



Agenda Report

18-262

Agenda Date: 6/12/2018

REPORT TO COUNCIL

SUBJECT

Public Hearing: Small Cell Attachment Rate on City Owned Wooden Electric Utility Poles

BACKGROUND

In order to comply with the requirements of Public Utilities Code Section 9510-9520 (Assembly Bill (AB) 1027), on April 24, 2018 the Council set June 12, 2018 as a public hearing to consider the adoption of a small cell attachment rate to City owned wooden electric utility poles. Further, AB 1027 requires that Council consider the basis for this rate.

DISCUSSION

The attached cost study (Attachment 1) documents the process and assumptions used to derive the pole attachment rate for the small cell attachment that is proposed to be effective in 2018. The study considered capital costs less depreciation for wooden electric utility poles, the cost of inspecting, operating and maintaining wooden electric utility poles, as well as required clearances. The riser attachment space for small cell attachments is aligned with the riser attachment space for cable attachments. However, compared to cable attachments, small cell equipment attachments require a four foot clearance versus one foot for cable equipment attachments, resulting in a proposed small cell attachment rate of \$81.12 per attachment per year. The small cell attachment rate will be subject to the same 2.5% annual escalator adopted for cable attachment rates, as well as the adopted schedule for an updated cost study to be conducted no later than 2020.

Further, staff adapted the cost allocation used to establish the current cable attachment rates to develop a consistent cost-based rate for small cell attachments and is proposing a rate equal to \$81.12 per attachment per year.

FISCAL IMPACT

There is no additional cost in considering the Resolution or setting the date to adopt the Resolution beyond staff time and expense. Future Council action to set the small cell attachment rate will provide a mechanism for cost recovery for the Electric Utility.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

Pursuant to AB 1027, at least fourteen (14) days before this public hearing, the City mailed a notice of the time and place of this public hearing, including a general explanation of the proposed small cell attachment rate under consideration herein, and a statement that the cost study supporting the proposed rate is available for review to any person or entity who filed a written request with the City for a mailed notice of the upcoming public hearing. In addition, at least ten (10) days before the public hearing, the City made the cost study available on Silicon Valley Power's website at www.siliconvalleypower.com. In addition, the notice of this public hearing was published in the City's adjudicated newspaper, *Santa Clara Weekly*.

RECOMMENDATION

Hold public hearing on proposed Resolution setting small cell attachment rate to City owned wooden electric utility poles, and set August 21, 2018 for the adoption of the Resolution.

Reviewed by: John C. Roukema, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Resolution Setting the Small Cell Attachment Rate
2. Derivation Report on the 2018 Small Cell Attachment Rate