BEFORE THE GEORGIA PUBLIC SERVICE COMMISSION

STATE OF GEORGIA

In Re: Generic Proceeding to Implement House Bill 244	: :	Docket No. 43453

DIRECT TESTIMONY AND

EXHIBITS

OF

DILBON RENE SMITH

ON BEHALF OF GEMC
AND 38 OF ITS EMC MEMBERS

DECEMBER 1, 2025

PUBLIC DISCLOSURE DOCUMENT

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I. INTRODUCTION AND BACKGROUND

Q. Please state your name, title, and business address.

A. My name is Dilbon Rene Smith. I am the President and Chief Executive Officer of Sumter Electric Membership Corporation ("Sumter EMC"). My business address is 1120 Felder Street, P.O. Box 1048, Americus, Georgia 31709-1048.

Q. On whose behalf is this testimony being presented?

A. My testimony is offered on behalf of Georgia Electric Membership Corporation ("GEMC") and its 38 not for profit cooperative members ("Georgia EMC" or "Georgia EMCs") that are subject to the Georgia Broadband Opportunity Act (the "Act").

Q. Please summarize your educational background.

A. I was born and raised in Dooly County, Georgia, and I attended Fullington Academy in Pinehurst, where I earned my high school diploma. After graduating high school, I attended Southern Polytechnic State University in Marietta, Georgia, where I earned a Bachelor of Science degree in Electrical Engineering Technology, Power Generation, and Distribution Option in March 1988. I subsequently studied at Auburn University, where I earned a master's degree in business administration in May 2011.

Q. Please summarize your professional experience.

A. My post-graduate employment includes over 32 years of experience with Sumter EMC. After graduating from Southern Polytechnic State University in March 1988, I started working at Sumter EMC. Between March 1988 and January 2020, when I became Sumter EMC's President and Chief Executive Officer, I held multiple positions with increasing responsibility at Sumter EMC, all of them involving pole attachment, joint use agreements, and the resulting engineering issues created by cable and Incumbent Local Exchange Carrier ("ILEC") attachments. As President and Chief Executive Officer, I am ultimately responsible for delivering safe and reliable electricity to Sumter EMC's approximately 15,000 member-owners 24 hours a day, 365 days a year, in eleven counties in South Georgia. To meet this objective, we need a pole plant that is soundly engineered and free of code violations created by attaching entities. The same is true for each of Georgia's 38 distribution EMCs.

My first role with Sumter EMC was as a Planning Engineer. In this position, my primary responsibility was developing project-specific engineering strategies. I was also responsible for conducting engineering studies to determine whether and where improvements to Sumter EMC's power distribution system needed to be made so that the system operated reliably and within the guidelines of the National Electrical Safety Code ("NESC"), a recognized American National Standard of the American National Standards Institute as published by the Standards Association of the Institute of Electrical and Electronics Engineers ("IEEE"), as well as the guidelines of the Rural Utility Service. I also provided engineering support for the design, construction, and maintenance of the cooperative's poles, wires, and other electrical facilities, and served

as an on-call supervisor over the line personnel, who responded to system outages. I remained a Planning Engineer at Sumter EMC until January 1994, when I was promoted to Operations Engineer.

As Operations Engineer, I continued the duties of my previous position, and I also directed meter reading functions, assisted in the development of standard operating procedures and financial budgets, supervised five operations employees, and conducted various engineering studies. I remained an Operations Engineer until July 1997, when I was promoted to the Vice President of Operations.

As Vice President of Operations, I supervised 15 engineering department personnel, developed and implemented department budgets, coordinated department activities to achieve corporate, financial and operational goals, and assessed and implemented software and hardware systems to improve corporate efficiency and power system reliability. Also in this role, I assisted in developing proposals for the delivery of electric services to large power loads. I remained the Vice President of Operations until January 2001, when I was promoted to Vice President of Engineering and Operations.

As Sumter EMC's Vice President of Engineering and Operations, my primary responsibilities included supervising 42 engineering and construction department personnel, developing and implementing budgets, coordinating department activities, and designing and constructing Sumter EMC's power distribution system. I also supervised the drafting, bidding, awarding, and implementation of maintenance and construction contracts for Sumter EMC's power distribution system. During this time, I served on a committee representing Georgia's 38 distribution EMCs in pole attachment contract negotiations. I remained the Vice President of Engineering and

Operations until January 2004, when I was promoted to the Senior Vice President of Operations.

As the Senior Vice President of Operations, I reviewed and analyzed reliability while minimizing costs. I also was involved in many aspects of Sumter EMC's power distribution system, including engineering, planning, safety, improvements, and the construction and maintenance of the distribution system. During this time, I continued to serve on various committees for the 38 Georgia distribution EMCs regarding pole attachments and joint use agreements. I remained Sumter EMC's Senior Vice President of Operations until January 2020, when I was appointed Sumter EMC's President and Chief Executive Officer, which is the position I currently hold.

As the President and Chief Executive Officer, I am responsible for all aspects of the cooperative's business and operations, including engineering, reliability, and the safe construction and maintenance of Sumer EMC's electrical transmission and distribution system. In my current position, and in my prior positions at Sumter EMC, I have seen the impacts of communications attachments on EMC-owned poles, including Sumter EMC's poles.

Q. Please identify any professional certifications you have that are relevant to this proceeding.

A. In June 2007, I became a Registered Professional Engineer in Georgia, and I continue to maintain that certification.

Q. Please describe any committees you have served on and any professional organizations or associations you are affiliated with that are relevant to this proceeding.

A. Between January 2001 and January 2004, I served on a committee that represented Georgia electric membership corporations in pole attachment contract negotiations. During this time, I was also a member of the Georgia EMC Engineers' Association and made presentations on the Association's behalf related to the economics and engineering of joint-use and pole attachment agreements, and the impact such agreements and attachments have on system reliability, safety, and utility plant costs. Since January 2004, I have served on multiple committees that represent the interests of Georgia electric membership corporations in negotiating joint-use and pole attachment contracts and handling the operational and engineering challenges created by sharing our pole plant with these Attaching Entities. Currently, I am also a member of the IEEE, the IEEE Power & Energy Society, and I represent the nation's EMCs through their national trade organization, the National Rural Electric Cooperative Association ("NRECA"), as a principal member of the IEEE's National Electric Safety Code Subcommittee 5 (Overhead Lines – Strength and Loading), which is a committee that reviews, debates, and votes on proposed changes to the National Electric Safety Code.

Moreover, I have been involved in pole attachment rate proceedings for all Georgia EMCs since the Georgia General Assembly passed the Broadband Opportunity Act in 2020. I was a witness on the Engineering Panel in the 2020 proceeding to implement House Bill 244. In preparing for and presenting my testimony, I studied the pole

attachment experiences and conditions of all 38 distribution EMCs in Georgia. After the Commission created the Georgia Formula in December 2020, I was appointed by Georgia EMC to be a member of their ten-person Pole Attachment Committee. This Committee was charged with staying informed on cable attachment issue important to all Georgia EMC members. I am familiar with the expansion of broadband brought by cooperatives throughout our territories since the 2020 pole attachment rate case. Further, as part of the GEMC Pole Attachment Committee, I gathered information about costs from all 38 distribution EMCs as well as storm impacts to the EMC pole plants. The Pole Attachment Committee meets regularly to discuss pole attachment issues, and I have attended all of the meetings, either in person or virtually, since I was first appointed to the Committee in 2021.

