## **Confidential Release**

Case Number: 06-1509-EL-CSS

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| Case # | 06-1509-EL-CSS                     | · · · · · |               |
|--------|------------------------------------|-----------|---------------|
| >      | Page Count <u>46</u>               |           |               |
| . >    | Date Filed 8/31/2007               |           |               |
| 2      | Filed by Jon F. Kelly              |           | _on behalf of |
|        | • Community of do ones and         | ·         |               |
|        | Summary of document:  Exhibit T2-1 | · ·       | ·             |

The Dayton Power and Light Company Pole Attachment Calculation as of and for the year ended December 31, 2005

|         | 322,629  |   |  | 2:107                | AUS  |  | ii 4: 4   | 8   | Schedule TZ-3<br>Schedule TZ-3   |   |                        | (13,933,291)<br>Schedule TZ-3  |
|---------|--|---|--|----------------------|--|--|---|---|--|---|------------------------|--|
|         | _  |   |  |                      |  | UC   | 0   |   | йй   |   |                        | 8  |
|         |  | Schedule 12-3                                       |  |                      |  |  | Schedule TZ-2<br>Schedule TZ-3  | Schedule 72-2<br>Schedule 72-3  | x 161,912,478<br>58,515,570  | Schedule TZ-2<br>Schedule TZ-3  |                        | (89,463,617)<br>Schedule TZ-3  |
|         | % <b>58</b><br>≃   |   |  |                      |  |  | = 64,092,307<br>1,514,116,685   | 58,515,570  | 4.02%<br>Schedule TZ-4   | = 172,838,665<br>1,514,116,685  | DPL-04193              | = 161,912,478<br>Schedule TZ-3   |
| RESULTS | \$ 154.17  | 35.54%  | \$ 54.79   | 20%                  | \$ 27.40   | 35.54%   | 4.23%   | %00.0   | 11.12%   | 11.42%  | 8.77%                  | 58.515,570<br>Schedule 72-3  |
| Ohio    | <ul> <li>Bare Pole Factor (85%) X Net Plant (Poles) / quantity of poles</li> </ul> | Annual Carrying Charge Rate (see calculation below) | Bare Pole Annual Carrying = Investment X Charge Rate | Assumed Space Factor | Annual Rate (Annual Pole Cost x Assumed Space Factor | = Administrative + Maintenance + Depreciation + Taxes + Return | Total General & Administrative Expenses (FERC)  Net Plant Investment (Electric) | = Pole Maintenance Expense (Account 593) = Net Plant investment (Poles) | = Depreciation Rate (Poles) X Gross Plant Investment (Poles)  Nei Plant Investment (Poles) | = Operating Taxes (Account 408.1+409.1+410.1+411.4-411.1) = Net Plant Investment (Electric) | Rate of Return (8.77%) | = Gross Pole Investment - Accumulated Depreciation - Accumulated Deferred Income Taxes = (Account 364) - (Account 108 Poles) - Account 190, 281-283 Poles) |
| 2005    | Bare Pole investment   | Annual Carrying Charge                              | Annual<br>pole cost                                  |                      |  | Carrying<br>Charge Rate  | Administrative<br>Element   | Maintenance<br>Element  | Depreciation<br>Element  | Taxes<br>Element  | Return<br>Element      | Net<br>Pole<br>Investment  |

|  | Per Dayton Power  |                |               |
|--|-------------------|----------------|---------------|
| Acct No. Account Description   | and Light Company | Adjustments    | As Adjusted   |
| Taxes (Source: 2005 FERC Form 1)   |                   |                |               |
| Accts 408 and 409  |                   |                |               |
| Local- Ohio Property   |                   |                |               |
| Year 2003  | (\$2,298,816)     |                | (\$2.298.816) |
| Year 2004  | 45,635,285        |                | 45,635,285    |
| Local- Ohio City Income  | 0                 |                |               |
| Year 2004  | 554,624           |                | 554.624       |
| Year 2005  | 2.584,681         |                | 2.584,681     |
| Local- Kentucky Property- Year 2004  | 186,647           |                | 186,647       |
| State- Ohio Franchise-Year 2005  | 11,874,203        |                | 11,874,203    |
| KWH Excise- Year 2005  | 52,901,994        | (52,901,994)   |               |
| MTCE PUCO  | 1,374,612         |                | 1,374,612     |
| MTCE of OCC  | 326,537           |                | 326,537       |
| Fuel Use   | 1,876             |                | 1,876         |
| Unempl Insur   | 47,450            |                | 47,450        |
| CAT  | 360,000           |                | 360,000       |
| User Fees  | 8,500             |                | 8,500         |
| Misc. St Franchise   | 74,869            |                | 74,869        |
| State- Kentucky Property   | 0                 |                | ٥             |
| Year 2004  | 192,465           |                | 192,465       |
| Income   | 387,708           |                | 387,708       |
| Federal Unempl Insur   | 75,837            |                | 75,837        |
| Ins. Contrib.  | 6,117,194         |                | 6,117,194     |
| Heavy Vehicle Use  | 5,629             |                | 5,629         |
| Income   | 116,753,252       |                | 116,753,252   |
| Total Accts. 408 & 409   | \$237,164,547     | (\$52,901,994) | 184,262,553   |
|  | (8,558,382)       |                | (8,558,382)   |
| 411.1 (Less) Provision for Deferred Income Taxes - Cr. 411.4 Investment Tax Credit Adj Net | (2,865,506)       |                | (2,865,506)   |
| Total Taxes  | C22E 740 GEG      | /652 001 094)  | £477 839 GGE  |

The Dayton Power and Light Company Expenses for the Year Ended December 31, 2005 Expense Adjustments

| Acct No.               | Acct No. Account Description                                    | Per Dayton Power<br>and Light Company   | Adjustments    | As Adjusted   |
|------------------------|---|---|----------------|---------------|
| General                | General and Administrative Expenses (Source: 2005 FEBC Form 1)  |   |                |               |
| 000                    |   | 000000000000000000000000000000000000000 |                | 700 001 7 9 6 |
| 250                    | Additionally allo deficial balances                             | \$14,182,224                            |                | \$14,/02,224  |
| 921                    | Office Supplies and Expenses                                    | 11,821,724                              |                | 11,821,724    |
| 822                    | Less: Administrative Expenses Transferred-Cr.                   | (1,819,302)                             |                | (1,819,302)   |
| 923                    | Outside Services Employed                                       | 11.294.564                              |                | 11,294,564    |
| 924                    | Property Insurance  | 2,927,195                               |                | 2,927,195     |
| 925                    | Injuries and Damanges   | 7,589,604                               |                | 7.589,604     |
| 926                    | Employee Pensions and Benefits                                  | 15,099,058                              |                | 15,099,058    |
| 927                    | Franchise Requirements  | 0                                       |                | 0             |
| 928                    | Regulatory Commission Expenses                                  | 311.909                                 |                | 311,909       |
| 929                    | Less: Duplicate Charges-Cr.                                     | (1,079,836)                             |                | (1.079.836)   |
| 930.1                  | General Advertisio Expenses                                     | 215 930                                 |                | 215,930       |
| 930.2                  | Miscellaneous General Expenses                                  | 1 592 383                               |                | 1.592,383     |
| 931                    | Rents   | 243,831                                 |                | 243,831       |
|                        | Total General and Administrative                                | \$62,979,284                            |                | \$62,979,284  |
|                        |   |   |                |               |
| Maintenance<br>935 Mai | ance<br>Maintenance of General Plant                            | \$1,113,023                             |                | 1,113,023     |
|                        | Total General and Administrative and General Plant Maintenance  | \$64,092,307                            | 0\$            | \$64,092,307  |
| Maintens               | Maintenance of Overhead Lines (Source: DP&L 2005 Trial Balance) | ,                                       | ,              |               |
| Details A              | Details Acct. 593: Maintenance of Overhead Lines                |   |                |               |
| 5930000                | 5930000: Mtce OVHD Lines  | \$9,162,800                             | (\$9,162,800)  | \$0           |
| 5930007                | 5930007; Dist. Line Clearance                                   | 5,915,632                               | (5,915,632)    | 0             |
| 5930010:               | 5930010: Customer Contact Trees                                 | 0                                       | 0              | 0             |
| 5930018                | 5930018: OVHD Circuit Inspe & Mtce                              | 0                                       | 0              | 0.            |
| 5930029                | 5930029: Distribution Design                                    | 0                                       | 0              | 0             |
| 5930097.               | 5930097: OVHD Line Training                                     | 129,541                                 | (129,541)      | 0             |
| 5930100                | 5930100: Map Verification                                       | 0                                       | 0              | 0             |
|                        |   |   | f              |               |
|                        | Total Maintenance of Overhead Lines                             | \$15,207,972                            | (\$15,207,972) | 20            |

