



Oregon

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Public Utility Commission

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May 25, 2006

OREGON PUBLIC UTILITY COMMISSION
ATTENTION: FILING CENTER
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RE: **OPUC Docket No. AR 506** - In the Matter of a Rulemaking to Amend and Adopt Permanent Rules in OAR 860 Divisions 24 and 28 Regarding Pole Attachment Use and Safety.

Enclosed for filing in the above-captioned docket is the Public Utility Commission Staff's Division 024 2nd Round Comments in AR 506. As a courtesy, the interested persons identified on the Commission's service list were also provided an electronic copy of these documents.

/s/ Diane Davis

Diane Davis
Regulatory Operations Division
Filing on Behalf of Public Utility Commission Staff
(503) 378-4372

CERTIFICATE OF SERVICE

AR 506

I certify that I have, this day, served Division 24 2nd Round Comments of Oregon PUC Staff, May 25, 2006, upon all participants of record in this proceeding by electronic mail as indicated on the attached service list.

Dated at Salem, Oregon, this 25th day of May, 2006.

/s/ Diane Davis

Diane Davis

On behalf of the Staff of the
Public Utility Commission of Oregon

Attachment

JOINT USE AND SAFETY RULES

AR 506

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 506

In the Matter of a Rulemaking to Amend)
and Adopt Permanent Rules in OAR 860,)
Divisions 024 and 028, Regarding Pole)
Attachment Use and Safety.)

2ND ROUND COMMENTS OF
OREGON PUC STAFF ON
DIVISION 24 PROPOSED RULES
MAY 25, 2006

AR 506 Division 24 Rulemaking

Staff Second Round Comments

Staff believes that it is possible to balance the interests of structure owners and structure occupants while continuing to maintain public and worker safety. The purpose of this rulemaking is to formalize methods for achieving that balance, many of which have already existed informally for many years under Staff policies. The National Electrical Safety Code (NESC) must continue as the minimum standard for utilities to use as a practical guide to adequate safety. All of the parties involved in the rulemaking feel the pressure to keep costs down. Safety Staff, who oversees the utility maintenance programs with limited personnel and resources, also needs to be able to do its job with maximum efficiency. Fortunately, the provisions of proposed rules will provide opportunities for all parties to be more efficient and keep costs down.

It is recognized that within the utility joint-use relationship, many issues are voluntary and are governed by the contract between the parties. However, certain aspects of that relationship, as well as the utility responsibility to comply with mandatory safety standards, must not be optional. The rules, as proposed by Staff, provide a good solution to the identified obstacles to NESC compliance. Although most of the provisions of the proposed rules have previously existed in Staff policies, Staff believes that an orderly transition, from the less formal Staff Policies to enforceable Oregon Administrative Rules, can be accomplished without losing essential and well-established standards.

Admittedly, certain difficult issues must be dealt with to determine what is practical and reasonable in this rulemaking. In recognition of those difficult issues, Staff has met repeatedly with industry representatives in attempts to come to agreement. There have been good discussions of positions and concerns in these meetings and Staff appreciates the industries keen interest in this docket. Indeed, as a result of this interaction, Staff has made many modifications to its proposed rules. However, as in any other negotiation of

contentious issues, there comes a point where a party can, in good conscience, go no further. Staff, based on 20+ years of interpreting and administering the NESC, believes that Attachment 1, the document titled “Staff Proposed Rules Post-Workshop (Revised 5/23/06)” is at that point. To recommend anything less would not meet the specific intent of both the NESC and ORS 757.035, the Oregon statute by which the NESC was adopted. An example can be seen in proposed rules 860-024-0011 (Inspections) and 860-024-0012 (Prioritization of corrections). Staff has proposed rules by which the industry will annually inspect a small portion of their respective systems, identify violations of the NESC, and correct those violations within a reasonable amount of time. This is a role that the NESC itself has directed the “administrative authority” to perform. Some in the industry, through the Oregon Joint Use Association (OJUA), have countered with a proposal where not all infractions of the NESC should be considered as posing a sufficient safety risk, and corrections can be deferred for a time that to date has been significantly longer than correction timelines proposed by Staff, or until the next “major activity” occurs. Where a pole change-out is that “major activity,” that delay could be many years in the future. Such an approach to compliance is far from the intent of the NESC.

