

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: FILING OF LINE AND POLE REPLACEMENT DATA [199 IAC 20.18(7) AND 25.3(3)]	DOCKET NO. RMU-06-10
---	----------------------

ORDER COMMENCING RULE MAKING

(Issued November 28, 2006)

Pursuant to the authority of Iowa Code §§ 17A.4, 476.2, 476.32, and 478.13, the Utilities Board (Board) proposes to amend 199 IAC 20.18(7) to require rate-regulated electric utilities with more than 50,000 Iowa retail customers to include information about the replacement of lines and poles in their annual reliability reports and 199 IAC 25.3(3) to require all utilities to include pole inspections in their inspection plans. The proposed amendments are described in the "Notice of Intended Action" attached hereto and incorporated herein by reference. This docket has been identified as Docket No. RMU-06-10.

In Docket No. NOI-02-2, In re: Aging Transmission and Distribution Infrastructure, the Board investigated whether rate-regulated electric utilities had reasonable plans for the replacement of aging infrastructure. The Board opened the inquiry based upon a report it issued in 2000 that indicated aging electric lines and poles could become a significant problem for utilities if the utilities did not have comprehensive plans in place to find and replace those poles that were no longer

safe. During the inquiry, MidAmerican Energy Company (MidAmerican) and Interstate Power and Light Company (IPL) indicated their existing records do not identify their oldest poles by location and creating a database of pole location and age would be very expensive. MidAmerican and IPL also indicated that they did not consider the age of a pole to be a deciding factor in determining whether a pole needed to be replaced. Instead, the condition of the pole or reliability concerns for the line as a whole, regardless of age, were the determinative factors in deciding which poles to replace.

In 2006 Board staff again contacted MidAmerican and IPL for an update regarding pole replacements. IPL indicated that it had instituted a Delivery System Replacement Program (DRP) designed to replace aging infrastructure in a strategic and cost-effective manner. According to IPL, the DRP will help prevent widespread system outages due to equipment condition.

MidAmerican indicated that it continues to use a "replace as needed" philosophy when dealing with aging poles. MidAmerican stated that in 2004 it began to look at its worst performing circuits and began doing ground line treatment (chemical treatment of the pole at ground level) on some poles. However, the condition of the poles was not the driving factor in choosing what areas to analyze. The deciding factor was based on outage rates of the lines. MidAmerican stated that this program had resulted in approximately 30,000 ground line treatments per year.

Paragraph 20.18(7)"h" of the Board's rules requires that the annual reliability reports filed by rate-regulated electric utilities include information on maintenance

budgets and expenditures. The cost data must include separately-stated distribution and transmission expenditures for each operating area. There is no requirement for a breakdown of the expenses for pole replacement, vegetation management, and underground replacements that would permit tracking of pole inspections and or replacements, or of line replacements or rebuilds for other reasons. To allow for the tracking of this information by the agency, the Board is proposing to amend subrule 20.18(7) by adding a new paragraph "i" that requires rate-regulated utilities with over 50,000 Iowa retail customers to include in the annual reliability plans certain information concerning line and pole inspections and replacements. The proposed paragraph would require that the annual reliability report include: (1) the number of miles of lines replaced by location, voltage, and whether overhead or underground; and (2) the number of poles inspected, rejected, and replaced.

The Board also considers it important for all electric utilities providing electric service to have a schedule for the inspection of wooden poles that includes more than just a visual inspection to ensure their safety and reliability. Pursuant to 199 IAC 25.3, electric utilities are now required to file an inspection plan. The Board is proposing to amend subrule 25.3(3) to require all utilities to include in their inspection plans a schedule of periodic inspection of wooden poles that includes more than visual examination and to establish written procedures for pole treatment, repair, and replacement.

By proposing the amendments as described above, the Board will require that utilities include sufficient information in their inspection procedures to allow the

agency and the public to review whether poles are examined, treated, repaired, or replaced when needed. As indicated by Board staff, there was no evidence found in the inquiry that electric utilities were not maintaining electric lines and poles based upon good industry practice. However, there seemed to be a lack of data to track inspection and maintenance of poles and the proposed amendments should establish procedures for collecting and maintaining that data.

IT IS THEREFORE ORDERED:

1. A rule making proceeding identified as Docket No. RMU-06-10 is commenced for the purpose of receiving comments on the proposed amendments and rescission in the notice attached hereto and incorporated herein by reference in this order.
2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin a notice in the form attached to and incorporated by reference in this order.

