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Charlemont Municipal Lighting Plant
Town of Charlemont
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Written public comment relative to D.P.U. 25-10/D.T.C. 25-1.

Background

The Town of Charlemont built a town-owned fiber-optic network that began operating and providing broadband internet services to town residents in 2021. The cost to build the network was approximately \$3.3M and it reaches 100% of town residents. This project was funded by the taxpayers in Charlemont and also utilized both state and federal grant funding.

The fiber broadband network operates under the control of the town's internet-only Municipal Light Plant (MLP). The town owns the network assets; operations are subcontracted to a network operator / internet service provider (ISP/NO), which is currently Westfield Gas and Electric (the MLP of the town of Westfield, MA), doing business as Whip City Fiber.

Most of the network infrastructure consists of aerial fiber-optic cable attached to approximately 1500 utility poles located in the public right-of-way (ROW). Our incumbent electric utility is National Grid and our incumbent local-exchange carrier (ILEC) is Verizon. Most of the utility poles in town are jointly owned by National Grid and Verizon.

We wish to provide public comment relevant to several issues regarding pole attachment rules, agreements and practices as part of this proceeding.

Comment 1: Upgrades to the electric grid

Recently, there have been several projects proposed by National Grid to upgrade parts of the electrical grid within Charlemont and neighboring towns. Some of these projects are larger (tens of miles, hundreds of poles, multiple towns) and some are smaller (dozens of poles affected). These upgrades may be to improve capacity or reliability or enable new capabilities (e.g. 3 phase power, increasing use of solar/renewables).

Under our current pole attachment agreement, these upgrades result in costs to our town, due to the need to relocate our fiber-optic cable to new poles, attach the fiber to new poles (e.g. mid-span poles) or, in extreme cases, to replace the existing fiber-optic cable if the path of the utility lines changes too much. The town has no direct input into the timing, details or impact of these updates to the electric grid, and whether they are done efficiently or not (e.g. replacing the same pole multiple years in a row). There is no effective way for us to "control costs" or to have input on a cost/benefit analysis.

Our utility company provides a valuable public service, delivering safe, reliable electrical power to our community. We also benefit from the utility company maintaining the utility poles, allowing us to attach to these poles to provide - through public investment - fast, affordable broadband internet service to our residents. We have no desire to micro-manage improvements to the electrical grid. However, we do have concerns when these improvements to the electric grid result in unpredictable and potentially large costs that affect our town network and ultimately internet subscribers and local tax payers. We suggest that a better practice would be for the utility company to reimburse the town for costs associated with these types of improvements to the electrical grid. We offer several considerations for why this change would be good policy:

First, different utility companies implement different standards today. Not all utility companies push the cost of network upgrades on to attachers. Eversource, for example, reimburses all third-party attachers for the cost of discretionary network upgrades. We encourage DPU to establish uniform rules and practices with respect to pole attachments.

Second, the town has no way to intercede or control these costs. The town is not involved in the design or planning, and has no way to ensure the project is done efficiently, or with an appropriate cost/benefit analysis.

Third, when the Massachusetts Department of Transportation (MDOT) initiates a road improvement project, the costs for any utility relocations (either temporary or permanent) are simply part of the project budget for the road improvement project. This approach seems both sensible and practical and removes potential conflicts of interest between the parties.

Fourth, the town is not an arms-length third-party attacher. The town granted (and grants) to the utilities the use of the public ROW for the installation of utility lines. As part of this process, the town is allowed to negotiate stipulations governing town use of the utility poles, such as guaranteed attachment rights. Many of these pole agreements were negotiated a century ago, when it was difficult to foresee changes such as the availability of publicly-owned fiber-optic networks, technologies including solar power and other renewables, or the critical importance of the electrical grid to national security. The

conditions in these agreements should be subject to negotiated changes to reflect modern realities.

Fifth, before signing the current pole attachment agreement, the town initiated extended discussions with National Grid about the terms in the agreement, foreseeing potential conflicts of interest around network upgrades. With the window closing for access to state funding to help with network construction, we had no practical choice to complete our fiber-optic network without agreeing to these conditions.

Sixth, the issue of how attachment relocation costs are handled for electrical grid upgrades is hindering efforts to modernize the electrical grid. In practice, recent pole hearings in our town have been prolonged and contentious, in part due to the issue of differing financial incentives between the towns and the utility companies. If the cost issues were to be addressed, this would help streamline the process of approving important new projects to improve the electrical grid.

Comment 2: Uniform rules when utility poles are jointly owned

In Charlemont, almost all of the utility poles are jointly owned by National Grid and Verizon. It is the policy of National Grid that no annual lease fees are assessed to the town for the first attachment (12 inches of space) for municipal use. Verizon, however, does not agree to this policy and continues to charge the town a lease fee for the same 12 inches of attachment space.

We urge DPU to evaluate whether it would be in the public interest to have uniform rules and policies when utility poles are jointly owned, rather than rules that are different and contradictory between the two co-owning entities.

Comment 3: Necessity of surety bonds for municipal entities

Currently, the pole attachment agreements between the town and both National Grid and Verizon require the town to pay annually for two surety bonds to protect the utility companies in the event that the town were to default on its financial obligations under the attachment agreements. This results in an ongoing annual cost to the town of \$6000 per year (about 1% of the town budget to operate the fiber network).

Since the town is a public entity, with finances overseen by the Massachusetts Department of Revenue, there is little risk that a town would default on its financial obligations. The cost of these surety bonds simply raises the cost of internet service, for little to no benefit to the utility companies. We urge DPU to exempt towns, as a political subdivision of the Commonwealth, from the requirement for this unnecessary bonding.

Thank you for considering our comments and suggestions to improve the management of third-party attachments for utility poles, particularly as they affect publicly-funded, publicly-owned and publicly-run infrastructure for high-speed broadband.

Sincerely,

Robert E. Handsaker, MLP Manager, Town of Charlemont

Valentine Reid, Selectboard Chair, Town of Charlemont