Effective Dates

Staff recommends that the initial publication of schedule and geographic program areas by electric service operators as required in proposed rule OAR 860-024-0011(2)(a) be on or before Jan. 1, 2007. The recommended start of the inspections in the designated geographic areas by all operators, required in proposed rule OAR 860-024-0011(1)(b) would start one year later, Jan. 1, 2008, and require these inspections in calendar year 2008. Operators should continue existing inspection programs through the remainder of 2006, and use the remaining year to correct backlogged violations. Staff will propose rule language specific to these recommended effective dates before or during the June 1, 2006 Hearing.

Staff comments on workshop proposals (by rule):

860-024-0001 – OJUA proposed in the AR 506 workshops adding language that would state that certain Division 024 rules differ from or exceed NESC requirements. Staff responds that each rule speaks for itself and any comparison statement is unnecessary. The added language would have no legal or practical effect and could even be confusing depending on where it was placed in the rules. OAR 860-024-0010 adopts specific editions of the NESC and is not a part of this rulemaking. At the end of this process, each individual proposed rule will be rejected or adopted by the Commission under the authority of ORS 757.035 and will stand on its own. Staff recommends rejection of this proposal.

860-024-0001(4) – OJUA proposed further changes in the AR 506 workshops to the definition of “material violation.” OJUA’s recommendation actually is a change to its own language that Staff agreed to adopt. This added definition is part of a long series of definition changes related to the Commission having the authority to shorten the inspection cycle length of an operator. This includes the much-debated “pattern of noncompliance.” In the past, and in all likelihood in the future, the only reason to shorten an operator’s inspection cycle was based on years of no inspection program or on a program that was completely ineffective. Staff believes that this OJUA proposal would infringe on the Commission’s straightforward ability to shorten the inspection cycle as appropriate for cause shown. This latest OJUA proposal brings in two risk levels, with a lower standard of risk for the operator’s employees (significant safety risk) and a higher standard required for the general public (potential safety risk). Staff sees no reason to provide an operator’s employees less protection from risk than that afforded to the general public. Should such an order be requested, the issue will have to be thoughtfully decided by the Commission at any rate. Staff recommends that the Commission reject OJUA’s proposed additional changes for the definition of “material violation.”

860-024-0011(1)(b) – In the May 18, 2006 afternoon workshop, Commissioner Beyer observed that Staff’s proposed rule only “recommended” an annual inspection rate and

could result in very uneven inspection progress that would miss the intent of coordinated inspection areas. Staff agrees, and has changed the proposed rule to require approximately 10 percent annually. A new waiver provision is also included for instances where the somewhat flexible “approximately 10 percent” requirement would be problematic. Similar wording was evaluated for rules 860-024-0011(1)(c) (underground inspections) and 860-024-0011(2)(b) (safety patrols), and Staff concluded that the existing language in these proposed rules is appropriate.

Staff would again recommend that the rule requirements to perform the detailed inspections in designated geographic areas, by year, be accepted. This requirement will provide an incentive for operators to work together in ways that will improve efficiency and economy, and will achieve higher levels of safety compliance. The proposed rule would also help Safety Staff to efficiently perform its work. Program reviews performed by Staff in the cleaned-up geographic areas will provide an efficient overview of the complete inspection and repair process of all operators in that area.