Following the 2020 pole attachment rate case, I have also met with representatives from the distribution EMCs to discuss pole attachment engineering, operation, and terms of use issues. In this role, I have worked and continue to work with distribution engineers across the state to determine how the 2020 terms of use are working and what changes and updates are needed to maintain a safe and reliable pole plant.

I have also worked with the GEMC team to track broadband availability through data from the Georgia Technology Authority, the Federal Communications Commission, and other public data resources to monitor the progress of broadband expansion across the state of Georgia. I have shared that information and worked with the EMCs, local governments, and service providers to maximize the speed of deployment of broadband services in our state.

Q. Please explain when you first became involved in pole attachment negotiations.

A. My involvement in pole attachment negotiations began in 2001, when a cable system owned by AT&T was sold to Mediacom without a contractually required assignment. We negotiated a new agreement with Mediacom that year, which took effect on January 1, 2002. In 2002, I worked with other Georgia EMCs to address contractual issues with Bellsouth. In 2003, I served on a committee representing Georgia's 38 distribution EMCs in pole attachment contract negotiations with Bellsouth, and after that negotiation concluded, I continued to serve on a pole attachment technical committee, collaborating with Georgia's EMCs on pole attachment matters.

Q. Please describe your current roles and responsibilities related to pole attachment agreements.

A. As the President of Sumter EMC, I fully understand Sumter EMC's pole attachment issues, which are similar to many of those experienced by the other 37 distribution EMCs in Georgia. Further, based on my role on GEMC's Pole Attachment Committee I have a deep understanding of the pole attachment issues experienced by all 38 Georgia EMCs. In addition, I regularly work directly with distribution engineers across all 38 Georgia EMCs to address pole attachment engineering and terms of use issues. I have also worked with Windstream to create a collaborative arrangement to bring broadband to Sumter EMC's ratepayers.

Q. Please describe your experience with mapping.

A. My first experience with mapping began in 1996, when I worked on a project with Sumter EMC to convert its detailed electric system maps into a digital format. I continued to support the cooperative's various mapping systems through the mid-

2010s, and through that work, I became familiar with how to use Geographic Information Systems ("GIS"). Since 2015, I have used GIS systems to retrieve geospatial data for business applications related to broadband services, including business case studies, related funding opportunities for broadband expansion, and monitoring the progress of broadband expansion.

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

A. Sumter EMC and I appreciate the opportunity to be heard in this proceeding and to speak on behalf of the 37 other distribution EMCs, many of whom are rural, economically challenged Georgia EMCs like ours.

My goal is to give the Commission a feel for not for profit distribution cooperatives, the member-owners we serve, and the challenges we face. I will also describe why the pole attachment rates, terms, and conditions proposed by the Georgia EMCs—which all 38 distribution EMCs endorse—should be adopted by the Commission and how the decision reached by the Commission will impact Sumter EMC and cooperatives like us.

Q. Please summarize your testimony.

A. In my testimony, I will first outline our case for the Public Service Commission (the "PSC"). I will also describe the nature of not for profit electric cooperatives and provide a background of Sumter EMC, which is similar to the other 37 distribution EMCs impacted by the PSC's decision. Further, I will share a high-level overview of general pole attachment customs in Georgia, the 2020 case implementing House Bill 244, and how that case impacted Georgia EMCs' relationships with cable companies and helped to provide broadband across Georgia, especially in rural areas. I will then introduce

Georgia EMCs' proposed rate for all new pole attachment agreements entered into or automatically renewing on or after July 1, 2026, and propose amendments to the terms and conditions adopted by the Commission's Order in the 2020 case implementing House Bill 244 (the "2020 Order") and explain why such amendments are necessary.

Q. Are you sponsoring any exhibits as part of your testimony?

A. Yes. I am sponsoring an overview of Georgia EMCs' broadband efforts, the maps showing the expansion of broadband since 2020, an overview of how EMCs invest heavily in broadband for their members in unserved areas, an overview of cable's utilization of the One Buck Deal, an overview of how the Handy - Whitman Index would affect Georgia's Rate, data to support Georgia's formula, the annual reports of the distribution EMCs that produce one, the 2024 audited financial statements of all 38 distribution EMCs, additional financial records to support the increased costs, and incorporating by reference the Exhibits from the 2020 case. The exhibits I am sponsoring are attached hereto and labeled as follows: **GEMC Ex. 1** to **GEMC Ex. 9**.

II. <u>THE GEORGIA ELECTRIC MEMBERSHIP CORPORATIONS</u>

Q. What is the purpose of Georgia's electric cooperatives?

A. As with electric cooperatives across the country, Georgia EMCs were formed in the 1930s after the passage of the Rural Electrification Act to extend electric service to homes and farms in rural areas that, until then, were literally "left in the dark." In rural Georgia, reliable electricity was unavailable because the cost to build lines for only a few customers per mile was deemed too high by Investor-Owned Utilities ("IOUs"), who must generate profit. Rural Georgians could not afford to pay IOUs for electric lines to be run to them. Essentially, rural Georgia did not have enough "customers" to

generate sufficient demand for a for-profit electric company to deliver electricity to them. In other words, rural Georgians had to form these electric cooperatives because the IOUs would not serve rural areas due to low density and the inability for IOUs to make a return on investment in rural areas.

Today, Georgia EMCs deliver reliable power at cost to more than 5 million of Georgia's over ten million residents. Georgia EMCs are member-owned, not for profit cooperatives, meaning they do not exist to provide a return on investment for shareholders and all of their costs must be borne by their members. Our territory covers nearly 70% of Georgia's land area. Together, all of Georgia's electric cooperatives employ more than 6,000 workers and operate the largest power distribution network in the state, with approximately 198,633 miles of electric power lines. Georgia EMCs' broader purpose is to provide the services and support that empower our communities to thrive, and we do that by being as resourceful as possible with our limited resources every day.

Q. How do Georgia EMCs refer to their customers?

A. In the EMC world, we refer to our customers as members or as member-owners, but our members are ratepayers because they are the ones who pay for the electricity that we provide. All costs of an EMC are covered by the members of that EMC. I will use the term "ratepayer" to be consistent.

Q. Please describe how the Georgia EMCs are structured financially.

A. Georgia EMCs operate on a not for profit basis. Their primary objective is to provide safe and reliable electric service to our ratepayers at cost over the long term. To do this, Georgia EMCs focus on minimizing the cost of providing electric service to its

ratepayers, rather than making profits. Each Georgia EMC sets a rate for its members that covers the EMC's power cost, operating expenses, administrative costs, and establishes and maintains reasonable reserves—and nothing more. At the end of each year, any revenue the EMC collects in excess of its expenses is allocated back to its ratepayers through capital credits (also referred to as patronage capital).

