

WELCOME

CPS ENERGY

QUARTERLY POLE ATTACHMENT WORKSHOP

FEBRUARY 16, 2017



A F F O R D A B L E • R E L I A B L E • I N N O V A T I V E

PURPOSE OF TODAY'S WORKSHOP



- Provide update on the various initiatives of the CPS Energy Pole Attachment Program
- Continue constructive dialogue with Attaching Entities.

HOUSEKEEPING



- **Introductions**
- **Sign-up Sheets**
- **Restrooms**
- **Evacuation / Staging**



TODAY'S AGENDA



Item #	Start	Topic	Presenter
1	10:00	Introductions / Housekeeping/ Agenda Review	B Bartos
2		Changes to the Pole Attachment Webpage	B Bartos
3		Discussion of Wireless Agreements	G Garcia
4		Review Key Changes to the Pole Attachment Standards	B Bartos
5		Discussion of Annual Rate Calculation	B Bartos / G Garcia
6		Update on Pole Inventory Project	J Grimshaw
7		Open Discussion / Questions	Group
8		Final Wrap Up & Adjourn	B Bartos

UPDATE ON

CHANGES TO POLE ATTACHMENT WEBPAGE

Pole Attachment Services

CPS Energy Pole Attachment Program

CPS Energy's distribution system can facilitate the delivery of the variety of communication services offered today.

With a streamlined pole attachment process, we're dedicated to partnering with companies to assist with speed-to-market processes for future technologies.

CPS Energy's Pole Attachment Services Office is the single point of contact for all who wish to attach infrastructure to our distribution poles.

The Pole Attachment Services Office is responsible for:

- Registration
- Attachment agreements
- Applications for new pole attachments or removals
- Surveys of existing attachments
- Billing and collections for all the above services

For questions or more information on the pole attachment process, [SEND US AN EMAIL](#).

Subscribe to receive email updates:

If you would like to receive emails regarding CPS Energy's Pole Attachment Program, please click on the button below to register your contact information.

[Register Contact Info Here](#)



Pole Inventory Project

WEBSITE LAYOUT



Future Meetings/Workshops

- ▶ Workshop Agenda 16 Feb 2017
 - Quarterly Pole Attachment Workshop - February 16, 2017
 - Quarterly Pole Attachment Workshop - May 11, 2017
 - Quarterly Pole Attachment Workshop - August 15, 2017
 - Quarterly Pole Attachment Workshop - November 15, 2017

Previous Meetings/Workshops

- ▶ EUCI Pole Attachment CPS Energy Case Study - 15 Jan 2017
- ▶ Quarterly Pole Attachment Workshop Nov 14, 2016
- ▶ Quarterly Pole Attachment Workshop - August 22, 2016
- ▶ Technical Workshop - July 11, 2016
- ▶ Technical Workshop - June 2, 2016
- ▶ Quarterly Pole Attachment Workshop - May 19, 2016
- ▶ Quarterly Pole Attachment Workshop - February 17, 2016

Pole Attachment Standards

- ▶ CPS Energy Pole Attachment Standards-V2- Effective January 1 2017
- ▶ CPS Energy Response to Comments to Standards - V2 - January 2017
- ▶ CPS Energy FCC Rate Calculation Support Jan 2017
- ▶ 2017 Pole Attachment Unit Pricing - Effective 1 Jan 2017

Pro Forma Agreements

- ▶ Standard Pole Attachment Agreement (Pro-Forma) Revised July 2016
- ▶ Wireless Addendum Final Revised Dec 2016
- ▶ Wireless Installation Agreement Final Revised Dec 2016
- ▶ Infrastructure Provider Sublicensee Wireless Installation Agreement Final Version Dec 2016

Pole Inventory Project

- ▶ Davey DRG Pole Inventory Customer Notification Letter

Helpful Links

- ▶ Certificate of Authority (City of San Antonio)
- ▶ NJUNS
- ▶ PDA Client File (SPIDA)
- ▶ PLA Client File (O'Calc)

Special software is required to open PLA Client File links.

