

Joint Use Pole Attachment Program

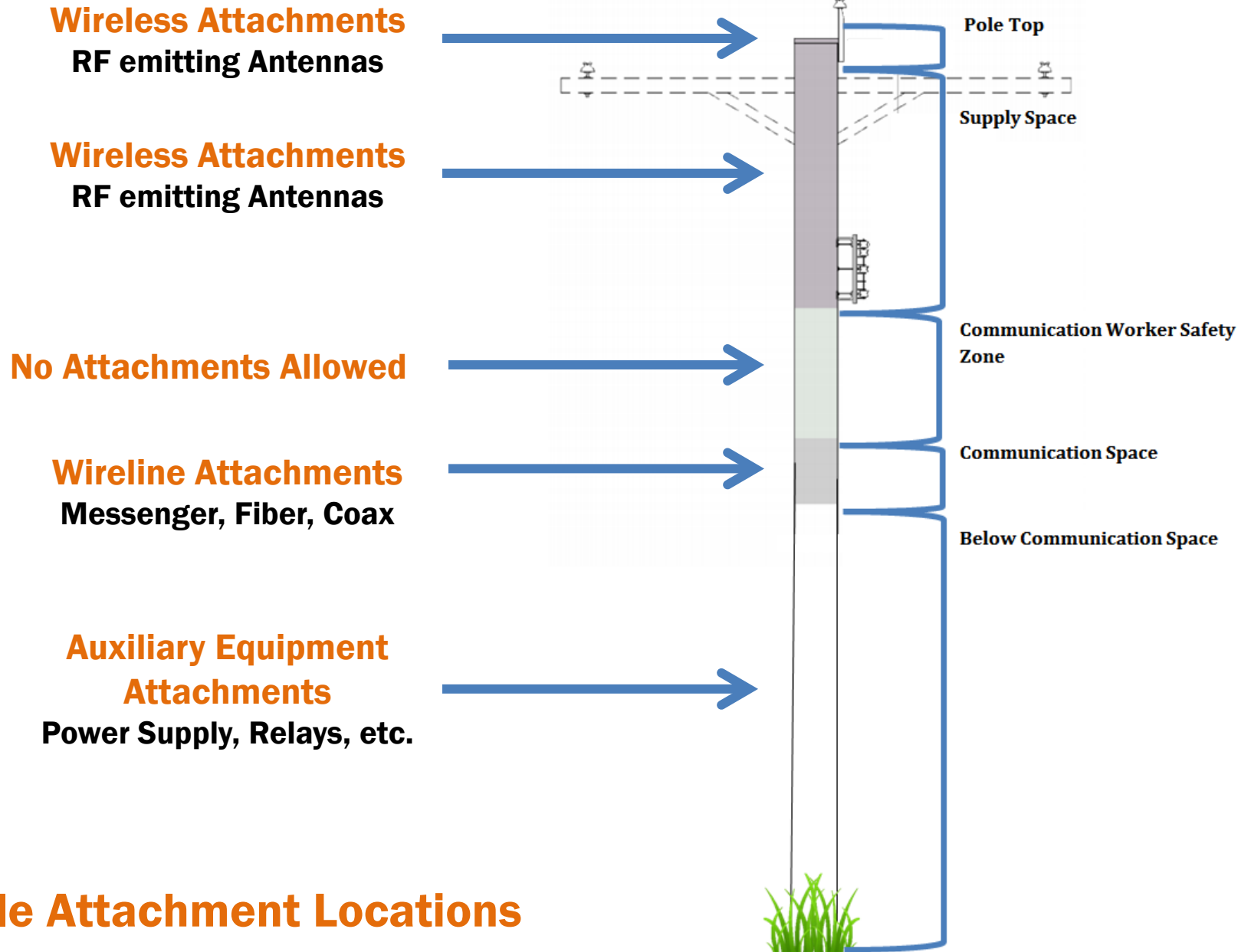
Jarrold Fauver, Power Engineer

November 2017

TACOMA  **POWER**
TACOMA PUBLIC UTILITIES

Presentation Objectives

- **Review**
 - **Types of Pole Attachments and their locations on the pole**
 - **Why are we making changes to our Joint Use Pole Attachment program?**
- **September 13th Study Session Questions**
 - **Wireline Pole Attachment fee calculations – Pole Cost**
 - **Wireline Pole Attachment fee for Government agencies**
- **Recommendations**
- **Financial Impacts**
- **Next Steps**