Many Georgia EMCs rely on the United States Department of Agriculture's Rural Utilities Service ("RUS") for its long-term financing. Funds received or guaranteed from RUS are used to finance the construction and improvement of electric distribution facilities. To be eligible for a new loan from RUS and comply with existing loans, many Georgia EMCs must meet certain mortgage covenants. One such covenant is to have and maintain a certain Times Interest Earned Ratio ("TIER"), which is simply an indicator of how many times a cooperative's margins cover its interest expense. It indicates to a lender that the borrower has sufficient revenue to pay the cost of debt. For a RUS borrower, the minimum TIER from total margins is 1.25, and the minimum TIER from operating margins (referred to as "OTIER") is 1.1. To calculate TIER, the cooperative's annual interest expense on long-term debt is added to its annual patronage capital/margins and that total is divided by the cooperative's annual interest expense on long-term term debt.

In a typical year, Georgia EMCs try to be conservative in budgeting their TIER ratios to allow the EMC to plan for a small cushion in margins to absorb unexpected operating expenses, such as storm damage that must immediately be repaired, and still meet its mortgage requirements. Bottom line, Georgia EMCs must generate revenue sufficient to pay all fixed and variable expenses, to provide and maintain reasonable

working capital, and to maintain, on an annual basis, the coverage ratios required by its lenders. If a source of revenue is reduced, a Georgia EMC must increase its rates, decrease its expenses, or both. Regardless of how a Georgia EMC addresses reduced revenues, the action the EMC must take to address the lost revenue directly affect the cooperative's ratepayers in a negative way.

Cable companies attach to EMC poles and pay EMCs' pole attachment rates for the use of the EMCs' poles. Think of it as a rental rate. This rental income for use of the EMCs' privately-owned property is a source of revenue for the EMCs. If the EMCs do not recover from cable companies the actual cost of their use, wear and tear, and engineering of the EMCs' poles, our ratepayers must pay these costs for the for-profit cable companies. Accordingly, having a just, reasonable, nondiscriminatory, and commercially reasonable, Georgia Formula and Georgia Rate are critical to Georgia's EMCs and their ratepayers.

Q. How do Georgia EMCs generate operating revenue?

A. Georgia EMCs generate operating revenue through the fair rates and fees they charge for electrical service and the rent from its property, including pole attachment rates.

Q. Please describe the general organizational structure of Georgia EMCs.

A. Georgia EMCs generally operate according to the following generally recognized cooperative principles:

1. Open and Voluntary Membership
2. Democratic Member Control
3. Members' Economic Participation
4. Autonomy and Independence

5. Education, Training, and Information

6. Cooperation Among Cooperatives

7. Concern for Community

The Seven Cooperative Principles' origin can be found within literature from the International Cooperative Alliance and their official publication of the Statement on Cooperative Identity. These general principles translate into actual EMC operations in many ways. Georgia EMCs operate according to the one-member, one-vote rule. The ratepayers elect the cooperative's board of directors, who, in turn, hire the staff to manage the daily operations of the cooperative. If the ratepayers feel the directors they elected are not making decisions in the best interest of the ratepayers, the ratepayers can and do replace the cooperative's board of directors. EMC directors are directly accountable to the cooperative's ratepayers, and the ratepayers control the direction of the cooperative and ensure the cooperative is meeting the needs of its community.

The ratepayers are the primary source of capital for the cooperative. Patronage capital, which is allocated to the account of each ratepayer and returned to the ratepayers when it is later retired in the form of capital credits, is equity capital furnished by the ratepayers. In addition, though the cooperative does take out loans, the ratepayers are the ones who pay back the loans.

Q. How does the cooperative structure benefit electric cooperatives' ratepayers?

A. Georgia EMCs' singular focus is meeting the needs of their ratepayers in the communities they serve, wherever and however they can. There is never a conflict or tension between the interests of the owners and the interests of the electricity ratepayers because they are one and the same. By coming together to form the cooperative, the

ratepayers are able to keep their cost of electricity as low as possible because no one is looking to make profits or provide investors with a return on their investment.

For example, Sumter EMC serves just 5.4 meters per mile. In comparison, Georgia Power, an IOU, serves on average around 35 meters per mile. This is one of the reasons it is more expensive to serve one cooperative meter than one IOU meter. Despite these higher costs, Georgia EMCs manage to keep the cost of their electric service down to benefit the ratepayers.

Q. Why does a fair rent price for attachments matter to EMCs?

A. Georgia EMCs must get a fair rent for the resources they share with cable attachers to accurately reflect the investment that the EMCs' ratepayers have made in their utility poles and to keep their cost of electric service low for their ratepayers. We are simply asking attachers to pay a percentage of the EMCs' actual pole costs, which is just, reasonable, nondiscriminatory, and commercially reasonable to ensure attachers are financially responsible for their fair share for the use of the Georgia EMCs' poles. EMC ratepayers should not be subsidizing for-profit cable companies. EMCs should be allowed to charge a rate that allows their member-owners, ratepayers, to recover their actual costs. The Georgia Formula and Georgia Rate provide for this with the adjustments requested in this proceeding.

Q. Is there anything else you would like to say about Georgia's electric cooperatives?

A. Yes. Georgia EMCs exist to deliver safe, reliable, clean, and affordable electricity to our ratepayers, but we have a calling to be more than just poles, wires, and electricity companies. Our broader purpose is to care for our communities and to help them thrive. Make no mistake about it, we view ourselves as a good and responsible partner in

efforts to deploy broadband, and we want our ratepayers to have broadband access. Georgia EMCs agree they are in the best position to design a well-engineered system for not only the distribution of electricity, but also for the attachments of cable and broadband services from communications companies.

Accordingly, over the past five years, Georgia EMCs have worked and invested heavily to deploy broadband for their ratepayers, including their ratepayers in unserved areas. Georgia EMCs have provided retail broadband service throughout their territories by utilizing the affiliates, partnerships, and/or the One Buck Deal. Indeed, since the 2020 Order, 26 Georgia EMCs have made broadband project announcements with plans to provide approximately 339,000 homes and businesses with high-speed internet service in 108 Georgia counties through affiliates and partnership agreements. Georgia EMCs have also committed to invest more than $1 billion to expand broadband in their service areas. *See* **GEMC Ex. 1**. It is critical to the expansion and maintenance of broadband in rural Georgia that pole attachments are properly installed and safely maintained and that Georgia EMCs receive a fair rental rate, compensating them for the full costs associated with preparing and maintaining a safe pole plant and protecting ratepayers from the increased costs associated with having cable attachments on EMC poles.

III. SUMTER ELECTRIC MEMBERSHIP CORPORATION

Q. Where is Sumter EMC located?

A. Sumter EMC's office headquarters is in Americus, Georgia. Sumter EMC has two district offices, which are located in Leesburg and Cusseta, Georgia.