860-024-0012 – OJUA continued to object to the safety rule repair requirements. The May 18th afternoon workshop discussion was a good illustration of why Staff continues to emphasize the need to complete repairs within a reasonably short period of time after an inspection. It was stated that thousands of violations were discovered during an inspection and not repaired. The comments by the Commissioners indicated clearly that violations require correction within a reasonable, definite period of time. Staff’s interpretation of the NESC is that compliance is required at all times, and the purpose of the system inspections is to achieve and maintain compliance. Lists of needed repairs, that are not acted upon, do not achieve that purpose. Staff believes that further compromise of the proposed 860-024-0012 repair rules, including the waiver provision in (4), would deviate from the intent of the NESC and would undermine the Commission’s charge to protect workers and the public. The OJUA proposals are incomplete and are not a practical approach to achieve reasonable NESC compliance.

Cost Analysis by Staff Related to Rule 0012 Repairs

In response to the OJUA complaint that the costs for NESC system repairs are extreme, Staff has done some comparisons to quantify these estimated costs. Three categories were used. These are: 1) based on OJUA assumptions, 2) a high estimate based on a sample study done by Staff, and 3) a medium estimate based on the Staff sample study.

In all 3 categories there were some common assumptions:

- a 10-year cycle with 1/10th done per year
- 2,000,000 poles in Oregon
- 1,763,654 customers in Oregon (the number of electric customers)

OJUA assumptions:

- poles with NESC violations = 25%
- cost of correction per pole = \$330

Calculation: 500,000 poles X \$330, divided by 10 years, divided by 12 months, divided by 1,763,654 customers = 78 cents per customer per month.

Staff assumptions based on sample study of 800 poles

- poles with NESC violations = 21% (per urban / suburban sample)
- poles with NESC violations = 17% (with rural factor added)
- cost of correction per pole utilizing 3 man crew = \$302.41 (unrealistically high)
- cost of correction per pole utilizing 2 man crew = \$167.77 (high)
- cost of correction per pole utilizing 1 man crew = \$98.91 (correct cost for large percentage of corrections)

Staff high estimate calculation: 420,000 poles X \$302.41, divided by 10 years, divided by 12 months, divided by 1,763,654 customers = 60 cents per customer per month.

Staff medium estimate calculation: 340,000 poles X \$167.77, divided by 10 years, divided by 12 months, divided by 1,763,654 customers = 27 cents per customer per month.

The three scenarios ranging from 78 cents to 27 cents per customer per month over the 10 year period represents only the first time through the system, and should be much lower in subsequent cycles of inspections and corrections. Since these programs are already

under way, this does not represent additional costs, but a continuation of existing program costs. The supporting data for the survey and the calculations are in Attachment 2.

Staff also compared the correction rates in the proposed 2-year plan (fix it this year, fix it the next) and the 5-year plan (fix within 5 years, with an assumed 20% fix per year). The graphs are included in Attachment 2. After 5 years the correction rate for either system is the same. In the 5 year repair scenario liability increases, costs to repair go up most years, and safety for workers and the public are at a lower level for extended periods

860-024-0014 – The remaining unique rule, section (2), was recommended by the parties to be moved to Division 28. Staff has had some reluctance to move this required safety rule to the somewhat optional realm of Division 28, because the structure owner has a role in facilitating needed violation correction (sometimes between parties) on their pole. However, since the industry folks that this would benefit also recommend this move, Staff will agree to the change. All of the originally proposed rule 0014 should be moved to Div. 28.

860-024-0016(4) – There was some confusion as to the relation of (4) and (5) in these rules. Staff has made a change in the proposed rules to clear up the intent of (4). It now reads (in part) “Each operator of electric supply facilities must trim or remove readily climbable vegetation as specified in section (5) of this rule to minimize.....”

860-024-0016(5)(c)(B) – This exception clause is meant to address the occasional “cycle buster” trees that grow faster than most of the trees in a given area. This allowance gives the utility some flexibility to deal with these problem trees. Staff has required clearances from the high voltage lines for many years. The intrusion exception in policy is restricted by “so long as it does not contribute to a safety hazard to a person climbing the tree or cause interference to the conductors.”

