

2021

Pole Line and Duct System Rate Study City of Grand Rapids, Michigan



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City of Grand Rapids

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1. PREFACE

The City of Grand Rapids - Energy, Lighting and Communication (ELC) Department owns, operates, and maintains a substantial Street Lighting System, which covers nearly the entire geographical area of the City. This Street Lighting System is comprised of pole lines (utility poles, etc.) and a duct system (conduit, manholes, etc.). These assets allow for power and communication lines to be systematically distributed throughout the City's network of streets. When this expansive pole line and duct system was constructed, the City had the foresight to design it with excess capacity. Through the years, the City of Grand Rapids has allowed others to occupy City pole lines and ducts with little or no fees, until FY2012. There are numerous entities that utilize the System including City departments, governmental agencies, institutions, private industries, and utilities. It is common practice with other utility companies, such as Consumers Energy and AT&T, to charge their users an annual fee for use of their infrastructure. These fees generally allow the requesting entity to place communications cables in the ducts or on the poles of the host company.

In FY2012 a Rate Study was conducted in order to establish User fees for attachments and duct use. That FY2012 Rate Study was approved by the City Commission, after a public hearing, and rental fees were invoiced. This FY2021 Rate Study follows the same format as the FY2012 Rate Study.

2. BACKGROUND

In July, 2011, the Grand Rapids City Commission adopted Ordinance No. 2011-29, amending the Code of the City of Grand Rapids to create the "Pole Line and Duct System" utility. Section 2.405 of that ordinance requires that users of the System pay user charges to be annually established by City Commission resolutions, which are to be based on recommendations of the City's Chief Financial Officer, City Manager, and City Attorney. That recommendation is to be based on a study prepared by the System staff in coordination with the City's Chief Financial Officer and City manager. Subsection 2.405(a) of that ordinance provides:

- (a) The Users of the System shall pay User charges established as set forth below. User charges shall be charged to all System Users within or without the corporate limits of the City. User charges shall reflect the proportionate cost of constructing, installing, operating, repairing, maintaining, replacing, and improving the System. It is desirable that User rates, fees and charges provide sufficient revenues to cover the costs relating to the System including, but not limited to: (i) debt service on any debt of the System, (ii) costs of acquiring, constructing, installing, operating, maintaining, repairing, replacing, extending or enlarging, the System or any portion thereof, (iii) depreciation of any portion or all of the System; (iv) a reasonable rate of return on the System's investment; (v) debt service or operational coverage that is required under the terms of any System debt, is required by other applicable law, or as is reasonable practice for such systems, and (vi) all costs relating to billing and collecting any User charges. The User charges

shall include fees for application to Use the System, inspection and verification fees for ensuring compliance with System standards, and the pass-through of “make ready costs” as explained in subsection 2-404(a)(6). However, User charges may be established with consideration to the rates, fees and charges of other providers of poles, pole lines, and duct facilities and with consideration to any regulations that, while not applicable to the system, are applicable to other poles, pole lines, and duct facilities. (Emphasis added)

This rate study examines the System’s costs as required by subsection 2.405(a). However, it also reports the rates imposed by other providers of pole lines and ducts. This is key, for three reasons. First, it serves as a reasonable comparison and operates as a “check” of sorts on the reasonableness of the City’s rate. Second, if the City were to impose rates higher than competing rates, then current City customers may choose other providers of those services. At the very least it could dissuade others from using the system. Third, and most importantly, during the consideration of the ordinance representations were made that, at least initially, the City’s rates would not exceed those of other similar providers. This was important to current City customers and, perhaps, also to the City Commission which sought to avoid being under the “market” and thereby unfairly competing, while also not taking advantage of current customers with rates over the “market.”

3. EXECUTIVE SUMMARY

In July of 2011, the Grand Rapids City Commission adopted the “Pole Line and Duct System” utility ordinance to better regulate the excess capacity on its pole line and duct system. The City recognized that it had allowed system users to occupy these facilities with little or no fees, which was inconsistent with the standard operations of other similar utility providers. This System has value to Users because it allows them access throughout the City without digging in the roadways for their own infrastructure, or obtaining private utility easements. Where the duct system is not accessible, the City’s pole line system is available for pole attachments by System Users. System Users, as described in this report, include institutions, governmental agencies, communication companies, utilities, and others. Attached is a known list of System Users located in EXHIBIT A – LIST OF SYSTEM USERS.

This study considered the City’s costs of construction, depreciation, maintenance, administration, and return on investment in determining proposed User fees. The fees were developed based on the guidelines prepared by the Federal Communication Commission (FCC) and the Michigan Public Service Commission (MPSC). These guidelines were used to help establish a reasonable “market” rate as they govern many other providers of similar services in Michigan. As a result, the proposed User fees for the City have been determined, for the most part, to be in line with user fees charged by similar utilities in Michigan.

The first step in obtaining an update to the user rate for FY2021 is calculating the Annual Carrying Charge (ACC). This rate is based on the percentage of expenses directly related to providing service as compared to the total infrastructure cost. For the Pole Line System, the user expense for the system accounts for 30.71% of the total infrastructure cost, and for the Duct System the user expense accounts for 7.59% of the total infrastructure cost. Applying that

percentage to the cost per asset (i.e. poles and ducts), the user rates are obtained, which is provided as a cost per unit. As a result of studying the actual applicable costs, while comparing these costs to the overall industry rates, this study recommends the adoption of the following User fees for the City FY2022:

Pole Line & Duct System	Description	Rate	Unit
	Pole Attachment	\$3.74	Per pole
	Full 4" Duct	\$6.63	Per foot
	1.25" Duct	\$1.86	Per foot
	1" Duct	\$1.25	Per foot
	14mm Duct	\$0.62	Per foot
	10mm Duct	\$0.36	Per foot
Micro-Cells	Pole Type		
	Fiberglass	\$1,242.22	Per Pole
	Ornamental	\$2,226.48	Per Pole
	Square Tapered Steel	\$888.41	Per Pole
	Wood	\$368.21	Per Pole

4. DEFINITIONS

The following definitions shall apply to terms used in this Rate Study. Other terms shall be as defined in the Ordinance.

Carrying Charge: an accounting tool which provides a method of allocating the annual cost of operating a system based upon a percentage of the total infrastructure investment.

Duct: a conduit owned by the City placed under or above the surface of the ground for the purpose of providing space for the placement of power or communications cables or wires. This term is synonymous with Conduit.

Duct Bank: an underground group of conduits arranged in a defined array or pattern, and encased in concrete. Refer to drawings D1 and D2, and photographs P3 through P8.

Duct Riser: a transition system used to provide aerial cable access to the underground ducts. Refer to photograph P11.

Handhole: a shallow access hole large enough for a hand to be inserted for maintenance, repair, and access to the ducts and its contents.

Innerduct: a small (1" to 1¼" in diameter) plastic conduit that is installed in a duct (in groups of 4, 5, or 6) for the purpose of housing multiple cables in one duct. Refer to drawing D1 and photographs P7 and P8.

Make-ready: the cost associated with preparing a pole for a requesting party to be able to make an attachment to a pole. These costs often include correcting potential safety violations in order to maintain compliance with the National Electrical Safety Code (NESC), or relocating other attachments to make room for the new attachment. These costs also apply to placing innerduct in the conduit system for communications to use.

Manhole: an underground concrete chamber built in-place or delivered to the site for the purpose of providing regular access to the ducts. Refer to photographs P7 through P10.