The Dayton Power and Light Company As of December 31, 2005 Investment Adjustments

| As Adjusted                           | \$161,912,478<br>(89,463,617)<br>(13,933,291)<br>\$58,515,570  | \$366,541,336<br>(194,282,695)<br>(31,542,516)<br>\$140,716,125   | \$986,859,819<br>(456,441,618)<br>(84,923,687)<br>\$445,494,515   | \$3,912,427,920<br>(2,061,629,371)<br>(336,681,864)<br>\$1,514,116,685  | <u>Source</u><br>DP&L 2005 Trial Balance<br>DP&L 2003 Form 10-K   |
|---------------------------------------|--|---|---|---|---|
| Adjustments                           | (25,973,071)   | (50,551,280)  | (69,465,459)<br>(\$69,465,459)  | (113,815,123)<br>(\$113,815,123)  | \$81,715,123<br>32,100,000<br>\$113,815,123   |
| Per Dayton Power<br>and Light Company | \$161,912,478<br>(63,490,546)<br>(13,933,291)<br>\$84,488,641  | 593<br>\$366,541,336<br>)<br>(143,731,415)<br>365 and 369)<br>(31,542,516)<br>unt 593<br>\$191,267,405  | \$986,859,819<br>(386,976,159)<br>(84,923,687)<br>\$514,959,973   | \$3,912,427,920<br>(1,947,814,248)<br>(336,681,864)<br>\$1,627,931,808  | ost of Removal Adjustment: Regulatory Liability as of December 31, 2005 Amount taken to income in 2003 lated to Electric Plant In Service as of December 31, 2005   |
|                                       | Net Pole Investment Gross Pole Investment Accumulated Depreciation Accumulated Deferred Income Taxes Net Pole Investment | Total Distribution Plant Related to Account 593 Pole Investment (Accounts 364, 365 and 369) Depreciation (Accounts 364, 365 and 369) Acc. Deferred Income Taxes (Accounts 364, 365 and 369) Total Distribution Plant Related to Account 593 | Total Distribution Plant Gross Plant Investment Accumulated Depreciation Acc. Deferred Taxes Total Distribution Plant | Total Electric Plant Gross Plant Investment Accumulated Depreciation Acc. Deferred Taxes Total Electric Plant | Note 1) Detail of Total Electric Plant Cost of Removal Adjustment: Transmission and Distribution Assets Regulatory Liability as of Decer Generation Assets Cost of Removal Amount taken to income in 2003 Total Cost of Removal Adjustment related to Electric Plant In Service |

The Dayton Power and Light Company Schedule of Depreciation Accrual Rates at December 31,1989 Source: 2004 Annual Report of The Dayton Power and Light Company filed on March 31, 2005 pursuant to Docket No. 05-1000-EL-UNC

\$81,715,123 Note 1

|                                    |                     |                                   |                                      |                                  |                               |                                   |                            |                                     |                         |                                  |                               |                                     |                   |                             |                         |                            |                                    |                                  |                               | Note 2                           | Note 2                          |                   |                                  |                          | Note 2             |                    |               |            |                                  |           |                          |  |
|------------------------------------|---------------------|-----------------------------------|--------------------------------------|----------------------------------|-------------------------------|-----------------------------------|----------------------------|-------------------------------------|-------------------------|----------------------------------|-------------------------------|-------------------------------------|-------------------|-----------------------------|-------------------------|----------------------------|------------------------------------|----------------------------------|-------------------------------|----------------------------------|---------------------------------|-------------------|----------------------------------|--------------------------|--------------------|--------------------|---------------|------------|----------------------------------|-----------|--------------------------|--|
| Allocation of                      | Cost of Removal     | \$496,488                         | 3,388                                | 3,157,482                        | 0                             | 14,142                            | 2,475,805                  | 23,442                              | 5,139,734               | 10,263                           | 1,080,445                     | 2,048                               | 0                 | (153,573)                   |                         | \$12,249,664               | \$817,727                          | 3,752,569                        |                               | 25,973,071 Note 2                | 8,569,214 Note 2                | 341,963           | 6,543,572                        | 0                        | 16,008,995 Note 2  | 5,452,888          | 0             | 2,005,458  | 0                                | 0         | \$69,465,459             |  |
|                                    | Percentage *        | 0.61%                             | %00.0                                | 3.86%                            | %00.0                         | 0.02%                             | 3.03%                      | 0.03%                               | 6.29%                   | 0.01%                            | 1.32%                         | %00'0                               | 0.00%             | -0.19%                      | 0.00%                   |                            | 1.00%                              | 4.59%                            | 0.00%                         | 31.7849%                         | 10.49%                          | 0.42%             | 8.01%                            | 0.00%                    | 19.59%             | 6.67%              | 0.00%         | 2.45%      | %00°0                            | 0.00%     |                          |  |
| Cost of                            | Removal             | (\$130,422)                       | (068)                                | (829,436)                        | 0                             | (3,715)                           | (650,367)                  | (6,158)                             | (1,350,152)             | (2,696)                          | (283,821)                     | (538)                               | 0                 | 40,342                      | 0                       | (\$3,217,853)              | (\$214,808)                        | (985,759)                        | ` <b>D</b>                    | (6,822,842)                      | (2,251,039)                     | (89,830)          | (1,718,925)                      | 0                        | (4,205,388)        | (1,432,414)        | 0             | (526,812)  | 0                                | 0         | (\$18,247,817)           |  |
| Theoretical Reserve                | With Net Salvage =  | \$1,434,646                       | 9,787                                | 17,418,164                       | 4,036,218                     | 78,017                            | 4,986,148                  | 47,214                              | 8,100,914               | 16,178                           | 9,744,508                     | 18,478                              | 154,299           | 363,075                     | 3,085                   | \$46,410,731               | \$2,362,888                        | 20,700,940                       | 560,719                       | 23,879,946                       | 17,257,963                      | 1,886,437         | 13,178,428                       | 31,839,877               | 12,616,163         | 7,162,070          | 9,751,685     | 3,160,872  | 151,730                          | 20,208    | \$144,529,926            |  |
| Theoretical Reserve<br>Without Net | Saivage             | \$1,304,224                       | 768,8                                | 16,588,728                       | 4,036,218                     | 74,302                            | 4,335,781                  | 41,056                              | 6,750,762               | 13,482                           | 9,460,687                     | 17,940                              | 154,299           | 403,417                     | 3,085                   | \$43,192,878               | \$2,148,080                        | 19,715,181                       | 560,719                       | 17,057,104                       | 15,006,924                      | 1,796,607         | 11,459,503                       | 31,839,877               | 8,410,775          | 5,729,656          | 9,751,685     | 2,634,060  | 151,730                          | 20,208    | \$126,282,109            |  |
|                                    | Account Description | 352.10 Structure and Improvements | 352.90 Structures and Improv- AISAFD | 353.10 Station Equipment- Normal | 353.60 Station Equipment- EDS | 353 90 Station Equipment- AISAFDC | 354.10 Towers and Fixtures | 354.90 Towers and Fixtures- AISAFDC | 355.10 Poles & Fixtures | 355.90 Poles & Fixtures- AISAFDC | 356,10 OH Conductors and Devs | 356.90 OH Conductors and Dev- AISAF | 357.00 UG Canduit | 358.00 UG Conductors & Devs | 359.00 Roads and Trails | TOTAL DEPREC TRANSIM PLANT | 361.00 Structures and Improvements | 362.00 Station Equipment- Normal | 362.60 Station Equipment- EDS | 364.00 Poles, Towers, & Fixtures | 365.00 OH Conductor and Devices | 366.00 UG Conduit | 367.00 UG Conductors and Devices | 368.00 Line Transformers | 369.10 OH Services | 369.20 UG Services | eters         |            | 371.20 Inst. OH Cust Prem- Other |           | TOTAL DEPREC DISTR PLANT |  |
| Account                            | Number              | 352 10 St                         | 352.90 St                            | 353.10 St                        | 353.60 St                     | 353 90 St                         | 354.10 Tc                  | 354.90 Tc                           | 355.10 Pc               | 355.90 Pc                        | 356.10 OF                     | 356.90 O                            | 357.00 U          | 358.00 U(                   | 359.00 Rc               | TOTAL                      | 361.00 St                          | 362.00 St                        | 362.60 St                     | 364.00 Pc                        | 365.00 O                        | 366.00 U.         | 367 00 UK                        | 368.00 Lir               | 369, 10 OF         | 369.20 UC          | 370.00 Meters | 371.10 Ins | 371.20 In:                       | 372.00 Le | <b>A</b> TOT             |  |