The word “interference” has also come under criticism because it has been interpreted in various ways. The 2007 edition of the NESC will have that word deleted. Since there is a problem with the word interference, and since one of the first round comments made reference to the California GO 95 requirement for tree clearances of 18 inches, Staff proposed an infrequent intrusion standard that requires a minimum clearance of 18 inches. This distance will allow an adequate amount of separation while giving the utility some flexibility to deal with cycle busters. The suggestion of a 6-inch clearance recommended by fire safety standards is essentially a no-interference or no-burning standard that Staff would not agree is adequate.

Discussion has also centered around the difference between the policy word “limited” and the proposed rule word “infrequent.” This wording change was made intentionally because of past differences of interpretation and the wide variety of ways “limited” can be defined. While “infrequent” may not be perfect, it clearly means something that does not occur very often, or that is rare. This is Staff’s intent. Staff recommends the Commission adopt its proposed rule as currently worded.

860-024-0016(7)(e) – PGE recommended that the word “high” (referring to wind) be replaced with “routine,” because this mirrors a revised NESC wording. Staff has agreed to this change.

860-024-0016(8) – This contentious rule was specifically questioned by Commissioner Beyer in the May 18th afternoon workshop. Some industry representatives, especially communication operators recommend moving this rule to Division 028. Other industry representatives have argued for this requirement to stay in the Division 024 mandatory rules so that communication operator vegetation management responsibilities are clearly stated. Staff continues to see a need for this rule in Division 024 rules as a protective standard for customers. Staff also acknowledges that, to the degree that some of the application of the requirement will be between joint-use operators, the rule can perform that function as a default standard in Division 028.

Conclusion

Staff concludes these comments by urging a recommendation to adopt the Staff rule proposal dated May 23, 2006. These rules represent a compromise position that will provide a practical approach to achieve a reasonable level of safety. For the most part, these rules require similar performance to that presently required by OPUC Policies. The most important of these rules are 860-024-0011, 0012, and 0016 which address facility inspections and compliance repairs and vegetation clearances from power lines. Staff does not recommend further compromise of its proposal, especially for those rules listed above, because of the possibility that safety will become inadequate for the public and for utility workers as a result.

STAFF PROPOSED RULES POST-WORKSHOP (REVISED 5/23/06)

860-024-0001

| Definitions for Safety Standards

For purposes of this Division, except when a different scope is explicitly stated:

(1) “Commission Safety Rules” mean the rules included in OAR

Chapter 860, Division 024.

(2) “Facility” means any of the following lines or pipelines including associated plant, systems, ~~rights-of-way~~, supporting and containing structures, equipment, apparatus, or appurtenances:

(a) A gas pipeline subject to ORS 757.039; ~~or~~

(b) A power line or electric supply line subject to ORS 757.035; or

(c) A telegraph, telephone, signal, or communication line subject to ORS 757.035.

(3) “Government entity” means a city, a county, a municipality, the state, or other political subdivision within Oregon.

(4) “Material violation” means a violation which: (a) is reasonably expected to endanger life or property; or (b) poses a potential safety risk to any operator’s employees or to the general public.

(5)(4) “Occupant” means any operator that constructs, operates, or maintains attachments on facilities.

(6)(5) “Operator” means every person as defined in ORS 756.010, public utility as defined in ORS 757.005, electricity service supplier as defined in OAR 860-038-0005, telecommunications utility as defined in ORS 759.005, telecommunications carrier as defined in ORS 759.400, telecommunications provider as defined in OAR 860-032-0001,

consumer-owned utility as defined in ORS 757.270, cable operator as defined in ORS 30.192, association, cooperative, or government entity and their agents, lessees, or acting trustees or receivers, appointed by court, engaged in the management, operation, ownership, or control of any facility within Oregon.