Microduct: a small conduit that is installed in innerduct to further subdivide the duct for the purpose of housing multiple communications cables in one innerduct.

Ordinance: the City of Grand Rapids Ordinance #2011-29 adopted in 2011 to establish the System.

Pole: a City owned utility or street lighting pole.

Pole Attachment: a physical attachment of a cable or device to a wooden City pole. The attachment shall meet the space and elevation requirements of the City, and of the National Electrical Safety Code. Refer to photograph P2.

Pole Attachment Rate: the annual User fee per pole attachment as approved by the City Commission.

Pole Line: two or more poles in a row or otherwise in proximity to one another such that power or communications cables or wires could be strung from one of the poles to one or more other poles.

Rate: the rate applicable for a particular Use of the System.

Revenue Bond Act: the 1933 PA 94, as amended, MCL 141.101 *et seq.*

System: the Grand Rapids Pole Line and Duct System consisting of all poles, pole attachments, ducts, conduits, works, instrumentalities, copper communications cable innerducts, lines, fiber cable, traffic signals, electric power lines and equipment, contract rights, and properties now or hereafter existing, used or useful in connection with such facilities and equipment.

Use: the use of pole lines, ducts, conduits, equipment or other parts of the System by attaching or installing wire, fiber cable, channels, antennas or other lines or equipment on or within such parts of the System and includes even such wire, fiber channels, antennas or other lines or equipment that is not operated until such time as it has been removed or is permitted by the City to stay in place even though it is not operated.

User charge: a fee or charge payable by a User for Use of any part of the System or for costs related to that Use.

User: the person or company who owns the wires, fiber, antennas, or other lines or equipment placed on or within any portion of the System or a person or company other, than the owner of the premises who, according to the provisions of the Ordinance, has the responsibility to pay rates, fees and charges for the Use of any portion of the System.

5. POLE LINE AND DUCT SYTEM DESCRIPTION AND RATE METHODOLOGY

The following study will examine annual rate adjustments to the FY2021 fees established for use of both the Pole Line assets and Duct System assets. The basis for each calculation is derived from the guidelines prepared by the Federal Communication Commission (FCC) and the Michigan Public Service Commission (MPSC). These guidelines were used to help establish a reasonable “market” rate as it governs many other providers of similar services in Michigan. Other methodologies were examined and determined to not provide the desired industry acceptance and the resulting fees were not market competitive.

The City of Grand Rapids owns, operates, and maintains a substantial Street Lighting System. The City’s poles, wires, and duct system cover nearly the entire geographical area of the City. By nature of its planned construction, this pole line and duct system has excess capacity which has been utilized by others including City departments, governmental agencies, institutions, private industries, and utilities.

Traditionally, other utilities, such as Consumers Energy and AT&T, provide these services and have charged a fee for use of their infrastructure. These fees generally allow the requesting company or entity to place communications cables in the ducts, or on the poles of the host company.

This FY2021 rate study will incorporate the City costs associated with the Pole Line and Duct System through the end of FY2020. The Pole Line and Duct System usage will be compiled at the end of FY2021 and will be used along with the rates from this study to invoice the Users of the system for their FY2022 usage. The rates from this study will be prorated for partial year installations that are permitted during FY2022.

6. POLE

6.1. POLE CARRYING CHARGE RATE CALCULATION

The carrying charges include the City Pole administrative, maintenance, depreciation expenses, return on investment, and taxes. The City of Grand Rapids FY2020 costs are shown below for each aspect of the carrying charge.

Administration

The administrative budget for FY2020 is \$450,158. This reflects 7.75% of the Pole Line system infrastructure costs of \$5,806,757.

Maintenance

The maintenance budget for FY2020 is \$987,739. This reflects 17.01% of the Pole Line system infrastructure costs of \$5,806,757.

Depreciation Expense

The depreciation expense will be set at 2.5% on an average life of the Pole Line being 40 years. The 2.5% depreciation rate is in line with industry standards and realistic expectations for our region's climate.

Return on Investment

Return on investment will be based on the use of the average Bond Buyer Index over one year, plus 1%. The average for this past year was 2.454% and with the 1% added, the return on investment figure that will be used is 3.454%. This is a commonly accepted method for determining the return on investment.

Taxes

The City has no cost associated with taxes.

The total carrying charge rate is calculated through the summation of its costs as follows:

Administration	7.75%
Maintenance	17.01%
Depreciation expense	2.5%
Return on investment	<u>3.454%</u>
Total carrying charge rate	30.71%

6.2. POLE ATTACHMENT RATE CALCULATION

6.2.1. Pole Attachment Rates

The guideline used for the basis of establishing the annual rates for parties to attach to the Energy, Lighting, and Communications poles was established by the Federal Communication Commission (FCC) and Governed by Section 224 of the Communications Act of 1934, 47 U.S.C. §224. Section 224 was amended by the Telecommunications Act of 1996 and by several modifications by the FCC since 1996. It is further noted that the State of Michigan has certified to the FCC that it regulates pole attachments in Michigan, which is handled by the Michigan Public Service Commission (MPSC). Though the MPSC is vested with complete power and jurisdiction to regulate all public utilities in the state, this power does not extend to municipally owned utilities. Thus, the FCC guideline will be used as the basis for preparing the rate calculations and the MPSC rates will be used as the market rate comparison.

As a guideline, the preparation of a rate schedule, using the formulas prepared by the FCC, provides the base line for the initial User fees established by the System. Further comparing this

calculated rate with other local utility rates allows adjustment to establish a just and reasonable User fee for the pole attachments.

6.2.2. Federal Communication Commission Pole Attachment Formula

The pole attachment formula that was prepared by the FCC governs the maximum pole attachment rate for those pole attachments subject to FCC regulation. The FCC provides two formulas for calculating attachment rates. The first is related to attachments by cable TV companies. The second, detailed below, relates to telecommunication carriers and is more applicable to the City's Pole Line System and was used in the establishment of the initial rate.

The pole attachment rate calculation is as follows:

$$(\text{Space Factor}) \times (\text{Net cost of a Bare Pole}) \times (\text{Carrying Charge Rate}) = \text{Maximum Rate}$$

Each of these values will be explained separately and then applied to the City's values to determine the City's maximum rate.

Space Factor

The space factor is the amount of usable space on an average pole. The space factor is calculated as follows: (Values used for the City Poles is shown in *italics*)

$$\frac{\left[\text{Space Occupied (1')} + \left[\frac{\frac{2}{3} \text{ Usable Space (13.5)}}{\text{No. of Attaching Entities (5)}} \right] \right]}{[\text{Average Height of Pole (37.5)}]} = \text{Space Factor Pole Height}$$

or

$$\frac{\left[1 + \left[\frac{\frac{2}{3} * 13.5}{5} \right] \right]}{37.5} = 0.075$$

$$\text{Space Factor} = 0.075$$

- **Space Occupied** = The presumptive amount of space occupied by an attachment on a pole is 1 foot, per the National Electrical Safety Code (NESC).
- **Usable Space** = In lieu of actual measurements, due to the vastness and variance of the System, 13.5 feet is used as the average amount of usable space per pole for those poles used for pole attachments as recommended by the FCC guidelines.
- **Number of Attaching Entities** = The FCC presumptive average for the number of attachers is five (5) for urbanized areas.
- **Average Height of Pole** = The average amount of unusable space on a pole is 24 feet, per the FCC presumptive averages. The average pole space reserved for ground clearance is 18 feet as required by the National Electrical Safety Code (NESC). The remaining 6 feet

is reserved for the electrical distribution system per the NESC. The summation of the useable space (13.5') and unusable space (24') results in an average height for a pole of 37.5', all derived from the FCC guidelines.

