

STATE OF NEW HAMPSHIRE

Before the

PUBLIC UTILITIES COMMISSION

Docket No. DT 23-103

CONSOLIDATED COMMUNICATIONS HOLDINGS, INC. AND

CONDOR HOLDINGS LLC

JOINT PETITION TO APPROVE TRANSFER OF CONTROL

PRE-FILED DIRECT TESTIMONY

Of

MICHAEL JENNINGS

On behalf of

NEW HAMPSHIRE ELECTRIC COOPERATIVE, INC.

April 26, 2024

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I. INTRODUCTION

Q. Please state your name and business address.

A. My name is Michael Jennings. My business address is 579 Tenney Mountain Highway
Plymouth, NH 03264-3154.

Q. For whom do you work and in what capacity?

A. I am the vice president of energy delivery for the New Hampshire Electric Cooperative,
Inc. (“NHEC”).

Q. Please describe NHEC.

A. NHEC is a not-for-profit, member-owned and -governed utility cooperative that provides
retail electricity services over 5,500 miles of energized line to over 84,000 homes and
businesses in 118 communities across nine New Hampshire counties.

Q. Please summarize your professional and educational background.

A. I have a Bachelor’s degree in General Studies from the University of Connecticut, a
Bachelor’s degree in Electrical Engineering from the University of Hartford, and a
Master’s degree in Corporate Finance from Southern New Hampshire University. After
obtaining my Electrical Engineering degree, I worked for the Public Service of New
Hampshire as an engineer in the system planning and strategy department. After that, I
worked as a senior engineer in the transmission and distribution department at a
cooperative in North Central Florida called Clay Electric Cooperative. From there, I
began work as the manager of engineering at the New Hampshire Electric Cooperative,
Inc. I have since served as the director of engineering, the vice president of engineering
and operations, and the vice president of energy delivery at NHEC.

Q. Do you have any licenses that qualify you to speak on issues related to engineering?

A. Yes, I have an active professional engineering license in the State of New Hampshire.

Q. Have you previously testified before the New Hampshire Public Utilities Commission (“Commission”)?

A. No, I have never testified before this Commission.

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

A. The purpose of my testimony is to identify a number of operational concerns arising from the failure of Consolidated Communications of Northern New England Company, LLC (“Consolidated”) to devote sufficient resources to its “Joint Use” relationship with NHEC, and to request that the Commission condition any approval of Consolidated’s proposed transfer of control on Consolidated’s participation in a future Commission rulemaking investigation of these operational concerns. NHEC believes such a proceeding is needed to ensure that Consolidated devotes sufficient resources to addressing these operational issues, which otherwise would negatively impact the cost, quality, and safety of electric service to NHEC’s customers after the change of control.

Q. Please summarize and provide a general description of your testimony.

A. Consolidated has operational responsibilities as a Joint Use pole owner that Consolidated has largely ignored, to the detriment of NHEC and its electric cooperative members. These operational responsibilities neglected by Consolidated are described herein. They include Consolidated’s failures to inspect and maintain poles, Consolidated’s failure to respond adequately to emergencies, Consolidated’s failure to set new poles, Consolidated’s failure to timely replace existing poles or to replace them at all, and Consolidated’s failure to timely transfer its attachments to newly-replaced poles, resulting in “double pole” conditions. We believe it is critical that these important

performance issues related to safety and cost sharing be fully considered as part of this proceeding, and that the Commission condition Consolidated's proposed transfer of control on the establishment of a proceeding to investigate and resolve Consolidated's shortcomings as a pole owner. In that way, the Commission can ensure that the private entity seeking to control Consolidated will devote adequate resources to fulfill Consolidated's obligations as an incumbent local exchange carrier to properly own and maintain its distribution pole plant upon which NHEC and Consolidated's customers rely.