~~(7)(6)~~ **“Owner” means an operator that owns or controls facilities.**

~~(8)(7)~~ **“Pattern of noncompliance” means a course of behavior that results in frequent, material violations of the Commission Safety Rules.**

~~(9)(8)~~ **“Reporting operator” means an operator that:**

- (a) serves 20 customers or more within Oregon; or**
- (b) is an electricity service supplier as defined in OAR 860-038-0005 and serves more than one retail electricity customer.**

Stat. Auth.: ORS 183, ORS 756, ORS 757 & ORS 759

Stats. Implemented: ORS 756.040, ORS 757.035, ORS 757.039, ORS 757.649, ORS 758.215, ORS 759.005 & ORS 759.045

Hist.: PUC 2-1996, f. & cert. ef. 4-18-96 (Order No. 96-102); PUC 9-1998, f. & cert. ef. 4-28-98; PUC 23-2001, f. & cert. ef. 10-11-01

860-024-0011

Inspections of Electric Supply and Communication Facilities

(1) An operator of electric supply facilities or an operator of communication facilities must:

(a) Construct, operate, and maintain its facilities in compliance with the Commission Safety Rules.

(b) Train its employees in the Commission Safety Rules necessary for the covered tasks.

~~(c) Require contractors to provide evidence of training for their employees in the Commission Safety Rules necessary for the covered tasks.~~

(b) Conduct detailed inspections of its overhead facilities to identify violations of the Commission Safety Rules. The maximum interval between detailed inspections is ten years, with a recommended required minimum inspection rate of approximately 10 percent of overhead facilities per year. An operator may seek a waiver from the Commission of the approximately 10 percent of overhead facilities per year requirement for good cause shown. This inspection must cover the geographic area designated in subsection (2)(a) of this rule by the operator of electric supply facilities within the each-planned year. Operators of communication facilities are required to inspect, either jointly or independently, the same geographic area designated by the operators of the electric supply facilities during the same time designated annual period. Detailed inspections include, but are not limited to, visual checks and practical tests of all facilities, to the extent required to identify violations of Commission Safety Rules. Where facilities are exposed to extraordinary conditions or when an operator has demonstrated a pattern of noncompliance with Commission Safety Rules, the Commission may require a shorter interval between inspections.

Exception: Occupants who are required by the detailed inspection system in this rule to inspect more than 15% of their total Oregon facilities in a single year may appeal to the Commission for an alternate plan.

(c) Conduct detailed facility inspections of its underground facilities on a ten-year maximum cycle, with a recommended ~~minimum~~ inspection rate of 10 percent of underground facilities per year.

(d) Maintain adequate written records of policies, plans and schedules to show that inspections and corrections are being carried out in compliance with this rule and OAR 860-024-0012. Each operators must make these records available to the Commission upon its request.

(2) Each operator of electric supply facilities must:

(a) Designate annual geographic program areas to be inspected pursuant to subsection (1)(b) of this rule within its service territory. The schedules for the annual coverage areas for the entire program must be made available in advance and in sufficient detail ~~so that the Commission and~~ to allow all operators with facilities in that service territory may to plan ~~co~~ordinate needed inspection and correction tasks. Unless the parties otherwise agree, operators must be notified of any changes to the established annual geographic area designation no later than ~~schedule~~ 12 months before the start of the next year's inspection.

(b) Perform routine safety patrols of overhead electric supply lines and accessible facilities for hazards to the public. The maximum interval between safety patrols is two years, with a recommended ~~minimum~~ rate of 50 percent of lines and facilities per year.

(c) Inspect electric supply stations on a 45 day maximum ~~monthly~~ schedule.

Stat. Auth.: ORS Ch. 183, 756, 757 & 759

Stats. Implemented: ORS 757.035

Hist.: NEW

860-024-0012

Prioritization of Repairs by Operators of Electric Supply Facilities and Operators of Communication Facilities

(1) A violation of the Commission Safety Rules that poses an imminent danger to life or property must be repaired, disconnected, or isolated by the operator immediately after discovery.

(2) Except as otherwise provided by this rule, the operator must correct violations of Commission Safety Rules no later than two years after discovery.