Bare Pole

The current year average cost of a pole installation was \$1,199. This variance in cost is related to the fluctuation in the availability of materials influenced by economic conditions, natural disasters and industry demand. In addition the quantity, class, length, and shipping costs significantly vary based on the needs for any given pole.

Carrying Charge Rate

The carrying charge rate is explained in the previous carrying charge section and is calculated to be 30.71%.

The resultant pole attachment rate calculation is as follows (Values used for the City Poles is shown in *italics*):

$$\begin{array}{rcccccc} \text{(Space Factor)} & \times & \text{(Net cost of a Bare Pole)} & \times & \text{(Carrying Charge Rate)} & = & \text{Maximum Rate} \\ (0.075) & \times & (\$1,199) & \times & (30.71\%) & = & (\$27.62) \end{array}$$

The maximum rate is therefore \$27.62 per attachment per year. The current rate approved by the Michigan Public Service Commission for AT&T is \$1.36 per year, and for Consumers Energy is \$3.74 per year.

It is recommended in this rate study that the City continue with the User fee that was in effect for FY2020 in the amount of \$3.74 per pole attachment per year.

Proposed FY2022 Pole attachment User fee = \$3.74 per pole attachment per year

6.2.3. Pole Attachment Process and Make-Ready Costs

A pole attachment proposal process that is similar to the practice that is currently in use by Consumers Energy will be referenced in the Utility permit application. This process will require applications for new attachments to City poles to complete an application, and as part of that application, pay an engineering review processing fee in the amount of \$55 per pole. (A copy of the pole application is attached to this study.) The purpose of this fee is the reimbursement of engineering costs associated with verifying the space and capability of the pole attachment within the capacity for that particular pole, without causing code violation or over taxing the pole. (This fee is based on historical engineering costs for performing this work.) These costs will be better tracked so that, in future years, they are more reflective of actual costs. This rate study recommends maintaining the \$55 per pole engineering review processing fee for FY2021.

As part of the engineering review process, any cost to prepare a pole for the requesting user, also known as make-ready costs, by the City will be defined and a request for payment of those fees will be required prior to issuance of a permit to attach.

6.3. MICRO-CELLS AND SMALL-CELLS ON CITY POLES

In accordance with a Non-Exclusive Micro-Cell License Contract with the City of Grand Rapids, the City shall assess the Licensee: an annual license fee, annual pole use fees, and placement permit fees.

6.3.1. Annual License Fee

The annual license fee is specified as part of the Non-Exclusive Micro-Cell License Contract. Licensee shall refer to their contract to find the Annual License fees.

6.3.2. Pole Attachments

As defined in the Rate Study subsection 8.1 Poles, attachment to City poles is confined to wooden poles, however, Micro-Cell and Small-Cell attachments shall be the sole exception. This exception is for the benefit of the City in meeting the ever demanding requests for broadband deployment throughout the City. Pole attachments defined under the Non-Exclusive Micro-Cell License Contract shall consider all City Poles for antennae and related equipment installation, but will not cover cable or wire spans between poles.

6.3.3. Pole Use Fee

The licensee requesting attachment to City Poles shall pay fees for the use of the pole in accordance with the License Contract and the annual fee is calculated based on the pole type used for each installation. The method for calculating the rental fees is related to a modification of the FCC calculations outlined in subsection 6.2.2 – FCC Pole Calculation Formula. This modified formula is defined as:

Pole Type	(Space Factor)	x	(Net cost of a Pole)	x	(Carrying Charge Rate)	=	Annual Rate
Fiberglass	(1)	x	(\$4,045)	x	(30.71%)	=	(\$1,242.22)
Ornamental	(1)	x	(\$7,250)	x	(30.71%)	=	(\$2,226.48)
Square Tapered Steel	(1)	x	(\$2,893)	x	(30.71%)	=	(\$888.41)
Wood	(1)	x	(\$1,199)	x	(30.71%)	=	(\$368.21)

Space Factor: Only one Micro-Cell or Small-Cell per pole.

Net Cost of a Pole: The net cost of a pole in place

Carrying Charge: an accounting tool which provides a method of allocating the annual cost of operating a system based upon a percentage of the total infrastructure investment.

Some sites may require having enhanced service provided by the City. These sites will be identified in the Placement Permit process. If a site requires enhanced service, there will be an additional \$306 fee added to the annual use fee of the site.

6.3.4. Placement Permit

Defined in the Placement Permit provided under the provisions of the Non-Exclusive Micro-Cell License Contract, the details of the antennae and related equipment shall be reviewed by the City of Grand Rapids Energy, Lighting and Communications Department for compliance with City Code and standards. A one-time fee for the review process will be assessed in the amount of \$150 per pole along with the \$55 per pole engineering review processing fee. This fee covers the costs associated with the engineering review of the proposed installation. As part of the engineering review process, any cost to prepare a pole for the requesting user, also known as make-ready costs, by the City will be defined and a request for payment of those fees will be required prior to issuance of a permit to attach.

7. DUCT

The City duct system mainly consist of 4” duct. There are three typical innerduct configurations that are installed in a 4” duct to maximize the conduits capacity. The first configuration is placing six (6) one inch innerducts in the 4” duct. This would therefore provide for a Capacity Percentage of 16.7% for a single one inch cable installation. The second configuration is placing four (4) one and a quarter inch innerducts in the 4” duct. This would therefore provide for a Capacity Percentage of 25.0% for a single one and a quarter inch cable installation. The third configuration is placing a one and a quarter inch innerduct, a four cell fourteen millimeter microduct, and a seven cell ten millimeter microduct. This would therefore provide for a Capacity Percentage of 8.3% for a single fourteen millimeter cable installation and a Capacity Percentage of 4.8% for a single ten millimeter cable installation.

7.1. DUCT CARRYING CHARGE RATE CALCULATION

The carrying charges include the City Duct administrative, maintenance, depreciation return on investment, and taxes. Each cost associated with the Carrying Charge is detailed with the FY2021 cost for the City of Grand Rapids.

Administration

The administrative budget for FY2020 is \$242,021. This reflects 0.67% of the duct infrastructure costs of \$36,235,351.

Maintenance

The maintenance budget for FY2020 is \$531,720. This reflects 1.47% of the duct infrastructure costs of \$36,235,351.

Depreciation Expense

The depreciation expense will be set at 2.0% on an average life of the duct being 50 years. The 2.0% depreciation rate is in line with industry standards and realistic expectations for our region’s climate.

Return on Investment

Return on investment will be based on the use of the average Bond Buyer Index over one year, plus 1%. The average for this past year was 2.454% and with the 1% added, the return on investment figure that will be used is 3.454%. This is a commonly accepted method for determining the return on investment.

Taxes

The City has no cost associated with taxes.

The total carrying charge rate is calculated through the summation of its costs as follows:

Administration	0.67%
Maintenance	1.47%
Depreciation expense	2.0%
Return on investment	<u>3.454%</u>
 Total carrying charge rate	 7.59%

7.2. DUCT USER RATE CALCULATION

The following sections demonstrate the calculations for determining the User fees for the use of the City Duct System based on the Federal Communications Commission guidelines.

