

# A REPORT ON UTILITY POLE ATTACHMENTS IN MARYLAND

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*ON BEHALF OF THE STAFF OF  
THE PUBLIC SERVICE COMMISSION OF MARYLAND*

*January 15, 2016*

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## Executive Summary

During the 2015 legislative session, the Maryland General Assembly passed House Bill 541 entitled “Public Service Commission – Attachments to Utility Poles – Study.” On May 12, 2015, Governor Hogan signed the bill into law. The bill requires the Commission convene a workgroup to study attachments to utility poles in the State, including whether the regulation of pole attachment agreements at the State level is in the public interest, and to submit a report of its findings to the General Assembly by December 31, 2015. The deadline to submit the report was extended to January 15, 2016.

The Commission convened Public Conference 38 (“PC38”) to obtain and review information on the current state of the market for attachments to utility poles in the State, and delegated the final report on pole attachments to the Staff of the Commission. Interested parties were asked to file comments concerning the state of the market for pole attachments in the State. Ten parties filed comments in response to the Commission’s request. On August 11, 2015, the Staff of the Commission held a meeting of interested parties at the Commission’s offices in Baltimore, Maryland.

Based on the comments of the interested parties and Staff’s own analysis, Staff concludes that the Federal Communications Commission (“FCC”) regulates the market for pole attachments efficiently, and pole attachment regulation at the State level is not currently in the public interest. However, Staff believes that despite the federal rules, certain market failures exist that result in the inefficient replacement of legacy poles, and in inappropriate levels of double poles throughout the State. To alleviate the prevalence of double poles, Staff recommends that a statewide communications system, the National Joint Utilities Notification System (“NJUNS”), be adopted to improve communications and accountability for joint operations among all Maryland utilities. Additionally, should the utilities be directed to implement NJUNS, Staff recommends the Commission file a report on the progress being made by utilities to reduce double poles with the Legislature fifteen months after the implementation of NJUNS.

## Introduction

The market for pole attachments in Maryland is not currently regulated at the State level. In instances where States have not exercised their right to regulate pole attachments, the FCC has the authority to regulate and adopt procedures to resolve complaints concerning the rates, terms, and conditions for pole attachments.<sup>1</sup> As part of its oversight, the FCC sets appropriate pole attachment rates and promulgates rules governing the timeline for work completion throughout the pole attachment process.

Many of the rules and regulations currently in place for pole attachments stem from the Pole Attachment Act of 1978, which implemented Section 224 of the 1934 Communications Act, and directed the FCC to create just and reasonable rates, terms, and conditions for the pole attachments of cable television providers. Section 224 defined a “just and reasonable” rate as one that assures the recovery of at least the marginal costs of providing the pole attachment and at most a rate calculated based on the percentage of the usable space<sup>2</sup> of the pole. Of note, the Pole Attachment Act did not require utilities to give cable operators access to their facilities; instead, it directed the FCC to promulgate rules on the maximum rates utilities could charge<sup>3</sup> if they chose to provide access to poles.<sup>4</sup> The Pole Attachment Act also authorized States to preempt federal pole attachment regulations by promulgating pole attachment regulations at the State level; nineteen States subsequently did so.<sup>5</sup>

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<sup>1</sup> Baller, Jim, and Sean Stokes. "A Practical Primer on Pole Attachments." Web. 10 Dec. 2015. <<http://www.publicpower.org/files/Member/BallerHerbstPrimerPoleAttachments.pdf>>.

<sup>2</sup> The usable space of the pole is the space above the minimum grade level which can be used for the attachment of wires, cables, and associated equipment.

<sup>3</sup> The FCC calculates the maximum rates by using the “cable rate formula”, which is an amount determined by multiplying the percentage of the total usable space or capacity of the pole occupied by the pole attachment by the sum of the operating expenses and actual capital costs of the utility attributable to the entire pole. This rate essentially allocates the operating expenses of the pole based on the proportion of the usable space occupied by the attachment.

