



September 27, 2013

Kathleen H. Burgess, Secretary  
New York Public Service Commission  
3 Empire State Plaza  
Albany, New York 12223-1350

**Re: Tariff Filing by New York State Electric & Gas Corporation  
to Reflect New Pole Attachment Rates – Case 13-E-0321**

Dear Secretary Burgess:

Our firm represents Southern Tier Network, Inc. (STN), a not-for-profit, local development corporation and certificated telecommunications carrier of a dark fiber network in the counties of Chemung, Schuyler, and Steuben. STN's mission.

We are writing on behalf of STN to oppose strongly the significant increase in pole attachment rates proposed by New York State Electric & Gas Corporation (NYSEG) in its recent tariff filing (PSC No. 119 – Leaf No. 150, Revision 2). We also urge the Commission to review carefully NYSEG's inappropriate use of the Federal Communication Commission default rate of return (11.25%), which, as Charter Communications points out, far exceeds NYSEG's actual rate of return (7.5%). Finally, as the Commission reviews this matter and considers its application on an industry-wide basis, we ask the Commission to consider whether a special rate should be implemented for municipal and governmental units, and their affiliates, such as STN, to support public benefit activities in economic development.

STN's mission, through the use of its fiber telecommunications network, is to enable (i) economic development by assisting its region in attracting industry, retaining existing businesses, and encouraging the development of additional employment and job opportunities, (ii) enhanced scientific and educational research for universities, colleges and schools, (iii) perpetual, reliable and compliant E-911 systems, (iv) improved communications among health care professionals and providers; and (v) expansion of broadband services to the rural and underserved markets within Chemung, Schuyler and Steuben Counties. Currently, STN's attachment to NYSEG poles accounts for more than 50% of its network pole attachments. The currently proposed 43% increase in NYSEG's pole attachment rate will have a material adverse effect on STN's business and its ability successfully to achieve its mission.

STN also supports Charter Communications' position that NYSEG must use the proper rate of return in calculating its pole attachment rate. Although Charter Communications may have minimal pole attachments, STN has material NYSEG pole attachments, constituting more than 50% of STN's total pole attachments.

Further, as the Commission reviews this matter and considers its application on an industry-wide basis, we ask the Commission to consider whether a special rate should be implemented for municipal and governmental units, and their affiliates, such as STN, to support economic development and expansion of broadband services to rural and underserved markets consistent with current Federal and State mandates.

Therefore, for the foregoing reasons, STN respectfully requests that the Commission reject NYSEG's request to increase its current pole attachment rates and its proposed PSC No. 119 – Leaf No. 150, Revision 2.

Respectfully yours,

**Hage & Hage**  
  
J.K. Hage III

Cc: Active Parties

Steve Manning, CEO – Southern Tier Network, Inc.