



**CENTRAL MAINE
POWER**

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Testimony Neither For Nor Against

**L.D. 406 An Act To Amend the Law Regarding Joint Use of Certain Utility and
Telecommunications Infrastructure**

Joint Standing Committee on Energy, Utilities, and Technology
March 7, 2017

Senator Woodsome, Representative Berry, members of the Committee on Energy, Utilities and Technology, my name is Joel Harrington. I am here today to testify on behalf of Central Maine Power Company ("CMP") neither for nor against L.D. 406.

CMP agrees that it is an important priority to expand broadband access throughout the State.

For decades, CMP has been able to negotiate collaboratively and effectively on a case by case basis with entities seeking to attach to the Company's poles.

There are three important issues the committee should consider when reviewing this bill, safety, cost, and retaining a mechanism for appropriate dispute resolution.

When I refer to safety, I mean the safety of the public, the safety of our lineman, the safety of other utility and cable company employees who work on these poles.

CMP has very strict standards regarding what type of facilities can be placed on our poles and where they can be placed. The standards are there for several reasons. First, we need to know that attachments are safe (i.e. they won't fall off the pole or come loose in the event of wind, snow, or even an accident). Second, the National Safety Electric Code which the state's current pole attachment rules address and would not be affected by this bill, have spacing requirements for pole attachers to ensure that those who are working on the poles do not come into contact with thousands of volts of electricity.

It is important that the Committee not do anything through pole attachments that would jeopardize the safety and reliability of the electric distribution system.

Cost is another significant factor that should be considered adequately by the Committee.

Maine has its own pole attachment law. As result, state law preempts the Federal Communication's Commission from regulating pole attachments in Maine.

It is important that the Commission retain the ability, as this bill does, to adopt the FCC's rate allocation formula only as a backstop when the existing rate structure is unjust or unreasonable.

Under the FCC's existing rules, electric utilities must bear the enormous cost of constructing the electric distribution system. Once these systems have been constructed at electric ratepayer expense, cable and broadband operators get to attach their equipment to this infrastructure at a fraction of what it would cost them to build their own distribution systems. Maine's approach to pole attachment fees has always recognized the value of the distribution system into the fee equation and requires attachers to pay their fair share based on the proportion of space they occupy on the pole.

CMP collects approximately \$9 million per year in pole attachment fees from both regulated and unregulated competitive telecomm providers. These are revenues that support CMP's distribution system, reducing the amount that must be collected from electric ratepayers. If the company were to lose the ability to negotiate fees or go to the FCC formula it will certainly impact electric rates for our customers.

Under Maine's cost allocation methodology, no one industry is "preferred" over the other. Attachers are required to pay fair rates that reflect the full benefits that they receive from the electric utility's distribution system.

We have never heard that Maine's methodology is in anyway a barrier to the expansion of broadband in Maine.

CMP has negotiated rates with the Telephone Association of Maine and the New England Cable Television Association for the last 10 years that are based on the Commission's existing cost allocations in Chapter 880 which are fair and justifiable.

Over the last eighteen years, CMP is not aware of any disputes it has encountered in the negotiations process with requesting attachers that were not amicably resolved and that required the exercise of the Commission's dispute resolution process under Chapter 880.

It is important that we maintain the spirit of negotiation and collaboration between parties and continue to utilize the Commission's dispute resolution rules only as a last resort.

In section 1 of the bill, while it may not have been intended, it gives the appearance that parties will not be able to address unresolved disputes through a public hearing process at the Commission. We believe this should be addressed in the bill to ensure that the Commission has the authority it needs from the Legislature when developing rules.

The Company believes that a number of other issues can be addressed and/or resolved in the rulemaking process.

Thank you.