

Date: 8/30/11

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By 
Title: Vice President – Network Engineering

Date: 9/18/11

INTERCOMPANY OPERATING PROCEDURE

IOP #16

**PUBLIC SERVICE OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

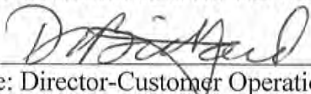
IOP #16 - PUSHBRACES

EFFECTIVE September 1, 2011

When a pushbrace is required on an energized line, the pole being affected is normally braced in PSNH's allocated space. In order to preclude the necessity of having crews from each company work together during installations, the following shall apply:

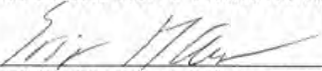
1. Each party shall place all Jointly owned pushbraces on de-energized lines in their custodianship areas.
2. PSNH shall place all Jointly owned pushbraces on energized lines except in those instances where the pushbrace is for the sole benefit and installed in the assigned space of FairPoint.
3. Solely owned pushbraces will be placed by the party requiring them. In instances where solely owned pushbraces are agreed to be placed by the other party for joint efficiencies they will be requested and billed using the Exchange of Notice Procedure.
4. When this work has been completed billing will be at the current one-half flat rate cost for such an installation (new pole costs).
5. The pushbrace will be provided by the party placing and billing for the work.

PUBLIC SERVICE OF NEW HAMPSHIRE

By 
Title: Director-Customer Operations

Date: 8/30/11

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By 
Title: Vice President - Network Engineering

Date: 8/10/11

INTERCOMPANY OPERATING PROCEDURE

IOP #17

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS****IOP #17 - MONTHLY NET BILLING PROCEDURE****EFFECTIVE September 1, 2011**

This Intercompany Operating Procedure sets forth the method to be followed in processing intercompany billing between FairPoint and PSNH on a monthly net billing basis.

1. DEFINITIONS

- a. **Net Billing** - for the purposes of this Intercompany Operating Procedure, the term "net billing" shall describe the accounting procedure by which the charges rendered by the two companies are computed, adjusted, totalled and compared each month. The company owing the greater total gross charges each month will pay to the other company the net difference only.
- b. **District** - the term district as used herein shall mean the N.H. District of FairPoint and the Operating Divisions of Public Service of New Hampshire.

2. MONTHLY NET BILLING PROCEDURE

- a. Negotiations prior to the determination of a net bill are carried out by use of:
 - (1) Joint Line Exchange of Notice and Memorandum,
 - (2) Form 1045-M, Monthly Summary of Intercompany Billing and Memorandum.
 - (3) Form 3037, Billing Adjustment Claim and Memorandum.
- b. As per the agreement between the companies, the monthly billing arrangement provides for assimilating all charges accumulated by both companies into one (1) net bill for each month, covering the entire territory served jointly by both companies. The net billing procedure requires the accumulation of all charges rendered by both companies each month into one (1) Statement of Charges (Form 1045-M) for each district. It does not require payments by either company for small individual undertakings until receipt of monthly bill. The monthly net bill will be rendered by the creditor company to the debtor company.

3. PROCESSING OF FORM 1045-M

- a. In accordance with the provisions of the Joint Agreement, the company performing the work shall by the third (3) working day of the subsequent month render to the other company, as a package, an original and duplicate itemized statement of charges on Form 1045-M for the preceding month.

INTERCOMPANY OPERATING PROCEDURE

IOP #17

- b. By the eighteenth (18) day of the month, all entries on Form 1045-M shall have been verified with the executed copies of previously rendered Joint Line Exchange of Notice and Memorandum, and by mutual agreement, discrepancies shall be adjusted or deleted on **all** copies of Form 1045-M. Deletions and/or adjustments will be documented by completing Form 3037, Billing Adjustment Claim and Memorandum. Deleted items will be resubmitted and included in the net billing in the second month following the month in which they were submitted.
- c. By the twenty fifth (25) day of the month, the approved original Form(s) 1045-M, and Form(s) 3037, shall be returned to the company submitting the charges. The duplicate copies of Forms 1045-M and 3037 shall be retained by the company receiving the charges.
- d. After billing and details have been determined and certified as correct, they will be final.

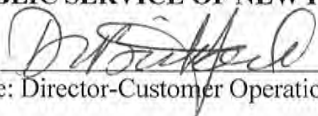
4. SETTLEMENT OF DISPUTED BILLS

- a. Deleted and/or adjusted items which cannot be settled in accordance with Section 3, Part B, of this Intercompany Operating Procedure shall be resolved by strict compliance with the Intercompany Operating Procedure(s). Resolution of disputed items shall be made by the second month following the month in which the dispute arose.
- b. Disputed items that cannot be resolved as herein stated shall be referred to the PSNH Representative and the FairPoint Representative for final and binding resolution.


5. FINAL NET BILL

Upon completion of the process set forth in Section 3, Parts B and C for intercompany net billing, the designated supervisor or corporate coordinator for each company, on reaching agreement, will by the 28th of the month in which the itemized statement of charges is submitted make arrangements for the debtor company to render payment to the other company.

PUBLIC SERVICE OF NEW HAMPSHIRE

By  Date: 8/30/11
Title: Director-Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By  Date: 9/8/11
Title: Vice President - Network Engineering

INTERCOMPANY OPERATING PROCEDURE

IOP #18

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

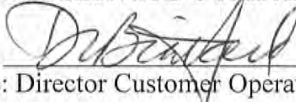
**IOP #18 - JOINT USE AGREEMENT FOR POLES AND FACILITIES IN THE FORMER
PEASE AIR FORCE BASE**

EFFECTIVE September 1, 2011

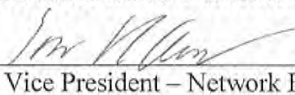
The intent of this IOP is to define the maintenance area of the former Pease Air Force Base, now leased to Pease Development Authority (PDA) between the joint owners in the following manner, utilizing reference map appended as "Appendix 5" to the Utility Sublease and License Agreement dated as of July 31, 1992 between the PDA and PSNH.