<sup>4</sup> Baller, Jim, and Sean Stokes. "A Practical Primer on Pole Attachments (Updated March 1, 2012)." 12 Mar. 2012. Web. 10 Dec. 2015. <<http://www.baller.com/wp-content/uploads/BallerHerbstPracticalPrimerPoleAttachments.pdf>>.

<sup>5</sup> Baller, Jim, and Sean Stokes. "A Practical Primer on Pole Attachments." The States that preempted federal pole attachment legislation were: Alaska, California, Connecticut, Delaware, District of Columbia, Idaho, Illinois, Kentucky, Louisiana, Maine, Massachusetts, Michigan, New Jersey, New York, Ohio, Oregon, Utah, Vermont and Washington.

The Telecommunications Act of 1996 (“Act”) expanded upon the Pole Attachment Act by adding providers of telecommunications services to the list of beneficiaries in the definition of pole attachments. Additionally, the Act granted third party attachers, including telecommunications carriers, an affirmative right of nondiscriminatory access to any pole, duct, conduit, or right-of-way owned or controlled by a utility.<sup>6</sup> Finally, the Act directed the FCC to develop a methodology to calculate rates for attachments used by telecommunications carriers to provide telecommunications service. The telecommunications rate formula implemented by the FCC differed slightly from the cable rate formula because the telecommunications rate formula accounts for both the usable and unusable spaces of the pole.

On April 7, 2011, the FCC issued the Pole Attachments Order , which adjusted the telecommunications rate formula in order to reduce the disparity between the cable and telecommunications attachment rates. The Order also instituted a timeline for pole owners to grant access to third party attachers who wish to install pole attachments. The timeline applies to all attachments and establishes a maximum period of 148 days for completion of the attachment process.<sup>7</sup>

## **PC 38**

Maryland House Bill 541 (“HB 541”) was introduced on February 11, 2015. The proposed bill required electric and telephone companies to coordinate with third party attachers to facilitate the timely removal of attachments and poles. For new poles installed after October 1, 2015 that replace an old pole<sup>8</sup>, third party attachers were to remove its equipment within sixty days after notification. For new poles installed prior to October 1, 2015, all equipment on the legacy pole was to be removed to allow for the removal of all legacy poles by December 31, 2016.

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<sup>6</sup> In 1998, the FCC determined that wireless carriers also had a statutory right of nondiscriminatory access to poles.

<sup>7</sup> The pole attachment process is composed of four phases: survey, estimate, acceptance by the attaching party, and make-ready work.

<sup>8</sup> Throughout this report, Staff will refer to “old poles” and “legacy poles” interchangeably.

The final version of HB 541 was signed into law by Governor Hogan on May 12, 2015. The final version of the bill eliminated all language regarding the requirements of pole owners to coordinate with third party attachers and facilitate the timely removal of attachments and poles. HB 541 required the Commission to convene a workgroup to assess the state of the market for pole attachments and to report its findings and recommendations to the legislature. The bill also required the workgroup to examine:

1. Whether regulation of pole attachment agreements at the State level is in the public interest;
2. The rates currently being charged by utilities for pole attachments;
3. Whether access to poles and other infrastructure by third parties is just and reasonable;
4. The types of technology currently being attached to poles, and the positioning of such technology on the poles;
5. The prevalence of double poles in Maryland;
6. The quality of the notice between utilities and its pole attachment customers regarding removal or modifications of facilities, rates, and terminations;
7. The resources necessary to effectively regulate pole attachments in Maryland; and
8. Any additional issues related to pole attachments in Maryland.

The Commission convened PC38 in order to study the market for pole attachments and directed Commission Staff to facilitate and conduct all work group meetings. Interested parties were asked to file comments on the eight topics of study required by HB 541.

Ten parties, including electric and telecommunications utilities, municipalities, and a State Delegate, filed comments in response to the Commission's request.<sup>9</sup> On August 11, 2015, the Staff of the Commission held a meeting of interested parties at the Commission's offices in which the interested parties discussed the filed comments. Below, Staff presents a summary of the discussion, by topic.

