

State of Florida



Public Service Commission

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DATE: December 27, 2006

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Economic Regulation (Lee, Matlock, Breman, McNulty) *RET*
Office of the General Counsel (Gervasi) *PS Mat*

RE: Docket No. 060531-EU – Review of all electric utility wooden pole inspection programs.

AGENDA: 01/09/07 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\060531.RCM.DOC

Case Background

On February 27, 2006, the Commission issued Order No. PSC-06-0144-PAA-EI in Docket No. 060078-EI, In Re: Proposal to Require Investor-Owned Electric Utilities to Implement a Ten-Year Wood Pole Inspection Program, requiring each electric investor-owned utility (IOU) to implement an eight-year wood pole inspection cycle and submit annual reports. As noted in the Order, the impacts of the intense hurricane seasons of 2004-2005 on electric distribution facilities and the prediction of ongoing above-average storm activity compelled the Commission to assess the current wood pole inspection practices of the electric IOUs.

More specifically, in Order No. PSC-06-0144-PAA-EI, the Commission found it appropriate to require each electric IOU to:

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- 1) Implement an eight-year wood pole inspection program utilizing the sound and bore technique for all wood poles.
- 2) Include excavation of all Southern Pine poles and other pole types as appropriate per Rural Utilities Service (RUS) Bulletin 1730B-121.
- 3) Perform strength impact assessments on poles with additional third party attachments.
- 4) File annual pole inspection reports with the Division of Economic Regulation by March 1 of each year.

In addition, the Commission required each electric IOU to submit a comprehensive wood pole inspection plan to the Director of the Division of Economic Regulation by April 1, 2006. In its filings, each electric IOU was required to include its plan for pole specific data gathering, pole inspection program enforcement, and collocated poles inspections (how poles shared by two or more companies will be inspected). Each electric IOU was further required to identify any pole inspection standards utilized that exceed the minimum requirements of the National Electrical Safety Code (NESC) and any other details necessary to understand its pole inspection program. The Commission provided for utility specific flexibility. The Order states that "to the extent any IOU's plan deviates in any material respect from the requirements of this order, staff is directed to present its recommendation regarding the plan to the Commission for further consideration in light of the utility's specific circumstances."

On April 1, 2006, each electric IOU filed plans for its eight-year wood pole inspection programs with the Commission. Staff reviewed the plans, developed a tabular summary of the plans, and provided the summary to each electric IOU and requested corrections by May 26, 2006. On June 27, 2006, staff had a follow-up meeting with the electric IOUs to discuss portions of the plans that appeared to deviate from the requirements of the Order. The electric IOUs were given a response date of July 13, 2006, to submit data to clarify and support apparent non-compliance items and the utilities responded accordingly.

On September 19, 2006, the Commission issued Order No. PSC-06-0778-PAA-EU. As part of that order, the Commission found that each electric IOU has filed wood pole inspection plans which comply with the requirements of Order No. PSC-06-0144-PAA-EI for most of its wooden poles owned by the utilities. However, the Commission found that each electric IOU's proposed wood pole inspection plan included one or more deviations from the wood pole excavation requirements of the Order for some of their wood poles. Each electric IOU was required to file in this docket additional data to support its deviation(s) from Order No. PSC-06-0144-PAA-EI within 30 days after the consummating order was issued. Further, as part of Order No. PSC-06-0778-PAA-EU, the Commission directed staff to solicit a report from each municipal and cooperative electric utility justifying apparent deviations from Order No. PSC-06-0144-PAA-EI within 30 days after the consummating order was issued. The consummating order, Order No. PSC-06-0855-CO-EU, was issued October 13, 2006.

The Commission has jurisdiction pursuant to Sections 366.04 and 366.05, Florida Statutes.

Discussion of Issues

Issue 1: Has each investor-owned electric utility adequately addressed the deviations from Order No. PSC-06-0144-PAA-EI?

Recommendation: Yes. Each investor-owned electric utility has responded by either removing the deviations or by providing further data to support the deviations. In addition, utilities are required by Order No. PSC-06-0144-PAA-EI to file annual reports which the Commission can use to assess whether a modification of each utility's current inspection plan is warranted in the future. (Lee, McNulty)

Staff Analysis: In Order No. PSC-06-0144-PAA-EI, the Commission required the excavation for all Southern Pine poles and other pole types as appropriate, in accordance with the Rural Utilities Service (RUS) for Florida's rural electric utilities. RUS Bulletin 1730B-121 Section 4.3, states that "the effectiveness of the sound and bore inspection is greatly increased when excavation is added to the process. Excavation exposes the most susceptible section of the pole for inspection. For southern yellow pine this is particularly true, since decay begins externally and below ground." RUS Bulletin 1730B-121 also places the state of Florida in its highest decay severity zone.