1. PSNH custodianship in the PDA area shall be designated for all facilities within the Portsmouth township.
2. In exchange for PSNH accepting all PDA custodianship FairPoint agrees to accept revision of existing IOP #5 to transfer Madbury from PSNH maintenance responsibility to FairPoint with respect to both existing and future joint pole plant.
3. All existing IOPs between FairPoint and PSNH will describe the manner in which business is conducted within the designated PDA areas.
4. To the extent it has the right to, PSNH grants to FairPoint the right to occupy, attach, maintain and remove telecommunications equipment on poles subleased to PSNH by PDA under the utility sublease and license agreement dated as of July 31, 1992 between PSNH and PDA. PSNH will not charge or assess FairPoint for any license or attachment fees for existing or future attachments to any subleased poles.
5. PSNH and FairPoint agree that as any leased pole is replaced the replacement pole shall be jointly owned, subject to the flat rate billing schedule in effect and all other IOP agreements between PSNH and FairPoint.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By:  Date: 8/30/11
Title: Director Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By:  Date: 9/15/11
Title: Vice President - Network Engineering

INTERCOMPANY OPERATING PROCEDURE

IOP #19

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

IOP #19 - EMERGENCY RESPONSE

EFFECTIVE September 1, 2011

PSNH and FairPoint shall work cooperatively to ensure that the Incident Control System adopted in each municipality includes protocols for pole emergencies that direct first responders (Incident Commander) to make contact with both the Electric Company and FairPoint at the earliest stages of the response regardless of the maintenance area.

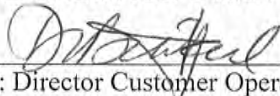
The Electric Company and FairPoint shall maintain notification procedures to ensure early communication between each other during pole emergency situations. The utility with responsibility for the maintenance area involved shall notify other attaching carriers affected by the incident.

Effective April 1, 2010, FairPoint will meet the same average response time to emergencies in its maintenance area as the target average emergency response time for the Electric Company in its maintenance area.


For poles temporarily made safe by emergency measures in FairPoint's maintenance area, FairPoint agrees to complete transfers and repairs and remove the defective condition or defective pole on an expedited basis.

This paragraph shall not apply in the event of major weather events as defined by the Commission.

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By:  Date: 8/31/11
Title: Director Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By:  Date: 9/18/11
Title: Vice President - Network Engineering

INTERCOMPANY OPERATING PROCEDURE

**PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE
AND
NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS****IOP #20 – EXISTING JOINT USE RENTAL POLES AND RENTAL
METHODOLOGY****EFFECTIVE September 1, 2011****1. PLACEMENT AND REPLACEMENT OF POLES IN JOINT USE AREAS**

All existing Joint Use areas will be defined in Intercompany Operating Procedure (IOP) #5 Custody and Maintenance of Jointly Owned and Used Poles. All new or replacement poles which are to be jointly occupied by PSNH and FairPoint in these areas and placed for any reason will be replaced as Jointly Owned.

2. ANNUAL JOINT USE RENTAL BILLING

Approximately November 1st of each year both companies shall prepare, share and compare applicable lists of pole rentals added or removed from the overall count. In general there will be no further additions to the pole rentals due to all future placements and replacements being Jointly Owned as described above. There may be instances, however, where poles that are part of jobs which are incomplete and or due to other reasons may on occasion appear as a rental addition. The rental additions or subtractions shall be based on the prior years work or any unresolved items by both parties from the prior billing cycle. Any disputed items that cannot be resolved in a timely fashion in order to achieve a billing date of approximately December 1st of the current year shall be resolved after invoicing and added or subtracted to the following year's rental reconciliation.

3. RENTAL RATES

The current annual rental rate shall be \$19.64 per pole for both PSNH and FairPoint attachments.

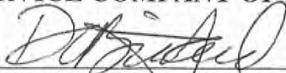
4. GENERAL

Any other procedures or processing related to the existing Jointly Used poles shall be handled in accordance with the most current Joint Use/Ownership Agreement and attached IOPs between PSNH and FairPoint.

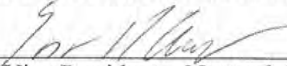
INTERCOMPANY OPERATING PROCEDURE

IOP #20

PUBLIC SERVICE COMPANY OF NEW HAMPSHIRE

By:  Date: 8/30/11
Title: Director Customer Operations

**NORTHERN NEW ENGLAND TELEPHONE OPERATIONS, LLC
D/B/A FAIRPOINT COMMUNICATIONS**

By:  Date: 8/18/11
Title: Vice President – Network Engineering

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020

Date Request Received: 05/13/2021

Date of Response: 05/27/2021

Request No. TS 1-006

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Douglas P. Horton, Erica L. Menard

Request:

Reference Joint Petitioners' Response Staff 1-029, stating "total annual bill for Consolidated's pole attachments would be \$5,047,374 using the 2020 third party pole attachment rate which was in effect at the time of negotiation (\$12.38) multiplied by the assumed number of attachments (407,704). The payment from CCI to Eversource in years 1 and 2 is a negotiated, fixed amount of \$5.0 million per year." Please explain the basis for the CCI payment to Eversource in year 3.

Response:

As shown in the table below, Consolidated's payment to Eversource in Year 3 is calculated by multiplying the estimated Year 3 pole attachment rate (\$8.94) by the number of negotiated Consolidated attachments of 407,704. This results in approximately \$3.6M in revenue in Year 3 as shown in Attachment DPH/ELM-1 Line 27, Column labeled "2023 / Year 3".

	(A)	(B)	(C) = (A) x (B)	(D)	(E) = (C) x (D)
		CCI	# of	Pole Attachment	
	# of Poles	Attachments	Attachments	Rate	Revenue
		per Pole			
SO Poles	3,884	1.175	4,564	\$8.94	\$40,799
JO Poles	343,098	1.175	403,140	\$8.94	\$3,604,073
Total	346,982		407,704		\$3,644,872

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020**Date Request Received: 05/13/2021****Date of Response: 05/27/2021****Request No. TS 1-009****Page 1 of 1****Request from: New Hampshire Public Utilities Commission Staff****Witness: Douglas P. Horton, Erica L. Menard****Request:**

Reference Joint Petitioners' Response NECTA 1-026, describing the Eversource attachment rates and suggesting that FERC Form No. 1 input changes are reflected two years later in attachment rates, and Petitioners' Response NECTA 1-029 describing the attachment rate as changing from \$12.38 in year 1 and 2 to \$8.94 in year 3.

- a. Please explain which inputs from the FERC Form No. 1 are driving the approximately 30 percent reduction in attachment rates in year 3 and why.
- b. Reference Petitioners' Response NECTA 1-030(d), stating that the rate for the third year assumes the inputs from the model are accurate and all other inputs are held constant from the 2018 FERC Form 1 information, and NECTA 1-026, which states that the Eversource attachment rates are based on FERC Form 1 inputs reflected two year later in attachment rates. Please explain whether the Company used the 2018 FERC Form 1 for all three years, and if so, please explain why.
- c. If the answer to (b) above was yes, please provide an updated version of Petitioners' Response Staff 1-032 that accounts for the latest FERC Form 1 inputs available for each year.