Notes: 1) Source: DP&L December 31, 2005 Trial Balance

2) Reconciliation to TZ-3

Cost of Removal Adjustment Related to Accounts 364, 365 and 369:

|                           |                          |             | •  |  |
|---------------------------|--------------------------|-------------|--|--|
| Poles, Towers, & Fixtures | OH Conductor and Devices | OH Services | nt Related to Account 593  |  |
| 364.00                    | 365.00                   | 369.10      | Total Amount of Adjustment for Distribution Plant Related to Account 593 |  |

\$25,973,071 8,569,214 16,008,995 \$50,551,280

#### CONFIDENTIAL

| 1   | BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO    |
|-----|---|
| 2   | * * *   |
| 3   | AT&T ORIO,  |
| 4   | Complainant,                                      |
| 5   | v. CASE NO. 06-1509-EL-CSS                        |
| 6   | THE DAYTON POWER AND                              |
| 7   | LIGHT COMPANY,                                    |
| 8   | Respondent.                                       |
| 9   | * * *   |
| 10  | Deposition of JOHN KENTON, Witness                |
| 11  | herein, called by the Complainant for             |
| 12  | cross-examination pursuant to the Rules of Civil  |
| 13  | Procedure, taken before me, Beverly W. Dillman, a |
| 14  | Notary Public in and for the State of Ohio, at    |
| 15  | the offices of Faruki, Ireland & Cox, P.L.L., 500 |
| 16  | Courthouse Plaza, S.W., Ten North Ludlow Street,  |
| 1.7 | Dayton, Ohio, on Wednesday, August 1, 2007, at    |
| 1.8 | 9:31 o'clock a.m.                                 |
| 19  | * * *   |
| 20  |   |
| 21  |   |
| 22  |   |
| 23  |   |
| 24  |   |
| 25  |   |

- 11:32:08 1 not the name of it.
- A. (Witness nodding head up and down.)
- Q. What does the pole inspection
- 11:32:74 4 department do when it's -- when it inspects a
- 11:30:35 5 pole?
- A. I couldn't really say exactly what
- 11:32:42 7 they do.
- Q. Well, what's the purpose of
- 11:32:48 9 inspecting the pole?
- A. I believe they are trying to make
- 11:30:50 11 sure that it is safe, when the -- whether it's,
- 11:32:59 12 you know, rotted off at the ground or the
- 11:33:01 13 cross-arms are intact or things like that, any
- 11:33:04 14 maintenance that would need to be performed for
- 11:33:07 15 reliability of electrical service.
- Q. Do they inspect the electric
- 11:33:27 17 company's facilities that are attached to the
- 11:33:39 18 pole?
- A. I believe they are to note certain
- 11:33:36 20 stuff, but I am not in that department, so I
- 11:33:39 21 couldn't say what they actually -- I know we have
- 11:33:41 22 a part of an ongoing program to replace like old
- 11:33:46 23 switches, so they probably know that there is an
- 11:33:48 24 old type switch.
- Q. Do they inspect third-party

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| 11:37:53 | 1   | attachments?                                     |
|----------|-----|--|
|          | 2   | A. No.   |
| 11:34:00 | 3   | Q. Do they look for clearance                    |
| 11:34:04 | 4   | violations?                                      |
| 11:34:05 | 5   | A. I am not sure.                                |
| 51:34:15 | 6   | Q. Do you know if they look for                  |
| 11:34:16 | 7   | transverse pole loading violations?              |
| 11:34:30 | 8   | A. They do not do pole loading                   |
| 11:34:22 | 9   | calculations.                                    |
| 11:34:25 | 10  | Q. Anything else, that you're aware of,          |
| 11:34:38 | 11  | that they specifically look for?                 |
| 11:34:33 | 12  | A. Anything that would affect the                |
| 11:34:34 | 1.3 | reliability of service is what they are looking  |
| 11:34:37 | 14  | for.   |
| 11:34:38 | 15  | Q. And by service, you mean electric             |
| 11:34:40 | 16  | service?   |
| 11:34:41 | 17  | A. Yeah. And that's just with the                |
| 11:34:43 | 18  | basically naked eye. And they have some means to |
| 11:34:47 | 19  | test, you know, poles that are rotted at the     |
| 11:34:51 | 20  | base, and a sounding device to see if they are   |
| 11:34:54 | 21  | hollow, and things of that nature.               |
| 11:35:06 | 22  | Q. What other maintenance does Dayton            |

Ongoing maintenance, I couldn't say, Α.

Power & Light do with regard to its poles, other

than this inspection program?

11: 15:08 23

11:35:10 24

11:35:19 25

| 11:35:21 | 1. | other | than | that. |       |      |           |    |      |
|----------|----|-------|------|-------|-------|------|-----------|----|------|
| .1:35(40 | 2  |       | Q.   | How   | about | tree | trimming, | is | that |

- 11:35:48 3 | considered maintenance? 11:35:49 That's a separate department; line 4
- 11::5:51 5 clearance, it's called. I only know generally 11:35:56 6 that they try to work on a worst-case scenario as 11:36:03 7 to determine reliability. A circuit that, say, 11:36:07 8 is not as reliable as another one, they work on 11:36:11 9 the ones that they feel are the most important to 11:36:13 10 work on.
- 11:36:15 11 Now, when you say line clearance, Q. 11:36:17 12 what do you mean by line clearance?
  - It's basically tree trimming. They Α. just call it line clearance.
  - And so -- so tree -- so Dayton 0. considers tree trimming to be something apart from pole maintenance? It's not part of pole maintenance?
  - A. It's not part of pole maintenance, no. But I believe they have similar priorities of circuits.
    - Q. I am sorry?
  - Α. I believe they have similar priorities of circuits.
    - The line clearance department has Q.