In Order No. PSC-06-0778-PAA-EU, the Commission found that the IOUs' proposed wood pole inspection plans contain deviations from the RUS recommended excavation process and required each utility to file additional data to address the specific deviations listed below.

- No excavation of poles surrounded by concrete or pavement (All IOUs)
- No excavation of transmission poles except when warranted by sounding (Florida Power & Light Company)
- No excavation of chromated copper arsenate (CCA) poles under 15 years old (Gulf Power Company)
- No excavation of CCA poles under 20 years old (Tampa Electric Company)
- No excavation of CCA poles under 11 years old (Florida Public Utility Company)

The following is staff's assessment based on each electric IOU's additional filings to address these deviations.

(1) Excavation of poles surrounded by concrete or pavement (All IOUs)

In Order No. PSC-06-0778-PAA-EU, the Commission found that

[a]ll of the electric IOUs plans deviate from the Order in that they do not include excavation of wood poles surrounded by concrete, pavement or obstructions. The utilities have not provided data supporting the exclusion of these poles from excavation nor provided alternative inspection methods that will reasonably ensure the safety and reliability of these poles.

In subsequent filings, each IOU provided alternative inspection methods to be used to ensure the safety and reliability of poles which are surrounded by concrete or pavement. Methods presented by each IOU's filing are summarized below.

Florida Power & Light Company (FPL)

For all Southern pine poles that cannot be excavated because they are surrounded by concrete or pavement, FPL uses a three-step process developed by its contractor, Osmose. First, poles are visually inspected above ground level to check for woodpecker holes, cracks, etc. Poles that do not pass visual inspection are scheduled for replacement. If poles pass this inspection, they are sounded and bored. Second, poles are sounded from ground level to as high as the inspector can reach in order to locate interior pockets of decay. For boring, Osmose has developed a ground level inspection method that is referred to as "Shell Boring." The drill bit is placed and aimed so it will inspect the outer shell of the pole below ground. Southern yellow pine poles are bored both into the heart of the pole and into the outer shell below ground. FPL believes the shell boring procedure used by Osmose increases the accuracy of inspection, since shell rot is the predominant decay pattern. Third, poles are internally treated with a type of remedial wood preservative.

Tampa Electric Company (TECO)

TECO adopts Osmose's method, as described above by FPL, in its revised procedure for poles that are surrounded by concrete or pavement.

Progress Energy Florida, Inc. (PEF)

PEF plans to use a drilling resistance measuring device to assess the pole integrity where excavation at the ground line cannot be achieved due to concrete or similar barriers. PEF states these devices are able to accurately detect voids and decay in poles at and below the ground where excavation is not possible.

Florida Public Utility Company (FPUC)

FPUC states that it will use methods that are available from its contractors that will allow below ground inspection of poles in concrete or asphalt areas.

Gulf Power Company (GULF)

GULF uses a procedure that will treat the pole with MITCFUME® (MITC) if the sound and bore inspections do not find any decay. MITC is a fumigant which comes initially in a solid state housed in its own delivery system, a sealed aluminum tube. GULF uses an average of three to four tubes of MITC on poles set in concrete depending on pole circumference. To apply MITC, application holes are drilled into the pole in a spiral pattern starting at groundline and proceeding up the pole at 6-8 inch intervals, one hole for each tube. The seal on the tube is removed and inserted open-end first into the hole. The hole is then plugged with a tight fitting composite plastic plug which allows for verification of proper and safe application. The first two tubes are positioned to treat the below ground area while the third and/or fourth tube(s) treat the

area immediately above the groundline. GULF recognizes that poles set in concrete have the potential for increased risk since a full excavation is not possible. Given this fact, GULF states it has a zero tolerance attitude toward poles set in concrete and automatically rejects them if any decay is found through boring or visual inspection.

Conclusion

Clearly, excavation is not practical in instances where poles are surrounded by concrete or pavement. However, staff believes some other kind of inspection methods should be used to ensure that those poles are still safe and reliable. Based on staff's review, the methods presented by each IOU have reasonably addressed this deviation cited in Order No. PSC-06-0778-PAA-EU.