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<sup>9</sup> The parties that filed comments included: Easton Utilities Commission; the City of Greenbelt; Maryland State Delegate Jimmy Tarlau; The Potomac Edison Company ("PE"); Hagerstown Light Department; BGE; Virginia, Maryland, and Delaware Association of Electric Cooperatives on behalf of Choptank and SMECO; AT&T; Pepco and Delmarva Power; and Verizon. Comcast did not file comments but attended the workgroup meeting at the Commission's offices.

*Topic 1 – Whether regulation of pole attachment agreements at the State level is in the public interest.*

The telecommunications, cable television, and electric companies that filed responses to PC 38 overwhelmingly believe State regulation of pole attachments is unnecessary. As PE notes,

“Pole attachment agreements are subject to Federal Communications Commission (“FCC”) jurisdiction pursuant to federal law (47 U.S.C. §224). The FCC’s Bureau of Enforcement is responsible for rulemaking and enforcement, and adjudicates complaints related to access, rates, terms, and conditions of pole attachment agreements. The FCC has issued extensive rules regulating access to poles by cable television and telecommunications carriers.”

Verizon adds that “any issues regarding investor-owned utility poles that are not already covered by federal law are best handled by the industry working cooperatively.” Pole attachments, to a large degree, are governed through negotiated agreements between the various parties.

The utilities also argue that State regulation would create extra administrative costs that would drive up the cost of attachments. BGE states in its comments that “[the regulation of pole attachment agreements] could add unnecessary administrative and regulatory burdens that increase ratepayer costs for issues that are already being addressed adequately by existing agreements between BGE and Verizon, as well as agreements with other attaching entities.” Verizon adds that State regulation would “introduce uncertainty and potential delay as the industry would need to shift its focus to a PSC rulemaking and gear up for potentially new reporting and procedural requirements, all of which are likely to be time-consuming processes.”

In contrast, Delegate Jimmy Tarlau (Prince George’s County) and the Prince George’s County Municipal Association (“PGCMA”) support State regulation of pole attachments because of the prevalence of double poles in their jurisdictions. Double poles occur when a new pole is installed to replace an existing pole, but the existing pole is not removed, or is only partially removed from its location. In his filing to PC38, Delegate Tarlau identified hundreds of double poles within the Mount Rainier and Brentwood areas. Delegate Tarlau notes that “some of the poles are ‘partial’ poles and are safety hazards to the residences. Most of the time they are just eye

sores that hurt the quality of the neighborhood.” In addition, Delegate Tarlau “found that the utility companies do not do a good job of coordinating the transferring of wires from the old poles to the new poles and the removal of the old pole.” The PGCMA “supports further regulation by the Public Service Commission of double utility poles in order to ensure their prompt removal and endorses the need for a statewide approach to this issue.” Furthermore, “the Public Service Commission should study whether the provisions of the MOA<sup>10</sup> are being met.”

*Topic 2 – The rates currently being charged by utilities for pole attachments.*

PC 38 participants provided Staff with current rates for pole attachments. Rates for pole attachments vary based on the negotiated agreements between parties and can differ depending on the affected third party attachers and pole ownership, among other factors. Verizon, for instance, charges annual rates that range from \$1.89 for jointly owned poles, to \$9.43 for solely owned poles, per attachment. Choptank and SMECO, two electric cooperatives, charge annual rates of \$5 and \$6.24 per cable attachment, respectively, and \$5.28 and \$11.11 per telecom attachment, respectively.

*Topic 3 – Whether access to poles and other infrastructure by third parties is just and reasonable.*

Access to poles in Maryland is generally granted through standard licensing agreements, which contain detailed information on rates, terms and conditions, operational guidelines, and application forms. The utilities state that access to poles by third parties is just and reasonable and conforms to FCC regulations since all third party attachers are granted non-discriminatory access to poles, and all requests for attachments are handled under a timeline that comports with the 2011 Pole Attachments Order. For example, Verizon has entered into eighty-six conduit-occupancy and pole attachment agreements with third parties in Maryland. Verizon “processes all [attachment] applications on a first-come, first-served basis and evaluates them according to widely accepted standards regarding capacity, safety, reliability, and general engineering” and

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<sup>10</sup> The MOA (Memorandum of Agreement) is an agreement between Pepco, Verizon, and Comcast to remove double poles in a more timely fashion.