- 11:36:21 13
- 11:36:23 14
- 11:36:31 15
- 11:36:44 16
- 11:36:47 1.7
- 11:36:52 18
- 11:36:52 19
- 11:36:54 20
- 11:37:01 21
- 11:37:02 22
- 11:37:03 23
- 11:37:04 24
- 11:37:06 25

11:37:07 1 similar --11:37:09 Α. Yeah. We track outages on circuits, 11:37:12 3 per circuit. And an outage that has a thousand 11:37:16 outages on it would be more important than one 11:3": 4 5 that had two outages, for both inspection 11:37:24 purposes and for tree trimming purposes, yes. 6 11:37:75 7 So the pole maintenance folks would Q. 11:37:28 8 use the same outage statistics to decide which 11:37:32 poles to inspect as the line clearance people 11:37:35 10 would use to search out to see if there is tree 11:57:37 11 trimming that needs to be done? 11:37:40 12 Α. There are some circuits that we feel 11:37:41 13 are more important to work on than others. 11:37:44 14 all the poles have to be inspected within a 11:37:46 15 certain period of time. 11:37:47 16 Okay. And do you know if there is 11:37:51 17 a -- there is a -- is there a regular program of 11:37:57 18 tree trimming, as part of the line clearance 11:38:00 19 department?

- A. There is a regular program of tree trimming.
  - Q. And are you familiar with it?
  - A. No, I am not.
- Q. Okay. Are you familiar with the -- do you have an understanding -- well, why does

11:38:16 25

11:18:00 20

11:38:02 21

11:38:67 22

11:38:08 23

11:38:09 24

- 10:11/1:20 attachments to -- by Dayton to anyone else's 2 poles.
- ...:57:25 A. To a foreign pole? Not that I know 3 of. It all follows the proposal process pretty 4 much.
  - Okay. Do you know of any policies Q. or guidelines with respect to pole inspections by Dayton?
  - Α. I don't know of -- you know, I deal mostly with our construction standards and engineering standards. I can't recall anything about maintenance and their inspection of poles.
  - 0. Okay. Were you involved in -- well, are you familiar with what the annual pole rental rate between AT&T and Dayton Power & Light is currently?
  - Α. I know there is one, and I was informed maybe a year or so ago that it was, I think, \$3.50.
  - Q. Okay. And were you involved in the determination or the setting of that \$3.50 rate?
    - Α. No.
  - And are you aware that Dayton is Ο. seeking to increase that rate, and that's one of the subjects of this litigation?

- おけいこう
- 12:57:33
- 11:57:35 5
- 12:57:36 6
- 12:57:52 7
- 18:57:55 8
- 12:58:13 g
- 12:58:14 10
- 10:58:16 11
- 12:58:19 12
- 12:58:32 13
- 13:58:36 14
- 12:58:41 15
- 12:58:43 16
- 12:58:45 17
- 12:58:48 18
- 12:58:51 19
- 12:58:53 2.0
- 12:58:56 21
  - 22
- 13:59:01 23
- 12:59:06 24
- 12:59:09 25

- A. I heard something about that. I all the case if that's the case.
  - Q. So I take it you weren't involved in the decisions with respect to what the new rate ought to be?
    - A. No.
  - Q. We talked a little bit earlier about tree trimming, and the steps that Dayton undertakes to trim trees around its wires.

    Does -- does Dayton differentiate between wires that might be hung between poles that it owns versus poles that it doesn't own, as far as its tree trimming?
  - A. We trim for clearance of conductors -- Dayton Power & Light conductors, electrical conductors. It doesn't matter, I don't think, what poles they are on.
  - Q. Okay. And that was where, eventually, I was going. So with respect to Dayton's tree trimming, it doesn't -- it doesn't care who owns the pole, whether it's Dayton or someone else, it engages in its tree trimming programs irrespective of the ownership of the pole?
    - A. Yeah, we are trimming to clear

6

4

5

7

12:59:32

12:59:17

12:59:19

10:53:01

12:59:35 8

12:59:40 9

12:59:45 10

 $(-1.53)^{54} \cdot 1.1$ 

13:00:03 12

13:00:03 13

13:00:03 14

13:00:03 15

13:00:07 16

13:00:10 17

13:60:13 18

13:00:15 19

13:00:18 20

13:00:21 21

13:00:23 22

13:00:27 23

15:00:29 24

13:00:30 25

| 13:00:31 | 1   | conductors, not poles.                          |
|----------|-----|---|
| 13:00:33 | 2   | Q. Right. And and you don't rely on             |
| 13:00:36 | 3   | AT&T to do any tree trimming for you; is that   |
| 13:00:40 | 4   | correct?  |
| 13:00:41 | 5   | A. No, not that I know of.                      |
| 13:60:42 | 6   | Q. And do you do any tree trimming for          |
| 13:00:44 | 7   | AT&T?   |
| 13:00:45 | 8   | A. Not to my knowledge.                         |
| 13:00:49 | 9   | Q. I want to talk a little bit about            |
| 13:00:51 | 10  | storm-related repair work. Are you involved in  |
| 13:01:00 | 11  | emergency repair work that Dayton does as a     |
| 13:01:04 | 12  | result of bad weather, to put it plainly?       |
| 13:01:69 | 1.3 | A. I myself don't do any repair work.           |
| 13:01:13 | 14  | Q. Okay. Are you familiar with Dayton           |
| 13:01:15 | 15  | Power & Light's processes with respect to that? |
| 13:01:17 | 16  | A. Somewhat, yes.                               |
| 13:01:18 | 17  | Q. And what's your understanding of             |
| 13:01:19 | 18  | that process?.                                  |
| 13:01:21 | 19  | A. We operate a 24/7 department that            |
| 13:01:31 | 20  | responds to emergencies, outages.               |
| 15:01:43 | 21  | Q. During the course of your various            |
| 1;:01:45 | 22  | jobs at Dayton Power & Light, have you been     |
| 13:01:48 | 23  | involved in Dayton's emergency repair work?     |
| 13:01:56 | 24  | A. Not the repairs.                             |

Q. Have you been involved in some

13:01:58 25



DP&L) Electric Engineering Standards

Section 51: Tree Trimming

Standard No. 51-1

Rev. 7/97 Replaces:

2/97

**Tree Trimming Request** 

#### 1. Purpose of policy:

- A. To avoid misunderstanding of intent in asking for tree work;
- B. To get better descriptions from the right-of-way men as to who to contact and wood disposal;
- C. To establish procedure and request formats on tree work needed.

#### 2. Trimming widths

Company tree trimming coordinators feel it's the engineer's responsibility to specify areas to be cut or trimmed. This must not be left to the judgment of trimmers.

#### 3. Wordage on request and permits

Words such as "side trim," "cut," and "trim" are to be avoided. Use terms "top", remove", (or r/m) and "shape". Add "for necessary (or, for proper) line clearance" to relieve the engineer and right-of-way man from specific height determinations. Tree trimmers are able to make such decisions.