Forms

- ▶ A1 Registration and Annual Reporting Form
- ▶ B1 Standard Pole Attachment Application
- ▶ B2 Standard Wireless Installation Application
- ▶ B3 Request for Pre Certification of Wireless System
- ▶ B4 Request for Waiver of Applicable Engineering Standards
- ▶ B6 Request for Temporary Attachment
- ▶ B7 Completion of Attaching Entity Construction
- ▶ B11 Pole Attachment Standards Revision Request
- ▶ B12 Pole Attachment Standards Revision Request

DISCUSSION ON

WIRELESS INSTALLATION AGREEMENTS

TYPES OF AGREEMENTS



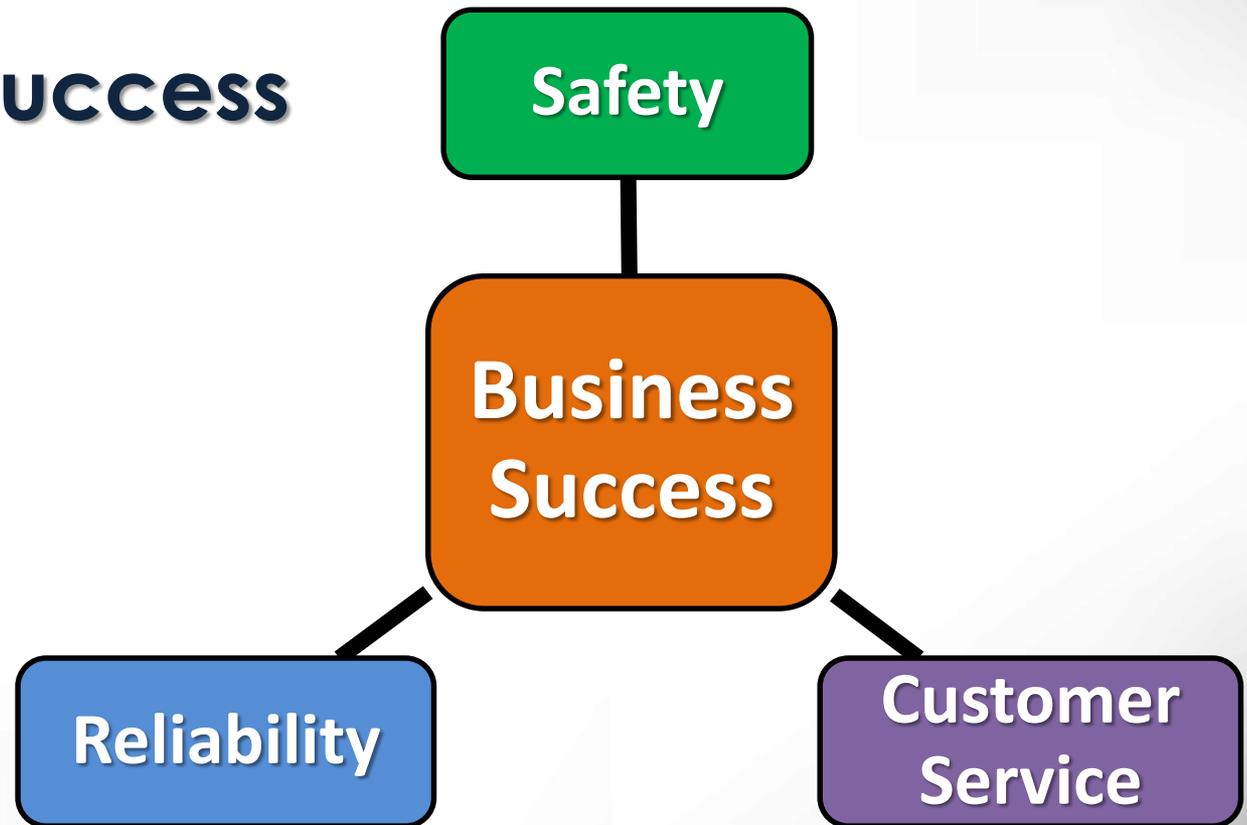
- Wireless Addendum
- Wireless Installation Agreement
- Infrastructure Provider Sublicensee Agreement