II. OVERVIEW OF JOINT USE

Q. What is the "Joint Use" of distribution poles and why is it relevant to this proceeding?

A. Both NHEC and Consolidated own utility poles, wires and other equipment located in public and private rights-of-way throughout their New Hampshire service territories that are used for the distribution of their respective electricity and/or communications services. Because significant portions of their service areas overlap, NHEC and Consolidated, like a large number of electric utilities and telephone companies across the country, have found it convenient to share the use of each other's distribution poles. This sharing of distribution poles by electric utility and telephone company pole owners is called the "joint use" of distribution poles. In order for this "joint use" relationship to work properly, each pole owner is required to properly inspect and maintain its poles, respond adequately to emergencies and storm events, set new poles in a timely manner when circumstances require, replace poles in a timely manner when circumstances require, and diligently transfer their attachments to the replaced pole to avoid "double

pole” conditions. Ever since Consolidated took over the poles formerly owned by FairPoint in New Hampshire several years ago, Consolidated has not been meeting these obligations as a telephone company pole owner, raising a question whether it has the technical, managerial or financial capability of fulfilling these telephone company pole owner requirements without Commission oversight. I understand this proceeding is designed to ensure that the private equity entities that have asked to assume control of Consolidated have such incumbent local exchange carrier capabilities. NHEC believes that changes are needed to bolster Consolidated’s financial, technical and managerial commitments to its joint use responsibilities before the Commission can get that assurance.

Q. Is there an agreement between NHEC and Consolidated that addresses these pole owner responsibilities?

A. Yes. These pole owner responsibilities are identified in a joint use agreement between Consolidated and NHEC, which is in two parts: (1) A General Agreement Joint Use of Wood Poles, dated July 1, 1977, as amended, was entered into by NHEC and Consolidated’s predecessor, which specifies the division of rights and obligations of the parties with respect to pole ownership and maintenance; and (2) Intercompany Operating Procedures (IOPs) which provide the detailed administrative, operational and maintenance procedures associated with the agreement. The IOPs are attached to, and integral to, the 1977 amended agreement, and the IOPs and 1977 amended agreement collectively form the joint use agreement (“JUA”). In addition, the JUA is subject to applicable industry codes and regulations, and state and local laws and zoning requirements, and more stringent standards may apply. A copy of the JUA, which

includes the 1977 amended agreement and IOPs between NHEC and Consolidated, is attached as Appendix MJ-1.

Q. How are installation and maintenance responsibilities divided between the Joint Use pole owners?

A. Responsibility for the installation and maintenance of Joint Use poles is divided between the two pole owners into specific geographic areas defined in our IOPs with Consolidated and are referred to as “maintenance areas.” Each Joint Use pole owner is responsible for setting and maintaining all Joint Use poles in its maintenance areas in safe and serviceable condition, and for replacing or repairing poles that become deteriorated or defective, or are of insufficient size or strength for existing or proposed attachments. It is generally intended that each Joint Use pole owner is responsible for placing and removing all Joint Use poles within its designated maintenance areas. In other words, Consolidated is supposed to install and replace all the Joint Use poles in its designated maintenance areas, and NHEC installs and replaces all the Joint Use poles in its designated maintenance areas.

Q. How would you characterize Consolidated’s performance of its obligations under the JUA?

A. NHEC is concerned that Consolidated has not been living up to its Joint Use obligations as a pole owner. We have experienced a number of issues with Consolidated’s failure to perform its pole owner obligations, including Consolidated’s failures to inspect and maintain poles, failure to respond adequately to emergencies, failure to set new poles, failure to timely replace existing poles or to replace them at all, and failure to timely transfer its attachments to newly-replaced poles, resulting in “double pole” conditions.

We believe it is critical that these important performance issues related to safety and cost sharing be fully considered as part of this proceeding, and that the Commission condition Consolidated's proposed transfer of control on the establishment of a proceeding to investigate and resolve Consolidated's shortcomings as a pole owner.