Response:

- a. Please see Attachment TS 1-009a for a side by side calculation of the \$12.38 Year 1 rate and the \$8.94 Year 3 rate. The rate decrease is a product of (1) 31% decrease in the Net Cost of a Bare Pole and (2) a 5% increase in the Carrying Charge Rate. The main drivers of these changes are (1) the number of poles increases approximately 66%, while the net investment only increases 14% and (2) an increase in Account 593 due to the absence of vegetation management contribution from Consolidated and increases due to pole inspection and transfer costs as a result of the transaction.
- b. When Eversource was designing its model, and subsequently negotiating the transaction with CCI, the latest publicly available data at that time was the Company's 2018 FERC Form 1 information. This is the same information that was used to calculate Eversource's 2020 pole attachment rate. The model starts with that data as the base for all three years and then rolls in all financial changes as a result of the transaction into the calculation of rates in future years.
- c. Please see Attachment TS 1-009b CONFIDENTIAL for an updated version of Eversource's response to STAFF 1-032 using the Company's 2019 FERC Form 1 data. Please see Attachment TS 1-009c CONFIDENTIAL for a comparison of the rates by year using the Company's 2019 FERC Form 1 data vs. the 2018 FERC Form 1 data.

Consistent with Puc 203.08(d), the Joint Petitioners state that they have a good faith basis for confidential treatment of the material provided in this response and will file an appropriate motion for confidential treatment prior to the commencement of hearings in this matter.

Docket No. DE 21-020
Direct Testimony of Stephen R. Eckberg
SRE-6
Page 2 of 5

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020
Data Request TS 1-009
Dated 05/13/2021
Attachment TS 1-009a, Page 1 of 4

Public Service Company of New Hampshire dba Eversource Energy
Unified Pole Rent Formula

	2020 Rate Calculation	Year 3 Calculation	Difference	% Change
<u>Space Factor Formula Assumptions</u>				
Space Occupied	1	1	0	0.0%
Unusable Space	24	24	0	0.0%
No. of Attaching Entities	2.7	2.7	0	0.0%
Pole Height	37.5	37.5	0	0.0%
<u>Maximum Rate</u>				
Space Factor	18.47%	18.47%	0%	0.0%
x Net Cost of a Bare Pole	\$470.15	\$323.47	(\$146.69)	-31.2%
x Carrying Charge Rate	32.416%	34.021%	1.605%	5.0%
x Conversion Factor	44%	44%	0%	0.0%
Maximum Fully Owned Rate	\$12.38	\$8.94	(\$3.44)	-27.8%
Maximum Jointly Owned Rate	\$6.19	\$4.47	(\$1.72)	-27.8%

Docket No. DE 21-020
Direct Testimony of Stephen R. Eckberg
SRE-6
Page 3 of 5

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020
Data Request TS 1-009
Dated 05/13/2021
Attachment TS 1-009s, Page 2 of 4

Public Service Company of New Hampshire dba Eversource Energy
Pole Cost Calculation

	<u>2020 Rate Calculation</u>	<u>Year 3 Calculation</u>	<u>Difference</u>	<u>% Change</u>
<u>Net Pole Investment</u>				
Gross Pole Investment (Account 364)	\$303,587,829	\$341,442,779	\$37,854,950	12%
- Accumulated Depreciation (Account 108) (Poles)	79,417,697	87,829,313	8,411,617	11%
- Accumulated Deferred Income Taxes (Account 190, 281-283) (Poles)	<u>76,813,648</u>	<u>85,470,660</u>	<u>8,657,012</u>	<u>11%</u>
Net Pole Investment	\$147,356,485	\$168,142,806	\$20,786,321	14%
<u>Net Cost of a Bare Pole</u>				
<u>Net Pole Investment</u>	<u>\$147,356,485</u>	<u>\$168,142,806</u>	<u>\$20,786,321</u>	<u>14%</u>
Number of Poles	266,408	441,841	175,433	66%
Net Cost of a Pole (Including Non-Pole Related Appurtenances)	\$553.12	\$380.55	-\$172.57	
x 0.85 (To Remove Non-Pole Related Appurtenances)	<u>0.85</u>	<u>0.85</u>	<u>0</u>	<u>0%</u>
Net Cost of a Bare Pole	\$470.15	\$323.47	(\$146.69)	-31%

Docket No. DE 21-020
Exhibit 22

Docket No. DE 21-020
Direct Testimony of Stephen R. Eckberg
SRE-6
Page 4 of 5

Public Service Company of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020
Data Request TS 1-009
Dated 05/13/2021
Attachment TS 1-009a, Page 3 of 4

Public Service Company of New Hampshire dba Eversource Energy
Carrying Charge Calculation

	<u>2020 Rate Calculation</u>	<u>Year 3 Calculation</u>	<u>Difference</u>	<u>% Change</u>
A. ADMINISTRATIVE ELEMENT				
Gross Plant Investment (Electric)	\$3,503,972,154	\$3,541,827,104	\$37,854,950	1.1%
- Accumulated Depreciation (Account 108 - Electric)	740,353,953	741,685,063	1,331,110	0.2%
- Accumulated Deferred Taxes (Electric Plant) (Accounts 190, 281-283)	<u>886,573,362</u>	<u>886,597,457</u>	<u>24,095</u>	<u>0.0%</u>
Net Plant Investment (Electric)	\$1,877,044,839	\$1,913,544,583	\$36,499,744	1.9%
Total Administrative & General Expenses	<u>\$72,270,824</u>	<u>\$72,270,824</u>	<u>\$0</u>	<u>0.0%</u>
Net Plant Investment (Electric)	\$1,877,044,839	\$1,913,544,583	\$36,499,744	1.9%
Administrative Element	<u>3.850%</u>	<u>3.777%</u>	<u>-0.073%</u>	-1.9%
B. MAINTENANCE ELEMENT				
Pole Investment in Accounts 364, 365 & 369	\$1,044,035,899	\$1,081,890,849	\$37,854,950	3.6%
- Deprecation (Poles) Related to Accounts 364, 365 & 369	273,116,767	278,294,743	5,177,976	1.9%
- Accumulated Deferred Income Taxes related to Accounts 364, 365 & 369	<u>264,161,465</u>	<u>270,821,146</u>	<u>6,659,681</u>	<u>2.5%</u>
Net Plant Investment (Accounts 364, 365 & 369)	\$506,757,667	\$532,774,960	\$26,017,293	5.1%
Account 593	<u>\$38,832,062</u>	<u>\$50,949,002</u>	<u>\$12,116,940</u>	<u>31.2%</u>
Net Plant Investment (Accounts 364, 365 & 369)	\$506,757,667	\$532,774,960	\$26,017,293	5.1%
Maintenance Element	<u>7.663%</u>	<u>9.563%</u>	<u>1.900%</u>	24.8%
C. DEPRECIATION ELEMENT				
Gross Pole Investment (Account 364)	<u>\$303,587,829</u>	<u>\$341,442,779</u>	<u>\$37,854,950</u>	<u>12.5%</u>
Net Pole Investment	\$147,356,485	\$168,142,806	\$20,786,321	14.1%
Ratio of Gross Investment to Net Investment	2.0602	2.0307	(0.0296)	-1.4%
x Depreciation Rate for Gross Pole Investment	0.0320	0.0320	0.0000	0.0%
Depreciation Element	<u>6.593%</u>	<u>6.498%</u>	<u>-0.095%</u>	-1.4%
D. TAXES ELEMENT				
Gross Plant Investment (Total Plant)	3,503,972,154	3,541,827,104	\$37,854,950	1.1%
- Accumulated Depreciation (Account 108)	740,353,953	741,685,063	1,331,110	0.2%
- Accumulated Deferred Taxes (Plant) (Accounts 190, 281-283)	<u>886,573,362</u>	<u>886,597,457</u>	<u>24,095</u>	<u>0.0%</u>
Net Plant Investment (Electric)	1,877,044,839	1,913,544,583	\$36,499,744	1.9%
Accounts 408.1 + 409.1 + 410.1 + 411.4 - 411.1	<u>125,394,937</u>	<u>125,394,937</u>	<u>\$0</u>	<u>0.0%</u>
Net Plant Investment (Total Plant)	1,877,044,839	1,913,544,583	\$36,499,744	1.9%
Taxes Element	<u>6.680%</u>	<u>6.553%</u>	<u>-0.127%</u>	-1.9%
E. RETURN ELEMENT				
Return Element =	Applicable Rate of Return	=	<u>7.630%</u>	<u>7.630%</u>
			<u>0.000%</u>	0.0%
F. TOTAL CARRYING CHARGE				
Administrative	3.850%	3.777%		
Maintenance	7.663%	9.563%		
Depreciation	6.593%	6.498%		
Taxes	6.680%	6.553%		
Return	<u>7.630%</u>	<u>7.630%</u>		
Total Carrying Charge	<u>32.416%</u>	<u>34.021%</u>	<u>1.605%</u>	5.0%