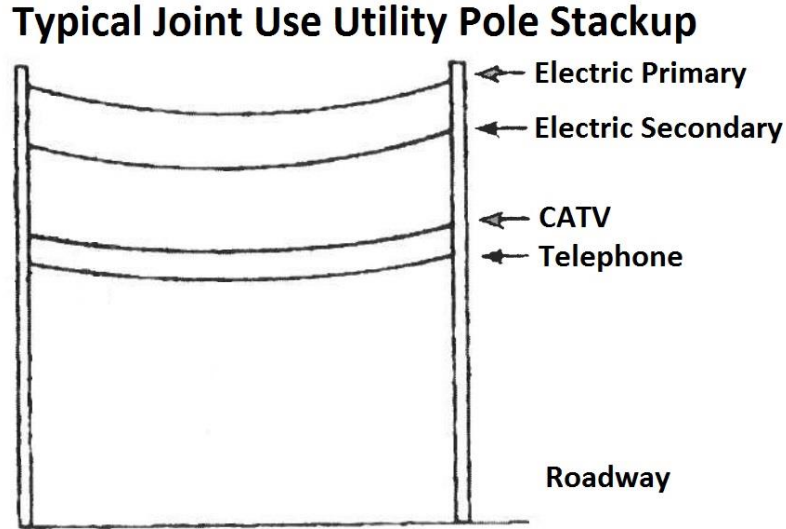


follows the standard timeline intervals in accordance with FCC requirements. Choptank and SMECO indicate that “the existing third-party attachment and joint use agreements providing such access have worked well for many years.” Similarly, BGE “is not aware of any past or present inability of a requesting party to attach their equipment...within BGE’s service territory due to negotiated attachment rates or BGE’s access policies and procedures.” Furthermore, neither Comcast nor AT&T, who do not own poles but are third party attachers in Maryland, indicated at the Commission’s PC38 meeting that they have had problems obtaining access to poles.

*Topic 4 – The types of technology on poles, and their positions on the poles.*

PC 38 participants identified several types of technology attached to poles including copper and fiber optic communications lines; coaxial cable from cable television providers; wireless equipment; power supply equipment; streetlights; and strand supporting traffic signals. The National Electrical Safety Code (“NESC”) has certain requirements regarding the spacing of the wires, as depicted in Figure A. Attachments for electric distribution facilities such as insulators, fuses, and transformers, tend to be located in the power supply space, at the top of the pole (typically the top six to eight feet of the pole). Cable and telecommunications attachments are positioned in the communications space below the power supply space (labeled CATV and Telephone on Figure A). The NESC also currently requires that a forty-inch clearance separate the power supply space from the communications space, and that the communications space be located a minimum of 15.4 feet above roadways. Wireless attachments can be located above the power supply space, in the communications space, or in the common area beneath the communications space.

Figure A



*Topic 5 – The prevalence of double poles in Maryland.*

Double poles are created during an upgrade process when a new pole is installed while service is still provided by the original pole. The process of installing a new pole is complicated and time consuming. After a new pole is put in place and the power lines have been transferred, each pole attachment is transferred in the position in which they are placed on the pole, from top to bottom. Once all pole attachments are transferred the legacy pole can be removed. Each step of the process is contingent on the effectiveness of the communications between the parties, and on the efficiency of each party in transferring its attachment. Since the process can be time consuming, double poles are a means of reducing end-user down times.

Table 1 shows the prevalence of double poles in Maryland. For certain utilities such as Choptank and PE, the number of double poles in the system seems to be small (in PE's case, double poles account for less than 1% of their total poles). Pepco has a small but more significant number of double poles; however, double poles still only account for less than 3% of the total number of poles. On the other hand, Verizon and BGE own 20,000 and 12,600 double poles, respectively (an unknown percentage of the Verizon and BGE poles are jointly owned).