Q. Please tell the PSC about Sumter EMC's service territory.

A. Among Georgia's EMCs, Sumter EMC is one of the largest service territories geographically, serving eleven counties: Chattahoochee, Dougherty, Lee, Marion, Quitman, Randolph, Schley, Stewart, Sumter, Terrell, and Webster. Despite this large geographic region, Sumter EMC is very low density, as Sumter EMC serves around 5.4 meters per mile of line. In total, Sumter EMC provides electricity to more than 15,336 ratepayers, servicing 21,321 meters. Sumter EMC's service territory is primarily made up of rural areas with a high poverty level rate. For example, the poverty level exceeds 20% in six of the eleven counties Sumter EMC services. Approximately 71% of our ratepayers are residential customers, and 29% are commercial customers. Of those commercial customers, around 24% are small commercial customers, around 4% are irrigation customers, and around 1% are large power customers. In total, Sumter EMC has installed and maintains more than 3,928 miles of distribution line.

Q. Please describe the economic conditions in Sumter EMC's service territory.

Looking at Sumter EMC's service territory alone, in Randolph County, the median household income is below $26,000, 9.7% of households live off less than $10,000, and another 40% live off less than $25,000. In Stewart County, the median household income is $35,000, 7.7% of households live off less than $10,000, and another 31.1% live off less than $25,000. In Webster County, the median household income is below $41,000, 11.0% of households live off less than $10,000, and another 15.1% live off less than $25,000. Three of the eleven counties within Sumter EMC's territory are among the ten counties with the highest poverty rate in Georgia, with Terrell County having the highest poverty rate in all of Georgia. Even with keeping rates as low as

possible, our ratepayers still struggle to afford the power bill they currently have. Our ratepayers literally cannot afford for cable attachers to not pay their fair share of the use of the Georgia EMCs' poles. Ratepayers will not be able to sustain a power bill that absorbs future cost increases at little-to-no cost to for-profit cable attachers.

IV. OVERVIEW OF POLE ATTACHMENTS

Q. What is pole attachment revenue?

A. Pole attachment revenue is the revenue an EMC receives from an attacher who essentially rents space on an EMC's pole to install their cable attachments. If the EMC did not make space on its pole available for the attacher to use, the attacher would need to incur the much higher expense of building and maintaining its own pole and right of way.

Q. Why is pole attachment revenue important for Georgia EMCs?

A. Pole attachment revenue is important because it allows EMCs to recover the costs of repairing the wear and tear caused by attachers to EMC poles. Otherwise, ratepayers would bear the brunt of those costs. Any decrease in pole attachment revenue would be another expense borne by the ratepayers.

Q. How would you describe the pole attachment practices of cable companies?

A. The pole attachment practices of cable companies have improved since the 2020 Order because of the terms and conditions adopted. These terms gave Georgia EMCs valuable recourse for poor pole attachment practices. As such, with several minor adjustments, the terms and conditions should be readopted by the Commission. As a licensed Professional Engineer and General Manager of a major cooperative, I can tell you that if the cable companies violate required safety codes and contractual obligations, these

violations are damaging or dangerous. Improper guying, improper clearances, improper separation, and double poles were quite common. Each of these violations is serious and creates one (and, often, a combination) of the following: safety issues for persons and property: decreased life expectancy of the cooperative's poles, increased consequences of a bad weather event, more difficult system restoration after a bad weather event, and unnecessary outages.

For example, Mediacom has been attaching to Sumter EMC poles without a contract—Mediacom does not have a contract with Sumter EMC because Mediacom insisted on certain changes to the standard terms and conditions that would put them on a different playing field from other attachers. Recently, Mediacom attached several spans without installing proper anchors, and this put a lot of stress on the pole plant. To resolve this issue, Sumter EMC had to send out its own employees to address the issue and protect its distribution system. This is just one of the many examples I could provide of how cable's attachment practices drive up costs for ratepayers.

Q. What impact does the pole attachment practices of cable companies have on Georgia EMCs?

A. The communications attachments that cause pole compromise issues impose burdens on Georgia EMCs that would not otherwise exist. Specifically, the attachments cause safety issues, reliability issues, and increased costs.

Safety Issues: The failure to properly guy and support communications attachments creates pole loading issues that can cause premature and unexpected pole failure. This creates a public safety hazard for the public and Georgia EMC workers that may be climbing the poles.

Reliability Issues: When EMC-owned poles are broken or damaged, this often leads to power interruptions. These interruptions occur more frequently when the system is under storm loading conditions. While it is true that EMC pole and equipment failures occur during storms even without communications attachments present, an EMC pole that has communication attachments that do not meet the strength provisions of the NESC or that has been weakened by improper construction practices is much more likely to catastrophically fail, which results in a power outage that takes far more time to restore.

Increased Costs: Pole compromise issues increase costs for Georgia EMCs through increased outage times, increased repair time, premature replacement of existing facilities, and the costs of labor and materials associated with these activities. In addition, Georgia EMCs invest a significant amount of time and money communicating loading and strength issues to communications attachers, evaluating potential solutions, and implementing corrective actions.

V. <u>THE 2020 0RDER</u>

Q. Please provide an overview of the 2020 Proceeding Implementing House Bill 244

A. In 2020, the Georgia legislature passed H.B. 244, giving the Public Service Commission jurisdiction over the rental rate for pole attachments to provide for the deployment of broadband to rural Georgia. Ultimately, the Commission adopted terms, conditions, specifications, and a formulaic rate (the "Georgia Rate"). The formulaic rate required attachers to pay for only 26.94% of an EMC pole in lieu of building or maintaining their own poles. Based on 2019 costs, this 26.94% space allocation resulted in a rate of $27.71 per pole for attachments, considering three factors: the pole cost,

carrying charge rate, and space allocation (the "Georgia Formula"). The 2020 Order guaranteed this rate for a period of five years, which is set to expire on June 30, 2026. The 2020 Order also included the "One Buck Deal," which provided for new pole attachments in unserved and underserved areas at a rate of $1 per pole for a period of six years.

Q. How would you describe the 2020 Order?

A. Given the background I provided above and my extensive, decades' long experience in this area, the Commission's 2020 decision was commercially reasonable. The terms and conditions addressed in the 2020 Order have equipped Georgia EMCs to combat poor attachment practices and protect the reliability and safety of Georgia EMCs' electrical distribution systems. Further, the Georgia Rate of $27.71, if adjusted for rising costs with the incorporation of the Handy-Whitman Index, will remain just, reasonable, nondiscriminatory, and commercially reasonable, promoting the deployment of broadband services across the state of Georgia. Accordingly, in support of the 2020 Order, I incorporate by reference as though restated herein all testimony and exhibits offered by Georgia EMC in the 2020 proceeding.

Q. How have the terms and conditions contained in the 2020 Order helped Georgia EMCs address attachment practices?

A. The 2020 Order provided a helpful starting point for Georgia EMCs in negotiating with cable companies about the rates, fees, terms, conditions, and specifications associated with pole attachments. The decision also contributed to more uniformity across the state of Georgia—both in Georgia EMCs' relationships with cable companies generally and among the business practices of Georgia EMCs. For example, shortly after the 2020

Order, Georgia EMCs began sharing common pole attachment issues to stay current on best practices in navigating those issues.