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020

Date Request Received: 06/03/2021

Date of Response: 06/17/2021

Request No. STAFF 2-001

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Lee G. Lajoie, Michael Shultz, Sarah Davis

Request:

Reference Joint Petitioners' Supplemental Response Staff 1-008, IOP # 19, stating "The Electric Company and FairPoint shall maintain notification procedures to ensure early communication between each other during pole emergency situations. The utility with responsibility for maintenance area involved shall notify other attaching carriers affected by the incident. Effective April 1, 2010, FairPoint will meet the same average response time to emergencies in its maintenance area as the target average emergency response time for the electric Company in its maintenance area." In light of this commitment, please:

- a. Summarize any actions taken by either party to enforce commitments relating to pole replacement response time during an outage; and
- b. Explain how purchase of the transferred poles will allow Eversource to "more quickly replace the poles and, therefore, potentially shorten duration of power outages in these cases."

Response:

- a. The clause was added to IOP #19 when it was re-negotiated in 2010 in an effort to have FairPoint respond quicker, targeting a two hour time frame. Although response time initially improved, it has subsequently declined. No further discussions have taken place. As described in the response to Staff 1-013 (f), Eversource sometimes sets poles in Consolidated's maintenance area, if their response is delayed.
- b. Please see the response to Staff 1-013.f. The Joint Petitioners further note that in an outage situation, if the pole is in a Consolidated maintenance area, Eversource may be required to dispatch to clear any power issues and make sure the scene is safe for the Consolidated crew to set the pole. Thereafter, Consolidated would set the pole. After Consolidated completes the replacement, Eversource then would move its power facilities to the new pole. Following the transaction, Eversource can dispatch and perform all three functions at once without having to wait for Consolidated to arrive on scene and/or set the pole.

**Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020****Date Request Received: 08/20/2021****Request No. DOE 4-001****Request from: Department of Energy****Date of Response: 09/01/2021****Page 1 of 1****Witness: Sarah Davis, Sady Rancourt****Request:**

Reference Response 3-001. Please explain why the 2019/20 inspection (Column G) appears to have inspected more poles than the combination of jointly owned (column D) and jointly used poles (column F) for the following municipalities;

- a. Albany, 984 inspected, 962 total transferred poles
- b. Alexandria, 2,291 inspected, 1348 total transferred poles
- c. Belmont, 4,377 inspected, 4,032 total transferred poles
- d. Conway, 6,331 inspected, 4,536 total transferred poles
- e. Enfield, 3,319 inspected, 107 total transferred poles
- f. Gilford, 5,006 inspected, 4,739 total transferred poles
- g. Gilmanton, 3,224 inspected, 650 total transferred poles
- h. Grafton, 1,722 inspected, 930 total transferred poles
- i. Hanover, 3,451 inspected, 31 total poles
- j. Hebron, 1,209 inspected, 1,054 total transferred poles
- k. Littleton, 4,540 inspected, 48 total transferred poles
- l. Lyme, 1,608 inspected, 1,112 total transferred poles
- m. Orange, 409 inspected, 55 total transferred poles
- n. Randolph, 968 inspected, 840 total transferred poles
- o. Sanbornton, 3,109 inspected, 2,463 total transferred poles
- p. Sandwich, 3,733 inspected, 672 total transferred poles
- q. Shelburne, 830 inspected, 668 total transferred poles

Response:

Excel spreadsheet Staff 3-001 contains a summary of data from Consolidated's pole inspection data produced by Osmose Utilities Services, Inc. ("Osmose"). Staff 3-001, column G (Inspected), contains data from the Osmose inspection Excel spreadsheet labeled CCI.Pole Inspection 2019 at column AE (Township). Staff 3-001, column D (Joint Owned) contains the number of Consolidated/Eversource joint owned poles as recorded in the Eversource pole records system.

Eversource's electric service territory does not encompass the entirety of all municipalities. Other electric utilities serve customers in multiple municipalities also served by Eversource, although the electric service territories do not overlap. For example, the municipalities of Alexandria, Belmont, Conway, Enfield, Gilford, Gilmanton, Grafton, Hanover, Hebron, Littleton, Lyme, Orange, Sanbornton and Sandwich are served in part through the New Hampshire Electric Cooperative and Eversource. See <https://www.nhec.com/wp-content/uploads/2016/12/tariff-document-service-area.pdf>

Docket No. DE 21-020
Direct Testimony of Stephen R. Eckberg
SRE-8
Page 2 of 2

As noted in responses to DOE data requests 4-003 and 4-004, Consolidated instructed Osmose to inspect all poles in the various municipalities for which inspection data has been provided. Osmose was not provided with pole ownership data by electric utility. Therefore, Osmose's inspections were conducted on poles solely owned by Consolidated, poles owned jointly with Eversource and poles owned solely by or jointly with other electric utilities. In column D of Excel spreadsheet Staff 3-001, Eversource identified what portion of the inspected poles are among the Transferred Poles based on Eversource's records.