(2) Excavation of transmission poles (FPL)

In Order No. PSC-06-0778-PAA-EU, the Commission found that

Florida Power & Light Company's (FPL) plan deviates from the Order in that it does not include excavation of transmission poles except as warranted by sounding. FPL states that back-fill material and compaction are key components for transmission structural performance. FPL limits the amount of locations where disturbance of existing soil compaction occurs by only requiring it if warranted by sounding. We are concerned that deterioration of transmission poles below ground line may go undetected.

Subsequently, FPL further clarified its method and has augmented its program to include an evaluation of its previously inspected poles using excavation methods, as summarized below.

FPL states that its current inspection program is a conservative approach. Ground line inspections consist of sounding the pole around its circumference and scraping the wood to locate any potential decay or voids. Inspectors occasionally excavate around ground line to help the evaluation if sounding warrants further investigation. If decay or voids are present, inspectors reject wood transmission poles for ground-line deterioration regardless of whether the remaining cross-sectional area still meets or exceeds the NESC requirements. All rejections result in pole replacements. FPL states that this program has resulted in zero wood transmission structure failures because of ground-line or subsurface deterioration over the past seven years. However, to further evaluate its current inspection process, FPL will conduct subsurface inspections (via excavation) on a statistical sample population of wood transmission poles previously inspected with current methods between January-August 2006. FPL will use a different inspection contractor from the one who performed the original inspection. FPL will analyze this data to determine the value of the excavation requirement. In its March 2007 pole inspection filing, FPL will provide an update of this analysis and any recommendations for conducting future inspections.

Conclusion

Staff believes FPL's current inspection approach appears to be conservative because it will replace poles with decay or voids regardless of whether the remaining cross-sectional area still meets or exceeds the NESC requirements. Further, FPL has augmented its program to include the additional evaluation of previously inspected poles using excavation. This will provide data to analyze whether FPL's current program should be modified to include an excavation requirement. Based on staff's review, the additional methodology presented by FPL has reasonably addressed this deviation cited in Order No. PSC-06-0778-PAA-EU.

(3) Excavation of CCA poles under 15 years old (GULF)

One type of wooden pole GULF and other companies utilize is the chromated copper arsenate (CCA) pole. In Order No. PSC-06-0778-PAA-EU, the Commission found that "Gulf Power Company's (GULF) plan deviates from the Order in that it does not include excavation of CCA poles under 15 years old." Subsequently, GULF provided additional data and has augmented its inspection program to include excavation for a sample of an estimated 330 CCA poles under 15 years of age. GULF's response is summarized below.

GULF states that its criterion for not excavating around CCA poles under 15 years old is based on an inspection matrix that was developed with the close cooperation of GULF's pole inspection contractor, Osmose, Inc. GULF submitted data from its contractor to support the inspection matrix used at GULF, specifically for CCA poles. The data was compiled from the inspection of poles inspected from 2002-2005 in Southeastern states that are in the same decay zone as GULF. According to GULF, Osmose's study of the data revealed that rejection of CCA poles began with poles in the 16-20 year age group, hence the age criterion (15 years old) for excavation was established by GULF.

Staff also asked GULF for a sampling of GULF specific data. GULF provided data based on a total of 9,773 CCA poles owned by GULF inspected with excavations in 2003. Out of these 9,773 poles, there were only two rejected CCA poles, which were rejected for mechanical damage. No poles were rejected for decay that required replacement. The data indicates decay appears on less than 0.5% of CCA poles in the 6-15 year age range; after 15 years of age, the decay rate increases with age, with approximately 3% of the poles in the 16-20 year age group showing decay. The level of decay in these poles was found to be less than required by the NESC standard for replacement. GULF believes this data supports its pole inspection plan which does not include full excavation (excavation around all CCA wood poles under 15 years of age).

GULF also states that its pole inspection practice has always been to have its contractor excavate a pole if it is deemed needed by the inspector. In addition, as part of its pole inspection plan, GULF will do full excavation sampling to validate its inspection methodology. GULF has offered that its age criterion for excavation concerning CCA pole inspections may be changed based on relevant data from the industry.