Pole Attachment Locations

Why are we making changes to our Pole Attachment program?

- **Telecommunications deployment of new **Wireless** technology & requests to attach to our poles**
- **Tacoma Power has not updated its **Wireline** pole attachment fees since 2011**
- **Telecommunication industry sponsored **Small Cell** Legislation during the 2017 Legislative Session**
- **Recent growth in number of received **Wireline** applications**

September 13th Study Session Questions

Wireline Pole Attachment fee calculations – Pole Cost

- **FCC/APPA formulas use “book” values**
 - Pole plant values are obtained from Accounting, and the average Pole Cost is computed by taking the net pole investment (original installed cost less depreciation) and dividing it by the number of poles in service.
- **What about the poles we jointly own with CenturyLink?**
 - The payment from CenturyLink is deducted from pole plant value
- **The initial installed cost of a pole is approximately \$3,600**

September 13th Study Session Questions cont.

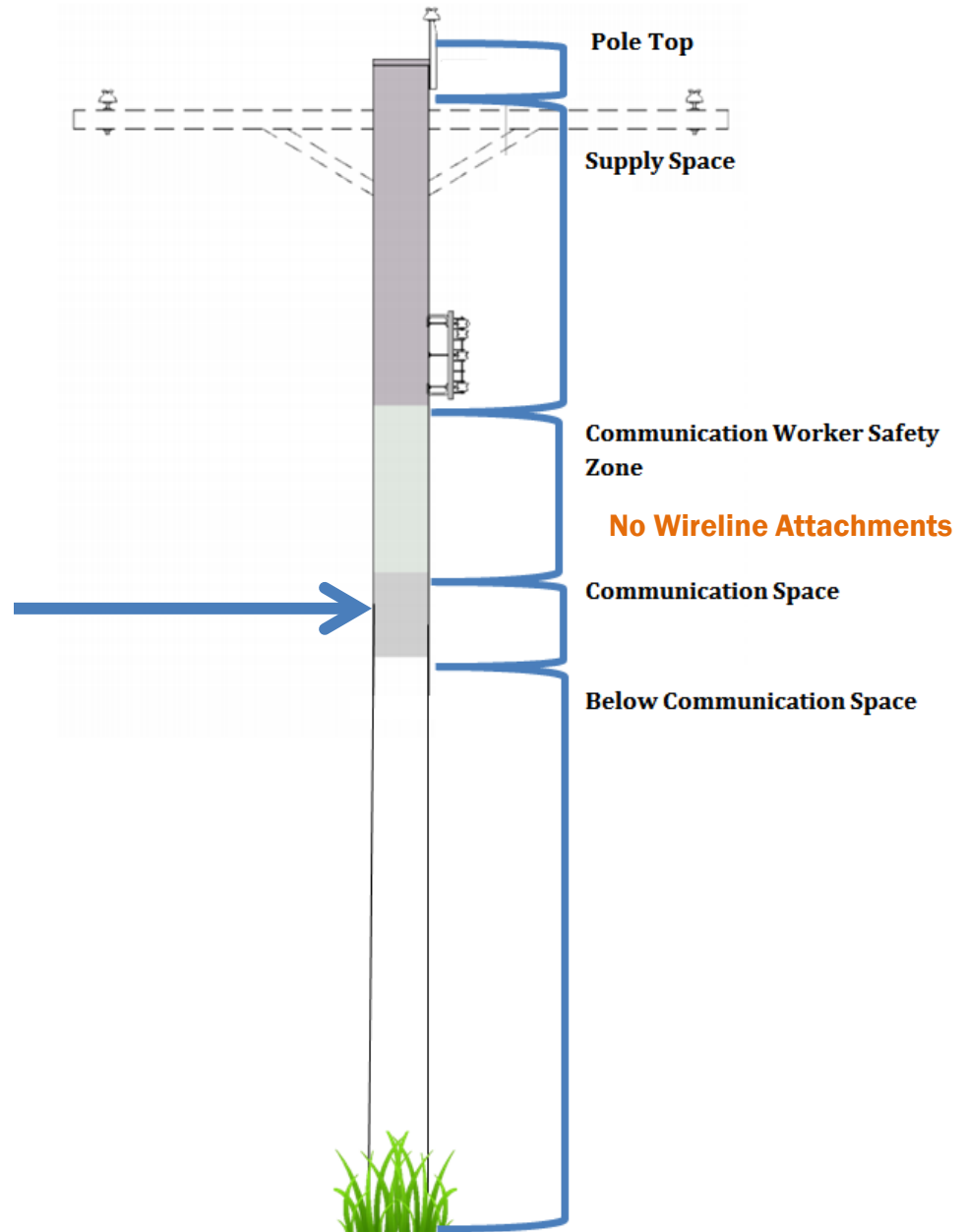
Wireline attachment fee for Government agencies and non-profit organizations

