



## **OCC Filed Comments In Support Of PURA's Draft Order**

The OCC filed comments in Docket No. 11-11-02, *Petition of Fiber Technologies Networks, L.L.C. For Authority Investigation Of Rental Rates Charged To Telecommunications Providers By Pole Owners*, ("Pole Attachment Rates Docket"). OCC's comments were in support of PURA's draft order to modify the formula used to determine rates charged to telecommunications companies by utility pole owners to attach equipment (e.g., fiber or coaxial cables) to utility poles. The OCC had earlier commented in the Docket that revising pole rental rates downward will facilitate advanced services in Connecticut, an express public policy goal for the OCC and the state. Excessive and unequally-applied rental rates charged to telecom providers can create hurdles to competition and the spread of broadband services. Thus, OCC believes that PURA rightly determined that equalizing these rates for all telecom providers will promote competitive neutrality and broadband deployment.

The electric companies may include an argument in their next rates cases, when these rates will take effect on these companies, disputing the decision, claiming that electric customers will have to pay higher rates to subsidize Telecom Attachers. The OCC endorsed the rejection by the Draft Decision of the claims by the electric utilities that their ratepayers will subsidize telecommunications providers and customers because of a new standard attachment rate. In fact, pole owners will continue to have the opportunity to recover all of their capital costs actually caused by third-party attachers through make-ready fees. The fact that existing electric company budgets and rates are based on projections of the current inflated rates in no way represents a "transfer of expenses" to electric customers. Revising the telecom attachment rates is instead merely an adjustment to cost-based rates in keeping with regulatory and statutory rules concerning rate-of-return companies.

Indeed, the FCC also properly concluded in its Broadband Order that pole owners will not bear any significant risk of unrecovered pole investment undertaken to accommodate a third-party attacher because of the proposed revisions to its traditional pole rate formula. The FCC correctly stated that permitting recovery of 100 percent of apportioned, fully-allocated costs through the pole rental rate is legally unwarranted and could undermine the state and federal goals supporting of accelerating implementation of advanced services.

Thus, PURA needed to balance providing a reasonable level of contribution to pole owners' capital costs while promoting competition and the expansion of advanced services such as fiber to increase bandwidth across the state. To that end the Draft Decision states that "the revised telecommunications pole rental rate is compensatory and reasonable and pole owners should not be economically harmed."



The Draft Decision further properly concluded that “the current rate differential between cable and telecommunications pole rental fees is not due to the fact that pole owners incur more recurring costs to accommodate telecommunications attachers as compared to cable attachers.”