Further, the Commission's 2020 decision provided more uniformity in Georgia EMCs' pole attachment agreements and revenue, which created efficiency. The 2020 Order also allowed EMCs to recover more of the costs of repairing the wear and tear caused by attachers without passing such costs to the EMC ratepayers. The 2020 Order also affirmed Georgia EMCs' control over their poles, empowering Georgia EMCs to engage in self-help practices and recover the costs associated with repairing and replacing poor attachment practices. Where there are problems with cable companies, Georgia EMCs can use the Terms and Conditions to enforce rights and make sure safety and reliability are maintained across the pole plant. This, in turn, has improved the safety and reliability of Georgia EMCs' electrical transmission and distribution systems.

Finally, the Georgia One Touch Make Ready process helped facilitate a quick deployment of broadband.

Q. Please explain how broadband has expanded in Georgia after the 2020 Order.

A. In looking at the differences in the broadband maps of Georgia from 2020 to 2024, which are attached hereto as **GEMC Ex. 2**, you can see Georgia's Rate did exactly what it was supposed to do. The deployment of broadband in underserved and unserved areas increased significantly across Georgia after adoption of the rate. These maps show the enormous strides in broadband deployment across Georgia resulting from the Commission's decision in 2020.

Q. Why is the deployment of broadband important?

A. Broadband deployment is vital for economic development and education. Every EMC wants their ratepayers to have access to broadband and the opportunity that accompanies such access.

Q. Do ratepayers in Sumter EMC's service territory have access to broadband services?

A. Going into 2020, only around 20% of Sumter EMC ratepayers had broadband service or a commitment from a company to provide broadband. Now, around 95% of ratepayers either have broadband service or have a commitment from a company to provide broadband. This progress is the direct result of an ongoing project to make broadband service available to all of Sumter EMC's ratepayers. The project is expected to be complete by the end of 2028, and a significant portion of the project is expected to be complete by the end of 2026. The Commission's 2020 decision enabled the deployment of broadband across the state of Georgia.

Q. What has Sumter EMC done to deploy broadband to its ratepayers?

A. After the Commission's 2020 Order, Sumter EMC embarked on conversations with other entities to make broadband services available across its large geographic service territory. We considered an affiliate model, where Sumter EMC would build and wholly own a broadband system, separate and distinct from the EMC, which would service Sumter EMC operations and deliver broadband to its ratepayers. Several other EMCs use this model, including Altamaha EMC, Diverse Power, Coastal Electric Cooperative, GreyStone Power Corporation, Habersham EMC, and Tri-County EMC. At Sumter EMC, our concern with the affiliate model was the initial cost requirements

coupled with the low density in our service area. While using the affiliate model did not work for Sumter EMC, Sumter EMC has been very successful in deploying broadband to its member-ratepayers, by engaging in partnership with Windstream and by being generous in its application of the One Buck Deal.

For example, Sumter EMC partnered with Windstream to help Windstream receive federal funds for the deployment of broadband in Sumter EMC's service territory. Specifically, Sumter EMC provided Letters of Support, hosted informational meetings to educate local governments about the grant programs, and allowed Windstream to include in its grant applications that it was working with Sumter EMC, lending Sumter EMC's good name and goodwill, to strengthen Windstream's applications. In part because of our partnership, in addition to grants previously awarded to Windstream from the FCC RDOF program, Windstream received grants from the American Rescue Plan Act ("ARPA") Capital Project Fund, the ARPA State Fiscal Recovery Fund programs, and has been awarded initial, provisional funding allocation for projects under the federal Broadband Equity, Access, and Deployment ("BEAD") program. Collectively, these grants have drastically increased Windstream's pace of construction, and I expect continued growth in the number of Windstream's attachments in Sumter EMC's service territory. In support of Windstream's deployment of broadband in Sumter EMC's service territory, Sumter EMC also performed some of the necessary make ready work, including, for example, pole changeouts, for free. In exchange, Sumter EMC received access to use some of Windstream's broadband fiber along Sumter EMC's mainlines for Sumter EMC's operations. Several other Georgia EMCs use a partnership model, including Amicalola EMC, Carroll EMC, Central Georgia

EMC, Cobb EMC, Colquitt EMC, Flint Energies, Grady EMC, Irwin EMC, Jackson EMC, Jefferson Energy Cooperative, Middle Georgia EMC, Mitchell EMC, Ocmulgee EMC, Oconee EMC, Satilla EMC, Southern Rivers Energy, and Washington EMC.

Turning to the use of the One Buck Deal, Sumter EMC has used the One Buck Deal more than any other EMC. This is in part due to cable companies' underutilization of the One Buck Deal in other areas, and this is in part due to Sumter EMC's generous application of the One Buck Deal. For example, Windstream uses the One Buck Deal on almost all of its attachments in Sumter EMC's service territory. Even though Windstream may forget to check the appropriate box when filling out its paperwork, acting as if the rental rate has no effect on its decision to deploy broadband in the area, Sumter EMC will still apply the One Buck Deal where Windstream is installing attachments in unserved areas, as Sumter EMC aims to advance the deployment of broadband across its service territory. Overall, Windstream and Charter are the primary attachers taking advantage of the One Buck Deal in Sumter EMC's service territory.

Q. What is your estimate of the number of One Buck Deal attachments on Sumter EMC's system?

A. As of the end of 2024, with a little over 2,500 poles, Windstream's One Buck Deal attachments made up about 5% of Sumter EMC's total system-wide pole count, and there were no other attachers with attachments that qualified for the One Buck Deal. However, as a result of Windstream and Charter receiving federal funding through grants, Sumter EMC has recently had a significant increase in the number of new attachments in unserved areas. As of July 2025, over 8,000 Sumter EMC poles now have One Buck Deal attachments, as Windstream has added over 8,000 One Buck Deal

attachments, and Charter has added over 150 One Buck Deal attachments. In total, One Buck Deal attachments have increased from comprising about 5% to about 16% of Sumter EMC's total system-wide pole count over the course of six months.

Q. What is the annual cost of the One Buck Deal to Sumter EMC?

A. Because Sumter EMC is generous in its application of the One Buck Deal, the One Buck Deal costs Sumter EMC over $200,000 per year. Sumter EMC is comfortable with this cost, and its subsequent impact on the ratepayers, only because it is for a finite term of six years and because the One Buck Deal provides for the deployment and expansion of broadband in Sumter EMC's service territory. Helping spread broadband across its service territory is good for Sumter EMC's ratepayers and the communities it serves.