- **Original recommendation:** Eliminate the “Governmental Fee” in favor of one fee independent of organization or service type
- **Current recommendation:** Maintain the “Government Fee” based upon the FCC Cable formula

Wireline

Puget Sound Energy - \$11.96 (2017)
Avista - \$12.27 (2017)
Lewis County PUD - \$15.42 (2017)
SnoPud - \$16.88 (2017)
Grant County PUD - \$17.55 (2017)
Clark County - \$19.61 (2017)
Cowlitz PUD - \$19.70 (2010)
Seattle City Light - \$31.45 (2018)

Existing TPU General Fee - \$17.29
Existing TPU Governmental Fee - \$7.09



Recommendations

Wireline

- **General Fee**
 - **Adopt the Washington State methodology RCW 54.04.045 for calculating the General Pole Attachment fee. This would result in an increase from \$17.29 to \$26.49.**
- **Governmental Fee**
 - **Continue offering a reduced fee calculated using the FCC Cable formula for governmental and non-profit agencies. This would result in an increase from \$7.09 to \$10.18.**
- **Increase the base application fee from \$100 to \$175 to better recover administrative costs.**

Why?

- **More fairly and equitably recovers costs from third party attachments to the City's poles**
- **Has been upheld by Washington courts as “just and reasonable”**