#### 4. Basic company philosophy on tree work

Trees should be removed as a first consideration. Various reasons often prevent This; thus trimming and shipping are considered next.

On removals, (cut-downs) the company avoids stump removal whenever possible.

#### 5. Maintenance trimming

Do not use "maintenance trim" whenever new right-of-way trimming is involved. If a line is being extended and new tree work is required, permits may be obtained for maintenance (to existing line sections) needed within a few spans of the new work.

Maintenance Trimming is used when:

- A. Trees have grown into existing lines causing service interruptions.
- B. Rebuilds or cutovers can also justify such trimming.

If primary is going into an area for the first time, right-of-way is obtained. (This also includes secondary for the first time, are circuit, and added primary circuits or phases where trees present an obstacle to the additional lines.)

#### 6. Additional helpful information

Use "see customer before trimming" on a permit and include information on name, telephone number, and when the person can be reached.



Standard No. EC-51-1 Page 2 of 2



DP&L

**Electric Engineering Standards** 

Section 51: Tree Trimming

Standard No. 51-3-1 Rev. 7/97 Replaces:

2/97

**Distribution Tree Trimming** 

This standard is to assist the engineer in properly planning distribution in wooded areas. When close to trees power lines can have some exposure and are a possible source of accidental electrical contact by people. The engineering of lines in the vicinity of trees requires some knowledge of the characteristics of the species. For our purposes they shall be classified by their probable maximum height as short, medium or tall. Medium and tall trees are further subdivided as desirable or undesirable. Desirable trees are those species resistant to splitting or breaking in an ice or wind storm. If initial clearances are obtained, power lines can be located over, beside, under, or through such trees with reasonably limited exposure. Undesirable trees are prone to ice and wind damage and usually have a fast rate growth. If at all possible do not expose primary lines to there trees.

#### Short trees, 15' to 30' at maturity

Most of us want trees on our premises. Many times a desirable location is near or under power lines. A number of species have a short mature height. These trees should not be cut, moreover, we should encourage planting of these species. A list follows with mature heights in parenthesis.

Cherry, flowering (30') Hawthorn (25') Crabapple, flowering (20') Magnolia (30') Dogwood (25')

Redbud (20')

#### Meduim trees, 30' to 50' at maturity

In this area a little tree engineering will not only eliminate initial tree trimming But will eliminate continual maintenance trimming. Overbuild an undesirable specie to clear its mature height. Overbuild desirable specie if practical.

Desirable

Undesirable

Ash, European Mountain (35') Box Elder (40') Buckey, Ohio (50') Catalpa (45') Butternut (40') Mulberry (45')

Ginko (50') Poplar, Lombardy (45')

Little Leaf Linden (50') Willow (45')

Locust, Black (45') \* Osage-Orange (Hedgeapple-45') Maple, Norway (50')

\*Osage-orange is a durable tree, however, it is very Maple, Red (45') difficult to trim.

Sassafrass (40')

#### Tall trees, 50' and Higher at Maturity

Standard No. EC-51-3-1

#### **CONFIDENTIAL**

Power lines can be built under, through or beside tall desirable trees with satisfactory results. We do not recommend topping. Tall undesirable trees should be avoided or cut down. If this is not permissable, some species can be topped and overbuilt.

# EXHIBIT TZ-8c CONFIDENTIAL

DP&L SYSTE

SUBJECT

GUIDE

SYSTEM ELECTRIC ENGINEERING STANDARDS

TREE TRIMMING

DISTRUBUTION TREE TRIMMING

PAGE 51-3-2 DATE JUL 97

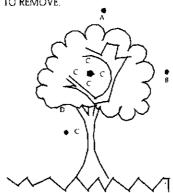
REPLACES
AGE 51-3-2

DATE FEB 97

\*ASH (EXCEPT EUROPEAN MOUNTAIN) (50'-100')
BEECH (70')
CHERRY, WILD (70')
ELMS, AMERICAN (85')
BLACKGUM (65')
HICKORY (65')
LINDEN (BASSWOOD) (70')
LOCUST, HONEY (70')
MAPLE, SUCAR (65')
OAKS (50'-100')
HACKBERRY (60')
SYCAMORE (75')
WALNUT (70')

AILANTHUS (STINK TREE) (70") COTTONWOOD (CAROLINA POPLAR) (80") ELM, CHINESE (60") MAPLE. SILVER (65") TULIP TREE (80")

\*DO NOT UNDERBUILD DUE TO SPLITTING CHARACTERISTIC. THIS TREE IS ONE THAT PEOPLE TAKE PRIDE IN AND IS DIFFICULT TO GET PERMISSION TO REMOVE.



|                                  | MINIMUM TREE | TRIMMING CLEARANCES |       |           |
|----------------------------------|--------------|---------------------|-------|-----------|
| CLEARANCE                        | TYPE TREE    | SECONDARY           | PRI   | MARY      |
| BETWEEN<br>CONDUCTOR AND<br>TREE |              |                     | BARE  | TREE WIRE |
| A                                | DESIRABLE    | 2'                  | 6.    | 3.        |
| TOP CLEARANCE                    | UNDESIRABLE  | 4                   | 8     | 4         |
| В                                | DESIRABLE    | 2                   | 4'    | 2         |
| SIDE CLEARANCE                   | UNDESTRABLE  | 4                   | 6.    | 3         |
| С                                | DESIRABLE    | 2                   | 6'**  | 3.**      |
| CENTER CLEARANCE                 | UNDESIRABLE  | 2.                  | AVOID | AVOID     |
| D                                | DESIRABLE    | 2.                  | 6'**  | 3'**      |
| <b>BOTTOM CLEARANCE</b>          | UNDESIRABLE  | 4'                  | AVOID | AVOID     |

<sup>\*\*</sup> Very dangerous if tree can be climbed

conditions C & D should use tree wire for primary and weatherproof wire for secondary.

#### JOINT USE POLE AGREEMENT

Between

THE DAYTON POWER AND LIGHT COMPANY

and

THIS AGREEMENT, made and entered into as of this lst day of July, 1969, by and between THE DAYTON POWER AND LIGHT COMPANY, a corporation organized and existing under the law of the State of Ohio, hereinafter sometimes called the "Electric Company", an

a corporation organized and existing under the law of the State of Ohio, hereinafter sometimes called the "Telephone Company".

#### WITNESSETH

Ompany desire to establish joint use of their respective poles when and where joint use shall be of mutual advantage.

WHEREAS, the conditions determining the necessity or desirability of joint use depend upon the service require-

ments to be met by both parties, including considerations of safety and economy, and each of them should be the judge of what the character of its circuits should be to meet its own service requirements and as to whether or not these service requirements can be properly met by the joint use of poles.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the parties hereto, for themselves, their successors and assigns, do hereby covenant and agree as follows:

#### 1. OPERATING ROUTINE

by the parties hereto, and shall be approved respectively by the Chief Engineers of the parties hereto. This routine shall be based on this Joint Use Pole Agreement and shall give the detailed methods and procedure which will be followed in establishing, maintaining and discontinuing the joint use of poles. In case of any ambiguity or conflict between the provisions of this Agreement, and those of the "Operating Routine" the provisions of this Agreement shall be controlling. Said Operating Routine may be changed at any time upon the approval of the Chief Engineer of each of the parties hereto, provided such changes do not conflict with the terms of this

Joint Use Pole Agreement.