REVIEW OF
**KEY CHANGES TO
POLE ATTACHMENT
STANDARDS**

CPS ENERGY POLE ATTACHMENT PROGRAM



Values to Success



PROGRAM EXPECTATIONS



Safety

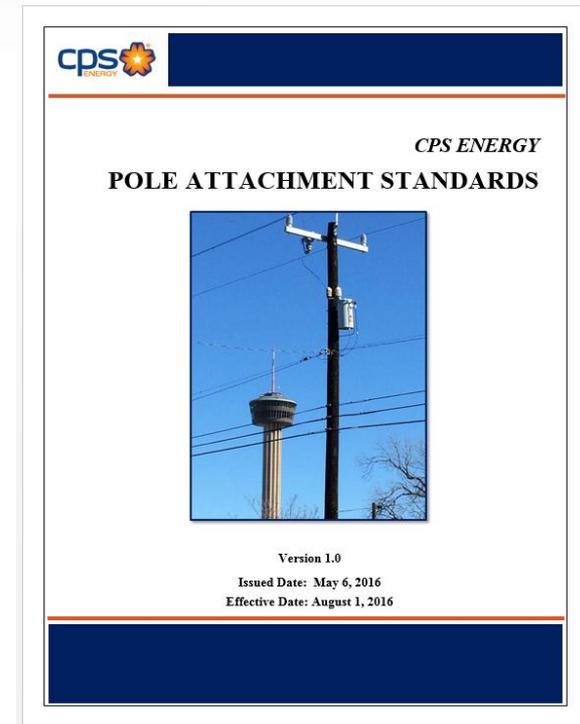
- Keep our employees and the public safe at all times

Reliability

- Continuous compliance with all standards
- Timely reporting & resolution of violations/noncompliance

Customer Service

- Non-discriminatory & transparent processes
- More control over & options for your project
- Less disruption to the community
- Appropriate cost recovery



KEY VERSION 2 CHANGES



- Integrated provisions for Wireless Standards into Section I, II, III, IV, and Appendices
- Other changes to Sections II and III “clean-up” or improve language relating to wire Attachments
- New Section V deals exclusively with Wireless Standards
 - Introduce the concept of Pre-certification
 - Follows the “Standard” Process

FUTURE REVISIONS (SECTION II.G)



Electronic form, Pole Attachment Standard Revision Request (PASRR), to be used by Attaching Entities to propose revisions to the Pole Attachment Standards.

- Any stakeholder may request a revision using a PASRR
- PASRR will be posted for comments for 30 days
- CPS Energy will review all comments and make determination in writing as to disposition
- Discussed at next Quarterly Workshop before effective date

PASRR



CPS Energy Pole Attachment Standards Revision Request (PASRR)

Submit form to bdbartos@cpsenergy.com Subject Line: Standards Revision Request

PASRR Number		PASRR Title	
Date Received		Date Posted for Comments	

CPS Energy to complete the information above the line

PASRR requestor to complete the information below

Pole Attachment Standards Section(s) Requiring Revision <small>(Identify Section(s) by title/name proposed for revision)</small>	
Type of Revision <small>(See CPS Energy Pole Attachment Standards for Definitions of Tier 1 and Tier 2 Revisions)</small>	<input type="checkbox"/> Tier 1 Revision. <input type="checkbox"/> Tier 2 Revision. <input type="checkbox"/> Other: (explain)
Revision Description <small>(A brief description of the scope/impact of the revision requested)</small>	
Reason for Revision	<input type="checkbox"/> Addresses current operational issues. <input type="checkbox"/> Facilitates efficiencies or enhancements <input type="checkbox"/> Administrative <input type="checkbox"/> Regulatory or Legal requirements <input type="checkbox"/> Other: (explain)

Business Case

(Include brief Business Case justification for the proposed revision)

Safety	•
Reliability	•
Customer Service	•
Other	•

CPS Energy Pole Attachment Standards Revision Request (PASRR)

Requestor	
Name	
E-mail Address	
Company	
Phone Number	
Cell Number	

Proposed Standard Language Revision

(Please provide proposed revision in 'red-line' format)

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PSRR COMMENT



Pole Attachment Standards Revision Request (PASRR) Comment Form

Submit form to bdbartos@cpsenergy.com

Subject Line: PASRR Comments

PASRR Number		PASRR Title	
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Date	
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Comment Submitter's Information	
Name	
E-mail Address	
Company	
Phone Number	
Cell Number	

Comments <i>(Please provide any specific comments regarding proposed PASRR)</i>

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Revised Proposed Standard Language <i>(Please provide any proposed alternate revisions to the PASRR language in 'red-line' format)</i>
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OTHER KEY CHANGES



- Annual Reporting Requirements moved from Oct to June
- Changes to the Safety Violation process
- Formal Process for Waiver of Applicable Engineering Standards
- One-Touch Transfer Notification
- Other Forms in the Application/Permitting Process

COMPETITIVE PROVIDER - STANDARD PROCESS



Responsible Party



DISCUSSION ON
**ANNUAL RATE
CALCULATION**

KEY CHANGES TO FCC FORMULA



- Revised 2016 Rate to reflect a “blended rate” due to FCC Telecom Formula changes
 - *March 4, 2016: Changes to multiplier based on Number of Attaching Entities*
 - *July 1, 2016: Changes in default Rate of Return*
- 2017 Rate is also “blended”
 - *July 1, 2017: Changes in default Rate of Return*