Q. How have these issues impacted NHEC?

A. Because Consolidated has not been doing what it is supposed to do as a pole owner, there has been a shifting of costs and obligations onto NHEC, the electric cooperative. Consolidated has abandoned its inspection and maintenance practices, affecting the reliability of the poles NHEC needs to deliver safe and efficient electric service. Consolidated's response to emergencies is subject to delays, stalling and diverting the work of electric crews working at premium rates of pay. Consolidated's restoration of its own service to customers may be delayed. The time needed for Consolidated to set new poles has increased significantly, negatively impacting our own construction schedules and the new service installation dates needed of our customers. And the increasing number of "double pole" conditions represents another growing financial and political liability. As a result, NHEC customers who reside in the Consolidated "maintenance areas" may experience a lower standard of service even though they pay the same rates as customers in the NHEC "maintenance areas." Even the burden of administering Joint Use has increased significantly, as we no longer enjoy a cooperative working relationship with our Joint Use pole owner partner.

III. POLE INSPECTION AND MAINTENANCE

Q. Why do poles need to be inspected for safety and reliability?

A. Poles need significant strength to support the vertical and transverse loading of wires under tension. Significant strain is placed on poles under normal conditions. Additional strain is added in weather conditions including wind and ice. Over time, poles deteriorate and their structural strength is reduced. Poles need to be inspected to ensure they can continue to hold the wires they're designed to support. Pole inspections monitor and track the pole deterioration to ensure the structure can continue to support the wires and equipment on the poles. Poles that do not have adequate structural strength cause more lengthy outages because the poles are more likely to break during weather events. Broken poles prolong outage times and increase costs for NHEC members.

Q. Does the National Electrical Safety Code have specific requirements regarding the inspection and maintenance of jointly owned poles?

A. Yes. NESC rules 214, 253, and 261 require the routine inspection of testing of lines and equipment. All pole owners are required to adhere to these NESC rules which govern the minimum requirements for inspecting, testing, and replacing poles that fail inspection.

Q. Does NHEC have inspection and maintenance programs meeting the applicable requirements?

A. Yes. We inspect all jointly owned poles in our maintenance areas on a maximum 10-year cycle. All poles are visually inspected and are tested at and below grade to determine the structural integrity of the wood, estimate remaining pole strength, and evaluate ongoing serviceability. NHEC utilizes the resistograph method which is the least invasive way to sufficiently test a pole below grade. Identified deficiencies are prioritized and scheduled for corrective action as appropriate; conditions that are found to represent a hazardous

condition are corrected immediately. This inspection and test schedule meets all the requirements of NESC rules 214, 253, and 261.

Q. Does Consolidated have inspection and maintenance programs meeting the applicable requirements?

A. Consolidated's predecessors had abandoned a pole inspection program and replaced it with a job site inspection program. Such a program only inspects poles on a job site when specific work is already required on those poles. It appears that Consolidated has also abandoned its pole inspection program and it appears to have no pole inspection program in place at all.

Q. Why do you believe Consolidated has no pole inspection program in place?

A. Because if such a pole testing program were in place, it is likely Consolidated would have provided NHEC the results of any pole testing. Consolidated's predecessors shared pole testing information with NHEC when they controlled the poles, but Consolidated has never shared any such results. No current NHEC staff member has any recollection of Consolidated ever requesting a pole to be replaced due to failed pole testing. NHEC has also never received notice from Consolidated that Consolidated was replacing a pole due to failed pole testing and requiring NHEC to transfer its facilities. In contrast, NHEC notifies Consolidated on a routine basis that NHEC is replacing poles due to failed testing. If Consolidated inspects its poles at all, then such inspections likely are limited to a small number of poles, limited considerably by Consolidated's reluctance to spend money for meaningful inspections, and are not driven by safety requirements or by NESC requirements.

Q. What criteria do you think Consolidated uses when inspecting its poles?

A. I cannot conclude that Consolidated uses any criteria at all since there appears to be no real pole inspection program in place.

Q. Do you think Consolidated measures pole decay?

A. I cannot conclude that Consolidated measures pole decay at all since there appears to be no real pole inspection program in place.