(3) An operator may elect to defer for a third year corrections of no more than 5 percent of violations identified during the operator's detailed facility inspection each year. Violations qualifying for deferral under this section cannot reasonably be expected to endanger life or property. The operator must develop a plan detailing how it will remedy each such deferral. If more than one operator is affected by the deferral, all affected operators must agree to the plan or the violation(s) may not be a part of the third year deferral.

(4) For good cause shown and where equivalent safety can be achieved, unless otherwise prohibited by law, the Commission may for a specific installation waive the requirements of OAR 860-024-0012.

Stat. Auth.: ORS Ch. 183, 756, 757 & 759

Stats. Implemented: ORS 757.035

Hist.: NEW

860-024-0014 NOTE: All of proposed rule 0014 moved to Div. 28

Duties of Electric Supply and Communication Structure Owners

(1) An owner must establish, maintain, and make available to occupants its joint-use construction standards for attachments to its poles, towers, and for joint space in conduits. Standards for attachment must apply uniformly to attachments by all operators, including the owner.

(2) An owner must establish and maintain protocols for communications between the owner and its occupants.

(1)(3) An owner must maintain its facilities in compliance with Commission Safety Rules for occupants.

(a) Occupants must promptly inform the owner of observed safety violations of the owner and any other occupants.

(2)(b) An owner must promptly respond with a reasonable plan of correction for any violation of the Commission Safety Rules if notified in writing of a violation requested by an occupant.

Stat. Auth.: ORS Ch. 183, 756, 757 & 759

Stats. Implemented: ORS 757.035

Hist.: NEW

860-024-0016

Minimum Vegetation Clearance Requirements

(1) For purposes of this rule:

(a) "Interfere" or "interference" means any flow of electricity from the conductor to the vegetation through direct contact or arcing, or any abrasion to conductor, equipment, or vegetation caused by contact.

(b) (a) “Readily climbable” means vegetation having both of the following characteristics: having sufficient handholds and footholds to permit a child or an average person to easily climb without using a ladder or other temporarily placed equipment.

(1) low limbs, accessible from the ground and sufficiently close together so that the vegetation can be climbed by a child or average person without using a ladder or other special equipment; and

(2) a main stem or major branch that would support a child or average person either within arms reach of an uninsulated energized electric line or within such proximity to the electric line that the climber could be injured by direct or indirect contact with the line.

(e) (b) “Vegetation” means trees, shrubs, and any other woody plants.

(d) (c) “Volts” means nominal voltage levels, measured phase-to-phase.

(2) The requirements in this rule provide the minimum standards for conductor clearances from vegetation to provide safety for the public and utility workers, reasonable service continuity, and fire prevention. Each operator of electric supply facilities must have a vegetation management program and keep appropriate records to ensure that timely trimming is accomplished to keep the designated minimum clearances. These records must be made available to the Commission upon request.

(3) Each operator of electric supply facilities must trim or remove vegetation to maintain clearances away from electric supply conductors ~~that may cause interference under reasonably anticipated conditions.~~

(4) Each operator of electric supply facilities must trim or remove readily climbable vegetation as specified in section (5) of this rule to minimize the likelihood of direct or indirect access to a high voltage conductor by a member of the public or any unauthorized person.

(5) Under reasonably anticipated operational conditions, an operator of electric supply facilities must maintain the following minimum clearances of vegetation from conductors:

(a) Ten feet for conductors energized above ~~50,000~~ 200,000 volts;

(b) Seven and one half feet for conductors energized at 50,001 through 200,000 volts.

~~(b)~~(c) Five feet for conductors energized at 600 through 50,000 volts, except:

(A) Clearances may be reduced to three feet if the vegetation is not readily climbable. ~~(e)~~

(B) Infrequent intrusion of small new vegetation growth into these minimum clearance areas is acceptable provided the vegetation does not come closer than eighteen inches to the eause ~~interference with a conductor.~~

(6) For conductors energized below 600 volts, an operator of electric supply facilities must trim vegetation to prevent it from causing strain or abrasion on electric conductors. Where trimming or removal of vegetation is not practical, the operator of electric supply facilities must install suitable material or devices to avoid insulation damage by abrasion.