#### 2. SCOPE OF AGREEMENT

- 2.1 This Agreement defines the rights and obligations of the parties hereto arising out of the arrangements between them governing the joint use of poles.
- 2.2 This Agreement shall be in effect in all of the territory in the State of Ohio in which both of the parties to this Agreement now or may hereafter operate, and shall cover all poles of each of the parties now existing or hereafter erected or acquired in the above territory when such poles are brought hereunder in accordance with the procedure hereinafter provided.
- 2.3 If either party acquires by purchase, merger, consolidation or otherwise, another company conducting a business of the same character as that of such party in the territory where each of the parties operate, any contracts and agreements with the acquired company, covering the joint use of poles, shall be cancelled so that all such poles in the newly acquired territory shall be brought under and be governed by the terms and provisions of this Agreement, effective as of the date of acquisition.
  - 2.4 Each party reserves the right to exclude

from joint use (1) poles which, in the owner's judgment, are necessary for its own sole use; and (2) poles which carry, or are intended by the owner to carry, circuits of such character that in the owner's judgment the proper rendering of its service now or in the future makes joint use of such poles undesirable.

#### 3. SPECIFICATIONS

3.1 The joint use of poles covered by this Agreement, except where specifically exempted herein, shall be in conformity with the specifications set forth in the Operating Routine.

#### 4. EXPLANATION OF TERMS

- 4.1 For the purpose of this Agreement, certain terms when used herein shall have the following meaning:
- 4.2 "JOINT USE" is the simultaneous use of any pole for the attachments of both parties, in conformity with the specifications referred to in Section 3.
- 4.3 "JOINT POLE" is a pole occupied simultaneously by the attachments of both parties or upon which space in provided under this Agreement for the attachments of both parties, whether or not such space is actually occupied by attachments.

- 4.4 "STANDARD JOINT POLE" is a wood pole of minimum height which will provide sufficient space and be of adequate strength for the attachments used by the respective parties as specified in Sections 4.5 to 4.5.3 and as provided in Section 3, Specifications. Normally, a standard joint pole under this Agreement shall be a 35' class 5 pole.
- 4.5 "STANDARD SPACE" is the following described space on a standard joint pole for the exclusive use of each party hereto, respectively:
- 4.5.1 For the Electric Company: the uppermost 5 feet.
- 4.5.2 For the Telephone Company: a space of 2 feet, at sufficient distance below the space of the Electric Company to provide at all times the neutral space required by the specifications referred to in Section 3.
- 4.5.3 In certain instances, as set forth in the specifications referred to in Section 3, either party may occupy the standard space of the other party.
- 4.5.4 The standard spaces referred to in Sections
  4.5 to 4.5.2, inclusive, shall be at the heights above ground,
  tracks, or buildings described in the specifications referred to in Section 3.

- 4.5.5 The space below the Telephone Company's space may be used where mutually agreed upon for such attachments of either party that do not conflict with the specifications referred to in Section 3, and providing that this does not make necessary increasing the height of the pole.
- 4.5.6 The distribution of space on a pole other than a standard pole, as defined in Section 4.4 hereof, shall be governed by the provisions of that section of the Operating Routine relating to "Excess Height".
- 4.6 "ATTACHMENTS" are any material or apparatus now or hereafter attached to a joint pole by the parties hereto.
- 4.7 "SERVICE DROP" is that span of the service used exclusively to serve a customer's or subscriber's dwelling or commercial establishment.
- 4.8 "TRANSFERRING" is the moving of attachments from one pole to another.
- 4.9 "<u>REARRANGING</u>" is the moving, relocating or otherwise reconstructing of attachments on a joint pole.
- 4.10 "LICENSOR" is the party owning a pole at the time such pole is brought under the terms of this Agreement.
  - 4.11 "LICENSEE" is the party having the right

under this Agreement to make attachments to the Licensor's pole.

- 4.12 "RESERVED SPACE" as applied to space on a pole is that unoccupied space provided and maintained by the Licensor, either for its own use or expressly for the Licensee's use at the Licensee's request.
- 4.13 "INTERMEDIATE POLE" is an additional joint pole required to be placed in a pole line for the purpose of primarily supporting the attachments of one of the parties.

# 5. ALLOCATION OF OWNERSHIP OF JOINTLY USED POLES

- 5.1 The objective percentage of ownership of the total number of poles jointly used or reserved for joint use by the parties hereto is 60% for the Electric Company and 40% for the Telephone Company.
- 5.2 In order to effectuate the joint use of poles in the manner proposed by this Agreement, whenever it is determined that jointly used poles exist as a result of purchase, merger, consolidation or otherwise with other companies, a check shall be made of these poles in order to determine their height, condition and ownership.
  - 5.3 If it is determined under paragraph 5.2 that

ownership in the poles involved should be allocated between the parties hereto to accomplish the intent of the parties hereto as expressed in paragraph 5.1, each party will sell to the other party all of its right, title and interest in the poles allocated to such other party, free and clear from all incumbrances whatsoever.

- 5.4 The price to be paid by each party to the other for the poles allocated to it, as hereinabove provided, shall be determined in the manner to be set forth in the Operating Routine, it being understood that in the determination of such price the principles pertaining to future construction set forth in paragraphs 8.1 and 8.1.1 of Section 8 hereof shall be followed.
- 5.5 After such allocation and mutual transfer of ownership such poles shall be brought under this Agreement in the manner prescribed in Section 6.

#### 6. ESTABLISHING JOINT USE OF EXISTING POLES

6.1 Whenever either party desires to place any attachments or reserve space on any pole of the other for any attachments requiring space thereon which is not then specifically reserved hereunder for its use, such party shall make written proposal therefor in accordance with the

Operating Routine. The proposal when accepted in writing, which acceptance shall not be unreasonably withheld, by the other party shall constitute a permit to use jointly the pole or poles covered thereby. The Licensor shall promptly make any re-arrangements of attachments or pole replacements necessary for the contemplated joint use in accordance with the Operating Routine and any costs incurred in connection therewith shall be borne as provided in Section 8.

#### 7. ESTABLISHING JOINT USE OF NEW POLES

7.1 Each party shall keep the other party informed in writing as to plans for the construction of new pole lines or the reconstruction of existing pole lines which may be used jointly and subject to Section 2.4 hereof, shall offer the other party the joint use of such new poles. If the other party desires joint use of such poles, it shall make written proposal therefor as provided in the Operating Routine. The proposal when accepted in writing by the other party shall constitute a permit to use jointly the poles covered thereby. Both parties shall promptly proceed in accordance with the Operating Routine and any costs incurred in connection with establishing joint use of such poles shall

be borne as provided in Section 8.

Westerned out of the balance

7.2 In order to promote the sole ownership by each party of its objective share of jointly used poles, the new poles may, if mutually agreed, be erected and/or owned by the party then owning less that its objective share of jointly used poles under this Agreement, subject to Section 2.4, provided, however, the parties shall endeavor to avoid mixed ownership of poles in any given pole line.

#### 8. PAYMENTS AND COSTS

- 8.1 A standard joint pole shall be erected at the sole expense of the Ligensor. Where a pole other than standard is required due solely to the Licensor's requirements, such pole shall be erected at the sole expense of the Licensor.
- 8.1.1 Where a pole other than standard is required solely for the benefit of the Licensee, the Licensee shall reimburse the Licensor for the excess cost, if any, of such pole over the cost of a standard pole.
- 8.2 If the Licensor suffers a loss of remaining pole life due to prematurely replacing existing poles with poles suitable for joint use at the Licensee's request, the Licensor shall be reimbursed for such loss in the manner

set forth in the Operating Routine.

