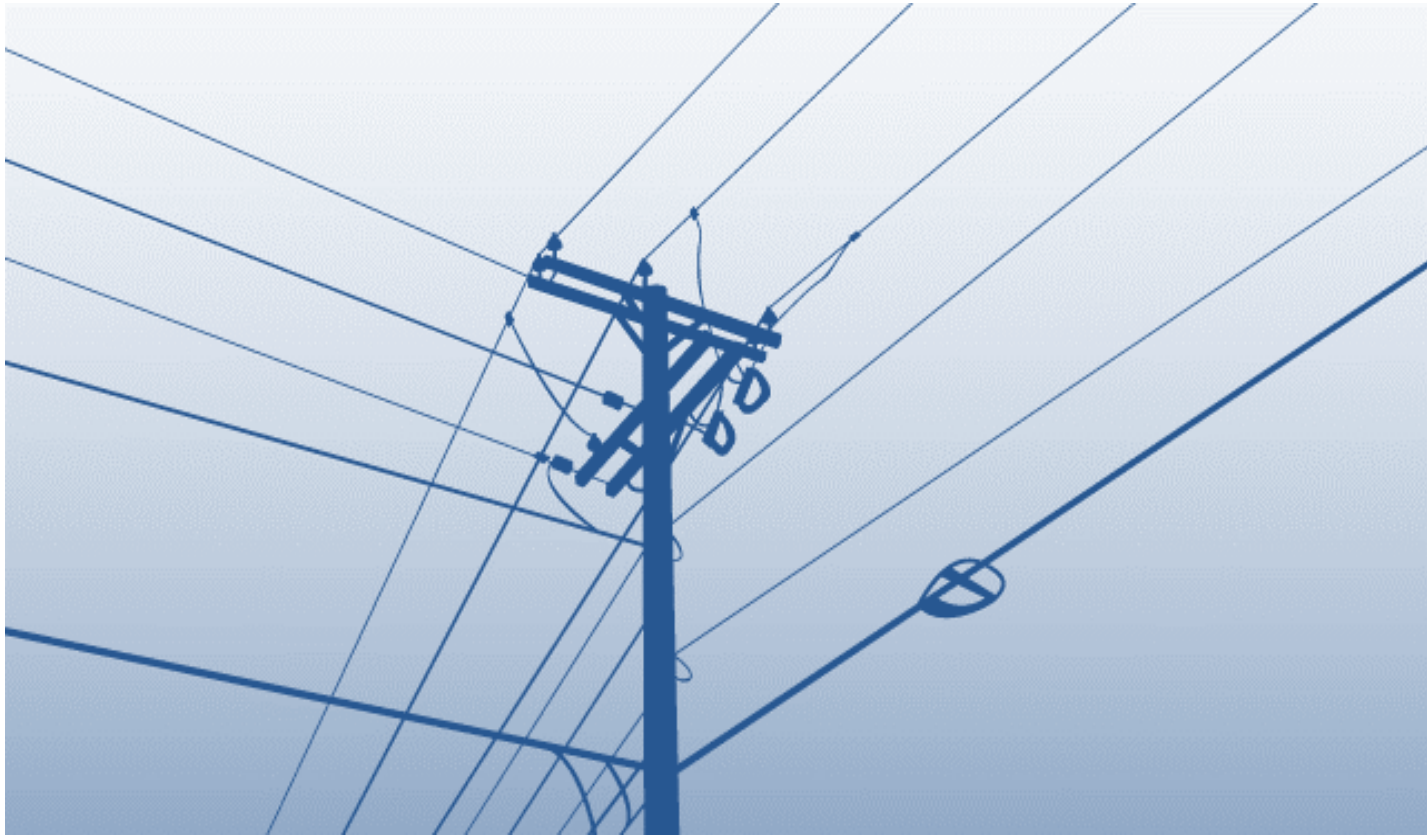


Pole Attachment Program Update



Board of Commissioners
May 15, 2017

Overview

- Background
- Applicable Regulations
- Pole Attachments & Chelan PUD
- Pole Attachment Evolution
- Program Goals
- Key Objectives
- Next Steps

BOARD ACTION REQUESTED LATER TODAY: Rescind outdated pole attachment resolutions that are no longer necessary and are inconsistent with current program efforts

Background

- Communications companies (cable, phone, internet, wireless small cell) often utilize utility poles to deploy their infrastructure
- The point of contact where a communications company attaches their infrastructure to a utility pole is called a pole attachment
- State law governs pole attachment regulations for public utility districts in Washington State

State Law - RCW 54.04.045

- It is the policy of the state to encourage the joint use of utility poles to:
 - promote competition for the provision of telecommunications and information services and
 - recognize the value of the infrastructure of locally regulated utilities
- Requires all rates, terms, and conditions made by a PUD for pole attachments to be:
 - just
 - reasonable
 - nondiscriminatory
 - sufficient

Pole Attachments & Chelan PUD

- Chelan PUD has over 26,000 pole attachments from eight different attaching entities
- The PUD regulates pole attachments through license agreements
- Rates were historically set by resolution until pole attachment rates were moved to the Fees & Charges Schedule in 2011
 - Resolutions never rescinded



- Many of our agreements are decades old with similar, but different, terms & conditions

Evolution of Pole Attachments

- Agreements and standards need to be updated to address:
 - Emergence of new attachments (wireless, overloading, etc.)
 - Make ready work
 - Updated Standards (NESC)
 - Aesthetics & overhead to underground conversion
 - Development of web-based permitting and maintenance applications (NJUNS)
 - Updated State law (cost recovery)

Pole Attachment Program Goal

- Continue to improve our pole attachment program and foster relationships with 3rd party attachers so that deployment of communications services can benefit our community while maintaining District values



Key Objectives

Safety

- *Keep our employees and the public safe at all times*
- *Timely reporting & resolution of violations/noncompliance*

Stewardship

- *Non-discriminatory & transparent processes*
- *Improved communication for all stakeholders*

Trustworthiness

- *Continuous compliance with all network reliability standards*
- *Build collaborative relationships with 3rd party attachers*

Operational Excellence

- *Ensure District assets are not compromised; protect critical infrastructure*
- *Appropriate cost recovery; ensure costs of infrastructure are shared proportionally among those using it*

How do we get there?

To accomplish our goal and objectives, Chelan PUD needs to:

- Rescind two outdated pole attachment resolutions that are no longer necessary or consistent with program goals
 - Resolution No. 99-11331
 - Resolution No. 01-11854
- Update pole attachment standards
- Establish new pole attachment license agreement that incorporates the standards
 - Cessation of old agreements requires 1-year advance notification to licensees
- Hold workshops to explain and introduce updated standards and new draft agreement
- Implement standards and agreement following stakeholder negotiations and Board approval
 - Targeted implementation date of June 1, 2018

QUESTIONS?