Q. Do you think Consolidated measures pole defects?

A. I cannot conclude that Consolidated measures pole defects at all since there appears to be no real pole inspection program in place.

Q. Do you think Consolidated measures remaining pole strength?

A. I cannot conclude that Consolidated measures pole strength at all since there appears to be no real pole inspection program in place.

Q. Do you think Consolidated applies remedial treatments to its poles?

A. I cannot conclude that Consolidated applies any remedial treatments to its poles at all since there appears to be no real pole inspection program in place. There is evidence of Consolidated installing trusses to help restore some structural integrity of poles, but they do not appear to have been utilized in years. Since there has been no new evidence of truss installations, I cannot conclude that Consolidated continues to apply remedial treatments to its poles.

Q. What should the Commission do to resolve Consolidated's pole inspection and maintenance issues?

A. The Commission should condition Consolidated's proposed change of control on Consolidated's participation in a Commission proceeding that will establish rules to

ensure that Consolidated devotes the resources necessary to timely and adequately inspect and maintain the distribution poles that Consolidated is responsible for.

IV. STORM RESTORATION AND EMERGENCY RESPONSE

Q. Is it important for a pole owner to have a storm response plan?

A. Yes, every pole owner should have a storm response plan. During a storm, utility infrastructure experiences significant damage. In New Hampshire, that damage is typically in the form of tree damage. After significant damage is sustained, a pole owner should utilize its storm restoration plan to rapidly restore damaged infrastructure. Without an appropriate plan, the pole owner does not have a guide for the company to follow to properly address restoration. The first step in any plan should be making areas safe for the public. Damaged poles and hanging wires can often block roads and create significant dangers for the public. These hazards must be responded to in a timely manner.

Q. Do you believe Consolidated is responding to these hazards in a timely manner currently?

A. No. Consolidated is not responding to these hazards in a timely manner currently.

Q. Does NHEC have specific arrangements and procedures for responding to storms and other emergencies in the public right-of-way?

A. Yes. NHEC has a number of arrangements and procedures in place to ensure prompt response to storms and other emergencies. We have an on-call system under which line crews are on paid standby outside of regular business hours to ensure there are personnel available to respond at all times. In addition, all line personnel are subject to a residency

requirement requiring them to live within 30 minutes of their designated workplace to ensure they are able to respond quickly to emergencies. Our member services group and control center is available 24/7 to ensure that anyone reporting an emergency is able to immediately reach a company representative. Operations Coordinators are able to call in line crews to rapidly respond. As a result of these arrangements, we are able to rapidly respond to the scene of an emergency. NHEC also has an Electric System Restoration Plan which is updated with the Commission annually.

Q. Does Consolidated have similar arrangements and procedures for responding to storms and other emergencies in the public right-of-way?

A. I have not seen Consolidated's storm response plan, if they have one at all. Their appearance during a storm is not what I would consider sufficient for emergencies. If they do have a storm plan, it's not sufficient to address immediate hazards. The first step in any plan should be making areas safe for the public. Damaged poles and hanging wires can often block roads and create significant dangers for the public. Consolidated does not respond to these hazards in a timely manner currently.

Q. Does Consolidated have a plan for maintaining business continuity following a storm?

A. I have not seen any Consolidated plan for maintaining business continuity following a storm. I believe they have a plan to eventually restore communication to their customers. But I believe Consolidated does not have a sufficient plan as a pole owner to make the public safe following a storm and allow for rapid restoration for the services offered by other attachers on its poles.

Q. Does Consolidated replace poles during storms and other emergencies?

A. No. NHEC often has challenges getting Consolidated to replace poles even during typical business interactions that do not involve storms or other emergencies. They have very few pole setting capabilities even though they are required to set and replace poles in many areas. As a result, NHEC has had the burden to set poles in a timely manner during storm and other critical emergency situations in order to make the area safe.