7.2.1. Duct User Fees

It is proposed to use the Federal Communications Commission guidelines as the basis for establishing the annual rate for Users to use space within the City Ducts. The guideline, used for the basis of establishing the annual rates for parties to use the City Ducts, was established by the Federal Communication Commission (FCC) and Governed by Section 224 of the Communications Act of 1934, 47 U.S.C. §224. Section 224 was amended by the Telecommunications Act of 1996 and by several modifications by the FCC since 1996. It is further noted that the State of Michigan has certified to the FCC that they regulate duct user fees in Michigan, which is handled by the Michigan Public Service Commission (MPSC). Though the MPSC is vested with complete power and jurisdiction to regulate all public utilities in the state, this power excludes municipally owned utilities. Thus, the FCC guideline will be used as the basis for preparing the rate calculations.

As a guideline, the preparation of a rate schedule using the formulas prepared by the FCC, provides the base line for the initial User fees established by the System. Further comparing this calculated rate with other local utility rates allows adjustment to establish a just and reasonable User fee for the duct usage.

7.2.2. Federal Communication Commission Duct Use Formula

The Duct use formula is based on the usable space in each duct. The formula reads as follows:

$$\text{Size} \times \% \text{ of Duct Capacity} \times \text{Net Linear Cost of Duct} \times \text{Carrying Charge Rate} = \text{Maximum Rate /Linear Foot}$$

4"	100%	x	\$87.33	x	7.59%	=	\$6.63
1"	16.7%	x	\$98.27	x	7.59%	=	\$1.25
1.25"	25.0%	x	\$98.27	x	7.59%	=	\$1.86
14MM	8.3%	x	\$98.27	x	7.59%	=	\$0.62
10MM	4.8%	x	\$98.27	x	7.59%	=	\$0.36

Net Linear Cost of Duct = As determined in the attached spreadsheet, the Net Linear Cost of the 4" duct with the innerducts, as derived from the construction over the last five year period (2016 thru 2020), is \$87.33 per foot for a 4" duct and \$98.27 for a 4" duct with innerduct.

Carrying Charge Rate = The carrying charge rate as calculated in the Carrying Charge section is 7.59%.

Maximum Rate/Linear Foot = This equates to a Maximum Rate per Linear Foot for the use of a 1" inner duct of \$1.25 per linear foot.

This rate study reflects a +\$0.13 rate change in the rental rate for a 1" duct compared to the rate established for FY2020.

It is recommended in this rate study that the City establishes a compromised duct usage rates as follows:

Use of a 4" duct	\$6.63 per foot
Use of 1.25" duct	\$1.86 per foot
Use of 1" duct	\$1.25 per foot
Use of 14mm duct	\$0.62 per foot
Use of 10mm duct	\$0.36 per foot

*Users who share a 1" or a 1.25" innerduct will be charged at the 14mm duct rate.

7.2.3. Duct Use Permit and Make-Ready Costs

The City's Engineering Department has established fees for utility permits. System Users that have a METRO Act agreement with the City is exempt from paying the Engineering Department fees.

Where make ready is necessary in the duct system to accommodate new cable installations, the City may allow the User to perform make-ready work to work with the Users timeline for installation. The City can provide the material for the User to install. In return, the City will give the User a \$4.00 per foot credit on their annual duct use for installing a complete innerduct complement in a conduit. For projects that require large amounts of make ready, the City may require the User to provide the materials. In this case, the City will provide an additional credit for the materials based on the City's cost for the materials. There may be locations where the City requires a new 4" conduit be built as make-ready. The User will be required to get prior approval from the City on the cost of the make-ready to receive credit for the work.

As part of the permit process, a manhole racking policy will be attached to the permit. This racking policy must be strictly adhered to prevent the User from losing access to use the conduit, and having the City request removal of their facilities for violations. A copy of that manhole racking policy is attached.

7.2.4. Duct Use for Current Agreements

Current agreements in effect at the time of this rate study with current Duct Users will be honored by the City. No new individual agreements will be considered. The Ordinance and Rate Study shall be the preferred method.

8. SYSTEM DATA

The following sections summarize the current Pole Line and Duct System assets.

8.1. Poles:

The system is comprised of approximately 4843 wooden poles. (The City only allows attachments on their wooden poles.) The current average cost of a wooden pole is \$1,199. Therefore the total pole system value is the number of poles times the average cost per pole.

TOTAL POLE INFRASTRUCTURE	\$5,806,757
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8.2. Ducts:

The City ducts consist of:

FY 2019	FY 2020	
918	919	Manholes
347	353	4x4 Handholes
246,555'	249,835'	Duct Linear Footage
598	582	Building Entrance Ducts
49,474'	50,386'	Building Entrance Duct Footage
232	230	Duct Risers
12,122'	12,512'	Duct Riser Footage
416,865'	456,279'	Innerduct Linear Footage

8.2.1. Inventory of Duct Banks

INVENTORY ELECTRIC AND COMMUNICATION DUCT BANKS

DUCT BANK CONFIGURATION	FY2019		UPDATE FY2020		EXTENDED COSTS
	LINEAR FOOTAGE	INSTALLATION COST PER LINEAR FOOT	CHANGE IN LINEAR FOOTAGE	INSTALLATION COST PER LINEAR FOOT	
(24) 3.5" DUCTS CE	2748	\$100	0		\$274,800
(20) 3.5" DUCTS CE	324	\$90	0		\$29,160
(18) 3.5" DUCTS CE	1421	\$85	0		\$120,785
(16) 3.5" DUCTS CE	125	\$75	+75	\$75	\$15,000
(12) 3.5" DUCTS CE	103	\$65	0		\$6,695
(9) 3.5" DUCTS CE	30	\$55	0		\$1,650
(6) 3.5" DUCTS CE	234	\$50	0		\$11,700
(4) 3.5" DUCTS & (6) 3.5" TILE DUCTS CE	243	\$70	0		\$17,010
(3) 3.5" DUCTS CE	740	\$30	0		\$22,200
(16) 3" DUCTS CE	737	\$49	0		\$36,113
(12) 3" DUCTS CE	1466	\$37	-970	\$37	\$18,352
(8) 3" DUCTS CE	958	\$25	-413	\$25	\$13,625
(6) 3" DUCTS CE	4643	\$19	0		\$88,217
(6) 3" & (6) 4" DUCTS CE	579	\$65	0		\$37,635
(6) 3" DUCTS & (16) 3.5" TILE DUCTS CE	511	\$115	0		\$58,765
(5) 3" DUCTS CE	324	\$16	0		\$5,184
(4) 3" DUCTS & (2) 2" DUCTS CE	50	\$21	0		\$1,050
(4) 3" DUCTS CE	4974	\$13	0		\$64,662
(4) 3" DUCTS & (16) 3.5" TILE DUCTS CE	185	\$108	0		\$19,980
(3) 3" DUCTS CE	1863	\$11	-373	\$11	\$16,390
(3) 3" DUCTS & (6) 4" DUCTS CE	925	\$60	0		\$55,500
(2) 3" DUCTS CE	428	\$8	0		\$3,424
(2) 3" DUCTS & (4) 4" DUCTS CE	236	\$45	0		\$10,620
(1) 3" DUCT & (2) 4" DUCTS DB	13	\$14	-13	\$14	\$0
(6) 2" DUCTS & (9) 4" DUCTS CE	200	\$83	0		\$16,600
(4) 2" DUCTS & (8) 4" DUCTS CE	30	\$76	0		\$2,280
(4) 2" DUCTS & (4) 4" DUCTS DB	84	\$38	0		\$3,192
(4) 2" DUCTS & (2) 4" DUCTS DB	21	\$28	0		\$588