(7) In determining the extent of trimming required to maintain the clearances required in section (5) of this rule, the operator of electric

supply facilities must consider at minimum these following factors for each conductor:

- (a) Voltage;
- (b) Location;
- (c) Configuration;
- (d) Sag of conductors at elevated temperatures and under wind and ice loading; and
- (e) Growth habit, strength, and health of vegetation growing adjacent to the conductor, with the combined ~~movement~~ displacement of the vegetation, supporting structures, and conductors under adverse weather, or high routine wind conditions.

(8) Each operator of communication facilities must trim or remove vegetation that poses a significant risk to its their facilities, or through contact with its facilities poses a significant risk to a structure of an operator of a jointly used system. ~~Risk to facilities includes, but is not limited to, deflection of cables, wires, or messengers, or those contacts which cause damage to facilities.~~ Note: (8) may be moved to Division 28

Stat. Auth.: ORS Ch. 183, 756, 757 & 758

Stats. Implemented: ORS 757.035 & 758.280 through 758.286

Hist.: NEW

Accident Incident Reports

860-024-0050

~~Accident~~Incident Reports

(1) As used in this rule:

(a) “Serious injury to person” means, in the case of an employee, an injury which results in hospitalization. In the case of a non-employee, “serious injury” means any contact with an energized high-voltage line, or any ~~accident~~incident which results in hospitalization. Treatment in an emergency room is not hospitalization.

(b) “Serious injury to property” means:

(A) Damage to operator and non-operator property exceeding ~~\$25,000~~100,000; or

(B) In the case of a gas operator, damage to property exceeding \$5,000; or

(C) In the case of an electricity service supplier (ESS) as defined in OAR 860-038-0005, damage to ESS and non-ESS property exceeding ~~\$25,000~~100,000 or failure of ESS facilities that causes or contributes to a loss of energy to consumers; or

(D) Damage to property which causes a loss of service to over 500 customers (50 customers in the case of a gas operator) for over two hours (five hours for an electric operator serving less than 15,000 customers) except for electric service loss that is restricted to a single feeder line and results in an outage of less than four hours.

(2) Except as provided in section (5) of this rule, every reporting operator ~~shall~~ must give immediate notice by telephone, by facsimile, by electronic mail, or personally to the Commission, of ~~accident~~incidents attended by loss of life or limb, or serious injury to person or property,

occurring in Oregon upon the premises of or directly or indirectly arising from or connected with the maintenance or operation of a facility.

(3) Except as provided in section (5) of this rule, every reporting operator ~~shall~~ must, in addition to the notice given in section (2) of this rule for an ~~accident~~incident described in section (2), report in writing to the Commission within 20 days of the occurrence. In the case of injuries to employees, a copy of the ~~accident~~incident report form that is submitted to Oregon OSHA, Department of Consumer and Business Services, for reporting ~~accident~~incident injuries, will normally suffice ~~accident~~incident for a written report. In the case of a gas operator, copies of or leak reports submitted under 49 CFR Part 191 will normally suffice.

(4) An ~~accident~~incident report filed by a public or telecommunications utility in accordance with ORS 654.715 cannot be used as evidence in any action for damages in any suit or action arising out of any matter mentioned in the report.

(5) A Peoples Utility District (PUD) is exempt from this rule if the PUD agrees, by signing an agreement, to comply voluntarily with the filing requirements set forth in (2) and (3).

(6) Gas operators have additional incident and condition reporting requirements set forth in OARs 860-024-0020 and 860-024-0021.

[Publications: The publication(s) referred to or incorporated by reference in this rule are available from the office of the Public Utility Commission.]