*Table 1 – Number of double poles in Maryland, by owner<sup>11</sup>*

<b>Utility</b>	<b>Number of double poles</b>
BGE	12,600
Choptank	20-30
Pepco	3,398
PE	396
Verizon	20,000 (as of 11/2013)

In 2013, Verizon, BGE, and Pepco entered into agreements designed to expedite the removal of legacy double poles, minimize the prevalence of double poles in the future, and improve communications. Additionally, Verizon, Pepco, and Comcast signed a Memorandum of Agreement in which the companies pledged to remove all double poles in Prince George’s County in a timely fashion. The agreement allowed 60 days for notice and removal of attachments after a new pole is installed for poles with two or fewer attachers, and 90 days for poles with three or more attachers. These agreements have been fairly successful. For example, Verizon completed its efforts to remove existing double poles in the Pepco service territory before the end of 2014, and through June 2015, had removed nearly 12,000 double poles in the BGE service territory. Similarly, BGE expects all of its double poles to be removed by the end of 2018.

In his PC 38 comments, Delegate Tarlau notes the prevalence of double poles in the jurisdictions he represents. He argues that the utilities should improve coordination and communication in regards to double poles and pole removals, and that the procedures currently in place for pole removals are inadequate. Delegate Tarlau also notes that utilities are quick to remove double poles that are brought to their attention, but that other double poles remain in place for long periods of time. His comments are echoed by the City of Greenbelt which argues that the

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<sup>11</sup> As previously stated, the number of double poles in a system is the product of the efficiency of the utility and all third party attachers in transferring attachments and lines. Thus, it is incorrect to assume that the number of double poles in the system is solely the responsibility of the utility.

prevalence of double poles is caused by delays in removing third party attachments off legacy poles.

*Topic 6 – The quality of the notice between utilities and its pole attachment customers regarding removal or modifications of facilities, rates, and terminations.*

There is no unified system of communications for pole attachments in Maryland. Instead, each utility has in place a different method for notification. Pepco and Delmarva use spreadsheets to inform the various third party attachers of their timeframe to move attachments. Attachers, in turn, update Pepco and Delmarva when the work is done, and the spreadsheets are updated accordingly. Potomac Edison uses a web-based electronic notification system with respect to removals, modifications, terminations, and rates. Verizon receives notifications in various formats based on individually negotiated agreements that capture the key pole attachment actions required, the affected parties, the pole class and height, and contact information. BGE electronically transmits a Pole Activity Report form describing the location of the subject pole, the type of work performed, the reasons for the work, details regarding attachments on the poles, and any additional remarks noted by the on-scene technicians. The Pole Activity Reports are sent to the attaching entity responsible for transferring attachments.

During the PC 38 meeting at the Commission, SMECO mentioned the existence of a unified notification system used in other jurisdictions to deal with pole attachment issues. This system is called the National Joint Utilities Notification System, or NJUNS. The NJUNS program automatically notifies all relevant parties and attachers when work on a particular pole must be accomplished, eliminating the need for manual entry and notification. PEPCO informed the participants that it uses NJUNS in its DC operations with great success.

*Topic 7 – The resources necessary to effectively regulate pole attachments in the State.*

The utilities reiterate that State regulation of pole attachments is unnecessary and that the FCC regulates pole attachments efficiently. Verizon and Potomac Edison estimate that the resources needed for State regulation of pole attachments could be significant, as the Commission has not

regulated such matters before. The State would likely need to hire additional resources, including engineers, economists, and accountants with experience in pole attachment issues, and representatives to process pole attachment complaints.

*Topic 8 – Any additional issues related to pole attachments in Maryland.*

In his PC38 comments, Delegate Tarlau suggests the Commission look into regulations that address loose or low hanging wires, which hurt neighborhood aesthetics and are a potential safety hazard.