Conclusion

Staff believes GULF has reasonably addressed this deviation cited in Order No. PSC-06-0778-PAA-EU that its inspection program does not include full excavation around CCA wood poles under 15 years of age. This criterion appears to be based on Osmose's study of the data compiled from the inspection of poles inspected from 2002-2005 in Southeastern states. Further, Osmose assumes legal liability for pole failures if the inspection criteria allow unsafe poles to remain in service. It does not appear to be in Osmose's interest to set the age criterion for full excavation higher than what is needed. Doing so will reduce costs for GULF and its ratepayers at the expense of Osmose's legal liability and profit. As part of the annual review, staff will analyze data from GULF and other utilities to assess whether a lower age criterion for full excavation is warranted.

(4) Excavation of CCA poles under 20 years old (TECO)

Regarding the excavation requirement for CCA poles, Order No. PSC-06-0778-PAA-EU also determined that TECO's plan deviated from the Order in that it did not include excavation of CCA poles under 20 years old.

Subsequently, TECO has revised its Wood Pole Groundline Inspection Program to include a full inspection and excavation of all CCA poles. The inspection results will be an integral part of the annual report filed with the Commission.

However, TECO notes that its past practice of not requiring excavation for CCA poles under 20 years old was established based on the longevity of this pole type and its prior inspection results. TECO states there is a wide belief within the utility and pole manufacturing industries as well as their respective trade associations that the longevity of this pole type is much greater than other wooden pole types. Based on its review of its 2004 and 2005 pole inspection results of CCA poles, TECO claimed that its CCA poles that are 20 years of age or older have a failure rate of less than 1%. TECO will continue to analyze CCA pole data annually to determine whether a change in inspection cycle or procedure is warranted.

Conclusion

Staff believes TECO's revised Wood Pole Groundline Inspection Program, which will include full excavation of all CCA poles, has removed the deviation from the excavation requirement. Further, the inspection results will provide data to analyze whether a change in inspection cycle or procedure is warranted.

(5) Excavation of CCA poles under 11 years old (FPUC)

Regarding the excavation requirement for CCA poles, Order No. PSC-06-0778-PAA-EU also determined that FPUC's plan deviated from the Order in that it did not include excavation of CCA poles under 11 years old. Subsequently, FPUC has revised its wood pole inspection procedure to include a full inspection and excavation of all CCA poles, as summarized below.

FPUC states that under its revised wood pole inspection procedure, if the pole is found acceptable in the sound and bore test, all non-CCA poles and all CCA poles will be excavated and tested. If this test indicates the pole is suitable for continued service, the pole will be treated and backfilled. Should this test indicate that the pole is not suited for continued use, it will be rejected and the appropriate corrective action (replacement, bracing, etc.) will be planned. FPUC will further review, based upon the findings internally or through industry experience, whether CCA poles of a certain age can be excluded from the excavation procedure.

Conclusion

Staff believes FPUC's revised wood pole inspection procedure, which will include full excavation of all CCA poles, has removed the deviation from the excavation requirement. Further, the inspection results will provide data to analyze whether a change in inspection cycle or procedure is warranted.

Issue 2: Should additional information be collected from municipal electric utilities and cooperative electric utilities regarding the pole inspection practices?

Recommendation: Yes. More data will be needed to assess the effect of the deviations in pole inspection cycles and other inspection practices. By Rule 25-6.0343(4), Florida Administrative Code, each municipal electric utility and rural electric cooperative is required to report the details of its pole inspection program annually. Because this is a new rule, these utilities will be providing their first annual reports in March 2007. The deviations in pole inspection cycles and other inspection practices should be monitored in this annual review process, beginning in March 2007. (Lee, McNulty)

Staff Analysis: As part of Order No. PSC-06-0778-PAA-EU, the Commission directed staff to solicit a report from each municipal and cooperative electric utility justifying apparent deviations from Order No. PSC-06-0144-PAA-EI. These requirements include an eight-year cycle using the sound and bore technique with excavation, and strength assessments for third party attachments.

As directed by the Order, staff solicited information from the Florida Municipal Electric Association (FMEA), the Florida Electric Cooperatives Association (FECA), and Lee County Electric Cooperative (LCEC). Staff asked each utility to review and respond to the areas where staff identified potential deviations from the requirements for IOUs. Responses from FMEA, FECA, and LCEC are summarized below.

