



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Brown, Mital, Helgeson, Manning and Simpson  
FROM: Mel Damewood, Engineering Manager and Dean Ahlsten, Compliance Officer  
DATE: March 24, 2014  
SUBJECT: Rate Adjustment for Dark Fiber Leases  
OBJECTIVE: Information Only

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## *Issue Statement*

At its May 7, 2013 meeting, the Board approved Resolution No. 1304, as amended, establishing a Dark Fiber Lease Rate for public agencies, higher education institutions and medical service providers. The Resolution included provision for annual rate adjustments, based on the City of Portland Consumer Price Index (CPI), effective April 1 each year thereafter. EWEB's existing "public purpose" rate for this class of customers is \$21.13 per fiber strand-mile per month. The Portland CPI adjustment will result in a 2014 rate of \$21.72 per fiber strand-mile per month.

## *Background*

Prior to April of last year the Board had not authorized an adjustment to dark fiber lease rates since April of 2004. Annual rate adjustments during those intervening years were managed through multi-year contracts (Indefeasible Right of Use Agreements) using the same Portland CPI. Due to differing implementation dates in these Agreements, EWEB was charging slightly different rates for the same dark fiber service. The Board's rate action last year brought all customers in this classification under a common rate.

## *Discussion*

Currently, there are nine Dark Fiber customers on EWEB's "public purpose" rate: the City of Eugene; Lane County; Oregon Department of Transportation; Peacehealth; Oregon Medical Group; White Bird Clinic; LS Networks; the University of Oregon; and Lane Community College. The White Bird Clinic is a relatively new customer added to the system in late 2012 under a Broadband Technology Opportunity Program (BTOP) grant. The others are long-term customers, many of which also added fiber line extensions under the same grant.

In addition to its "public purpose" rate, EWEB also administers two other Dark Fiber rate schedules through IRU Agreements; one for local School Districts and one for commercial telecommunication service providers. Those rates are currently set at \$4.65 per strand-mile

month for schools and \$43.20 per strand-mile month for commercial. The same CPI adjustment will be applied to these rates in accordance with provisions in the Agreements, resulting in \$4.78 and \$44.40 per strand-mile month respectively.

EWEB Dark Fiber services are billed on a quarterly basis to reduce administrative costs, as it is a manual billing process.

***Recommendation and Requested Board Action***

This item is for informational purposes only to inform the Board of the April 1, 2014 annual Dark Fiber rate increase of 2.8% in accordance with Board [Resolution No. 1304](#). Accordingly there is no recommendation or requested Board action.

Please contact Mel Damewood at 685-7145 or e-mail at [mel.damewood@eweb.org](mailto:mel.damewood@eweb.org) to discuss this material.

Attachment: Updated Electric Customer Service Policies and Procedures, E-V, Subsection O.  
Dark Fiber Lease



**O. Dark Fiber Lease**

1. Availability

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

2. Character of Service

EWEB’s Dark Fiber Lease Rate 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 the EWEB demarcation point near the customer premise, in accordance with EWEB’s Fiber Optic Customer Standards. All customer provided conduit facilities and patch panels shall be inspected and approved by EWEB prior to connection of the lateral extension.

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. Service Agreement

A signed “Indefeasible Right of Use Agreement” or an “Intergovernmental 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 rate. 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. The Dark Fiber customer shall be billed a minimum of one (1) mile length for each such fiber pair. This information will be recorded in the customer's service agreement.

Dark Fiber Lease bills shall be rendered quarterly.

**2013 Monthly Rate per Strand Mile\* .....\$21.72**

Note: \*The Dark Fiber Lease Rate Schedule will be adjusted annually based on the City of Portland Consumer Price Index. (Resolution No. 1304)

8. General Terms and Conditions

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