Q. How does Sumter EMC's use of the One Buck Deal compare to usage statewide?

A. Sumter EMC's use of the One Buck Deal is an outlier. Generally, the One Buck Deal is underutilized by cable companies in Georgia. This underutilization shows an overall lack of correlation between a pole attachment rate and a cable company's decision regarding whether to deploy broadband in a particular area. For example, as of July 2025, Canoochee EMC, Colquitt EMC, Grady EMC, Hart EMC, Jackson EMC, and Satilla REMC had less than one-hundred One Buck Deal agreements in place, and Altamaha EMC, Coweta-Fayette EMC, and Walton EMC had less than two-hundred One Buck Deal agreements in place, and GreyStone Power Corporation and Snapping Shoals EMC had less than one thousand One Buck Deal agreements in place. *See* **GEMC Ex. 3**. Indeed, out of the over one million poles in unserved areas of Georgia that are eligible for the One Buck Deal, only 16,117 poles have a One Buck Deal

agreement in place. *See* **GEMC Ex. 4**. In other words, 98.5% of eligible poles do not utilize the One Buck Deal. *See* **GEMC Ex. 4**.

Q. Why has the One Buck Deal not played a larger role in the deployment of broadband in rural areas?

A. Generally, cable companies are willing to deploy broadband in high density areas where the return on investment is evident and more predictable, as cable companies are for-profit organizations that operate with the ultimate aim of generating and maximizing shareholder profits. This means cable companies are willing to go to locations where there is a high density, return on investment, and a high take rate, where cable companies know people will accept service if broadband is available. But cable companies are less willing to go to a lower density area, where there is a smaller return on investment, less density, or less certainty about whether people will accept service once broadband is available.

Given this background, it is very common in lower density areas for Georgia EMCs, at a cable company's request, to incur ample engineering costs to determine the cost to make ready only for the cable company to change its mind and either not deploy broadband in the area or to take such deployment underground. What we observe is that the cost of attaching to an EMC pole is not the reason a cable company deploys broadband in an area or not, so even bringing the cost all the way down to a $1 does not prompt a cable company to deploy in an area they otherwise would not.

VI. REVISIONS PROPOSED BY GEORGIA EMC

Q. Please provide an overview of the revisions to the 2020 Order that Georgia EMC proposes.

A. Georgia EMC respectfully requests the Commission affirm the Georgia Rate based on the Georgia Formula previously adopted by the Commission in the 2020 Order and revise it in several important ways. At a high level, Georgia EMC asks the Commission to affirm the "Georgia Rate" based on the prior "Georgia Formula" adopted by the Commission in the 2020 Order with the following exceptions: (1) the Georgia Rate of $27.7l per pole per year shall be adjusted annually using the most recently published Handy - Whitman Index ("HWI"), starting January 1, 2027, and annually thereafter on January 1, for a term of at least seven years through June 30, 2033 for all new Pole Attachment Agreements entered into or automatically renewing on or after July 1, 2026; (2) the One Buck Deal will no longer be available in Pole Attachment Agreements entered into or automatically renewing on or after July 1, 2026.; and, effective July 1, 2026, applications for the One Buck Deal will no longer be granted under any existing agreement except for those entered into between June 1, 2024 and December 1, 2025; but, for attachments already receiving the One Buck Deal attachment rate on or before July 1, 2026, and for eligible attachments granted the One Buck Deal under the initial term of a Pole Attachment Agreement entered into between June 1, 2024 and December 1, 2025, the six years of the $1.00 per pole per year rate shall be honored according to the applicable contract terms subject to the right of either party to terminate the Pole Attachment Agreement at the end of its initial term; and (3) modifications and additions to the terms and conditions set forth in the

Commission's Pole Attachment Regulations, Exhibit A to the 2020 Order, shall be adopted by the Commission. I address each of these proposed amendments, in turn, below.

Q. What is the Handy-Whitman Index?

A. The Handy-Whitman Index is a nationally recognized aggregate indicator of regional construction costs, which is produced by Whitman Requardt and Associates. It tracks cost trends over time, is widely used in the industry to support price changes in power-related capital projects, and considers a variety of inputs, including among other things material costs, labor costs, and inflation. In other words, the Handy-Whitman Index is a widely accepted resource that moves up and down to reflect important changes in the industry. Indeed, the Handy-Whitman Index has been used in negotiated pole attachment and joint use agreements for years to provide a consistent reflection of market changes.

The Handy-Whitman Index is comparable to the Consumer Price Index, which is the measure of the average change over time in the prices paid by an average household for the cost of goods, such as milk and bread. In the same way the Consumer Price Index moves up and down to reflect how the cost of goods has changed over time for the average household, the Handy Whitman Index ebbs and flows to reflect how the cost of operations has changed over time for the construction industry.

Q. If the Handy-Whitman Index had been applied to the Georgia Rate of $27.71 starting in 2021, how would that have impacted the pole attachment rate?

A. If the Handy-Whitman Index had been applied over the last five years, the resulting pole attachment rate would be $35.25 per pole. *See* **GEMC Ex. 5; GEMC Ex. 6**.

Q. Why is it necessary to incorporate the Handy-Whitman Index into the Georgia Formula for determining the Georgia Rate?

A. Since 2020, the cost of goods has risen significantly due to inflation. For the average household, the cost of milk and bread alone has increased 22.81% from 2019 to 2024. Just like every household and business across Georgia, the costs of Georgia EMCs have increased due to inflation, supply chain shortages, labor shortages, and storm restoration efforts. All of these factors, individually and taken together, significantly impact Georgia EMC's operating budgets. Incorporating the Handy-Whitman Index is, therefore, necessary to compensate Georgia EMCs for the increase in costs associated with repairing the wear and tear caused by attachers to Georgia EMC poles.

Moreover, because the Handy-Whitman Index periodically updates to reflect inflation among other important market factors, incorporating the Handy-Whitman Index into the Georgia Formula for determining the Georgia Rate would limit the need to initiate future pole attachment rate cases solely for the purpose of updating the relevant costs to reflect market factors. Rather, the cost set forth by the Handy-Whitman Index would automatically encompass the consideration of relevant market factors into the Georgia Formula, limiting the need for such proceedings in the future and keeping the Georgia Rate commercially reasonable.

Q. When would the Handy-Whitman Index be incorporated into the Georgia Formula for determining the Georgia Rate?

A. We are asking that the Georgia Rate of $27.7l per pole per year be adjusted annually using the most recently published Handy-Whitman Index, starting January 1, 2027, and annually thereafter on January 1, for a term of at least seven years through June 30,

2033, for all new Pole Attachment Agreements entered into or automatically renewing on or after July 1, 2026. Incorporating the Handy-Whitman Index would help ensure that the Georgia Rate remains just, reasonable, nondiscriminatory, and commercially reasonable, promoting the deployment of broadband services across the state of Georgia.

Q. How would a reduced pole attachment rate impact Georgia's 38 distribution EMCs?

A. Because the rate and structure currently in place simply allow the EMCs to recover costs, any reduction below the current thresholds would create a deficit that would be borne by Georgia EMC ratepayers. Moreover, as discussed above, the EMCs are already investing in the expansion of broadband in their service territories through affiliates, partnerships, and generously applying the One Buck Deal such that any reduction in the pole attachment rate would directly impact the EMCs' ability to make continued investments in deploying broadband. Moreover, cable companies need to pay their fair share of the cost for using our poles to maintain a safe and reliable pole plant. Importantly, even if the Commission were to reduce the pole attachment rate to incentivize cable companies to invest in Georgia, there would be no mechanism in place to guarantee or insist that cable companies invest in a particular area or in the State of Georgia at all. In comparison, Georgia EMCs' continued investment in serving the State of Georgia is guaranteed, and any change the Commission makes to the pole attachment rate will directly impact the over five million residents served by Georgia EMCs.

