

A REGULAR MEETING

Of The

TRAVERSE CITY LIGHT AND POWER BOARD

Will Be Held On

TUESDAY, February 10, 2015

At

5:15 p.m.

In The

COMMISSION CHAMBERS
(2nd floor, Governmental Center)
400 Boardman Avenue

Traverse City Light and Power will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting/hearing upon notice to Traverse City Light and Power. Individuals with disabilities requiring auxiliary aids or services should contact the Light and Power Department by writing or calling the following.

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Traverse City Light and Power
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Traverse City, MI 49686
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Posting Date: 02-06-15
4:00 p.m.

AGENDA

Pledge of Allegiance

1. Roll Call

2. Consent Calendar

The purpose of the consent calendar is to expedite business by grouping non-controversial items together to be dealt with by one Board motion without discussion. Any member of the Board, staff or the public may ask that any item on the consent calendar be removed therefrom and placed elsewhere on the agenda for full discussion. Such requests will be automatically respected. If an item is not removed from the consent calendar, the action noted in parentheses on the agenda is approved by a single Board action adopting the consent calendar.

- a. Consideration of approving minutes of the Regular Meeting of January 27, 2015. (Approval recommended) (p. 3)
- b. Consideration of a confirming Purchase Order for transformers to serve the Park Place Hotel. (Approval recommended) (Wilson) (p. 6)
- c. Consideration of AT&T Contract. (Approval recommended) (Menhart) (p. 12)
- d. Consideration of Telecommunications Rate Increase and setting of a Public Hearing. (Approval recommended) (Myers-Beman) (p. 24)

3. Unfinished Business

None.

4. New Business

- a. Consideration of Metal Melting & Heat Treating Primary Service Rate and setting of a Public Hearing. (Arends/Myers-Beman) (p. 28)
- b. Introduction of Strategic Plan updated Business Goals. (Arends/All Staff) (p. 34)

5. Appointments

None.

6. Reports and Communications

- a. From Legal Counsel.
- b. From Staff.
- c. From Board.


7. Public Comment

/st

FOR THE LIGHT & POWER BOARD MEETING OF FEBRUARY 10, 2015



TRAVERSE CITY
LIGHT & POWER

To: Light & Power Board
From: Karla Myers-Beman, Controller 
Date: February 4, 2015
Subject: Telecommunications Rate Public Hearing

After reviewing the telecommunications rate that was last adopted in November 1988, staff has prepared new calculations based upon APPA's guidance through their publication Pole Attachment Workbook.

The Federal Communications Commission issues guidance on three different methods for investor owned utilities of how to calculate pole attachment fees. There is the Cable Rate Formula, Telecommunications Rate Formula and the New Telecom Rate. Each of these rates do not allocate all of the common or support space of the pole to all attaching entities, instead they only allocate by usable space, allocate 2/3rds of the common space, or only allow 66% or 44% of the capital costs dependent on whether the utility is located in an urban or nonurban area. In summary, these rates do not allocate the full costs of the pole to the attaching entities, thereby subsidizing the cable and telecommunication industries.

Because TCL&P is a municipally owned utility, TCL&P does not have to follow the guidelines set forth by the Federal Communications Commission. APPA has developed a method for municipal utilities, which addresses equality of allocating all common (usable and safety space) and support space to all pole attachments entities. (A typical pole is 37.5 feet, the support space is 24 feet and the usable space is 10 feet with a safety space required of 3.5 feet.) Staff followed the formula calculation utilizing June 30, 2014 audited numbers and computed the new pole attachment rate at \$12.40 per pole attachment, which is a \$2.40 increase in the tariff rate. Included in the telecommunication tariff rate is an inflationary increase on an annual basis based on the Consumer Price Index – All Urban Consumers based period 1982-84, which will allow the rate to be kept current and not have to be reviewed in the near future.

Staff recommends the Board authorizes the Secretary to set a public hearing for the proposed telecommunications rate increase. This item is appearing on the Consent Calendar as it is deemed by staff to be a non-controversial item. Approval of this item on the Consent Calendar means you agree with staff's recommendation.

If any member of the Board or the public wishes to discuss this matter, other than clarifying questions, it should be placed on the "Items Removed from the Consent Calendar" portion of the agenda for full discussion.

(Motion is on the following page)

FOR THE LIGHT & POWER BOARD MEETING OF FEBRUARY 10, 2015

MOVED BY _____, SECONDED BY _____,

THAT THE BOARD AUTHORIZES THE SECRETARY TO SET A PUBLIC HEARING FOR THE PROPOSED TELECOMMUNICATIONS RATE INCREASE TO BE HELD AT THE FEBRUARY 24, 2015 REGULAR MEETING; AND FURTHER THAT A NOTICE OF THE PUBLIC HEARING BE POSTED ON THE UTILITY'S WEBSITE AND PLACED IN THE TRAVERSE CITY RECORD EAGLE.

City of Traverse City
Light and Power Department
Effective:

TELECOMMUNICATIONS RATE

(Rate "TC")

Availability:

Available to customers, on an individually-negotiated basis, other than public utilities located within the Department's existing Service Area. This rate is offered at the discretion of the Light and Power Board and may not be available if the Board determines, in any particular case, that it is not in the public interest to do so. A signed Agreement is required, which describes terms and conditions of service to which this rate applies.

Nature of Service:

Attachments to the Department's poles must conform to applicable federal, state, and local electrical code requirements as well as Department's standards – particularly with conformance to separation of services. The Department reserves the right to remove attachments at any time, without notice, if removal is required for safety or emergency reasons. The Department will not be liable for damage to telecommunications facilities. If any such damage should occur, customer must pay for replacement, relocation, or repair.

Rates and Charges:

One time license agreement fee:	\$360.00
Permit application fee	\$50.00
Annual Pole Attachment Fee:	\$12.40/pole

The Annual Pole Attachment Fee shall be adjusted annually by any change in the Index known as "United States Bureau of Labor Statistics, Consumer Price Index – All Urban Consumers, base period 1982-84 – 100, (CPI-U)," herein referred to as the "Index."

Any unauthorized attachment penalty fee will be five times the annual attachment fee, per occurrence.

Failure to timely transfer, abandon or remove facilities or improperly assign penalty will be 1/5th the annual attachment fee per day, per pole, first thirty (30) days; after the initial thirty (30) days the penalty shall be equal to the annual attachment fee per day, per pole.

Whenever this Agreement requires Licensee to pay for work done or contracted by Utility, the charge for such work shall include reasonable material, labor, engineering, administrative and applicable overhead costs. If Licensee was required to perform work and fails to perform such work, necessitating completion of the work by Utility, Utility may charge an additional ten percent (10%) of its costs or assess the penalty specified above.

Due Date:

Payment of the Applicable Annual Rates shall be due no later than July 31 of each year for the previous rental period. The initial annual rental period shall commence upon the execution of this Agreement and conclude on June 30 of the next year and each subsequent annual rental period commence on the following July 1 and conclude on June 30 of the subsequent year.

The due date for billings will be thirty (30) days after the billing is mailed. A late charge of 1% per month compounded for any delinquent payments.