



Pole Attachment Licensing Agreement

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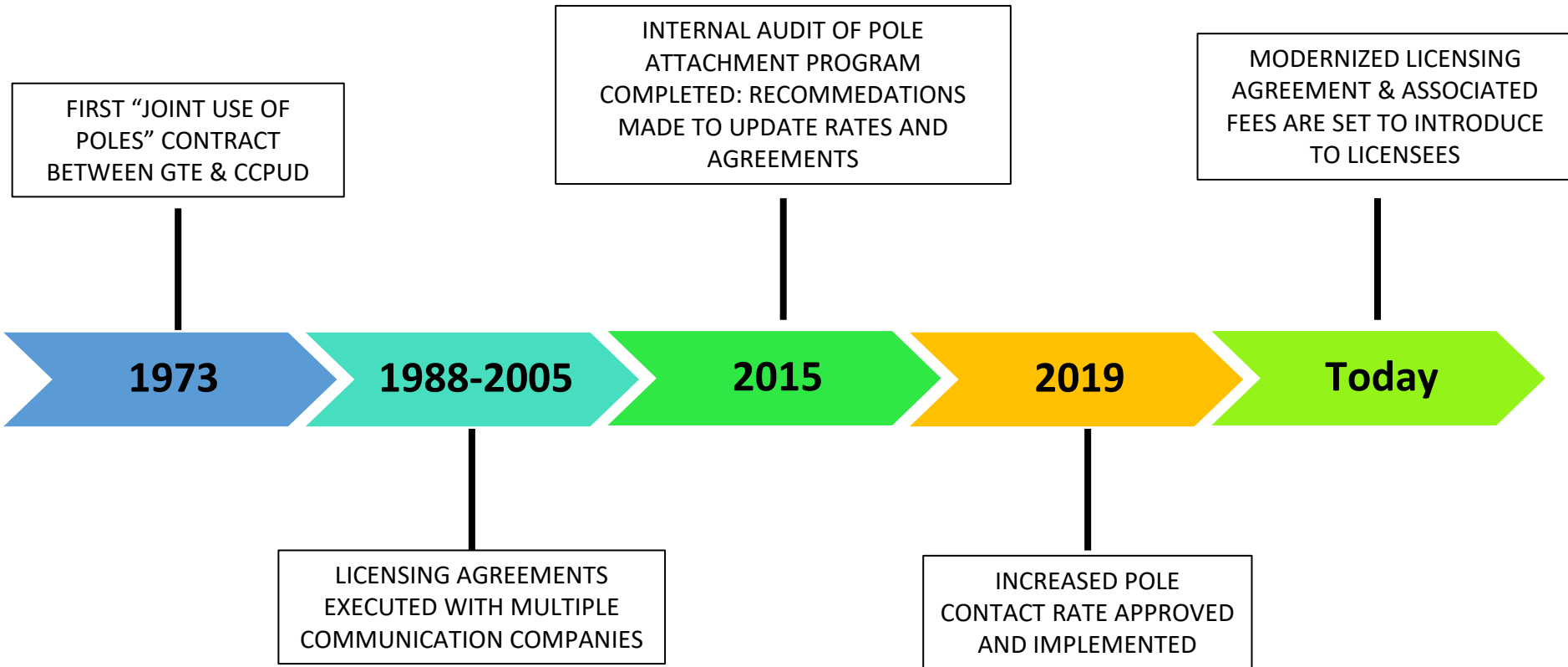
Why we are here today

A pole attachment is defined as a third party (“licensee” – 7 current) or CCPUD fiber communication attachment to a District pole

- Pole Attachment Licensing Agreement Background
- Development of the new Licensing Agreement
- New fees associated with the Agreement
- Next steps – moving forward

No action is requested today – information only

POLE ATTACHMENTS – Through the years



Pole Attachment Program Background

- A 2015 internal audit generated a comprehensive report and recommendations.
- Staff elevated the development of a pole attachment program to the District performance plan
- Multi-year team effort to develop and implement processes that improve program function and better protects the district's wood pole systems
- Recent implementations of inventory management and associated revenue (pole contact fees) are going well
- New licensing agreement is based on American Public Power Association best practices.

OBJECTIVE:

Develop a modern Pole Attachment Licensing Agreement that provides a framework for Chelan PUD to balance the desire of Licensees utilizing Chelan PUD poles while maintaining the existing standard of operational low risk environment for public and worker safety, cost neutral program operation, and customer service excellence.

ROADMAP TO NEW POLE ATTACHMENT LICENSING AGREEMENT:

- Developed a new and modern Pole Attachment Agreement and associated Rules and Regulations document, incorporating modern terms and clearly defined processes for attaching communications equipment to District poles
- Researched and calculated fees associated with pole attachment processes and incorporated within new Agreement
- Engaged internal stakeholders for review, input and approval

New Pole Attachment Application Fees – Chelan PUD

District Provided Fielding and Pole Analysis

\$400 (up to 4 poles)+ 90\$/pole each additional

Applicant Provided Fielding and Pole Analysis

\$250 (up to 4 poles)+ 45\$/pole each additional

METHODOLOGY:

An average rate per pole was derived from averaging actual costs of pole analysis and internal resource staff time to process applications from jobs in 2021 and 2022 as well as considering application fees at other utilities. These fees are cost based.

