



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Carlson, Mital, Helgeson, Schlossberg, and Brown
FROM: Rod Price, Chief Electric Engineering & Operations Officer
Jaime Breckenridge, Utility Joint Use Specialist
DATE: January 23, 2019
SUBJECT: Small Cell Installations on EWEB Facilities
OBJECTIVE: Information Only

Issue

This backgrounder covers regulations and EWEB's obligation to provide pole space and fees EWEB is collecting to cover our costs for the pole attachments.

Background

Traditionally, cellular telephone signals (1G-4G) have been transmitted and received by a few antennas mounted on large structures, which are commonly referred to as macro sites. The next waves of cellular technology (5G and beyond) are going to be a large number of smaller antennas that are distributed on utility poles and street lights. These new installations are referred to as small cells, and are mostly 4G technology at the moment, but technology evolution (including 5G) is the eventual build out strategy nationwide. Co-location of telecommunications (telecom) infrastructure, including cellular antennas, is standard practice for utilities, and in many jurisdictions it is a requirement when installed in public right-of-ways. EWEB has created internal design and engineering standards, which ensure that the co-locations are installed to National Electric Safety Code (NESC) and do not compromise the electric system or worker safety. Pole attachments are highly regulated, including the fees utilities charge to recover costs associated with the attachments.

City/State/Federal Regulation

The Federal Telecommunications Act of 1996 obligates cities and utilities to accommodate telecom facilities in their jurisdictions. While local jurisdictions retain the authority to regulate specific location, design and construction of the facilities, they cannot discriminate or create unreasonable barriers to telecommunication build outs.

In addition, the City of Eugene adopted its telecom ordinance in 1997 requiring new antennas to be co-located on existing towers, utility poles, and buildings rather than erecting new towers. Telecom companies have to prove they cannot find a viable option on existing poles to be considered for a new tower.

On January 14, 2019 a new FCC order went into effect that further requires access to municipal infrastructure within the (public) right-of-way for deployment of small wireless infrastructure. In part, the FCC order imposes caps on non-recurring and recurring fees for attachments that a pole owner (EWEB) may charge. Fees may be higher than the caps set forth if they are a reasonable approximation of costs, those costs themselves are reasonable, and they are non-discriminatory. This ruling has several appeals and are awaiting review by the 9th Circuit Court. Without judgment of the technology (e.g. 5G), EWEB believes the FCC ruling is an over-reach of federal authority and will likely be filing or supporting amicus comments as part of the lawsuit.

Fee Structure

EWEB has signed Master Lease Agreements (MLA) for small cell installations with several telecommunications companies. The MLA covers items common to all installations such as engineering standards and billing details. A Site Lease Agreement (SLA) is signed for each individual location that outlines detailed construction requirements and fees for that location. EWEB charges recurring fees and non-recurring fees to ensure that our customer/owners are not subsidizing small cell deployment.

Recurring Fees, which are defined as the rental fees associated to attaching infrastructure to EWEB poles. These fees are outlined in each SLA. There are two different fee structures as shown below:

- Pole top installations (antennas are above the part of pole reserved for the power company) - \$1,800.00 per year with a 3.5% yearly escalation. This is based on fair market value - determined by analysis of other northwest utilities (PGE, SCL, SNOPUD, PSE, PacifiCorp)
- Mid-pole installations (antennas are in the communication space – below all power) – annual rents are comprised of two items:
 1. EWEB's annual pole attachment rate (which is an Oregon Administrative Rule formula, also referred to as the “*PUC Formula*”) which is re-calculated annually by accounting. This rate is a per foot cost. The 2018-2019 annual per foot rate is \$15.03.
 2. Space occupied by wireless and equipment (infrastructure). Example: antenna, cabinet and disconnect switch occupies 9' on the pole. $\$15.03 \times 9 = \135.27 yearly rent.

Non-recurring Fees, which are defined as the application fee. Small cell application fee per site is \$1,000.00. This fee covers the pre-site review, review of all required documents (antenna specs & build, pole load analysis, etc.), pre-construction meeting, post construction inspection, and project management associated to the site(s). It does not include the cost of design and the make-ready work. That is in addition to the application fee. See attachment A for wireless fee details.

Where Are We Today

To our knowledge, telecommunications companies have ten (10) small cell sites within Eugene that are complete, containing a mix of pole top and mid-pole installations. Overall, the telecommunications companies are estimating **more than 100 sites will be commissioned on EWEB poles within the Eugene area.**

EWEB has been working with telecommunication companies on pole attachments for several decades now. We have adopted engineering standards for pole attachments to keep our system safe and reliable, and set attachment fees per regulatory requirements to fairly recover our costs and to be rate neutral to our electric customers. As we have worked through the details of accommodating new technologies, the fees have been kept in our operational policies and procedures. In the interest of due process and ease of business, Staff recommends publishing the fees in our Customer Service policy fees section for easy reference. After Board review and acceptance, Staff will bring the updated Customer service policy to a future Board meeting for approval as a consent item.

Requested Board Action – Information only at this time.

Attachment A: Small Cell Installations on EWEB Facilities-Wireless Fee Schedule



WIRELESS FEE SCHEDULE

Updated 06/27/2018*

Macro Application Fee = \$2,000.00. This fee covers the pre-site review, review of all required documents (antenna specs & build, pole load analysis, RF analysis, etc.), pre-construction meeting, post construction inspection, and project management associated to the site(s). It does not include the cost of design and the make-ready work. That is in addition to the application fee.

Small Cell or DAS (Distributed Antenna System) Application Fee = \$1,000.00. This fee covers the pre-site review, review of all required documents (antenna specs & build, pole load analysis, RF analysis, etc.), pre-construction meeting, post construction inspection, and project management associated to the site(s). It does not include the cost of design and the make-ready work. That is in addition to the application fee.

Small Cell or DAS Pole Lease Fee =

Pole Top = \$1,800.00 per year. This is for the antenna and a small amount of equipment (per standard) to be mounted on pole.

Mid-Pole = rate is determined by the then annual pole attachment rental rate (OAR 860-028-0110(2)) multiplied by the Lessee's authorized attachment space (identified in the SLA Exhibit A). These costs are re-calculated annually. See SLA for billing schedule. For reference, the 2018-2019 rate is \$15.03 per foot within the communication space.

Monthly electric consumption for small cell sites will be a flat rate. Monthly rate is \$65.96 per month.

Macro Cell Pole Lease Fee =

Secondary or Guy Stub Pole = \$650.00 per month. This is for the antenna, radio heads (if able to conform to COE requirements) and conduit on the pole. All ancillary equipment to be groundmount.

Primary or Feeder Pole = \$1,150.00 per month. This is for the antenna, radio heads (if able to conform to COE requirements) and conduit on the pole. All ancillary equipment to be groundmount.

All macro cell sites will have a metered service.

*Fees subject to change and may be reviewed annually.