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(2) 2" DUCTS & (1) 3" DUCTS CE	3	\$12	0		\$36
(1) 2" DUCT & (4) 4" DUCTS CE	214	\$44	0		\$9,416
(1) 2" DUCT & (2) 3" DUCTS CE	345	\$12	-86	\$12	\$3,108
(1) 1" DUCT & (3) 2" DUCTS & (3) 4" DUCTS CE	133	\$45	0		\$5,985
(4) 3.5" TILE DUCTS CE	3398	\$35	0		\$118,930
(6) 3.5" TILE DUCTS CE	6799	\$45	0		\$305,955
(8) 3.5" TILE DUCTS CE	521	\$55	0		\$28,655
(10) 3.5" TILE DUCTS CE	236	\$65	0		\$15,340
(12) 3.5" TILE DUCTS CE	362	\$75	0		\$27,150
(14) 3.5" TILE DUCTS CE	159	\$85	0		\$13,515
(16) 3.5" TILE DUCTS CE	133	\$95	0		\$12,635
(18) 3.5" TILE DUCTS CE	427	\$105	0		\$44,835
(24) 3.5" TILE DUCTS CE	42	\$135	0		\$5,670
(32) 3.5" TILE DUCTS CE	518	\$155	0		\$80,290
(48) 3.5" TILE DUCTS CE	71	\$175	0		\$12,425
(1) 4" DUCT CE	921	\$10	0		\$9,210
(1) 4" DUCT DB	1352	\$23.99	0		\$32,434.48
(2) 4" DUCTS & (1) 6" DUCT CE	70	\$22	-70	\$22	\$0
(2) 4" DUCTS CE	3733	\$15	0		\$55,995
(2) 4" DUCTS DB	4902	\$12.26	+176	\$12.26	\$62,256.28
(3) 4" DUCTS CE	1867	\$30	0		\$56,010
(3) 4" DUCTS DB	152	\$15	0		\$2,280
(4) 4" DUCTS CE	48519	\$40.88	-692 +185	\$40.88 \$67*	\$1,973,408.60
(4) 4" DUCTS DB	1862	\$20.12	+771	\$37	\$65,990.44
(5) 4" DUCTS CE	675	\$45	0		\$30,375
(6) 4" DUCTS CE	90440	\$49.82	+298 +412	\$49.82 \$72*	\$4,550,231.16
(6) 4" DUCTS DB	100	\$30	0		\$3,000
(7) 4" DUCTS CE	410	\$55	0		\$22,550
(8) 4" DUCTS CE	7589	\$60	-55 +308	\$60 \$126.80*	\$492,073.82
(9) 4" DUCTS CE	20958	\$65	+670	\$145.8*	\$1,459,956.00
(10) 4" DUCTS CE	2857	\$70	+20	\$135*	\$202,690.00
(11) 4" DUCTS CE	264	\$75	0		\$19,800
(12) 4" DUCTS CE	10154	\$80	+5	\$80	\$812,720

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(13) 4" DUCTS CE	76	\$85	0		\$6,460
(14) 4" DUCTS CE	99	\$90	0		\$8,910
(15) 4" DUCTS CE	2089	\$95	0		\$198,455
(16) 4" DUCTS CE	5252	\$101.47	-75	\$101.47	\$525,310.19
(18) 4" DUCTS CE	124	\$110	0		\$13,640
(20) 4" DUCTS CE	181	\$120	0		\$21,720
(22) 4" DUCTS CE	20	\$125	0		\$2,500
(24) 4" DUCTS CE	2934	\$130	0		\$381,420
(25) 4" DUCTS CE	260	\$140			\$36,400
(2) 5" HDPE DUCTS DB	453	\$25			\$11,325
(4) 5" HDPE DUCTS DB	495	\$50			\$24,750
(3) 6" DUCTS CE	191	\$45			\$8,595
TOTAL					\$12,725,588

CE – CONCRETE ENCASED

DB – DIRECT
BURIED

* – CALCULATED FROM ACTUAL CONSTRUCTION
COST

8.2.2. Inventory of Duct Riser

INVENTORY ELECTRIC AND COMMUNICATION DUCT FOR RISERS

DUCT BANK CONFIGURATION	FY2019		UPDATE FY2020		EXTENDED COSTS
	LINEAR FOOTAGE	INSTALLATION COST PER LINEAR FOOT	CHANGE IN LINEAR FOOTAGE	INSTALLATION COST PER LINEAR FOOT	
(1) 1" DUCT DB	34	\$3	0		\$102
(1) 1.25" DUCT DB	64	\$3	0		\$192
(1) 2" DUCT & (2) 3" DUCTS CE	20	\$12	0		\$240
(1) 2" DUCT & (2) 3.5" DUCTS CE	21	\$14	0		\$294
(1) 2" DUCT & (1) 4" DUCT DB	712	\$15	0		\$10,680
(1) 2" DUCT & (2) 4" DUCT CE	36	\$27	0		\$972
(1) 2" DUCT & (3) 4" DUCT DB	14	\$25	0		\$350
(1) 2" DUCT & (4) 4" DUCT CE	66	\$44	0		\$2,904
(1) 2" DUCT CE	111	\$6	+15	\$6	\$756
(1) 2" DUCT DB	446	\$4	-15	\$4	\$1,755
(2) 2" DUCTS & (1) 4" DUCT CE	32	\$16	0		\$512
(2) 2" DUCTS & (2) 4" DUCT CE	56	\$48	0		\$2,688

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(2) 2" DUCTS CE	20	\$12	0		\$240
(2) 2" DUCTS DB	98	\$8	0		\$784
(3) 2" DUCTS & (1) 4" DUCT CE	24	\$22	0		\$528
(4) 2" DUCTS DB	42	\$16	0		\$672
(1) 3" DUCT CE	33	\$8	0		\$264
(1) 3" DUCT DB	3	\$6	0		\$18
(2) 3" DUCTS & (2) 4" DUCTS CE	98	\$28	0		\$2,744
(2) 3" DUCTS & (4) 4" DUCTS CE	39	\$44	0		\$1,716
(2) 3" DUCTS CE	236	\$14	0		\$3,304
(2) 3" DUCTS DB	19	\$12	0		\$228
(4) 3" DUCTS & (2) 4" DUCTS CE	75	\$40	0		\$3,000
(4) 3" DUCTS CE	258	\$28	0		\$7,224
(4) 3.5" DUCTS CE	70	\$40	0		\$2,800
(1) 4" DUCT CE	88	\$9	0		\$792
(1) 4" DUCT DB	2254	\$9.11	-1	\$9.11	\$20,525
(2) 4" DUCTS CE	1842	\$20	+10	\$20	\$37,040
(2) 4" DUCTS DB	527	\$15	0		\$7,905
(3) 4" DUCTS CE	127	\$25	0		\$3,175
(4) 4" DUCTS CE	2220	\$45	+375	\$37.05*	\$113,793.75
(6) 4" DUCTS CE	2287	\$50	0		\$114,350
(8) 4" DUCTS CE	150	\$60	0		\$9,000
TOTAL					\$351,548

