



September 13, 2010

Marlene H. Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12th Street, SW, Suite TW-A325  
Washington, DC 20554

RE: Implementation of Section 224 of the Act GN Docket No. 07-245

Dear Ms. Dortch:

Dairyland Power Cooperative a generation and transmission cooperative (G&T) that provides the wholesale electrical requirements and other services for 25 electric distribution cooperatives and 16 municipal utilities in the Upper Midwest files the following comments in support of the comments filed by the National Rural Electric Cooperative Association (“NRECA”) in response to the Federal Communications Commission’s (“Commission” or “FCC”) July 15, 2010 Order and Further Notice of Proposed Rulemaking (“NPRM”) regarding the Implementation of Section 224 of the Act (“Act”).

As NRECA argues, “The NPRM’s ‘Need for Speed’ make-ready proposals must be balanced with the need to ensure safe and reliable delivery of electric services.”

NRECA’s comments describe the extent to which unauthorized attachments are problems faced by electric cooperatives nationwide. NRECA comments further describe troubling engineering practices used by attachers in their rush to deploy their lines and equipment.

Such practices are not, as the NPRM has suggested, overblown or overstated. These



descriptions are consistent with what we regularly encounter and must devote significant time and resources to rectify. FCC rules that deter such practices would be welcomed as setting a new de facto standard for attachers when they attach to cooperative poles.

The FCC must remember that our first and foremost obligation is to our electric consumers. While we want broadband in all of our communities, we would hate to see the Commission adopt rules that could jeopardize the safety our line workers or put the public in danger. Further, we hope the Commission decides not to impose greater administrative burdens, iron-clad timelines, and new requirements to address issues better left to private contracts on regulated pole owners, because attachers will come to expect us to do the same. We simply do not have the same resources as larger, investor owned utilities with which the commission is more familiar. And, some of the NPRM's proposals (such as a make-ready charge schedule and pole inventory database) are simply unnecessary and too burdensome.

Our first hand experience indicates that even very low pole attachment rates will not induce service providers to deploy broadband to our most difficult to serve, sparsely populated territories. It has been well established that low population density is the most significant barrier to rural broadband deployment. Lowering the pole attachment rates will not change this. A reformed Universal Service Fund to accommodate broadband is the right mechanism to foster deployments to high-cost areas and make the economics work for providers to continue to serve those areas.



As noted in NRECA’s comments, only 17% of electric cooperatives report using the FCC’s rates formulas to determine pole attachment rental rates. We believe that this is because these formulas, which the NPRM proposes to modify to shift more costs to pole owners, do not align well with our business model. Tax exempt electric cooperatives must follow Internal Revenue Service cooperative principles to maintain their tax exemption. This means equitably allocating costs and “at cost operation,” that is, not operating for profit or below cost (not cross-subsidizing). If a cooperative cannot recover the costs associated with providing pole attachments, then electric consumers must make up the difference. This is particularly unfair when these consumers may not even want or be offered services by the provider making the pole attachments.

We expect that if the Commission makes the changes to its rate regulations as outlined in its NPRM--shifting more costs onto pole owners—then state utility commissions will likely reexamine its rate formulas, which apply to electric cooperatives.

Dairyland Power Cooperative, NRECA and the FCC obviously share the common goal of improving the opportunities denied to consumers who lack broadband services. While well intended, much of what the NPRM proposes to do in this proceeding would set a new bar for electric cooperative pole attachment practices that could negatively impact our ability to provide safe and reliable electric service to our consumers and appropriately recover our pole attachment related costs. We urge the FCC to consider these comments



and those of NRECA to more fairly balance the goal of speedier broadband deployment with the need to ensure the safety and reliability of our electric infrastructure and quality service to our consumers.

Respectfully submitted,

DAIRYLAND POWER COOPERATIVE

A handwritten signature in blue ink that reads "Ed West".

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