



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

Rely on us.

TO: Commissioners Mital, Schlossberg, Helgeson, Brown and Carlson

FROM: Rod Price, Chief Engineering & Operations Officer; Lisa Krentz, Operations Manager; Nick Nevins, Engineering Technician

DATE: February 27, 2020

SUBJECT: Annual Rate Adjustment for Dark Fiber Lease Pricing

OBJECTIVE: Board Action

Issue Statement

In accordance with the provisions of Board Resolution No. 1304 which established a Dark Fiber Lease Rate in 2013 (DFL-1) and Board Resolution No. 1705, the rate is adjusted annually based on the City of Portland Consumer Price Index (CPI) when no Cost Of Service Analysis (COSA) is performed that year; the implementation date is April 1 each year. EWEB’s current ‘public purpose’ rate (public agencies, higher education and existing medical service providers) is \$28.82 per fiber strand-mile per month. The published CPI is 2.7%

Background

In accordance with the provisions of Board Resolution No. 1705, the intention is to produce and updated COSA every other year. The years between EWEB staff will utilize the published CPI adjustment for pricing increase. The last study was conducted in 2018. The results of that study was adopted as the published 2019 pricing.

Discussion

Pursuant to past Board action, EWEB’s three Dark Fiber rates will automatically be adjusted on April 1, 2020 per the published CPI results:

Customer Group	Current DF Rate	April 1, 2020 DF Rate
Public Agencies DFL-1	\$28.82 per fiber strand-mile month	\$29.60 per fiber strand-mile month
School Districts K-12	\$5.13 per fiber strand-mile month	\$5.27 per fiber strand-mile month
For-Profit Companies	\$57.64 per fiber strand-mile month	\$59.20 per fiber strand-mile month

Recommendation

There is no recommendation or requested board action.

Staff is informing the Board of the April 1, 2020 annual Dark Fiber rate increase of 2.7% in accordance with past Board actions.

Please contact Nick Nevins at 541-685-7751 or e-mail at nicholas.nevins@eweb.org with questions.

Attachments:

- 1) Revised Customer Service Policy, Appendix B – Electric Service Charges and Prices, Section R; Dark Fiber Lease



R. Dark Fiber Lease

1. Availability

EWEB’s fiber optic cables run through public right-of-way and are owned and maintained by EWEB. This Price Schedule applies to public agencies and higher level educational institutions as well as medical service providers within EWEB’s service territory, with the exception of any other price that may apply under a separate agreement or Price Schedule.

2. Character of Service

EWEB’s Dark Fiber Lease Price Schedule (DFL-1) pertains to the available surplus fiber strands contained within EWEB’s existing fiber-optic system, covering the Eugene metropolitan area and other areas within EWEB’s service territory. Subscribing to EWEB’s Dark Fiber Lease allows the interconnecting entity to obtain an indefeasible right of use of allocated EWEB-owned fiber strands for the purpose of transmitting voice, data and/or video signals between locations.

3. Interconnection

The Customer is responsible for providing a complete Conduit path from the termination point inside their facility to EWEB Facilities near the Customer premise, in accordance with EWEB’s Fiber Optic Customer Standards. All Customer provided Conduit pathway facilities and patch panels shall be inspected and approved by EWEB prior to connection of the lateral extension. After connectivity, EWEB will own and maintain all Facilities up to and including the patch panel.

4. Advance Engineering Fee

All prospective EWEB Dark Fiber Lease subscribers must work with EWEB to complete an Advance Engineering Estimate of the cost and schedule for EWEB to provide dark fiber connectivity. A non-refundable \$500.00 fee is required prior to completing the Advance Engineering Estimate.

Advance Engineering Fee\$500.00
(Resolution No. 1304)

5. Construction Agreement

A signed “Dark Fiber Optic Circuit Construction Agreement” is required by EWEB before commencement of the detail Engineering design and construction of the lateral extension.



6. Non-Recurring Charges

The Customer shall pay an amount equal to 100 percent of the actual design and construction costs, payable upon completion of Dark Fiber connectivity.

7. Recurring Charges

The monthly charge for Dark Fiber Lease is determined by multiplying the length of the subscribed fiber strand(s) times the current monthly price. The length of each fiber strand is determined from EWEB's Geographic Information System (GIS) Fiber Manager Application rounded up to the nearest one-half mile length. This information will be recorded in the Lease Agreement.

Dark Fiber Lease bills shall be rendered quarterly.

2019-2020 Monthly Price per Strand Mile* \$28.8229.60

Note: *The Dark Fiber Lease Price Schedule will be adjusted annually based on updated Cost of Service Analysis (COSA) or the City of Portland Consumer Price Index if no COSA was performed. (Resolution No. 1907)

Dark Fiber Lease price to for-profit commercial customers shall be two-times the above published public purpose price. (Resolution No. 1705)

8. General Terms and Conditions

Service under this schedule is subject to the policies and procedures of EWEB.