UTILITIES BOARD

/s/ John R. Norris

/s/ Diane Munns

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Curtis W. Stamp

Dated at Des Moines, Iowa, this 28th day of November, 2006.

UTILITIES DIVISION [199]

Notice of Intended Action

Pursuant to the authority of Iowa Code sections 17A.4, 476.2, 476.32, and 478.13, the Utilities Board (Board) gives notice that on November 28, 2006, the Board issued an order in Docket No. RMU-06-10, In re: Filing of Line and Pole Replacement Data [199 IAC 20.18(7) and 25.3(3)], "Order Commencing Rule Making," that proposes to amend 199 IAC 20.18(7) to require rate-regulated electric utilities with more than 50,000 Iowa retail customers to include information about the replacement of lines and poles in their annual reliability reports and subrule 25.3(3) to require all electric utilities to include a schedule for pole inspection in their inspection plans required in 199 IAC 25.3(476,478).

In Docket No. NOI-02-2, In re: Aging Transmission and Distribution Infrastructure, the Board investigated whether rate-regulated electric utilities had plans for the replacement of aging infrastructure and determined that age was not the determinative factor for deciding which poles to replace. However, the Board found that the reliability reports required in 199 IAC 20.18(7) did not contain specific data on replacement of aging electric lines and poles and the Board determined that this information should be compiled and filed with the Board. The Board also determined that each utility should be required to have a specific pole inspection schedule that included more than just visual inspection to ensure the safety and

reliability of each electric system. The order containing the background and support for this rule making can be found on the Board's Web site, www.state.ia.us/iub.

Pursuant to Iowa Code section 17A.4(1)"a" and "b," any interested person may file a written statement of position pertaining to the proposed amendments. The statement must be filed on or before January 9, 2007, by filing an original and ten copies in a form substantially complying with 199 IAC 2.2(2). All written statements should clearly state the author's name and address and should make specific reference to this docket. All communications should be directed to the Executive Secretary, Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

An oral presentation to receive oral comments on the proposed amendments will be held at 10 a.m. on February 7, 2007, in the Board's hearing room at the address listed above. Persons with disabilities who require assistive services or devices to observe or participate should contact the Utilities Board at (515)281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

These amendments are intended to implement Iowa Code sections 17A.4, 476.2, 476.32, and 478.13.

The following amendments are proposed.

Item 1. Adopt **new** paragraph **20.18(7)"i"** as follows:

i. The annual reliability report shall include: (1) the number of miles of lines replaced by location, by voltage, and classified as overhead or underground; and (2) the number of poles inspected, the number rejected, and the number replaced.

Item 2. Amend subrule **199—25.3(1)** as follows:

25.3(1) Filing of plan. Each electric utility shall adopt and file with the board a written ~~program~~ plan for inspecting and maintaining its electric supply lines and substations (excluding generating stations) in order to determine the necessity for replacement, maintenance, and repair, and for tree trimming or other vegetation management. If the plan is amended or altered, revised copies of the appropriate plan pages shall be filed.

Item 3. Amend the title of paragraph **199—25.3(3)"b"** as follows:

b. Inspection of lines, ~~poles,~~ and substations.

Item 4. Adopt **new** paragraph **199—25.3(3)"d"** as follows:

d. Pole inspections.

(1) *Scope of inspection.* Pole inspections shall include an examination of the poles that includes tests in addition to visual inspection in appropriate circumstances. These additional tests may include sounding, boring, groundline exposure, and, if applicable, pole treatment.

(2) *Pole inspection schedule.* As part of the inspection plan required by this subrule, the utility shall include a schedule for periodic inspection of wooden poles. The period between inspections shall be based upon established good practice in the industry and may vary with soil conditions and type of wood, among other factors.

(3) *Procedures.* The inspection plans required by this subrule shall include written procedures for the inspection of poles and for determining the need for pole treatment, repair, or replacement.

Item 5. Amend subrule **199—25.3(4)** as follows:

25.3(4) Records. Each utility shall keep sufficient records to demonstrate compliance with its inspection and vegetation management ~~programs~~ plans. For each inspection unit, the records of line, ~~pole,~~ and substation inspections and pole inspections shall include the inspection date(s), the findings of the inspection, and the disposition or scheduling of repairs or maintenance found necessary during the inspection. For each inspection unit, the records of vegetation management shall include the date(s) during which the work was conducted. The records shall be kept until two years after the next periodic inspection or vegetation management action is completed or until all necessary repairs or maintenance are completed, whichever is longer.

November 28, 2006

/s/ John R. Norris

John R. Norris
Chairman