FMEA Response

FMEA did not provide responses from its individual members. Rather, FMEA addressed the deviations as a group, as its members plan to work together on these issues. Its response indicates that its members are working together on a planned action to address the issue of pole inspections and strength assessments for attachments. FMEA states that its members are negotiating with a company to provide pole inspections and strength assessments for attachments. Regarding collocated facilities inspections for electric facilities located on the poles owned by other companies, FMEA states that its members will seek quality control reports from those companies to assure pole inspections and strength impact testing.

Regarding the inspection method including the excavation requirement, FMEA states that its members will use the sound and bore method for pole inspections. According to FMEA's description of this method, its members will sound the wood pole with a hammer, and if the sounding indicates a problem, the pole will be bored and excavated below the ground line; if there is any deviation from this method, each utility will explain why in its annual report due in March 2007.

FECA Response

Fifteen FECA members responded to correct their previously provided information and to provide justifications for variances on their pole inspection practices. Regarding the inspection cycle, only Okefenoke Rural Electric and Glades Electric Cooperative will remain on a ten-year cycle. Okefenoke and Glades state that the ten-year cycle is in compliance with the RUS

standards and guidelines which recommend an eight-year cycle but allow for a three year deviation. Regarding collocated facilities inspections and strength assessments for third party attachments, six FECA members provided corrections of their previously provided information and two provided further explanations that address the need to assure pole inspections and assessment of strength impact. Table 1 is a summary of the response by FECA regarding the inspection method.

Table 1 – Response by FECA Members Regarding Inspection Methods

Utility	Deviations in Inspection Methods Identified in Staff's Letter	Utility Response : (1) Utility Sought to Justify Deviation; (2) Utility Planned to Eliminate Deviations.
Withlacoochee River Electric Coop., Inc.	Excavate where justification exists	(1): Older poles are changed out rather than treated. CCA poles have been exclusively used for more than 25 year with no indication of below ground decay.
Sumter Electric Coop., Inc.	Selective boring and excavation for CCA poles.	(2): Plans to inspect all poles on an equal basis, with boring and excavation.
Choctawhatchee Electric Coop., Inc.	Selective boring for CCA poles on first cycle. Excavate only non CCA poles.	(1): The criteria are based on data and expertise from its contractor, Osмосe.
Florida Keys Electric Coop. Ass., Inc.	Visual inspection, sound and bore when in doubt. No excavation.	(2): Plans to inspect all poles on an equal basis, with boring and excavation.
West Florida Electric Coop. Ass., Inc.	Visual inspection.	(2): Sound & Bore, with excavation.
Suwannee Valley Electric Coop., Inc.	Sound & Bore (Selective boring on CCA poles). Excavate only non CCA poles.	(1): RUS guidelines allow such deviation for CCA poles.
Gulf Coast Electric Coop., Inc.	Visual inspection. Sound, but bore only suspect poles. Excavate only suspect non CCA poles.	(1): RUS guidelines allow such deviation for CCA poles.
Tri-County Electric Coop., Inc.	Only poles 10 years and older are excavated.	(1): The new 2006 contract includes excavation if the inspector deems it necessary.
Escambia River Electric Coop., Inc.	Visual, Sound and Bore when needed.	(2): Visual, Sound and Bore.
Seminole Electric Coop., Inc.	No excavation.	(2): Will include excavation.

The major remaining variance among FECA member utilities is the excavation requirement for the sound and bore method, particularly for CCA poles. Based on the responses, only five FECA members have this remaining variance. These utilities justify their deviations based on RUS guidelines that purportedly allow them to not perform excavation of all wood poles. A more specific response regarding this variance was made by Gulf Coast Electric Cooperative (GCEC), which states:

We understand that RUS Bulletin 1730B-121 suggests that “the effectiveness of the sound and bore inspection is greatly increased when excavation is added to the process.” However, RUS also suggests that “an experienced inspector can tell a great deal about a pole by listening to the sounds and noticing the feel of the hammer.” GCEC changes out poles that the inspections reveal deterioration. With an average of 2 percent [of] poles changed out per inspection year, the cost to excavate every pole is unrealistic. Excavation alone doubles the cost to inspect and GCEC’s collective experience suggests that excavation is not warranted.

LCEC Response

LCEC is currently on a ten-year inspection cycle for its distribution poles. Its practice of the sound and bore method does not include the excavation of all distribution poles. LCEC states that it is not subject to supervision by RUS because LCEC does not borrow money under RUS. However, LCEC believes its practice of the sound and bore method and inspection cycle meet the RUS guidelines. LCEC believes its inspection practice provides a safe and reliable service and at a lower cost to its members.