## **Analysis and Recommendations**

After reviewing the FCC regulations currently in force, the comments provided by the parties in PC 38, and conducting its own analysis, Staff believes that the pole attachment market in Maryland results in rates, terms and conditions for pole attachments that are adequate. FCC regulations ensure that rates charged to pole attachers are reasonable, that there is non-discriminatory access to poles for third party attachers, and that the timelines offered to third party attachers for attachment requests are appropriate and fair. Additionally, the negotiated agreements under which pole owners and third party attachers conduct business provide transparency to the market.

However, there are two areas of the pole attachment market that Staff believes can be improved upon. First, the market has not minimized the prevalence of legacy poles, or appropriately incented the prompt removal of existing legacy poles and the swift removal of new double poles. Second, Staff believes that communication between pole owners and third party attachers can be improved in order to help alleviate the prevalence of double poles.

Staff acknowledges the efforts made by pole owners to reduce the existence of double poles. As noted above, agreements between Verizon, BGE, Pepco and other parties have created action

plans that have been fairly successful at reducing the number of double poles. Still, as of November 2013, Verizon had approximately 20,000 double poles in the State, and as of July 2015, BGE had 12,600 double poles, 11,741 of which were legacy double poles. As the information provided by Delegate Tarlau in his comments indicates, hundreds of double poles can be easily identified today in the Mount Rainier and Brentwood areas of Prince George's County alone. While Staff understands that double poles are unavoidable given ongoing infrastructure projects, the timing involved in the installation of new poles, and the time required to safely remove attachments from the legacy poles, Staff believes that with improved communication utilities can minimize occurrences.

Pole owners and third party attachers must coordinate the relocation of attachments from legacy poles to new poles. A timely transfer of attachments and removal of the old legacy poles would limit the number and duration of double poles. This process requires that the information systems of the pole owners be up to date and well organized and that communications between all parties is effective. Communication issues amongst pole owners and third-party attachers contribute to the number of double poles by delaying the timely transfer of attachments, sometimes for years, leaving pole owners unable to safely remove legacy poles.

As previously discussed, current pole owner practices regarding communications with the third party attachers vary widely and have had different levels of success. PE's web-based system has effectively eliminated double poles in its service territory. In contrast, Verizon, PEPCO, and BGE had to implement action plans and agreements to address the large number of double poles in their service territories.

## ***NJUNS***

NJUNS is a web-based notification platform offering utilities a method to obtain up-to-date information on a variety of concerns related to poles and pole attachments, including double poles. The platform sequentially notifies each responsible party on a work ticket of their turn to modify or remove pole attachments, and automatically informs pole owners where the replacement process stands for each particular pole.

NJUNS helps address the double pole issue by ensuring that all relevant parties are informed on time of their responsibility to conduct work on a pole. When a NJUNS user decides to replace a pole, it opens a ticket on the system that informs all affected parties of a timetable under which each party must conduct all work on the pole. The system automatically generates e-mail reminders for the parties, and as each step is completed, the system sends an email reminder to the next party in line to perform work. Thus, NJUNS allows pole owners to instantaneously track the progress of a pole replacement. NJUNS users can access the platform over any web browser, making the system easy to use.

Other States have used NJUNS to address double pole issues. For example, New York became a member of NJUNS in 2011 due to widespread double pole and pole transfer issues in the State. In 2008 the Public Service Commission of New York instituted a proceeding to develop a program to enhance coordination, monitoring, and notification regarding equipment transfers on utility poles, and to expedite the removal of legacy poles. In 2011, the Public Service Commission of New York issued an Order implementing a standardized equipment transfer program for all pole owners and attachers, and established NJUNS as the software vendor for its equipment transfer program.<sup>12</sup>

Access to NJUNS is granted on a State level, and the initial and annual fees are paid on behalf of the State as a whole. Each State must decide how the fees are paid and by whom. Once a State becomes a member, access to NJUNS is available to all interested parties within the State, regardless of whether they are a paying member in the State.<sup>13</sup> The cost for the first year of NJUNS is \$33,000 per State, comprised of \$12,000 for the initiation fee and \$21,000 in operation and maintenance. After the first year, member States only pay for the operation and maintenance cost.<sup>14</sup> Additionally, interested parties in each State must elect two State representatives to the NJUNS Board of Directors.