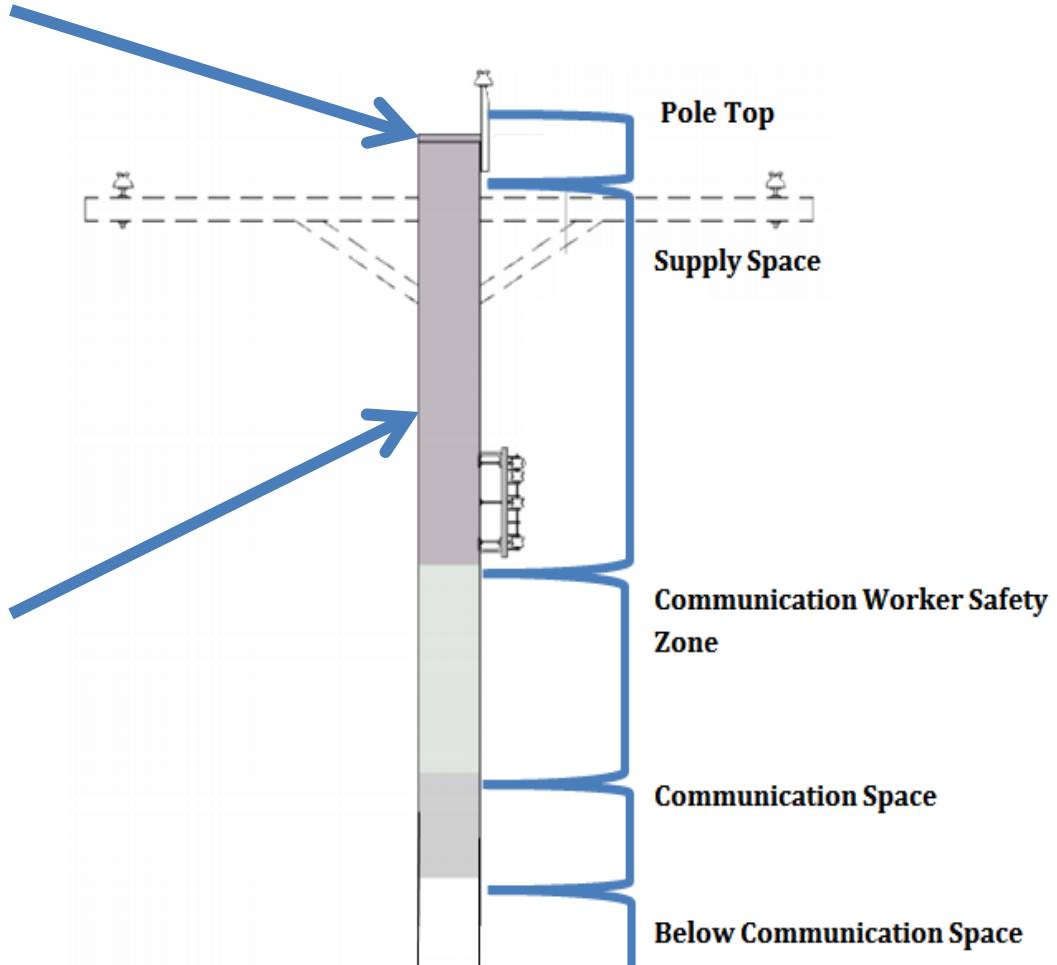
General Information About the State of Wireless Deployment

- **TPU staff have been working with City of Tacoma staff as we develop contract templates and attachment fees. City staff intend to adopt TPU fees**
- **Fees are *market based* NOT cost of service based**
- **The City of Tacoma has already granted three wireless franchises**
- **Carriers have indicated that their principal concern is rapid deployment of infrastructure**
- **In order for TPU to process attachment requests, contract templates and fee schedules need board approval**
- **Preliminary correspondence with carriers indicates that the rates TPU is proposing are NOT objectionable**
- **At this time, the market is not fully established as many contracts are currently being negotiated with carriers**
- **In lieu of fee methodology, fees are set based on the local market**

Wireless

Antenna Location: Pole Top		
	Macro Cell	Small Cell
Grant PUD	Not Established	Not Established
Lewis County PUD	Not Established	Not Established
SnoPUD	\$6,000	\$1,200
Puget Sound Energy	\$6,220	\$600
Seattle City Light	\$7,200	\$1,800
<i>Average</i>	<i>\$6,473</i>	<i>\$1,200</i>

Antenna Location: Supply Space		
	AMI/AMR	Small Cell
Grant PUD	Not Established	Not Established
Lewis County PUD	Not Established	Not Established
SnoPUD	\$72	\$1,200
Puget Sound Energy	n/a	\$600
Seattle City Light	\$130	\$1,800
<i>Average</i>	<i>\$101</i>	<i>\$1,200</i>