Staff Assessment

Based on the responses from FMEA, FECA, and LCEC, these utilities' number of deviations from the pole inspection requirements imposed by the Commission on the IOUs has been significantly reduced relative to the number of deviations identified in Order No. PSC-06-0778-PAA-EU. The comparison is summarized below in Table 2.

Table 2 – Number of Municipal and Cooperative Utilities Deviating from the Ordered Requirements for IOUs

Ordered Requirements for IOUs	Municipal Utilities (Number of 34 Total)		Cooperative Utilities (Number of 18 Total)	
	Prior Plan	Current Plan	Prior Plan	Current Plan
Sound and Bore Method and 8 Year Cycle	29	*	12	3
Excavation of All Poles	28	*	8	6
Strength Assessment of Pole Attachments	32	0	7	0
Inspection of Shared Poles	5	0	11	0
Inspection Plan Enforcement	0	0	0	0
Pole Data Retention Plan	0	0	2	0
*FMEA indicates its members will adopt the sound and bore method, however, it recognizes the practice of some individual members may be considered to be inconsistent with the ordered requirements for IOUs. Utility specific plans are not available to staff at this time.				

For FMEA members, the remaining deviation may be in the practice of the sound and bore inspection method including excavation, but not enough information is available to be conclusive. For cooperative utilities which include FECA members and LCEC, the major remaining deviation from the requirements for IOUs appears to be the practice of pole inspection with cycles longer than eight years and not excavating around all poles. It should be noted that RUS guidelines appear to allow an inspection cycle up to ten years and may allow some variations of the sound and bore method that do not include excavating around all poles.

Conclusion

Progress has been made via this effort, but municipal and cooperative utilities have remaining deviations from the requirements for IOUs. In particular, an inspection cycle less frequent than eight years is a deviation from the requirement for IOUs. While such practices may be allowable under RUS guidelines, they deviate from the more stringent requirements imposed by the Commission on the IOUs. Staff believes these deviations should be closely monitored with additional data collected to assess the effect of these deviations.

By Rule 25-6.0343(4), Florida Administrative Code, which became effective December 12, 2006, each municipal electric utility and rural electric cooperative is required to report its pole inspection program annually. The Rule contains the following minimum requirements for information pertaining to its transmission and distribution facilities: (1) a description of the utility's policies, guidelines, practices, and procedures for inspecting transmission and distribution lines, poles, and structures including, but not limited to, pole inspection cycles and pole selection process; (2) the number and percentage of transmission and distribution inspections planned and completed; (3) the number and percentage of transmission poles and structures and distribution poles failing inspection and the reason for the failure; (4) the number and percentage of transmission poles and structures and distribution poles, by pole type and class of structure, replaced or for which remediation was taken after inspection, including a description of the remediation taken. Staff anticipates more complete, updated reports due from individual municipal and cooperative utilities on March 1, 2007, particularly in the area related to pole inspection practices and procedures.

Because this is a new rule, municipal and cooperative utilities will be providing their first annual reports in March 2007. Staff believes this should allow reasonable time for these utilities to compile data and prepare their reports for the Commission's review. Therefore, staff recommends that the deviations in pole inspection cycles and other inspection practices be monitored in this annual review process, beginning in March 2007.

Issue 3: Should this docket be closed?

Recommendation: Yes, if no protest to a proposed agency action issue is filed by a person whose interests are substantially affected within 21 days of the Order arising from this recommendation, a consummating order should be issued and the docket should be closed. If a timely protest to a proposed agency action issue is filed by a person whose substantial interests are affected within 21 days of the Commission Order, the docket should remain open pending the resolution of the protest. (Gervasi)

Staff Analysis: If the Commission approves staff recommendation on Issues 1 and 2, staff will continue to monitor the pole inspection practices of all electric utilities in the annual review process. As discussed in Issues 1 and 2, this annual review has now been expanded to require all electric utilities, including IOUs, municipal and cooperative utilities to report on their pole inspection programs beginning in March 2007. If no protest to a proposed agency action issue is filed by a person whose interests are substantially affected within 21 days of the Order arising from this recommendation, a consummating order should be issued and the docket should be closed. If a timely protest to a proposed agency action issue is filed by a person whose substantial interests are affected within 21 days of the Commission Order, the docket should remain open pending the resolution of the protest.