2016 RATE ADJUSTMENTS



In January 2016, CPS Energy invoiced all Attaching Entities at \$18.76 per Attachment for the period January 1, 2016 to December 31, 2016. Based on the changes in the FCC Orders subsequent to this invoicing, CPS Energy has recalculated the Attachment Rates to be as follows:

January 1 – March 3 63 days @ \$18.76 (FCC Order 11-50)

March 4 – June 30 119 days @ \$12.51 (FCC Order 15-151)

July 1 – December 31 184 days @ \$12.38 (FCC Orders 15-151 & 16-33)

Effective weighted 2016 Attachment Rate: \$13.52

2017 RATE



Rate Calculation:

Attachment Rate = (Space Factor) x (Cost)

Space Factor = $\frac{(\text{Space Occupied}) + ((2/3)(\text{Unusable Space}))}{(\text{Number of Attaching Entities})}$
(Average Pole Height)

and,

Cost = (0.44) x (Net Cost of a Bare Pole) x (Carrying Charge Rate)

Therefore, using both the direct and derived inputs from above:

Space Factor = $\frac{(1.0) + ((2/3)(24.33))}{(3.0)}$ = 0.14732
(43.52)

and,

Cost = (0.44) x (\$817.73) x (25.1333%) = \$90.43

Resulting in:

Attachment Rate = (0.1473) x (\$90.43) = \$13.32 per 1.0 foot of Attachment Space

UPDATE ON
**POLE ATTACHMENT
INVENTORY PROJECT**

DRG STAFF RESOURCES



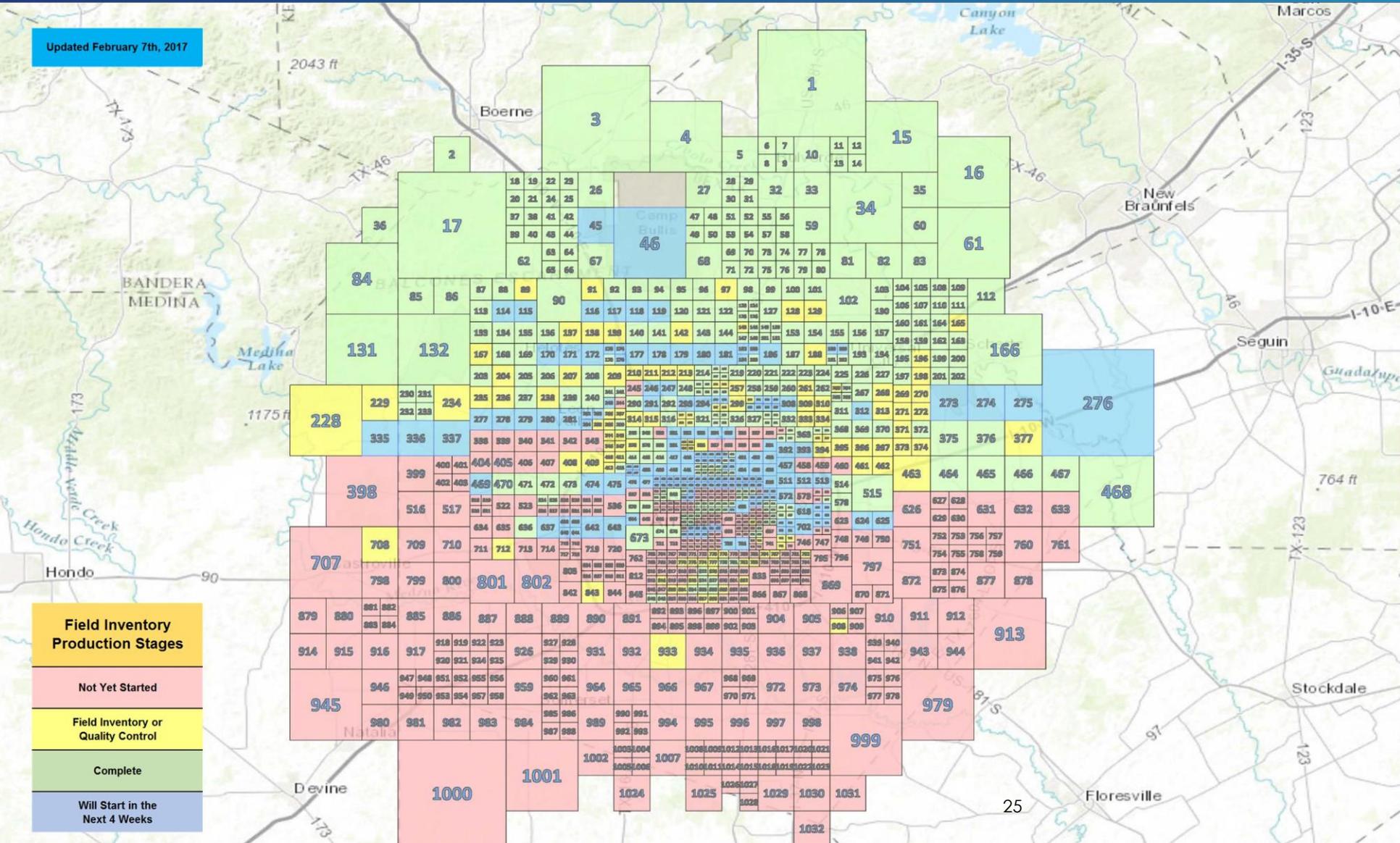
- 1 Utility System Lead Specialist
- 2 Utility Systems Senior Specialist
- 5 QA Staff
- 21 Utility Systems Specialist