000092

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020**Date Request Received: 06/29/2021****Date of Response: 08/04/2021****Request No. STAFF 3-004****Page 1 of 2****Request from: New Hampshire Public Utilities Commission Staff****Witness: Sarah Davis, Sady Rancourt****Request:**

Reference Joint Petitioners' Response Staff 1-005(b).1.

- a. For column AI, please define the following status designations and indicate the most likely course of action taken by CCI as a result of those designations: (1) non-reject; (2) non-restorable reject; (3) priority non-restorable reject; (4) priority restorable reject; and (5) restorable reject.
- b. For columns CA and CB, please define the following status designations, how they relate to the status designations defined in the subpart directly above, and indicate the most likely course of action taken by CCI in light of these designations: (1) restoration recommended; and (2) replacement recommended.
- c. Reference "sheet 1." Please explain the difference between the terms "failed quantity" and the "reject quantity." Please explain why Enfield, Hanover, Lebanon, and Littleton are not included in the "failed quantity" but are included in the reject quantity.
- d. Reference "sheet 1." Please explain how the designations defined in response to the subparts (a) and (b) above relate to the terms "failed quantity" and "reject quantity."

Response:

- a. There is no action required for a non-reject pole. The designation "non-reject" means the pole has not failed the pole inspection. For those poles in the categories of "reject" poles, Consolidated Communications would replace the poles. Consolidated Communications does not restore poles that failed inspection with some form of designation as "restorable".
- b. Poles with a designation of "replacement recommended" are reject poles and have failed the pole inspection. These poles will be replaced. As noted above, Consolidated Communications does not restore poles that failed inspection with some form of designation as "restorable" and those poles would be replaced.
- c. Failed quantity and reject quantity are used interchangeably. The pivot table on Sheet1 summarized column AJ with the header "Reject Quantity" from the source data on the Consolidated_Communications_DPI tab. The table to the right of the pivot table was intending to list only the towns entirely in Eversource's service territory and excluded the towns of Enfield, Hanover, Lebanon, and Littleton.
- d. The table below summarizes the failed/reject quantity in the pivot table on Sheet1 according to the columns identified in subparts (a) and (b).

Reject Status (Column AI)	Restoration (Column CA)	Replacement (Column CB)	Reject Quantity
Non Reject			0
Non Restorable Reject		Replacement Recommended	0
Priority Non Restorable Reject		Replacement Recommended	50
Priority Non Restorable Reject			1
Priority Restorable Reject	Restoration Recommended		25
Restorable Reject	Restoration Recommended		2,173
Total			2,249

**Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020**

Date Request Received: 08/20/2021

Date of Response: 09/01/2021

Request No. DOE 4-007

Page 1 of 1

Request from: Department of Energy

Witness: Johnson, Russell, Sarah Davis, Sady Rancourt

Request:

Reference Response 3-003.

- a. Please state whether the Eversource NH or its predecessors ever repaired, restored, reinforced, or chemically treated reject poles. If the answer is yes, please explain when the decision to replace all reject poles (including priority restorable reject restorable reject) rather than restoring them, occurred and why the decision was made.
- b. Please state whether the CCI NH or its predecessors ever repaired, restored, reinforced, or chemically treated reject poles. If the answer is yes, please explain when the decision to replace all reject poles (including priority restorable reject restorable reject) rather than restoring them, occurred and why the decision was made

Response:

- a. Yes, Eversource considered reinforcement for a period prior to 2015. As noted in NECTA TS 3-002, "Eversource adopted the policy of replacing all reject poles in approximately 2015." The decision was made to be consistent with the Company's interest in promoting a more resilient electric distribution system. The vast majority of reject poles are smaller diameter class poles (i.e. class 4 and 5) than the minimum standard class 2 pole required by Eversource today.
- b. Consolidated and its predecessor, FairPoint Communications, has never repaired, restored, reinforced, or chemically treated reject poles. Consolidated's policy is and FairPoint Communications' policy was to replace the reject poles. Consolidated does not believe that Verizon New England Inc., FairPoint Communications' predecessor-in-interest, restored poles that failed inspection in its Northern New England service territory.

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020**Date Request Received: 06/29/2021****Date of Response: 08/04/2021****Request No. STAFF 3-008****Page 1 of 1****Request from: New Hampshire Public Utilities Commission Staff****Witness: Lee G. Lajoie, Sarah Davis, Sady Rancourt**

Request:

Reference Lajoie Testimony, Bates 18, stating "the poles that failed inspection were identified by an outside company in an inspection report dated January 20, 2020, or were earlier designated and tagged as failed inspection."

- a. Please provide a narrative explaining how the "outside company" was chosen and whether they received any direction regarding how many poles should be inspected and which municipalities or other geographically defined areas should be the focus of the inspection.
- b. Please provide any communications between the "outside company" and CCI occurring between January 1, 2019 and February 1, 2020.
- c. Please provide any communications between the "outside company" and Eversource occurring between January 1, 2019 and February 1, 2020.
- d. Please provide any communications between the "outside company," CCI, and Eversource, occurring between January 1, 2019 and February 1, 2020.

Response:

- a. The "outside company" was chosen by Consolidated. It has been subsequently disclosed that this company is Osmose. Eversource has no data on the requested information.
- b. Please refer to the attached zip file containing 29 files documenting communications between Osmose and Consolidated between January 1, 2019 and February 1, 2020.
- c. Eversource has had no communications with Osmose relative to their inspection work performed for Consolidated.
- d. Eversource has had no communications with Osmose relative to their inspection work performed for Consolidated.

Charron, Karen

From: Spencer, Joe <jspencer@osmose.com>
Sent: Monday, August 5, 2019 12:43 PM
To: Freeman, Steven
Subject: Conversation Friday Follow up
Attachments: Consolidated Restoration.pdf

Hi Steve,

Thank you for taking the time, Friday. It's part of what we're often required to do, adjusting to budget challenges.

With regard to the restoration, thanks for your candor. We misunderstood that you were moving forward with an inspect/truss/replace program, as proposed and discussed in the pre-sales and early phases of the program. You challenged us early on to save as much money as possible, all the while get through the system in four years. This is why we built in restoration as a key to your overall program spend. In our work with Verizon and CenturyLink, and now AT&T, there is significant restoration (80-92% restoration of rejects) happening today. For every company, whether to restore or replace is essentially a financial decision, as shown below. If there are any operational issues that need to be addressed, please let us know. We have successfully addressed many operational issues in the past 50 years restoring, such as Union, climbing, or cosmetic issues.