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<sup>12</sup> Public Service Commission of New York, Case 08-M-0593, Standardized Facility and Equipment Transfer Program, Order Regarding Modification to Program, issued July 12, 2012. Through informal discussions, the PSC of New York Staff indicated NJUNS has been helpful establishing accountability and identifying parties preventing the completion of pole transfers and attachments.

<sup>13</sup> Twenty-seven States have a membership to NJUNS, including D.C., Kentucky, New York, Ohio, Pennsylvania, West Virginia, and Virginia.

<sup>14</sup> NJUNS is a non-profit organization, so it is able to keep its rates very low.

## Loose and Low Hanging Wires

Delegate Tarlau asked that the Commission address the prevalence of loose or low hanging wires in the State. Standards for low hanging wires are covered by NESC rule 232<sup>15</sup> which is incorporated into State rules through COMAR 20.50.02.02A. The repair of these wires can require several steps to be completed due to safety reasons, requiring timely coordination and effective communication amongst affected parties. NJUNS can address loose or low hanging wires in the same way it address double poles. An interested party or pole owner can create a ticket, and all affected parties will be notified in sequential order of the need to perform the necessary maintenance. The creator of the ticket can monitor the status and steps of the maintenance work.

## Recommendations

Having reviewed the systems of communication used by the participants, Staff recommends that NJUNS be implemented on a statewide basis to help improve communications between parties, and to help address the prevalence of double poles in the State.

Staff also recommends that the NJUNS fees be paid by the four largest electric utilities in the State (BGE, Pepco, Delmarva, and Potomac Edison), prorated by number of customers.<sup>16</sup> This methodology minimizes per-customer contributions, results in *de minimis* instances of double collection, and allows all interested parties in Maryland access to the system. Table 2 provides the total number of distribution service accounts for BGE, Pepco, Delmarva, and PE and how the annual fee would be allocated among those utilities.

Table 2 - Distribution service accounts, by utility

Utility	Total number of distribution service accounts (as of 11/30/15)	% of distribution service accounts out of the total number of distribution service	Allocation of annual NJUNS fee
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<sup>15</sup> NESC rule 232 describes the minimum vertical clearances of wires, conductors, cables, and equipment above ground, roadway, rail, or water surfaces. Wires must have a vertical clearance of at least 15.4 feet above roadways.

<sup>16</sup> Because Verizon is not rate of return regulated, it cannot recover the fees through base rates. Instead, Verizon would have to institute a separate surcharge that could be confusing to end users. Additionally, Staff notes that most Verizon customers are also electric utility customers. As a result, were the rate to be assessed on Verizon customers, certain customers would end up being assessed twice. For these reasons, Staff recommends that only electric utilities pay these fees.



		accounts	
BGE	1,265,795	55.0%	\$11,541.50
Pepco	562,977	24.4%	\$5,133.22
PE	264,497	11.5%	\$2,411.68
Delmarva	209,871	9.1%	\$1,913.60
<b>Total</b>	<b>2,303,140</b>	<b>100%</b>	<b>\$21,000.00</b>

The allocation of the annual fee is based on the percentage of distribution service accounts a utility has compared to the combined number of accounts for the four utilities. For instance, out of the 2.3 million accounts serviced by the four utilities, BGE had 55.0% of the accounts. Thus, BGE customers would be required to pay 55.0% of the annual NJUNS fee of \$21,000. As a result of these proportions, the bill impact to BGE, Pepco, PE, and Delmarva customers would result in an increase of less than one cent per year, on average. Similarly, the onetime initiation fee would be prorated based on the proportion of accounts compared to the total number of accounts for the four utilities.

Additionally, should the utilities be directed to implement NJUNS, Staff recommends the Commission file a report on the progress being made by utilities to reduce double poles with the Legislature fifteen months after the implementation of NJUNS.