8.3 In the event the Telephone Company is deficient in providing less than its objective share (40%) of poles for joint use on the annual anniversary date of this Agreement it shall pay to the Electric Company a penalty payment in the amount of \$7.20 times the number of poles it is deficient. Similarly, the Electric Company shall pay to the Telephone Company a penalty in the amount of \$10.80 times the number of poles it is deficient in providing its objective share (60%) of poles for joint use. The payment in either case to be based upon a mutually agreed charge for a standard 35 foot, class 5 pole and computed at 40% of such charge for the Telephone Company and 60% for the Electric Company. The annual charge shall remain in effect until changed as provided in Section 18 hereof.

8.4 Any payments or costs due either party from the other shall be paid within sixty days after bills therefor have been rendered.

### 9. MAINTENANCE OF POLES AND ATTACHMENTS

9.1 The Licensor shall, at its own expense, maintain and repair its joint use poles at all times in a safe and serviceable condition and in accordance with the Specifi-

cations referred to in Section 3 and shall replace or relocate, if and when required, any of its joint use poles with equivalent poles, in accordance with the provisions of Section 8.

- 9.2 Each party hereto shall at its own expense at all times maintain its attachments on the joint poles in accordance with the specifications referred to in Section 3 and shall keep them in safe condition and in thorough and complete repair.
- 9.3 Each party agrees to exercise care in the use of any joint poles, and satisfy itself of their safe condition before performing any work thereon.
- 9.4 Any existing joint use construction or any joint use construction covered by previous agreements and brought under this Agreement in accordance with Section 2.3 and Section 17 which does not conform to the specifications of this Agreement shall be brought into conformity therewith as follows:
- 9.4.1 Both parties hereto shall exercise due diligence in bringing into conformity with Section 3, as occasion may arise, any existing joint use construction.
  - 9.4.2 When any of the existing joint use construc-

tion of either party is generally reconstructed or any changes are made in the arrangement or characteristics of their circuits or attachments, the new or changed parts shall be brought into conformity with Section 3.

9.4.3 When such existing joint use construction shall have been brought into conformity with said specifications, it shall at all times thereafter be maintained as provided in Sections 9.1 and 9.2. The cost of bringing such existing joint use construction into conformity with said specifications shall be borne by the parties hereto in the manner specified in this Section and in Section 8.

#### 10. RIGHT OF WAY, GUYS, TREE TRIMMING, ETC.

its own necessary rights of way, anchor privileges, tree trimming and removal rights, and guying privileges from property owners or from municipal, state, or governmental authorities. It is understood, however, that the parties hereto shall cooperate in obtaining any right of way necessary to be used for any jointly used pole or anchor. Each party shall perform at its own expense the necessary tree trimming to properly clear its own attachments. If any

the cost of such removal shall be shared by the parties.

10.2 No guarantee, oral or otherwise, is given by the Licensor to the Licensee of permission from proper owners, municipalities, or others, for the joint use of i poles and/or right of way by the Licensee for the placing thereon of the Licensee's attachments or to trim or remove any trees. If objection is made thereto and the Licensee is unable to adjust the matter satisfactorily within a reasonable time, the Licensor may at any time upon ninety (90) days notice in writing to the Licensee require the Licensee to remove its attachments from the poles involved and the Licensee shall, within ninety (90) days after receip of such notice, remove its attachments, and/or the anchors, guys, stubs, or brace poles at its own expense. the Licensee fail to so remove its attachments and/or the anchors, guys or brace pole within said time, the Licensor may remove them at the Licensee's expense without any liability whatever for such removal or the manner of making it, for which expense the Licensee shall reimburse the Licensor on demand.

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10.3 Unless otherwise specifically agreed to in a particular case, all guys, anchors and brace poles shall

ments make such work necessary, and such guys, anchors, and brace poles shall remain and be maintained as the sole property of the party placing them.

shall be installed and maintained by the Licensor at
Licensee's cost and expense. If the ground bracing is required
by each of the parties hereto, the cost and expense of installing and maintaining such bracing shall be shared by the parties.

# 11. PROCEDURE WHEN CHARACTER OF CIRCUITS IS CHANGED eg roud widening

acter of its circuits on jointly used poles, which will necessitate changes in the poles or attachments thereto to comply with the specifications referred to in Section 3, or which in the opinion of either party might affect the safety or operation of the other party's facilities, the party desiring to change the character of its circuits shall give sixty (60) days notice in writing to the other party of such contemplated change (shorter notice, including oral notice, subsequently confirmed in writing, may be

given in cases of emergency). In the event that the other party agrees in writing to continued joint use notwithstanding such changed character of the circuits, then joint use of such poles shall be continued with such changes as may be agreed upon in the light of the character of circuits involved, including any changes in construction which may be required to meet the specifications referred to in Section 3. The division of expense of any such necessary changes in construction shall be as mutually agreed upon.

- 11.2 In the event, however, that the other party fails within thirty (30) days from receipt of such notice to agree in writing to continue the joint use of such poles with such changed character of the circuits, then both parties shall cooperate in accordance with the following plan:
- agree upon the most practical and economical method of effectively providing for separate lines, either overhead or underground, and the party whose circuits are to be moved shall promptly carry out the necessary work.
- 11.2.2 The net expense involved in reestablishing such circuits in the new locations as are necessary to furnish the same or equivalent facilities (which existed in

the joint use at the time such change was decided upon)
for the party which is to vacate the joint pole line, shall
be equitably apportioned between the parties hereto. The
cost of plant betterments shall not be included in said net
expense, but due consideration shall be given among other
items to the cost of the new pole line and attachments,
cost of new right of way, cost of removing old attachments
and placing them in the new locations, salvage adjustments,
and vacating party's ownership interest, if any, in the original joint use poles.

- underground facilities, constructed in accordance with Sections 11.2 11.2.2, inclusive, in a new location shall, unless otherwise agreed upon by the parties hereto, be vested in the party for whose use it is constructed. The ownership of the old line, when vacated by the owner in accordance with the foregoing procedure, shall be transferred to and vested in the party continuing to use said line.
- agree as to which party is to move its circuits or upon the division of costs to be incurred, then the separation of the lines shall be made as specified below.

- 11.3.1 On any poles which are jointly used and are the property of the Telephone Company, the Electric Company shall remove its attachments at its sole cost and expense.
- 11.3.2 On any poles which are jointly used and are the property of the Electric Company, the Telephone Company shall remove its attachments at its sole cost and expense.

# 12. ABANDONMENT OF JOINTLY USED POLES

abandon any jointly used pole, it shall give the Licensee notice in writing to that effect at least thirty (30) days prior to the date on which it intends to abandon such pole. If, at the expiration of said period, the Licensor shall have no attachments on such poles, but the Licensee shall not have removed all of its attachments therefrom, such poles shall thereupon become the property of the Licensee, and the Licensee shall save harmless the former Licensor from all obligation, liability, damage, cost, expense, or charges incurred thereafter, because of, or arising out of, the presence or condition of such pole or of any attachments thereon, and shall pay the Licensor a

Transfer/s
abandonments
30 days
notice

sum based on the pole requirements of the Licensee in proportion to the then value in place of such abandoned pole or poles, or such other equitable sum as may be agreed upon between the parties.

- 12.2 All right, title and interest of the Licensor in abandoned poles hereunder shall be transferred by proper records.
- 12.3 The Licensee may at any time abandon a joint pole by giving notice thereof in writing to the Licensor and removing therefrom all attachments it may have thereon.
- 12.4 If both parties at the same time abandon any jointly used pole, each party shall at its own expense remove its attachments therefrom and the Licensor shall thereupon remove the pole.