CE – CONCRETE ENCASED

DB – DIRECT
BURIED

* – CALCULATED FROM ACTUAL CONSTRUCTION COST

8.2.3. Inventory of Duct for Building Entries

INVENTORY ELECTRIC AND COMMUNICATION DUCT BANKS

DUCT BANK CONFIGURATION	FY2019		UPDATE FY2020		EXTENDED COSTS
	LINEAR FOOTAGE	INSTALLATION COST PER LINEAR FOOT	CHANGE IN LINEAR FOOTAGE	INSTALLATION COST PER LINEAR FOOT	
(1) 1" OR 1.25" DUCT DB	2531	\$5	+5	\$5.00	\$12,680
(2) 1" OR 1.25" DUCT DB	169	\$6	0		\$1,014
(1) 2" DUCT & (1) 3" DUCTS DB			+35	\$8.00	\$280
(1) 2" DUCT & (1) 4" DUCTS DB	160	\$10	0		\$1,600

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(1) 2" DUCT & (3) 4" DUCTS CE	2	\$22	0		\$44
(1) 2" DUCT DB	414	\$4	0		\$1,656
(2) 2" DUCTS DB	81	\$6.50	0		\$527
(1) 3" DUCT & (2) 4" DUCTS CE	13	\$21	0		\$273
(1) 3" DUCT & (2) 4" DUCTS DB	90	\$14	0		\$1,260
(1) 3" DUCT DB	1461	\$5	0		\$7,305
(2) 3" DUCTS CE	486	\$14	0		\$6,804
(3) 3" DUCTS CE	29	\$18	0		\$522
(9) 3" DUCTS CE	53	\$45	0		\$2,385
(1) 4" DUCT CE	921	\$10	0		\$9,210
(1) 4" DUCT DB	7843	\$9.02	+311	\$9.02	\$73,549
(2) 4" DUCTS CE	24628	\$15	-52	\$15.00	\$368,640
(2) 4" DUCTS DB	2457	\$10.98	+388	\$10.98	\$31,238
(3) 4" DUCTS CE	5514	\$30	0		\$165,420
(4) 4" DUCTS CE	1799	\$40	-27	\$40.00	\$70,880
(4) 4" DUCTS DB	50	\$20	0		\$1,000
(6) 4" DUCTS CE	548	\$49.47	0		\$27,110
(8) 4" DUCTS CE	41	\$60	0		\$2,460
(9) 4" DUCTS CE	75	\$65	0		\$4,875
(12) 4" DUCTS CE	109	\$80	0		\$8,720
TOTAL					\$799,451

CE – CONCRETE ENCASED

DB – DIRECT
BURIED

* – CALCULATED FROM ACTUAL CONSTRUCTION
COST

8.2.4. Inventory of Innerduct

INVENTORY INNERDUCT

<u>INNERDUCT SIZE AND CONFIGURATION</u>	<u>FY2019</u>		<u>UPDATE FY2020</u>		<u>EXTENDED COSTS</u>
	<u>LINEAR FOOTAGE</u>	<u>INSTALLATION COST PER LINEAR FOOT</u>	<u>LINEAR FOOTAGE</u>	<u>INSTALLATION COST PER LINEAR FOOT</u>	
(1) 0.5" INNERDUCT	10	\$2.50	0		\$25.00
(1) 1" INNERDUCT	3404	\$3.00	-16	\$3.00	\$10,164.00
(1) 1" INNERDUCT & (1) 4 CELL MICRODUCT	219	\$4.30	0		\$941.70
(1) 1" INNERDUCT & (1) 4 CELL MICRODUCT & (1) 7 CELL MICRODUCT	5875	\$7.00	-6	\$7.00	\$41,083.00
(1) 1" INNERDUCT & (1) 7 CELL MICRODUCT	2380	\$4.70	0		\$11,186.00

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(1) 1.25" INNERDUCT	3487	\$3.00	+276	\$4.37*	\$11,667.12
(1) 1.25" INNERDUCT & (1) 1" INNERDUCT	1425	\$5.25	+143	\$4.69*	\$8,151.92
(1) 1.25" INNERDUCT & (1) 1" INNERDUCT & (1) 4 CELL MICRODUCT	64	\$5.98	0		\$382.72
(1) 1.25" INNERDUCT & (1) 1" INNERDUCT & (2) 0.75" INNERDUCTS	683	\$4.50	0		\$3,073.50
(1) 1.25" INNERDUCT & (1) 4CELL MICRODUCT	338	\$4.30	+202	\$4.30	\$2,322.00
(1) 1.25" INNERDUCT & (1) 4 CELL MICRODUCT & (1) 7 CELL MICRODUCT	11445	\$6.51	+4086	\$7.33*	\$104,461.72
(1) 1.25" INNERDUCT & (1) 7 CELL MICRODUCT	336	\$4.70	0		\$1,579.20
(1) 1.25" INNERDUCT & (2) 0.75" INNERDUCTS	1154	\$7.00	0		\$8,078.00
(1) 1.25" INNERDUCT & (2) 1" INNERDUCTS	3699	\$7.00	+197	\$7.00	\$27,272.00
(1) 1.25" INNERDUCT & (2) 4 CELL MICRODUCTS	546	\$6.22	0		\$3,396.12
(1) 1.25" INNERDUCT & (3) 1" INNERDUCTS	6834	\$7.27	0		\$49,683.18
(1) 1.5" INNERDUCT	943	\$3.50	-339	\$3.50	\$2,114.00
(1) 1.5" INNERDUCT & (1) 1" INNERDUCT	343	\$4.00	0		\$1,372.00
(1) 1.5" INNERDUCT & (1) 1" INNERDUCT & (1) 7 CELL MICRODUCT	147	\$5.00	0		\$735.00
(1) 1.5" INNERDUCT & (1) 1" INNERDUCT & (2) 0.75" INNERDUCTS	481	\$5.00	0		\$2,405.00
(1) 1.5" INNERDUCT & (1) 2 CELL (1.25")	349	\$9.00	0		\$3,141.00
(1) 1.5" INNERDUCT & (2) 0.75" INNERDUCTS	3524	\$4.00	-1044	\$4.00	\$9,920.00
(1) 1.5" INNERDUCT & (2) 1" INNERDUCTS	3466	\$4.50	-243	\$4.50	\$14,503.50
(1) 1.5" INNERDUCT & (2) 1" INNERDUCTS & (2) 0.75" INNERDUCTS	39	\$5.00	0		\$195.00
(1) 1.5" INNERDUCT & (3) 1" INNERDUCTS	990	\$4.50	0		\$4,455.00
(1) 2" INNERDUCT	2850	\$3.00	-1363	\$3.00	\$4,461.00
(1) 2" INNERDUCT & (1) 1.5" INNERDUCT	168	\$8.00	0		\$1,344.00
(1) 2 CELL (1.25") INNERDUCT	1018	\$6.00	0		\$6,108.00
(1) 2 CELL (1.25") INNERDUCT & (1) 1" INNERDUCT	481	\$9.00	0		\$4,329.00
(1) 2 CELL (1.25") INNERDUCT & (1) 1.25" INNERDUCT	3014	\$9.00	-250	\$9.00	\$24,876.00

