

AEP's Approach to 2018 FCC Order Changes

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Background

- On August 2, 2018, the FCC issued Order FCC 18-111 to “continue its efforts to promote broadband deployment and competition by speeding the process and reducing the costs of attaching new network facilities to utility poles.”
- Items in this Order
 - One-Touch Make Ready (OTMR)
 - Changes to Existing Access Process and Self-help
 - Overlapping
 - Pre-Existing Violations

Background (cont)

- New rules become effective **May 20, 2019**
- Utilities are appealing certain aspects of the Order and there is a pending Petition for Reconsideration
- FCC has jurisdiction over pole attachments in all states that have not “certified” their jurisdiction
- AEP has 6 of its 11 states under jurisdiction of the FCC: TX, OK, IN, VA, TN, WV

OTMR: One-Touch Make Ready

- Purpose is to eliminate “gates” for simple make ready projects
- Motivated by anti-competitive delays by existing communications attachers
- Available only to CATV and non-ILEC telecoms
- Applicable to “simple make ready” – make ready in the communications space where existing attachments can be rearranged without reasonable expectation of service outage or facility damage
- Starts with a “complete application” – an application that provides the utility with the information necessary under its procedures to make an informed decision on the application

OTMR: One-Touch Make Ready (cont)

- Utility may maintain “approved” list of contractors for OTMR but not required. If provided, attachers must use.
- If no list, attacher can use any qualified contractor
- Utility has 15 days from receipt of “complete application” (proposal/permit) to approve or deny
- If Utility objects to simple determination, then MR deemed complex
- Application has to be simple or complex, not mixed.

AEP's OTMR Implementation

- Will require attacher to provide qualified contractor being used
 - Validate no known safety issues with existing attachers
- Currently modifying permitting system to have attacher designate simple/complex
- Cursory Engineering review of all permits to determine if potential overloading before allowing simple classification



BOUNDLESS ENERGYSM

Revisions to Existing Access Process

- Utility has 10 days to determine whether application is “complete”
- Utility must provide 3-day notice to new and existing attachers prior to survey and allow attachers to be present for field inspection
- Estimates must be detailed, itemized, and on a per pole basis when requested
- Estimates for MR must include estimates from third-parties for submission to new attacher
- No longer a 14 day window for acceptance of estimate. Attacher can accept at any time except when it has been withdrawn by Utility

Revisions to Existing Access Process (cont)

- 90-day deadline for MR above the communications space
- Utility may assert right to 15 additional days to complete MR
- Self-help remedy for surveys and **make-ready above the communications space** if timelines not met (No pole change outs)
- When providing notice to existing attachers, Utility must copy new attacher with contact information of existing attachers so it becomes new attacher's responsibility for monitoring completion in the comm space.

Self-Help Remedy

- For Engineering
 - Available if 45 day evaluation not met
 - Must use approved engineering contractors published by utility
 - Attacher must give 3-days notice to utility and attachers so they may be present
- For MR above the Comm Space - **New**
 - Not available for pole replacements
 - Utility is required to maintain a list of approved contractors for self-help above the comm space
 - Attacher must give 5-days notice before undertaking remedy and utility is entitled to be present for work and perform post construction inspection within 90 days of notice of completion of work

AEP's Response to Changes to Existing Access Process and Self-Help

- Notification of planned engineering survey for all to attend
- Actively withdraw estimates if not accepted within reasonable period
- Provide contact information of existing attachers through permitting system
- Publish list of approved engineering contractors on Operating Company website
- Publish list of approved construction contractors on Operating Company website
- More Post Construction Inspections

Overlashing

- Rule allows utility to require up to 15 days advance notice of overlashing
 - Can't require specs on the fiber, engineering, or recover for engineering if utility reviews
- Utility must notify attachers in advance that it is implementing the advance notice requirement or include in pole attachment agreements
- If utility determines overlash would create capacity, safety, reliability, or engineering issue and notifies overlasher of same in the 15-day notice period, attacher must address before continuing

Overlashing (cont)

- Utility may not prevent attacher from overlashing because another existing attacher has not fixed pre-existing violation
- Overlasher must notify the utility within 15 days of completion. Utility has 90 days to perform post construction inspection, and notify within 14 days of inspection of any code violations or damage to the utility's equipment
- If Utility can document that overlash would require modifications to pole or replacement of pole, overlasher will be held responsible for the costs associated

AEP's Response to Overlashing

- Require advance notice of overlashing
- cursory engineering review determined by operating company
- Post Construction Inspections in all cases

Pre-Existing Violations

- FCC's goal was to prevent pre-existing third-party violations from delaying the access process
- Stopped just short of forcing electric utilities to bear the cost of correcting existing violations
- New attachers are **not** responsible for the costs associated with bringing poles or third-party equipment into compliance with current safety and pole owner construction standards to the extent such poles or third-party equipment were out of compliance prior to the new attachment.
- Utilities may not deny attachers access to the pole solely based on safety concerns from pre-existing violations.
- Utility cannot delay completion of MR while the utility attempts to identify or collect from the party who should pay for correction of pre-existing violation

AEP's Response to Pre-Existing Violations

- Engineering will be more complicated and more costly
- Evaluate pole as it stands today
 - If today's standard not met, why?
 - Determine remediation (existing) required to meet standard
 - Determine cost causer/AEP and share of cost
- Evaluate remediated pole with new attacher
 - Determine remediation (new) required
 - Determine share of cost
- Estimates will have potentially 3 buckets of costs:
 - AEP
 - Existing attacher (cost causer)
 - New attacher

AEP Overall Approach

- Make every effort to meet timelines
- Modifying Pole Attachment form of agreement for new entrants to better protect assets
 - Allow others to move existing attachments in communications space
- Pre-notice process of work
- Modifications to permitting system (JU Portal) for notifications and more information shared
- Operating Company specific Pole Attachment Policy posted to all Operating Company customer websites

Message to Attachers

- The safety of our workers, the public, your workers, and the reliability of our electrical system are our priority
- Collaboration is key
- The earlier the Utility is involved in your process the easier it will be for you to meet your timelines
- We don't want to be a roadblock