Q. Why is the term of at least seven years for the Georgia Rate necessary?

A. The term of seven years provides certainty and stability to Georgia EMCs and cable companies and, as a result, to Georgia residents. Guarantees on the Georgia Rate promote the continued investment in broadband deployment. Without a seven-year term, Georgia EMC and cable companies would need to continue to initiate periodic rate cases to ensure the Georgia Formula for determining the Georgia Rate remains commercially reasonable and encompasses important market considerations, including among other things the impact of rising material costs, rising labor costs, and inflation. The initiation of periodic rate cases is an expensive and inefficient endeavor for the State of Georgia, the Commission, Georgia EMCs, and cable companies, and such expenses are often passed on to the Georgia ratepayers. Moreover, the initiation of these cases alone introduces instability to the market, as neither Georgia EMC nor cable companies can anticipate what terms will govern future Pole Attachment Agreements, which comprise an integral part of their finances. Therefore, the seven-year term is necessary.

Q. Please explain what Georgia EMC proposes related to the One Buck Deal.

A. While the One Buck Deal has been effective in certain service territories, it has been very costly for Sumter EMC and the other EMCs disproportionately impacted by it. This is part of why the One Buck Deal was initially designed to last for a finite term. Given this context, Georgia EMC proposes revising the 2020 Order to reflect that the One Buck Deal will no longer be available in Pole Attachment Agreements entered into or automatically renewing on or after July 1, 2026; and, effective July 1, 2026, applications for the One Buck Deal will no longer be granted under any existing

agreement except for those entered into between June 1, 2024, and December 1, 2025; but, for attachments already receiving the One Buck Deal attachment rate on or before July 1, 2026, and for eligible attachments granted the One Buck Deal under the initial term of a Pole Attachment Agreement entered into between June 1, 2024, and December 1, 2025, the six years of the $1.00 per pole per year rate shall be honored according to the applicable contract terms subject to the right of either party to terminate the Pole Attachment Agreement at the end of its initial term.

Phasing out the One Buck Deal is also necessary because under the 2020 Order, the availability of the One Buck Deal depends on the Georgia Broadband Map. However, the Georgia Broadband Map, which shows served and unserved areas, is no longer being updated to categorize certain geographic areas as served or unserved, which means determining which areas are now served versus unserved for purposes of determining the availability of the One Buck Deal is difficult. Moreover, the most recent FCC broadband maps show the vast majority of Georgia is now served. We find cable companies prefer other methods to increase their deployment of broadband, as seen by cable companies' overall lack of utilization of the One Buck Deal in deploying broadband across the State. *See* **GEMC Ex. 3; GEMC Ex. 4**. Thus, the One Buck Deal has served its purpose and can be eliminated.

Q. Why are modifications and additions to the terms and conditions previously established in the 2020 Order necessary?

A. Updated terms and conditions are necessary to ensure the Commission's Order reflects advancements in technology and operational changes, to provide more stringent

remedies to ensure cable companies' pole attachment practices do not damage an EMC's pole plant, and to promote cost-effective operational efficiency.

Q. What modifications does Georgia EMC propose to the terms and conditions previously established in the 2020 Order?

A. Georgia EMC proposes modifications to the Access and Removal in Section 2(f); the Access and Removal provision in Section 6; the Prohibition against Redundant Poles provision in Section (d); the Prohibition against Redundant Poles provision in Section (e); and the Interest Rates set forth in the Pole Attachment Regulations for the Georgia Public Service Commission, attached as Exhibit A to the 2020 Order (the "Regulations").

Q. What modifications does Georgia EMC propose to the Access and Removal provision set forth in Section 2(f) of the Regulations?

A. Georgia EMC proposes amending the Access and Removal provision in Section 2(f) to include the following language: "If a Pole Owner fails to act on a Pole Attachment application and the Attaching Entity, with a fully executed Pole Attachment Agreement, makes a request in writing to the Pole Owner, the Pole Owner shall provide, in writing within 10 days, the specific basis for the failure to act on the Pole Attachment application. If a Pole Owner denies a Pole Attachment application of an applicant with a fully executed Pole Attachment Agreement, the basis for the denial shall be issued in writing simultaneously with any denial. Appendix A at 6."

Q. Why does Georgia EMC propose the addition of this language?

A. To provide timely and complete information, where an attacher with a fully executed Pole Attachment Agreement submits a written Pole Attachment Application, Georgia

EMCs will either explain the basis for their denial of the Application when the denial is made or, upon a written request, explain why no action has been taken on the Application. For example, following Hurricane Helene, many Georgia EMCs were focused on getting the lights back on and repairing their systems. During this time, some EMCs stopped processing Pole Attachment Applications, and cable companies complained. Now, there will be a formal process for this to be explained, so all parties are informed when questions arise.

Q. What modifications does Georgia EMC propose to the Access and Removal provision set forth in Section 6 of the Regulations?

A. After working with the terms and conditions since the 2020 Order, the Georgia EMCs noticed the need for clarity on what happens if an EMC line is moved underground. Given this background, Georgia EMC proposes amending the Access and Removal provision set forth in Section 6 of the Regulations to include the following language: "Unless rendered impossible due to circumstances beyond the Attaching Entity's reasonable control, in any instance where a Pole Owner requests that an Attaching Entity perform work on their Pole Attachment(s) to allow a Pole Owner to move its facilities underground and the Attaching Entity fails to either abandon the Pole or move its facilities underground within one hundred eighty (180) days of proper notice from the Pole Owner, the Pole Owner shall have the right to perform the work without further notice to the Attaching Entity and in coordination with the Attaching Entity and charge the Actual Cost of the work plus the Imposition Fee to the Attaching Entity. Appendix A at 10. The Attaching Entity will indemnify, defend, and hold Pole Owner harmless against all claims relating to the transfer of its equipment within this time."

Q. What modifications does Georgia EMC propose to the Prohibition against Redundant Poles set forth in Section (d) of the Regulations?

A. Georgia EMC proposes amending the Prohibition against Redundant Poles set forth in Section (d) of the Regulations to be revised as follows: "If an Attaching Entity fails to timely remove its Pole Attachments and/or Overlashing from a Pole Owner's abandoned pole and (i) a redundant pole with sufficient capacity to support the Pole Attachments and/or Overlashing exists nearby or (ii) the Pole Owner has moved its facilities underground and provided one hundred eighty (180) days' notice as specified in Access and Removal, Section 6, legal title to the abandoned pole, and all associated responsibilities and liabilities, shall transfer, if notice is given by the Pole Owner, on the sixty-first (61st) day after the Pole Owner's abandonment notice (or one hundred ninety-sixth (196th) day for poles where Pole Owner has moved its facilities underground), on a pro-rata basis, to all entities with Pole Attachments and/or Overlashing remaining on the abandoned pole. Appendix A at 13."