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(1) 2 CELL (1.25") INNERDUCT & (1) 1.25" INNERDUCT & (1) 1" INNERDUCT			+46	\$13.00	\$598.00
(1) 2 CELL (1.25") INNERDUCT & (1) 2 CELL (1") INNERDUCT	10	\$11.00	0		\$110.00
(1) 2 CELL (1.25") INNERDUCT & (1) 2 CELL (1") INNERDUCT & (1) 1" INNERDUCT			+144	\$14.00	\$2,016.00
(1) 2 CELL (1.25") INNERDUCT & (1) 3 CELL (1") INNERDUCT	76739	\$11.00	-307	\$11.00	\$840,752.00
(1) 2 CELL (1.25") INNERDUCT & (2) 1" INNERDUCTS	564	\$9.50	0		\$5,358.00
(1) 2 CELL (1.25") INNERDUCT & (2) 1.25" INNERDUCTS			+250	\$9.50	\$2,375.00
(1) 2 CELL (1.25") INNERDUCT & (3) 3 CELL (1") INNERDUCTS	294	\$24.00	0		\$7,056.00
(1) 3 CELL (1") INNERDUCT	3340	\$5.50	-168	\$5.50	\$17,446.00
(1) 3 CELL (1") INNERDUCT & (1) 1" INNERDUCT	1954	\$6.50	0		\$12,701.00
(1) 3 CELL (1") INNERDUCT & (1) 2 CELL (1") INNERDUCT	190	\$11.00	0		\$2,090.00
(1) 3 CELL (1") INNERDUCT & (2) 1" INNERDUCTS	701	\$10.50	0		\$7,360.50
(1) 3 CELL (1") INNERDUCT & (3) 1" INNERDUCTS	638	\$11.00	0		\$7,018.00
(1) 4 CELL MICORDUCT	4832	\$5.72	+42	\$5.91*	\$27,887.26
(1) 4 CELL MICORDUCT & (1) 7 CELL MICRODUCT	11283	\$6.89	+32736	\$7.61*	\$326,860.83
(1) 7 CELL MICRODUCT	3718	\$5.07	+695	\$5.54*	\$22,700.56
(1) 7 CELL MICRODUCT & (1) 1 MICRODUCT	1300	\$6.65	0		\$8,645.00
(1) 7 CELL MICRODUCT 18MM	1036	\$5.50	0		\$5,698.00
(1) MICRODUCT	1392	\$0.50	0		\$696.00
(2) 1" INNERDUCT	6578	\$3.57	+58	\$4.64*	\$23,752.58
(2) 1" INNERDUCTS & (1) 7 CELL MICRODUCT	604	\$5.00	0		\$3,020.00
(2) 1.25" INNERDUCTS	695	\$4.00	+5	\$4.00	\$2,800.00
(2) 1.25" INNERDUCTS & (1) 1" INNERDUCT	373	\$4.82	+396	\$4.82	\$3,706.58

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(2) 1.25" INNERDUCTS & (1) 7 CELL MICRODUCT	454	\$5.65	+20	\$5.65	\$2,678.10
(2) 1.25" INNERDUCTS & (2) 1" INNERDUCTS	33389	\$6.52	+2452	\$9.38*	\$240,696.04
(2) 1.25" INNERDUCTS & (3) 1" INNERDUCTS	2976	\$6.50	+104	\$6.50	\$20,020.00
(2) 1.25" INNERDUCTS & MAXCELL	8	\$7.00	0		\$56.00
(2) 1.5" INNERDUCTS & (1) 0.75" INNERDUCT	319	\$3.50	-319	\$3.50	\$0.00
(2) 1.5" INNERDUCTS & (1) 1" INNERDUCT	112	\$4.00	0		\$448.00
(2) 1.5" INNERDUCTS & (2) 1" INNERDUCTS	2071	\$5.00	-277	\$5.00	\$8,970.00
(2) 1.5" INNERDUCTS & (3) 1" INNERDUCTS	331	\$5.42	0		\$1,794.02
(2) 2" INNERDUCTS	233	\$5.00	0		\$1,165.00
(2) 2 CELL (1.25") INNERDUCTS	46842	\$11.00	-900	\$11.00	\$505,362.00
(2) 3 CELL (1") INNERDUCTS	90635	\$11.00	-120	\$11.00	\$995,665.00
(2) 3 CELL (1") INNERDUCTS & (1) 1" INNERDUCT	1129	\$12.00	-170	\$12.00	\$11,508.00
(2) 2 CELL (1.25") INNERDUCTS & (1) 3 CELL INNERDUCT			+66	\$16.00	\$1,056.00
(2) 4 CELL MICRODUCT	109	\$6.38	0		\$695.42
(3) 1" INNERDUCTS	16806	\$5.29	-2109	\$5.29	\$77,747.13
(3) 1.25" INNERDUCTS	5759	\$5.44	0		\$31,328.96
(3) 1.25" INNERDUCTS & (1) 1" INNERDUCT	705	\$6.00	0		\$4,230.00
(3) 1.5" INNERDUCTS	371	\$4.50	0		\$1,669.50
(3) 2 CELL (1.25") INNERDUCTS	294	\$18.00	+144	\$18.00	\$7,884.00
(3) 2 CELL (1.25") INNERDUCTS & (2) 1" INNERDUCTS	52	\$19.00	0		\$988.00
(3) 2 CELL (1.25") INNERDUCTS & (5) 1" INNERDUCTS	715	\$23.00	0		\$16,445.00
(3) 2 CELL (1.25") INNERDUCTS & (6) 1" INNERDUCTS	1725	\$24.00	0		\$41,400.00
(4) 1" INNERDUCTS	24769	\$5.99	-76	\$5.99	\$147,911.07
(4) 1" INNERDUCTS & (2) MICRODUCTS	226	\$7.00	0		\$1,582.00
(4) 1.25" INNERDUCTS	4883	\$6.00	0		\$29,298.00
(5) 1" INNERDUCTS	4551	\$6.50	-27	\$6.50	\$29,406.00
(6) 1" INNERDUCTS	1000	\$7.00	0		\$7,000.00
MAXCELL	448	\$6.00	0		\$2,688.00

TOTAL INVENTORY INNERDUCT

\$3,883,764

8.2.5. Duct System Inventory Summation

The inventory of the Duct infrastructure consists of the following infrastructure categories:

MANHOLES & 4x4 HANDHOLES	\$18,475,000
DUCT BANKS	\$12,725,588
DUCT TO RISERS	\$351,548
DUCT FOR BUILDING ENTRIES	\$799,451
INNERDUCT	\$3,883,764
 TOTAL DUCT INFRASTRUCTURE	 \$36,235,351

9. SUPPORTING DATA

9.1. Poles: Administrative Costs

NO.	DESCRIPTION	AMOUNT
7020	PERMANENT EMPLOYEES	\$122,165.07
7025	ACTING ASSIGNMENT	\$0.00
7055	TIME AND ONE-HALF	\$14,001.65
7105	EMPLOYERS SOCIAL SECURITY (FICA)	\$10,516.94
7110	HOSPITALIZATION INSURANCE	\$24,297.01
7115	RETIREE HEALTH CARE	\$9,711.91
7120	RETIREMENT FUND CONTRIBUTION	\$26,752.95
7135	UNEMPLOYMENT COMPENSATION	\$163.10
7150	LONGEVITY PAY	\$0.00
7165	SHIFT DIFFERENTIAL	\$0.00
	TOTAL PERSONNEL SERVICES	\$207,608.63
7520	SUPPLIES	\$8,055.82
7670	CLOTHING	\$0.00
8510	POSTAGE	\$829.83
	TOTAL SUPPLIES	\$8,885.65
8010	CONTRACTUAL SERVICES	\$192,969.91
8180	CONTRACTUAL SERVICES	\$0.00
8355	CLAIMS	\$0.00