Recommendations

Wireless

- **Establish fees based on the average of local utilities surveyed**
 - **Supply Space Installation**
 - **Small Cell - \$1,200**
 - **AMR/AMI - \$101**
 - **Pole Top Installation**
 - **Macro - \$6,473**
 - **Small Cell - \$1,200**
- **Re-evaluate market in two years and adjust as necessary**

Financial Impact

Customer	2017 Fee	2017 Total	Proposed Fee	Proposed Total	Difference	% Change
Comcast (Wireline)	\$17.29	\$610,440.74	\$26.49	\$935,255.94	\$324,815.20	53%
Astound/Wave Broadband	\$17.29	\$45,818.50	\$26.49	\$70,198.50	\$ 24,380.00	53%
Comcast [Power Supplies]	\$14.42	\$5,868.94	\$52.98	\$21,562.86	\$ 15,693.92	267%
Rainier Connect/Mashell	\$17.29	\$25,986.87	\$26.49	\$39,814.47	\$ 13,827.60	53%
City of University Place	\$7.09	\$3,778.97	\$10.18	\$5,425.94	\$ 1,646.97	44%
Integra Holdings	\$17.29	\$18,673.20	\$26.49	\$28,609.20	\$ 9,936.00	53%
MCImetro (Verizon fiber)	\$17.29	\$16,719.43	\$26.49	\$25,615.83	\$ 8,896.40	53%
City of Fircrest	\$7.09	\$3,069.97	\$10.18	\$4,407.94	\$ 1,337.97	44%
ZAYO Group	\$17.29	\$16,183.44	\$26.49	\$24,794.64	\$ 8,611.20	53%
FatBeam	\$17.29	\$10,218.39	\$26.49	\$15,655.59	\$ 5,437.20	53%
Clover Park School Dist.	\$7.09	\$1,410.91	\$10.18	\$2,025.82	\$ 614.91	44%
PSE (AMR)	\$34.58	\$1,798.16	\$101.00	\$5,252.00	\$ 3,453.84	192%
Lakeview Light & Power			\$26.49	\$2,440.24	\$ 2,440.24	
Elmhurst Power & Light			\$26.49	\$1,661.44	\$ 1,661.44	
Pierce County	\$430.00	\$430.00	\$10.18	\$743.14	\$ 313.14	73%
Unite Private Networks	\$17.29	\$2,887.43	\$26.49	\$4,423.83	\$ 1,536.40	53%
UP School District	\$350.00	\$350.00	\$10.18	\$651.52	\$ 301.52	86%
AT&T	\$17.29	\$2,541.63	\$26.49	\$3,894.03	\$ 1,352.40	53%
Port of Tacoma	\$17.29	\$1,936.48	\$26.49	\$2,966.88	\$ 1,030.40	53%
PSE (Wireline)	\$16.98	\$1,511.22	\$26.49	\$2,357.61	\$ 846.39	56%
City of Lakewood	\$7.09	\$283.60	\$26.49	\$1,059.60	\$ 776.00	274%
Rainier Connect [Power Supplies]	\$14.42	\$173.04	\$52.98	\$635.76	\$ 462.72	267%
Sprint	\$17.29	\$639.73	\$26.49	\$980.13	\$ 340.40	53%
OHOP Mutual Light			\$26.49	\$238.41	\$ 238.41	
University of Washington	\$350.00	\$350.00	\$10.18	\$193.42	\$ (156.58)	-45%
Parkland Light			\$26.49	\$77.88	\$ 77.88	
Zayo (Co-lashed onto City of Lakewood)	\$0.25	\$900.00	\$0.00	\$0.00	\$ (900.00)	-100%
Rainier Connect [Oversized Equipment]	\$34.58	\$5,740.28	\$25.96	\$4,309.36	\$ (1,430.92)	-25%
Totals		\$777,711		\$1,205,252	\$427,541	

Next Step

- **Request for Board Resolution Approving**
 - **Wireline contract template**
 - **Wireless contract template**
 - **Pole Attachment Fee Schedule**