Q. Why does Georgia EMC propose the addition of this language to the Access and Removal provision set forth in Section 6 of the Regulations and the Prohibition against Redundant Poles set forth in Section (d) of the Regulations?

A. Currently, if an EMC transfers its own lines underground, there is no mechanism in place for an EMC to either transfer the remaining attachments underground and remove the above-ground pole or to transfer ownership of the remaining pole to the attachers. For example, in light of the numerous storms suffered this year, Coastal EMC converted portions of its system from overhead to underground in an effort to limit future storm damage. Other EMCs are considering similar transfers. However, under

the current terms and conditions, it is unclear how this process works. Additional guidance is needed to clarify this process and create efficiency for all parties. The only reason poles would remain in place above ground after such a transfer is to service those attachments, yet there is no mechanism to transfer ownership to attachers or for allowing EMCs to perform the work. The proposed amendments set forth above would incentivize attachers to respond to Georgia EMCs' notices, allow Georgia EMCs to perform the work, if necessary, and recover the actual cost of performing such work.

Q. What modifications does Georgia EMC propose to Prohibition against Redundant Poles provision set forth in Section (e) of the Regulations?

A. Many people and other agencies, including the Georgia Department of Transportation, often complain about double wood or redundant poles. Accordingly, Georgia EMC proposes amending the Prohibition against Redundant Poles provision set forth in Section (e) of the Regulations to include the following language: "Any Attaching Entity that has failed to timely transfer shall pay to Pole Owner a $100 per month fee for every month until the Pole Attachment and/or Overlashing is removed starting at the expiration of the applicable time period. The Attaching Entity shall have sixty (60) days from the date of Pole Owner's invoice to pay the invoice. On any invoice not timely paid, interest in accordance with the rate of 1.5%/month shall accrue until paid in full. Appendix A at 13."

Q. Why does Georgia EMC propose the addition of this language?

A. Georgia's EMCs continue to receive numerous complaints related to redundant poles, where a utility pole with utility lines is directly beside a standalone pole that exists for the sole purpose of holding cable attachments that have not been timely transferred to

the utility pole. Therefore, to incentivize cable companies transferring attachments in a timely manner, Georgia EMC proposes increasing the fee associated with redundant poles to $100 per month.

Q. What modifications does Georgia EMC propose to the Interest Rates set forth in the Regulations?

A. Georgia EMC proposes amending the Interest Rates applicable in new Pole Attachment Agreements to establish a consistent interest rate of 1.5% per month, which accrues until the interest is paid in full.

Q. Why does Georgia EMC propose the addition of this language?

A. In 2025, the outstanding balance of cable attachers' invoices owed to Georgia's member-owned EMCs exceeded $10 million dollars. The rate established by the 2020 Order is lower than the industry standard for outstanding invoices, and this lower rate failed to incentivize the timely payment of those outstanding balances. Therefore, Georgia EMC proposes increasing the interest rate to 1.5% per month, which would accrue until the interest is paid in full, to ensure the timely payment of outstanding balances in the future. This 1.5% Interest Rate is also consistent with the Interest Rate charged in other negotiated pole attachment or joint use agreements.

Q. What additions does Georgia EMC propose to the terms and conditions previously established in the 2020 Order?

A. At a high level, Georgia EMC proposes the addition of a term that allows it to impose a fee for an attacher's false or erroneous closing of a National Joint Utilities Notification System ("NJUNS") ticket and, in the event the attacher fails to pay the penalty within sixty days, to collect reasonable interest related to the fee.

Q. What is the National Joint Utilities Notification System, and what is an NJUNS ticket?

A. The National Joint Utilities Notification System is a not-for-profit organization of member utilities created to improve the coordination of ventures between utilities and third parties, such as pole transfers, new construction, and safety or compliance projects. In other words, NJUNS allows different utilities to communicate effectively about various workflow needs in one place by creating "NJUNS tickets," which notify the affected utility about work that needs to be performed. While Georgia EMCs enter NJUNS tickets for different reasons, the most common reasons for NJUNS tickets are to flag safety violations on an EMC's poles or to notify an attacher of the need to transfer its attachments.

Q. Why is a service fee necessary for falsely-closed NJUNS tickets?

A. There are often long delays between an EMC first entering an NJUNS ticket and the attacher actually performing the required work. These delays burden the EMC requesting the work because, for each day of delay, either safety violations remain on the EMC's poles, or the EMC's plan to remove its poles is stalled. If an attacher does eventually close the ticket, the EMC will promptly verify that the safety concerns have been addressed or that the pole attachments have been transferred. Oftentimes, the EMC will expend resources to verify a ticket was properly closed only to discover either the work was not completed or that the NJUNS ticket was closed in error. These expended resources are wasted. There is currently no mechanism for the EMC to recover those costs, so the cumulative cost of this waste is ultimately passed to the ratepayers.

Q. How would this proposed fee work?

A. If a pole owner receives notice that a NJUNS ticket has been closed and tries to verify that the safety concerns have been addressed or pole attachments have been transferred, and the pole owner discovers the attacher failed to complete its work in accordance with the NJUNS ticket and the NJUNS ticket was closed in error, the attacher would owe the pole owner a $500 fee for each improperly closed ticket. This is the average cost of rolling a truck and crew to see whether the attacher's work has been completed as NJUNS reported. In fact, in other negotiated pole attachment agreements and joint use agreements, actual costs are imposed for these expenses, so the request is commercially reasonable. Moreover, if the attacher failed to pay the $500 fee within sixty days, the fee would be subject to interest at the rate of 1.5% a month until the attacher paid the penalty in full. The interest rate is another encourager of compliance.

Q. Under Georgia EMC's proposal, would the Commission's decision in this pole attachment rate case be limited in duration to a specific time frame?

A. No. The Commission's decision would be effective until a petition was filed asking for reconsideration of the decision on the grounds the Commission's decision is no longer commercially reasonable.

VII. CONCLUSION

Q. Does this conclude your pre-filed direct testimony?

A. Yes. On behalf of Georgia's 38 EMCs, I respectfully request that the Commission (1) affirm the 2025 Georgia Rate of $27.71 based on the Georgia Formula with annual adjustments beginning January 1, 2027, and annually thereafter on January 1, using the most recent published HWI, for a term of at least seven years through June 30, 2033

for all new Pole Attachment Agreements entered into or automatically renewing on or after July 1, 2026; (2) provide that the One Buck Deal shall no longer be available in Pole Attachment Agreements entered into or automatically renewing on or after July 1, 2026, as described herein; and (3) adopt the 2025 Georgia Terms and Conditions as attached hereto. Based on my experience, it is my opinion these proposed revisions are just, reasonable, nondiscriminatory, and commercially reasonable, promoting the deployment of broadband services across the state of Georgia.