Stat. Auth.: ORS Ch. 183, 654, 756, 757 & 759

**Stats. Implemented: ORS 654.715, 756.040, 756.105, 757.035, 757.039,
757.649, 759.030, 759.040 & 759.045**

**Hist.: PUC 164, f. 4-18-74, ef. 5-11-74 (Order No. 74-307); PUC 3-1981,
f. & ef. 6-4-81 (Order No. 81-361); PUC 21-1985, f. & ef. 11-25-85
(Order No. 85-1130); PUC 12-1989, f. & cert. ef. 8-11-89 (Order No. 89-
946); PUC 4-1992, f. & ef. 2-14-92 (Order No. 92-234); PUC 1-1998, f. &
ef. 1-12-98 (Order No. 98-016); PUC 3-1999, f. & ef. 8-10-99 (Order No.
99-468); renumbered from OARs 860-028-0005 and 860-034-0570; PUC
23-2001, f. & ef. 10-11-01 (Order No. 01-839)**

COST ANALYSIS

- There are two components
 - Plan for correction of violations
 - Find This Year Correct The Next
 - 5 Year Correction Plan
 - Number of violations
 - Found during detailed inspections
 - Their associated repair cost

CORRECTION PLANS

FOR

VIOLATIONS FOUND

0 YEARS DETAILED INSPECTION PROGRAM

STAFF PROPOSAL

- Detailed Inspections
 - 10 years cycle
 - Requires 1/10 of the network to be inspected
- Violations Found
 - Budget & Fix the following year, not to exceed two years after discovery
 - Operator may defer up to 5 % of the violation to a 3rd year
 - Waiver provision for specific violation to be approved by the commission
- For simplicity we will not consider the 3rd year deferral for 5% or the waiver provision

OBSERVATIONS

- The “find this year and fix the next” is to allow for the budgeting cycle
- Deferrals beyond the next year will increase the liability for the operators, will create more unsafe conditions at the poles, and will increase their cost of repair
- At some point in the future the operators will be correcting 100% of the violations
- Staff’s proposal correction plan is;
 - The most cost efficient & effective
 - Will bring the operators system into NESC compliance the soonest
 - Will mitigate liability issues and unsafe conditions on the poles

Number of violations Found in the Annual Detailed Audits

AUDITS

- Staff conducted sample audits of 8 utilities in Urban and Suburban settings
- The audits were conducted in areas not yet inspected
- 100 poles were audited per utility
 - Staff recorded the violations by industry
- Total number of poles with violations and the total number of violations were recorded.

SUMMARY DATA

- Total Number of Poles - 800
- Total Poles w/ Violations - 164 (21%)
- Total Number of Violations - 239
 - Power - 116
 - Telephone - 59
 - CATV - 64

HOURLY RATE SURVEY

	Single Journeyman	Two man Crew	Three man Crew
Average wages/vehicle	\$57.04	\$92.69	\$170.28
OH	\$42.83	\$69.60	\$127.86
Total average cost per hour	\$98.91	\$167.77	\$302.41
Assumption:			
1. Single man crew - one journeyman lineman and small bucket.			
2. Two man crew - foreman, journeyman lineman, and small bucket			
3. Three man crew - foreman, two journeymen, line truck and big bucket truck			

AVERAGE VIOLATION COST PER ELECTRICAL CUSTOMER IN OREGON

- Total number of poles in Oregon ~ 2 million
- Percentage of poles with violations ~ 21%
- Average violation repair time/pole ~ 1 hour
- Maximum cost per hour ~ \$ 302.41
- Total Cost = 420K (poles) X \$302.41/(pole) = \$127 Million
- 10 Year Program = \$12.7 Million per year
- 1,763,654 Million electrical customers in Oregon
- Cost per electrical customer per month = \$0.60
- A more realistic cost is \$0.27 per customer/month

OJUA'S COST ASSESSMENT

- 500,000 pole with violations
- \$330.00 cost of correction per pole
- Approximately 2,000,000 poles in Oregon
- Total cost = \$165,000,000
- 10 year detailed program or \$16.5 million/Yr
- 1,763,654 Million electrical customers in Oregon
- Cost per electrical customer per month = \$0.78