Osmose®

Pole Restoration Services

COST-SAVING ALTERNATIVES TO POLE REPLACEMENT NOW ELIGIBLE FOR RUS FUNDING

Osmose has been a trusted name in utilities services since 1934. As a world leader in wood pole inspection and restoration, Osmose technicians are experts at evaluating a pole's remaining strength and suitability for restoration. This includes using preservatives to control decay and protect the remaining serviceable wood to ensure the longevity of the newly restored pole and the overall integrity of your pole plant.

Pole restoration:

- Restores code-mandated strength
- Adds decades of service life
- Avoids the hassle of change-outs and service interruptions
- Saves money - pole restoration is often one-third or less of the cost of pole replacement
- Is a 100% capital investment

Funding and Capitalization Through RUS

Pole restoration has been capitalized by most Osmose restoration customers across the U.S. as both the Federal Energy Regulatory Commission (FERC) and the Rural Utilities Service (RUS) Uniform System of Accounts reference "reinforcing and stubbing" in their Poles, Towers, and Fixtures capital account (364). RUS borrowers may now also include pole restoration in their Construction Work Plans (CWPs) and/or CWP amendments. Pole restoration labor and materials are eligible for inclusion in a CWP and a loan application.

The RUS Coding Guide has been updated to include RUS Code 618 – Pole Restoration. The coding guide also provides additional details on what is considered restoration versus maintenance. This will provide flexibility to RUS borrowers who choose to use this process to extend the life of the poles on their electric system.

1. Pole Restoration/Pole Banding is an eligible item for RUS Financing in the RUS Coding Guide as RUS Code 618 – Pole Restoration.

2. Pole Restoration/Pole Banding is an eligible item for capitalization under USOA, account 364-Poles, Towers and Fixtures.

For additional guidance and verification, email **RUSElectric@usda.gov** or visit **www.osmose.com/RUSPR**.

Financial Benefits

Osmose has restored more than 1.5 million wood poles nationwide saving utilities over $3 billion compared to pole replacement. It pays to restore versus replace with the average distribution pole replacement costing $2,500. However, the average cost to restore a pole is only $700. That equates to an immediate savings of $180,000 for restoring 100 poles. You could fund all or part of your inspection and treatment program with the cost savings you generate from restoration.

Program Cost WITHOUT Restoration					
Poles Inspected	**Cost to Inspect and Treat ($45 each)**	**Reject Rate**	**Rejects**	**Cost to Replace ($2,500 each)**	**Total Program Cost**
5,000	$225,000	8%	400	$1,000,000	$1,225,000

Program Cost WITH Restoration						
Poles Inspected	**Cost to Inspect and Treat ($45 each)**	**Reject Rate**	**Rejects**	**Restore 70% ($700 each)**	**Replace 30% ($2,500 each)**	**Total Program Cost**
5,000	$225,000	8%	400	$196,000	$300,000	$721,000

Total Savings: $504,000

Environmental Benefits

- Save trees
  A 2,000 square foot home can be built for every 41 poles that are kept in service
- Reduced chemical use
  Typical distribution pole contains 6.4 pounds of penta and 128 pounds of fuel oil
- Reduced carbon footprint
  Avoiding the harvest of 220 trees offsets the emissions from one car for one year
- Reduced landfill use

Other Benefits

- Frees up valuable resources
  - Crews
  - Trucks and equipment
  - Engineering and staking time
- No disruption of service for members
- No third-party attachment coordination
- No double wood
- Mitigate risk sooner

Time and Work Force Savings

Reject Rate	Osmose Restorable Rate
10.7%	87.2%
540 Total Rejects	471 Total Rejects
Pole Restoration Crews: 2	Poles/Week per Crew: 40
Replace Crews: 2	Poles/Week per Crew: 5

To Replace All 540 Poles	Time to Restore 0 Weeks	Time to Replace 54 Weeks
To Restore 471 and Replace 69	Time to Restore 6.9 Weeks	Time to Replace 5.9 Weeks

CUSTOMER SPOTLIGHT

Wiregrass Electric Cooperative (WEC) serves over 17,000 consumer-members in southeastern Alabama. As neighboring utilities increasingly choose pole restoration over replacement, WEC too considered the benefits including the opportunity to capitalize the investment. A local RUS General Field Representative (GFR) assisted in the development of a four-year work plan that included steel truss pole restoration systems. A Continuing Proper Record (CPR) was created so the work, and with GFR approval, loan funds for wood pole restoration are available should WEC wish to use them.

> “If I can extend the life of a pole 20 to 30 years, that is a big financial benefit to our members.”
>
> **Jason Thrash,**
> Vice President, Engineering & Operations at WEC

To learn more, contact your local Osmose professional, call 770.631.6995, or email poleinfo@osmose.com.