OTHER FEES: *(Suggested by APPA Model and generally adopted by local utilities)*

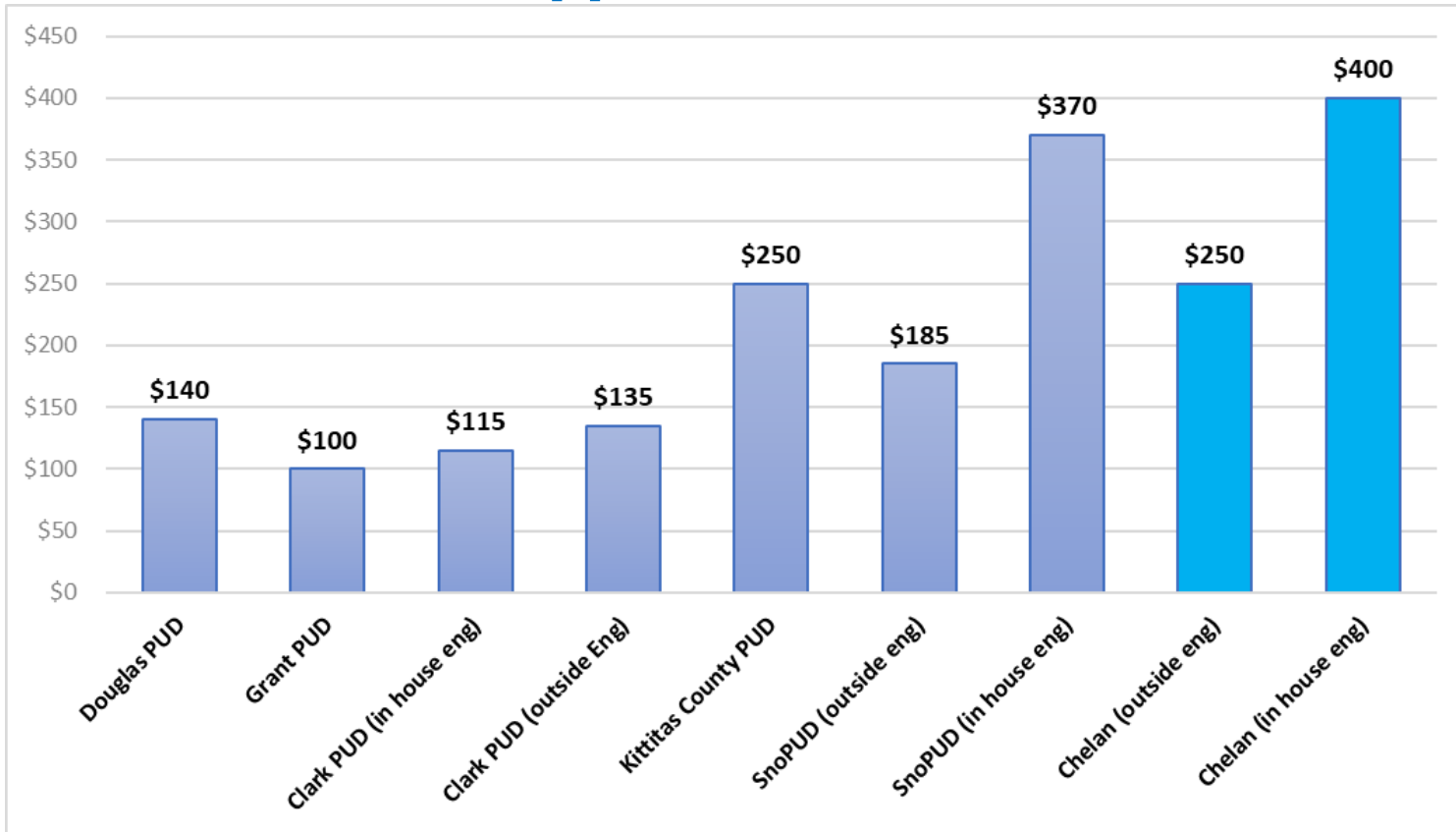
Unauthorized Attachment Fee: 3x annual attachment rate per pole

Failure to Timely Transfer or Remove Facilities Fees:

1/5 annual attachment fee per day, per pole, first (30) calendar days

Annual Attachment fee per day, per pole, second (30) calendar days and thereafter

Pole Attachment Application Fees across the State



OBSERVATIONS:

- Utilities are charging pole attachment application fees.
- Application fee shown is the flat rate only associated with an application. An additional rate per pole is also assessed at some utilities.
- Some program administrators have stated that rate reviews will be conducted in the near future as program costs are currently under-recovered.

NEXT STEPS:

- Initiate licensing agreement document review with pole attachment Licensees
- Train affected internal staff and departments to support new functions of the program
- Execute Agreement with Licensees after review period
- Implement new processes and procedures

QUESTIONS?