#### 13. DEFAULTS

any of the terms of this Agreement and such default continues for sixty (60) days after notice thereof in writing from the other party, all rights of the party in default thereunder to occupy jointly the poles in question shall be automatically terminated and the party in default shall thereupon

of such removal, the provisions of Section 12 shall apply.

13.2 If either party shall make default in the performance of any work which it is obligated to do under the terms of this Agreement, the other party may elect to do such work, and the party in default shall reimburse the other party for the cost thereof. Failure on the part of the defaulting party to make such payment within thirty (30) days upon presentation of bills therefor, shall, at the election of the other party, constitute a default under Section 13.1.

### 14. WAIVER OF TERMS OR CONDITIONS

14.1 The failure of either party to enforce or insist upon the compliance with any of the terms or provisions of this Agreement shall not constitute a general waiver or relinquishment of any such terms or provisions, but the same shall be and remain at all times in full force and effect.

#### 15. FRANCHISES AND ASSIGNMENTS OF RIGHTS

15.1 Each party shall act under its own franchise rights, and neither guarantees unto the other any rights as against any person, firm, corporation (Public, quasi-

public, or private), the state or the public.

15.2 Except as otherwise provided in this Agreement, neither party hereto shall assign or otherwise dispose of this Agreement or any of its rights or interest hereunder, or in any of the joint poles or the attachments or rights of way covered by this Agreement, to any firm, corporation, or individual, without the written consent of the other party; provided, however, that nothing herein contained shall prevent or limit the right of either party, nor shall such written consent be required, to mortgage any or all of its property, rights, privileges and franchises, or lease, transfer or sell any of them to another corporation organized for the purpose of conducting a business of the same general character as that of such party, or to enter into any merger or consolidation and, in case of the foreclosure of such mortgage, or in case of such lease, transfer, sale, merger, or consolidation, its rights and obligations hereunder shall pass to, and be acquired and assumed by, the purchaser at foreclosure, the transferee, leasee, purchaser, assignee, merging or consolidating company, or trustee under such merger, as the case may be.

15.3 Authority and responsibility for the placing

of attachments of any person, firm or private corporation on the poles of the Licensor other than in the space occupied by or reserved for the Licensee, shall rest with the Licensor and the Licensor shall be entitled to any rental received from such individual or private corporation, provided, however, that such attachments are in accordance with the specifications referred to in Section 3.

- placing of attachments in the space occupied by or reserved for the Licensee by any person, firm or private corporation conducting a business of the same general character as the Licensee shall rest solely with the Licensee and the Licensee shall be entitled to any rental received from such person, firm or private corporation, provided, however, that such attachments are in accordance with the specifications referred to in Section 3.
- 15.3.2 In the event the attachments of the person, firm or private corporation requires adjustments in the poles or attachments of the parties hereto the arrangements therefor and the costs thereof shall be made with and paid to the authorizing party who shall arrange for and make payments to the other party in the manner and to the extent provided by Sections 6 and 8 hereof.

municipal corporation or other political subdivision, covered by such assigned rights or privileges on the joint poles covered by this Agreement in accordance with the above paragraphs, shall be treated in all respects, for the purpose of this Agreement, as if they were the property of the party granting the said rights or privileges, and the rights, obligations, and liabilities of such party under this Agreement in respect to such attachments shall be the same as if it were the actual owner thereof.

## 16. EXISTING RIGHTS OF OTHER PARTIES

- the terms and conditions of this Agreement, either of the parties hereto has conferred upon any person, firm or corporation, not parties to this Agreement, by contract or otherwise, rights or privileges to use jointly such poles, nothing herein contained shall be construed as affecting said rights or privileges; and said party shall have the right, by contract or otherwise, to continue and extend said existing rights or privileges, and collect and retain such rental fees as it sees fit.
  - 16.2 Any attachments, except attachments of a

municipal corporation or other political subdivision, covered by Section 16.1 on any of the joint poles covered by this Agreement shall be treated in all respects, for the purpose of this Agreement, as if they were the property of the party granting these said rights or privileges, and the rights, obligations and liabilities of such party under this Agreement in respect to such attachments shall be the same as if it were the actual owner thereof.

### 17. EXISTING CONTRACTS

17.1 Any agreements now existing between the parties hereto or their predecessors for the joint use of poles within the territory covered by this Agreement, are hereby cancelled and terminated. The poles and attachments covered, or intended to be covered, by such agreements as are hereby terminated shall be brought under and covered by all the terms and conditions of this Agreement in all respects and for all purposes; provided, however, that any undischarged liability or any unsatisfied obligations incurred under such agreements shall not be affected by such termination.

#### 18. REVIEW OF AGREEMENT

18.1 At the expiration of three (3) years after

the execution of this Agreement, and at two-(2) year-periods—thereafter, either of the parties hereto may request, in writing, a review of the terms of this Agreement and/or the specifications mentioned herein, and such review shall be made within ninety (90) days after the receipt of such request; provided, however, that nothing herein contained shall prevent changes being made in this Agreement at any time by mutual consent of the parties hereto. The terms of this Agreement shall remain in full force until such revisions or changes are approved in writing by both of the parties hereto.

# 19. TERM OF AGREEMENT

joint use by either party, this Agreement may be terminated at any time after the first day of July, 1978 upon one year's notice in writing to the other party; provided that notwithstanding such termination, this Agreement shall remain in full force and effect with respect to all joint poles covered hereunder at the time of such termination.

## 20. LIABILITY AND DAMAGES

20.1 Whenever any liability is incurred by either or both of the parties hereto for damages for injuries to the

employees or for damages to the property of either party, or for injuries to other persons or their property, arising out of the joint use of poles under this Agreement, which joint use is understood to include the wires and fixtures of parties hereto, installed between and attached to the jointly used poles covered by this Agreement, the liability for such damages, between the parties hereto, shall be as follows:

- 20.2 Each party shall be liable for all damages for such injuries or damages to persons or property caused solely by its negligence or solely by its failure to comply at any time with the specifications referred to in Section 3.
- 20.3 Each party shall be liable for all damages for such injuries to its own employees or its own property that are caused by the concurrent negligence of both parties hereto or that are due to causes which cannot be traced to the sole negligence of the other party.
- 20.4 Each party shall be liable for one-half (1/2) of all damages for such injuries to persons other than employees of either party, and for one-half (1/2) of all damages for such injuries to property not belonging to either party that are caused by the concurrent negligence of both

parties hereto or that are due to causes which cannot be traced to the sole negligence of either party.

20.5 All claims for damages arising hereunder that are asserted against or affect both parties hereto shall be dealt with by the parties hereto jointly; provided, however, that in case of any such claims which the parties hereto mutually agree come under the provisions of paragraph 20.4 and where the claimant desires to settle any such claim upon terms acceptable to one of the parties hereto but not to the other party to which said terms are acceptable may, at its election, pay to the other party one-half (1/2) of the expense which such settlement would involve, and thereupon said other party shall be bound to protect the party making such payment from all further liability and expense on account of such claim.

of any claim for any damages arising hereunder, the liability assumed hereunder, by the parties shall include, in addition to the amounts paid to the claimant, all expenses incurred by the parties in connection therewith, which shall comprise costs, disbursements, and other proper charges and expenditures, but shall not include attorney's fees.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate, and their corporate seals to be affixed thereto by their respective officers thereunto duly authorized, on the day and year first above written.

Attest:

THE DAYTON POWER AND LIGHT COMPANY

dillighter