I want to make sure we understand where you are heading, to ensure alignment. Below, we modeled out the current inspection numbers, reject rates, the replacement/restoration pricing, to illustrate a "replace all rejects" program compared with "restore most rejects". To replace all rejects, Consolidated will spend more than 3X, or ~\$30.8M more than leveraging restoration.

Is this in line with your current understanding and budget expectations?

Consolidated Inputs	2019	2020 (est)	2021 (est)	2022 (est)	Total program
Number of poles to be inspected	73,250	84,289	84,289	84,289	326,116
Observed reject rate (2019 to date)	4.20%	4.20%	4.20%	4.20%	
Projected Rejects	3,077	3,540	3,540	3,540	13,697
Replacement Price	\$3,200	\$3,200	\$3,200	\$3,200	
Restoration price	\$695	\$695	\$695	\$695	
Replace all rejects - Current Path	\$9,844,800	\$11,328,397	\$11,328,397	\$11,328,397	\$43,829,990
Replace 10%	\$984,480	\$1,132,840	\$1,132,840	\$1,132,840	\$4,382,999
Restore 90%	\$1,924,351	\$2,214,348	\$2,214,348	\$2,214,348	\$8,567,393
Total with Optimized Restoration	\$2,908,831	\$3,347,187	\$3,347,187	\$3,347,187	\$12,950,392
Savings Leveraging Restoration	\$6,935,969	\$7,981,210	\$7,981,210	\$7,981,210	\$30,879,598
				% savings	70.45%

Trussing can be used as a "dial", if needed, to hit a budget number. For example:

- **Replace all rejects: (Current) four year budget \$43.8M**
- Truss 10% of rejects: four year budget \$40.3M
- Truss 25%: four year budget \$35.2M
- Truss 50%: four year budget \$26.7M
- Truss 75%: four year budget \$18.1M

- Truss 90%: four year budget \$12.9M (example in chart, above)

I have attached a PPT, as well, summarizing Pole Restoration (PR) description, resources, and high level financials. PR is not a band aid, but a true life extension component. We went to the field to analyze the longevity of our restoration solutions. Of more than 42K poles that were inspected (trussing completed from 10 to 40+ years ago), 98% were still in service. The 2% rejects were mostly due to above ground issues (split/decayed tops, woodpecker holes, etc.).

- <https://www.osmose.com/pole-restoration-services>

We were planning to have a mid-year'ish project checkpoint meeting. We'd like to sit down and discuss this with you at the same time. Will that work?

Thank you!

Joe

Joe Spencer | Business Development
Office: 816-733-5001 | Mobile: 816-668-4148



From: Finlay, Anthony
Sent: Thursday, July 25, 2019 1:41 PM
To: Acker, Dave <DAcker@osmosе.com>; Bleech, Bob <bbleech@osmosе.com>; Roberto Diaz (roberto.diaz@consolidated.com) <roberto.diaz@consolidated.com>; Schnubel, Kurt <KSchnubel@osmosе.com>; Spencer, Joe <jspencer@osmosе.com>; Upham, Colin (Colin.Upham@consolidated.com) <Colin.Upham@consolidated.com>
Subject: CCI Status 07.23.19

My apologies for sending this out a little late. Wanted to update all of my budgetary estimates.

Link to meeting notes: [CCI Status 07.23.19](#) ([Web view](#))

CCI Status 07.23.19

Notes

Links

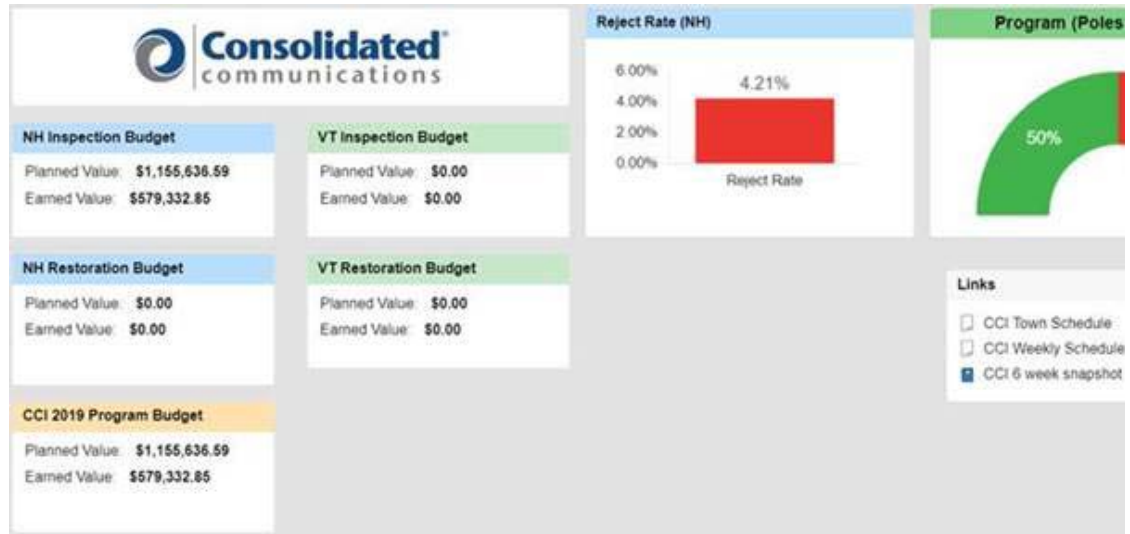
[CCI Program Dashboard](#)

[CCI Town Schedule](#)

[CCI weekly schedule](#)

- Inspections completed 36,721 poles, ~50% of 2019 planned inspections. (accounting for reduced scope in 2019)
- Schedule is still positive (+3071) against baseline.
- ***Reject rate excluding duplicate pole records, NIFS etc is 4.21% year to date
- Average \$/pole has been relatively static (~15.77/pole)

- Budgetary estimates have been updated to total approx. 1.2M



Created with Microsoft OneNote 2016.



Osmose[®]

Better predict, manage,
and optimize your
utility structures

Consolidated Pole Restoration Economics

Joe Spencer



POLE RESTORATION OVERVIEW

Pole Restoration Overview

Once a wood pole's strength is reduced below code requirements (67% RSM) due to decay or damage, the pole is considered a "reject" and must be restored or replaced.