SERVICE TERRITORY



Updated February 7th, 2017

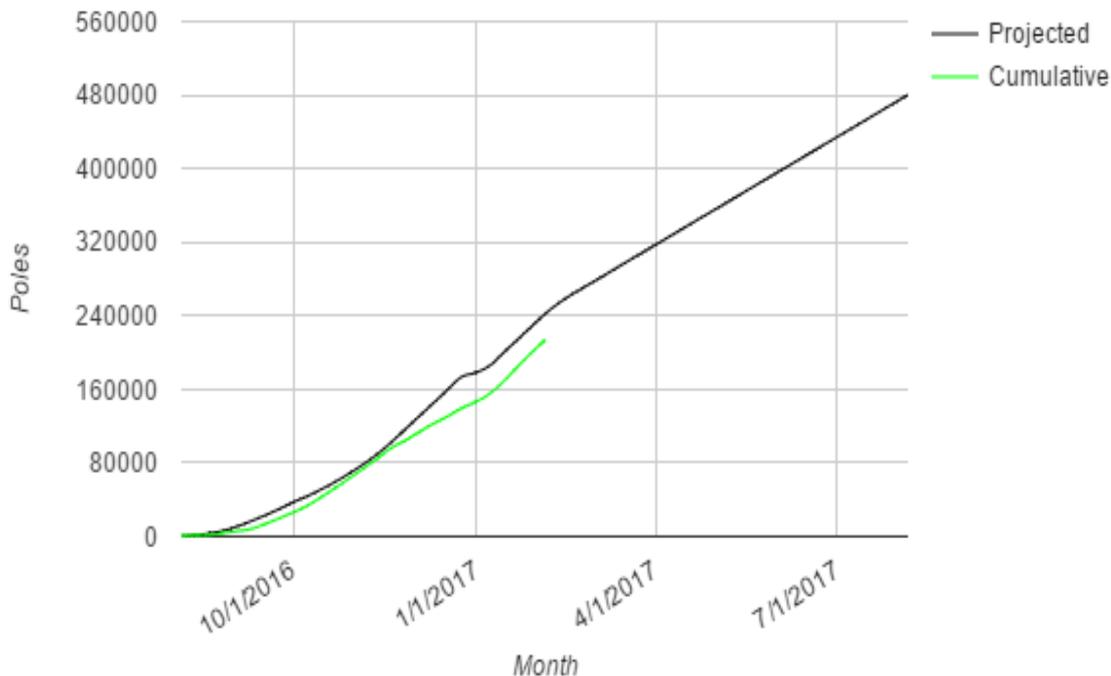


Field Inventory Production Stages
Not Yet Started
Field Inventory or Quality Control
Complete
Will Start in the Next 4 Weeks

Sources: Esri, HERE, DeLorme, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance
METL, Esri, China (Hong Kong), Swisstopo, Mapbox, Mapbox, OpenStreetMap contributors, and the GIS User Community

INVENTORY PROJECTIONS (2/7/17)

CPS/AT&T Joint Schedule



Poles Inspected:

- 213,196 out of 432,000
(49%)

Pole Grids Completed:

- 408 out of 1,032
(40%)

Poles Delivered:

- 147 out of 1,032
(14%)

OPEN DISCUSSION & QUESTIONS

THANK YOU
FOR PARTICIPATING IN
TODAY'S WORKSHOP



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