Q. Do you believe Consolidated has field crews or other personnel retained or on paid standby to respond to emergencies?

A. Consolidated appears to have personnel retained to respond to emergencies but most of those crews dedicate their time to hanging fiber and splicing, not setting poles.

Q. What do you approximate is Consolidated's response time for reattaching its facilities to poles following a storm event?

A. Consolidated's response time can vary. We often get calls about low Consolidated cables weeks or months after a storm has passed. There appears to be little post storm inspection by Consolidated following a significantly damaging event.

Q. Are there any problems for the public you believe are associated with Consolidated's delays in responding to storm events?

A. Yes there are. After a storm, roads can be blocked and wires can be hanging low due to broken poles, wires, and attachments, creating obvious potential hazards and inconvenience to the public. A pole owner needs to rapidly respond to these issues to set a new pole and make the area safe. In instances where Consolidated is responsible for setting a pole, coordination should occur between the pole owner and other attachers. However, Consolidated often avoids these responsibilities and leaves the work to NHEC which furthers the delay for electric restoration times.

Q. Has NHEC experienced any problems that are associated with Consolidated's delays in responding to storm events?

A. Yes we have. Adding additional pole setting requirements for NHEC during a storm delays the restoration time for NHEC members. As a result, NHEC crews are busy setting poles that should be set by Consolidated instead of repairing other damage. As mentioned above, this delays the restoration of electric service to NHEC's members.

Q. How does this disparity in response time affect emergency response?

A. This disparity in response time further delays NHEC's ability to perform emergency restoration due to NHEC dedicating resources to covering Consolidated's pole setting obligations.

Q. What should the Commission do to resolve Consolidated's storm restoration and emergency response issues?

A. The Commission should condition Consolidated's proposed change of control on Consolidated's participation in a Commission proceeding that will establish rules to ensure that Consolidated devotes the resources necessary to timely and adequately respond to storm events and other emergencies.

V. TIMELY INSTALLATION AND REPLACEMENT OF POLES

Q. Is it important to timely install new poles and replace existing poles to accommodate NHEC's new service requirements?

A. Yes it is. The timely installation of new poles, and the timely replacement of existing poles, allows for timely construction for new service. If poles are not set or replaced in a timely manner, future members will experience unnecessary delays in receiving electric

service. Timely installations and replacement can also affect capital construction upgrades. Often these upgrades are required to improve reliability, fix power quality issues, or address code violations. The untimely and inadequate replacement of poles by Consolidated during storm events and other emergencies also affects NHEC's ability to restore electric service to its members in a timely manner, as mentioned above.

Q. Does Consolidated timely install new pole lines in its pole set territory?

A. No. Consolidated typically relies on NHEC to install new pole lines in Consolidated's pole set territory, contrary to Consolidated's obligations as a joint use pole owner. For instances that involve multiple pole installations, Consolidated does not have adequate resources to perform the pole installations in a timely manner. Instead, NHEC will need to set the poles to address the necessary improvements.

Q. Does Consolidated timely replace existing poles in its pole set territory?

A. No. Consolidated can take anywhere from several days to over a year to replace a pole, if Consolidated decides to replace the pole at all. When a pole set is requested, Consolidated handles it with no urgency at all. They prioritize their own revenue generating work first and tend to ignore projects that may benefit the attachers to their poles until it is convenient for Consolidated to work on them. If a pole set request is for more than one or two poles, that request oftentimes is either postponed indefinitely or Consolidated will simply report that they do not have time to do the work.

Q. Please explain what you believe is Consolidated's scheduling process for replacing poles.

A. I believe Consolidated has no scheduling process for replacing poles because Consolidated has very limited pole setting capabilities in New Hampshire. They will

only replace a limited number of poles that they have available employees to perform.

As a result, a bare minimum amount of work is performed and Consolidated cannot keep up with demand, especially in instances where large number of poles need to be set, such as during capital improvement projects that affect multiple poles, or during storms.

Q. Regarding requests by NHEC that Consolidated replace poles located in Consolidated's pole set territory, what is the difference between the number of poles Consolidated actually replaces and the number of poles NHEC requests be replaced?