Pole Restoration History

During 50+ years of pole restoration:

- More than 1 million restored nationwide
- Over \$2 billion in avoided cost when compared to pole replacement
- Installed in all 50 states
- Widely capitalized investment
- Proven long-term life extension

**Osmose has successfully restored
wood utility poles since 1965**



Restoration Extends Pole Life



Osmose Pole Restoration Benefits

Osmose restoration systems:

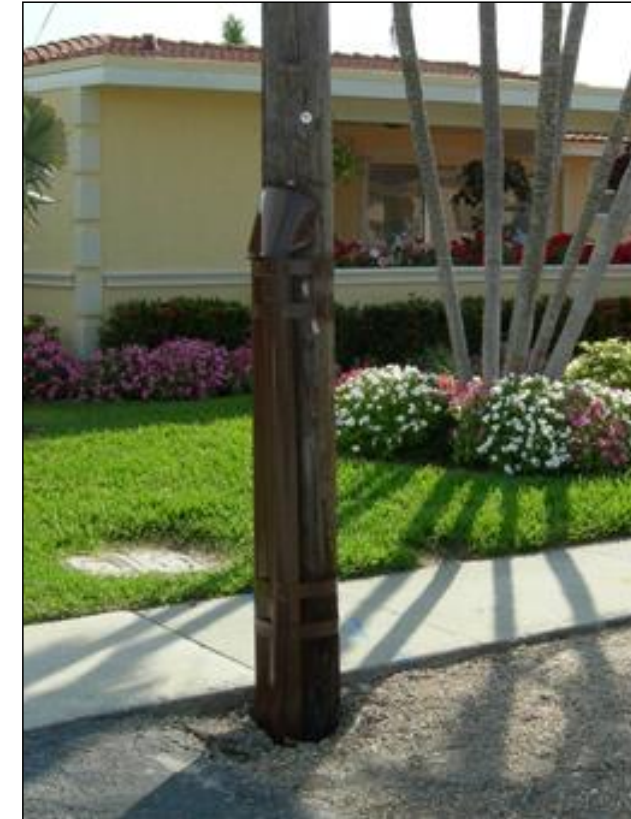
- Restore pole to code-mandated strength
- Add decades of service life
- Avoid substantial cost, as pole restoration is often one-third or less than the cost of replacement
- Improve structural resiliency of the grid
- Reduce time, eliminate regulatory hurdles, and avoid hassle of replacement
- Sustainable and environmentally-preferable alternative to replacement

Consolidated Example

Pole Replacement - \$3,200

Pole Restoration - \$695

Per Pole Savings - **\$2,505**



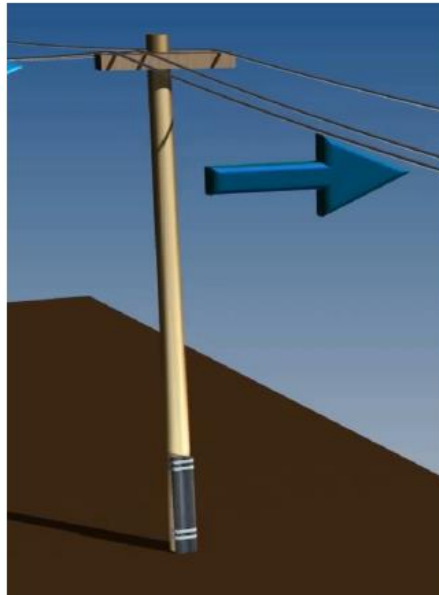
Osmose Truss Systems

Engineered for safety and reliability, thoroughly tested and proven, no other pole restoration system has a comparable history of success in actual field applications:

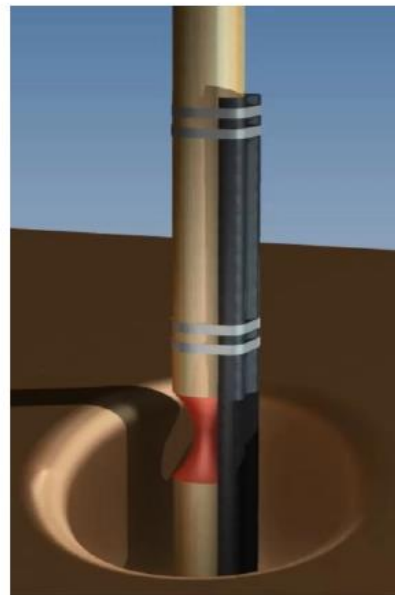
- Constructed to exceed NESC strength requirements; formed from 80,000 psi yield strength steel (C-Truss®) and 100,000 psi yield strength steel (C2-Truss™)
- Hot-dip galvanized to ASTM A-123 standards to ensure long-term corrosion protection
- Banding is the strongest in the industry at 138,000 psi tensile strength (minimum)
- Maintains positive contact with the pole butt below ground to properly transfer bending loads
- Trussed poles are remedially treated to effectively control decay and ensure the longevity of the restoration

How Osmose Trusses Work

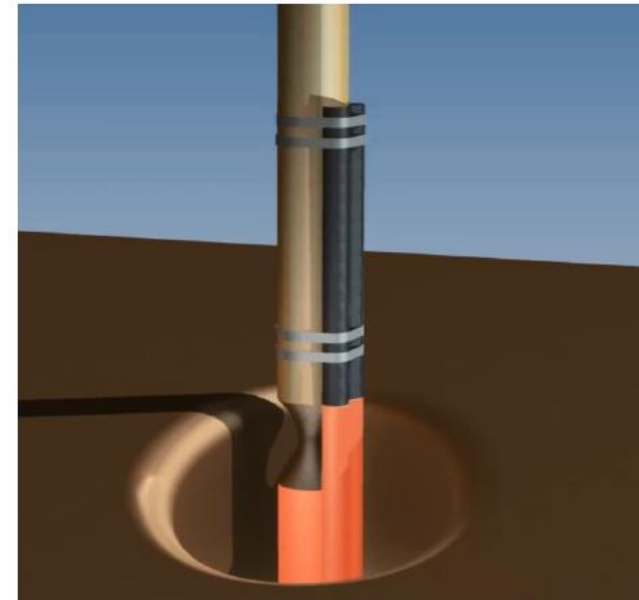
When bending loads are applied to a reinforced pole, they are transferred to the truss. The truss allows the bending loads to effectively bypass the decayed or damaged ground line area of the pole, transferring the loads to sound wood foundation below ground line



Wind loads create a bending moment at groundline.



The decayed area (in orange) is bypassed.

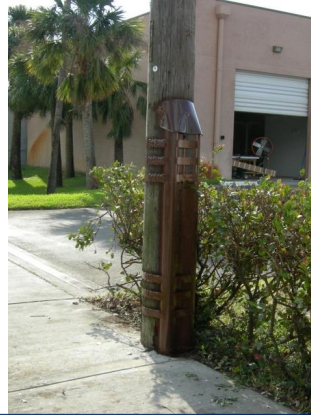


The bending load is transferred to sound wood foundation below ground via the truss.

