

RESOLUTION NO. 1602

**A Resolution of the Board of Commissioners
of Public Utility District No. 1 of Okanogan County
Establishing a Wholesale Fiber Extension Policy**

WHEREAS, the District has installed a fiber-optic and wireless telecommunications system to provide wholesale broadband services to Retail Service Providers; and

WHEREAS, the District established by motion a Wholesale Aerial Fiber Extension Policy on May 1, 2007, which stated "Retail Service Provider customers who request a direct fiber connection to their location from an existing OKPUD Wholesale Node will be provided up to 1,500 feet at no additional charge other than the non-recurring charge defined in the OKPUD Wholesale Rate Resolution No. 1330. Extensions greater than 1,500 feet will be charged a Contribution-In-Aid-of-Construction (CIAC) fee calculated by OKPUD at \$2.00 per foot. The CIAC will not give customers ownership rights in any facilities constructed with these funds."; and

WHEREAS, it is necessary to periodically review the Wholesale Aerial Fiber Extension Policy; and

WHEREAS, the District has adopted a cost-causer, cost-payer methodology in its rate design; and

WHEREAS, the current Line Extension Policy does not provide sufficient revenues to meet a simple payback of 18 months as previously authorized by the Board of Commissioners; and

WHEREAS, this Resolution supersedes previous rate resolutions and motions regarding the Fiber Extension Policy.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of Public Utility District No. 1 of Okanogan County hereby adopts the Wholesale Fiber Extension Policy attached hereto as Exhibit A, to be June 1, 2015.

PASSED AND APPROVED this 11th day of May, 2015.



Steve Houston, President




Ernest J. Bolz, Vice President

ATTEST



Scott Vejraska, Secretary

APPROVED as to form:



Michael D. Howe, General Counsel

Resolution No. 1602 – Exhibit A
WHOLESALE FIBER EXTENSION POLICY

Residential, Small Business, Large Business, Carrier

To comply with the District’s cost-causer, cost-payer methodology, the District has revised its Fiber Extension Policy as follows:

The Wholesale Fiber Extension Policy applies to any Retail Service Provider (RSP) who has customers defined as “Residential”, “Small Business”, “Large Business” or “Carrier” (per Resolution No. 1576) and who requests a direct fiber connection to their location. Connection is from an Okanogan County Public Utility District No. 1 (PUD) wholesale node or fiber access location with available fiber.

The RSP, who has customers defined as “Residential” or “Small Business”, will be charged for the actual cost of construction from the PUD node to the customer location. To offset this cost, \$500.00 may be applied toward the cost of installation. Any costs greater than \$500.00 will be charged to the RSP as a Contribution-in-Aid-of Construction (CIAC). The CIAC will not grant the RSP ownership rights in any facilities constructed with these funds.

The RSP, who has customers defined as “Large Business” or “Carrier”, will be charged for the actual cost of construction from the PUD node to the customer location. To offset this cost, the PUD may offset some or all of the cost of installation. This amount will be determined on a case by case basis, with payback being no more than 36 months.

The RSP will be billed \$500.00 upon receiving the on premise material. The RSP will receive a \$500.00 credit on their bill when the circuit comes live.

- Where there is only PUD fiber backbone that has available capacity, a backbone mileage fee of \$10.00 per mile (per Resolution No. 1576) may apply.
- RSP is responsible for installation and maintenance of any underground conduit system to their location.
- Non-recurring Charge (NRC) – an additional one-time charge for provisioning and administrative overhead, not to be included as part of any other calculation.

Example 1:

RSP enters into a fiber service contract with one of its customers, defined as “Residential” per Resolution No. 1576:

Cost of installation = \$1850.00
CIAC = \$1850 - \$500 = \$1350
NRC = \$50
Cost to RSP is \$1350 + \$50 = \$1400.00

Example 2:

RSP enters into a fiber service contract with one of its customers, defined as a “Small Business” per Resolution No. 1576:

Cost of installation = \$1250.00
CIAC = \$1250 - \$500 = \$750
NRC = \$50
Cost to RSP is \$50 + \$750 = \$800.00