A. If NHEC makes a request that Consolidated replace multiple poles, Consolidated typically does not perform the pole replacement work at all and insinuates that NHEC should do the work instead, even if the poles are located in Consolidated's pole set territory.

Q. What should the Commission do to resolve Consolidated's pole installation and pole replacement issues?

A. The Commission should condition Consolidated's proposed change of control on Consolidated's participation in a Commission proceeding that will establish rules to ensure that Consolidated devotes the resources necessary to timely install and replace poles.

VI. DOUBLE POLES

Q. What is a "double pole"?

A. When a pole owner replaces a pole, typically the new pole is installed right next to the old pole, creating a "double pole" condition. This double pole condition should be short-

lived for the time until the existing attachments on the old pole transfer their attachments to the new pole, after which time the old pole can be removed. Unless and until all existing attachments transfer their attachments to the new pole, the old pole cannot be removed and the “double pole” condition remains in place.

Q. Are “double pole” conditions a problem?

A. Yes they are. Municipalities are concerned with the existence of double poles. They claim the poles are both a public safety issue as well as an aesthetic concern. It reflects poorly upon both Joint Use pole owners when there are double poles no matter who was responsible for the double pole condition, so it damages NHEC’s reputation with its members when Consolidated’s inaction causes a double pole condition. In addition, since pole replacements are often required because the old pole failed inspection, the failed pole remaining in this double pole situation might be compromised, depending on structural strength remaining on the pole and the amount of strain retained by un-transferred communications attachments.

Q. Has NHEC received any complaints by municipalities or private landowners about double pole conditions?

A. Yes we have. NHEC’s members complain to NHEC about double poles located on their property. Due to the large number of such complaints by municipalities and private landowners, the New Hampshire State Senate passed SB16 which created a stakeholders group to address double pole issues in the state. To date, NHEC has not seen significant improvement from Consolidated to eliminate double pole issues. Unless there is a complaint from a town to Consolidated, transfer work and pole removal work to eliminate double poles seems to be ignored.

Q. Generally speaking, is NHEC responsible for causing these double pole conditions?

A. No. The double poles are an issue almost entirely due to communications attachers not transferring, including Consolidated. When a pole is replaced, the electric utility is the first to transfer its facilities to the new pole. Communications attachers transfer next. These pole transfers start at the top and move down the pole, one attacher at a time. The telephone company (Consolidated) is the last to transfer. NHEC typically transfers its facilities to the new pole at the same time that it installs the new replacement pole. Since NHEC is the entity primarily replacing poles, the prompt transfer of NHEC facilities is seldom an issue. Rather, NHEC must wait for the communications companies to transfer their attachments at some later time (if at all), during which time the old pole and the double pole condition remains in place.

Q. Considering all of the double pole conditions on Joint Use poles in NHEC's pole set areas, how many poles are awaiting transfer by Consolidated to the new pole?

A. Over 1600. NHEC uses an electronic notification system, the National Joint Utilities Notification System (NJUNS), to notify attaching entities of work they need to perform. Currently, there are over 2500 "tickets" pending in NJUNS that require Consolidated's activity. Over 2000 of these tickets are from 2022 or earlier which shows Consolidated's neglect in transferring their assets and otherwise properly maintaining its pole infrastructure. Counting only the tickets specific to Consolidated pole transfers and causing double pole conditions, there are over 1600 open tickets to Consolidated currently and over 1500 of those are from 2023 and earlier.

Q. What should the Commission do to resolve Consolidated's double pole issues?

- A. The Commission should condition Consolidated's proposed change of control on Consolidated's participation in a Commission proceeding that will establish rules to ensure that Consolidated devotes the resources necessary to transfer its attachments to the new replacement pole in a timely manner, and to ensure that Consolidated will timely remove the old pole following such transfers in Consolidated's pole setting areas.

VII. CONCLUSION

Q. Does that conclude your testimony?

A. Yes.