Osmose Restoration Systems

Steel truss systems

- Designed to restore original strength of pole
- Most common restoration system (> 1M installed nationwide)



Fiberglass systems

- Designed to restore original strength of pole
- Used to restore above ground decay and in other unique circumstances



Extended truss systems

- Engineered to increase bending capacity of a sound wood pole
- Ideal solution for overloaded poles or system hardening projects



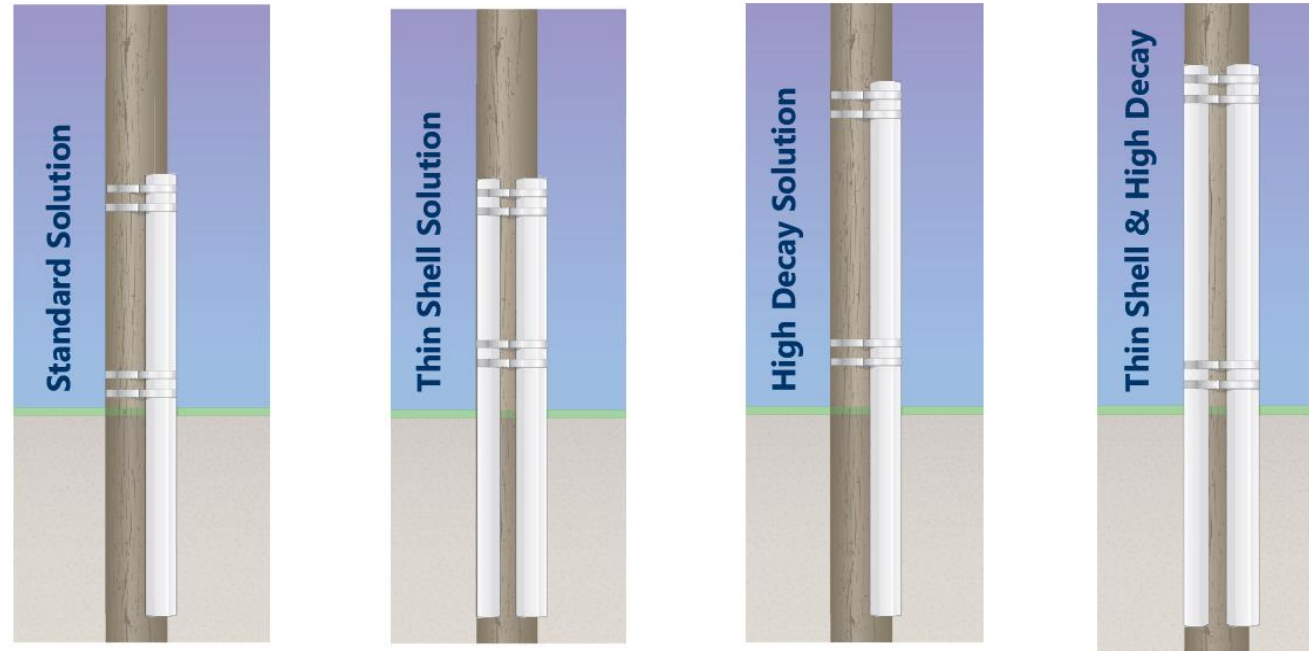
Filler / injectable systems

- Used together or separately to repair decayed or damaged areas above groundline
- Ideal for repairing fire, woodpecker, or mechanical damage



A Truss Solution For Any Decay Problem

Truss solutions can be adapted based on pole conditions. For more advanced decay (thinner shell applications), double trusses can be utilized. For decay that has progressed beyond standard installation heights, a taller truss is the optimal solution



Restore vs. Replace: Comparative Summary

Restoration

- Low cost alternative
- No service interruptions
- No scheduling
- Short timeline, Lowers risk
- 100% Capital investment
- Clean, unobtrusive, sustainable solution
- Long-term life extension
- No transfers, No switching, No "double-wood"
- Reduced field Safety exposure (Pole Pulling and Transfers)
- No design/engineering
- Exact strength at groundline as replacement

Replacement

- High cost activity
- Potential service interruptions
- Complex scheduling
- Long timeline, Increases risk
- O&M expense required
- May leave unattractive "double wood"
- New pole life expectancy
- Requires transfers, possibly switching
- Increased field Safety exposure (Pole Pulling and Transfers)
- Involves design/engineering
- Less sustainable, less environmentally friendly

Restoration vs. Replacement

Consolidated Inputs	2019	2020 (est)	2021 (est)	2022 (est)	Total program
Number of poles to be inspected	73,250	84,289	84,289	84,289	326,116
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Savings Leveraging Restoration	\$6,935,969	\$7,981,210	\$7,981,210	\$7,981,210	\$30,879,598
				% savings	70.45%



About Osmose – Safety

- At Osmose, our safety culture is truly our way of life
- It's how we think and how we approach our jobs every day
- Though CVCs are not OSHA indices, they are important to us. Driving is risky and it's our single largest exposure with a fleet logging more than 22 million miles each year
- We typically experience a CVC only once every 500,000 miles – that's like circumventing the globe 20 times without an accident
- 21 of our crews have exceeded 100,000 safe hours. To put this achievement into perspective, that's the equivalent of an individual working for 50 years without a recordable injury or chargeable vehicle claim (CVC)

Pole Restoration Video

<https://www.osmose.com/pole-restoration-services>



Osmose®

Better predict, manage,
and optimize your
utility structures

Joe Spencer

Public Service of New Hampshire d/b/a Eversource Energy
Docket No. DE 21-020

Date Request Received: 06/29/2021

Date of Response: 07/14/2021

Request No. STAFF 3-003

Page 1 of 1

Request from: New Hampshire Public Utilities Commission Staff

Witness: Lee G. Lajoie

Request:

Reference Joint Petitioners' Response Staff 1-005(a), column AI.

- a. Please define the following status designations and indicate the most likely course of action Eversource would take regarding each status designation if the Commission approved the pole asset transfer: (1) non-reject; (2) non-restorable reject; (3) priority non-restorable reject; (4) priority restorable reject; and (5) restorable reject.
- b. Please indicate how Eversource has incorporated each status designation into the cost benefit analysis provided in attachment DPH/ELM-1 and why this is the case.

Response:

- a. The most likely course of action for poles in these categories is as follows: 1) Non-reject: take no action; 2) Non restorable reject: replace; 3) Priority non restorable reject: replace; 4) Priority restorable reject: replace; and 5) Restorable reject: replace.
- b. All reject poles have been modeled as replacements. Reinforcing or chemically restoring a potentially undersized pole does not fit with the Company objective of hardening the distribution system to provide more reliable power for its customers.