8400	INSURANCE PREMIUMS	\$1,337.38
8450	CLAIMS ("INSURANCE PREMIUMS")	\$6,502.60
8500	TELEPHONE	\$1,178.21
9110	OTHER TRAVEL & TRAINING	\$126.75
9130	LOCAL BUSINESS EXPENSE	\$0.00
9150	MEMBERSHIPS	\$146.25
9300	MAINTENANCE SERVICE	\$0.00
9340	MAINTENANCE REPAIR	\$0.00
9410	BUILDING RENTALS OR LEASE	\$0.00
9430	BUILDING RENTAL	\$0.00
9440	VEHICLE USAGE/CAR MILEAGE	\$0.00
9470	VEHICLE RENTAL/CAR MILEAGE	\$780.00
9450	311 CALL CENTER SERVICES	\$0.00
9480	COMPUTER SERVICES	\$30,622.80
9650	BAD DEBT WRITE-OFFS	\$0.00
TOTAL OTHER SERVICES & CHARGES		\$233,663.89

GRAND TOTAL		\$450,158.18
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9.2. Poles: Maintenance Costs

NO.	DESCRIPTION	AMOUNT
7020	PERMANENT EMPLOYEES	\$181,277.20
7025	ACTING ASSIGNMENT	\$317.13
7055	TIME AND ONE-HALF	\$37,527.67
7105	EMPLOYERS SOCIAL SECURITY (FICA)	\$16,913.84
7110	HOSPITALIZATION INSURANCE	\$41,905.51
7115	RETIREE HEALTH CARE	\$14,435.20
7120	RETIREMENT FUND CONTRIBUTION	\$39,707.01
7135	UNEMPLOYMENT COMPENSATION	\$242.02
7150	LONGEVITY PAY	\$0.00
7165	SHIFT DIFFERENTIAL	\$7.04
TOTAL PERSONNEL SERVICES		\$332,332.62
7520	SUPPLIES	\$0.00
7670	CLOTHING	\$5,759.19
8510	POSTAGE	\$0.00

TOTAL SUPPLIES		\$5,759.19
8010	CONTRACTUAL SERVICES	\$0.00
8180	CONTRACTUAL SERVICES	\$0.00
8355	CLAIMS	\$0.00
8400	INSURANCE PREMIUMS	\$0.00
8450	CLAIMS ("INSURANCE PREMIUMS")	\$6,502.60
8500	TELEPHONE	\$1,562.48
9110	OTHER TRAVEL & TRAINING	\$0.00
9130	LOCAL BUSINESS EXPENSE	\$0.00
9150	MEMBERSHIPS	\$0.00
9300	MAINTENANCE SERVICE	\$0.00
9340	MAINTENANCE REPAIR	\$0.00
9410	BUILDING RENTALS OR LEASE	\$3,108.53
9430	BUILDING RENTAL	\$0.00
9440	VEHICLE USAGE/CAR MILEAGE	\$80,961.67
9470	VEHICLE RENTAL/CAR MILEAGE	\$0.00
9450	311 CALL CENTER SERVICES	\$0.00
9480	COMPUTER SERVICES	\$0.00
9650	BAD DEBT WRITE-OFFS	\$0.00
TOTAL OTHER SERVICES & CHARGES		\$92,135.29
9760	EQUIPMENT	\$15,401.75
9880	CONSTRUCTION IN PROGRESS	\$542,110.49
TOTAL CAPITAL EXPENDITURES		\$557,512.24
GRAND TOTAL		\$987,739.33

9.3. Duct: Administrative Costs

NO.	DESCRIPTION	AMOUNT
7020	PERMANENT EMPLOYEES	\$65,680.15
7025	ACTING ASSIGNMENT	\$0.00
7055	TIME AND ONE-HALF	\$7,489.25
7105	EMPLOYERS SOCIAL SECURITY (FICA)	\$5,637.95
7110	HOSPITALIZATION INSURANCE	\$13,104.00
7115	RETIREE HEALTH CARE	\$5,253.99

7120	RETIREMENT FUND CONTRIBUTION	\$14,362.11
7135	UNEMPLOYMENT COMPENSATION	\$87.69
7150	LONGEVITY PAY	\$0.00
7165	SHIFT DIFFERENTIAL	\$0.00
TOTAL PERSONNEL SERVICES		\$111,615.14
7520	SUPPLIES	\$4,264.85
7670	CLOTHING	\$0.00
8510	POSTAGE	\$446.83
TOTAL SUPPLIES		\$4,711.68
8010	CONTRACTUAL SERVICES	\$103,782.14
8180	CONTRACTUAL SERVICES	\$0.00
8355	CLAIMS	\$0.00
8400	INSURANCE PREMIUMS	\$720.13
8450	CLAIMS ("INSURANCE PREMIUMS")	\$3,501.40
8500	TELEPHONE	\$634.42
9110	OTHER TRAVEL & TRAINING	\$68.25
9130	LOCAL BUSINESS EXPENSE	\$0.00
9150	MEMBERSHIPS	\$78.75
9300	MAINTENANCE SERVICE	\$0.00
9340	MAINTENANCE REPAIR	\$0.00
9410	BUILDING RENTALS OR LEASE	\$0.00
9430	BUILDING RENTAL	\$0.00
9440	VEHICLE USAGE/CAR MILEAGE	\$0.00
9470	VEHICLE RENTAL/CAR MILEAGE	\$420.00
9450	311 CALL CENTER SERVICES	\$0.00
9480	COMPUTER SERVICES	\$16,489.20
9650	BAD DEBT WRITE-OFFS	\$0.00
TOTAL OTHER SERVICES & CHARGES		\$125,694.28
GRAND TOTAL		\$242,021.10

9.4. Duct: Maintenance Costs

NO.	DESCRIPTION	AMOUNT
7020	PERMANENT EMPLOYEES	\$97,206.62

7025	ACTING ASSIGNMENT	\$228.86
7055	TIME AND ONE-HALF	\$20,188.42
7105	EMPLOYERS SOCIAL SECURITY (FICA)	\$9,107.45
7110	HOSPITALIZATION INSURANCE	\$22,522.50
7115	RETIREE HEALTH CARE	\$7,801.37
7120	RETIREMENT FUND CONTRIBUTION	\$21,402.36
7135	UNEMPLOYMENT COMPENSATION	\$308.67
7150	LONGEVITY PAY	\$0.00
7165	SHIFT DIFFERENTIAL	\$3.79
TOTAL PERSONNEL SERVICES		\$178,770.04
7520	SUPPLIES	\$0.00
7670	CLOTHING	\$3,101.10
8510	POSTAGE	\$0.00
TOTAL SUPPLIES		\$3,101.10
8010	CONTRACTUAL SERVICES	\$0.00
8180	CONTRACTUAL SERVICES	\$0.00
8355	CLAIMS	\$0.00
8400	INSURANCE PREMIUMS	\$0.00
8450	CLAIMS ("INSURANCE PREMIUMS")	\$3,501.40
8500	TELEPHONE	\$841.06
9110	OTHER TRAVEL & TRAINING	\$0.00
9130	LOCAL BUSINESS EXPENSE	\$0.00
9150	MEMBERSHIPS	\$0.00
9300	MAINTENANCE SERVICE	\$0.00
9340	MAINTENANCE REPAIR	\$0.00
9410	BUILDING RENTALS OR LEASE	\$1,673.82
9430	BUILDING RENTAL	\$0.00
9440	VEHICLE USAGE/CAR MILEAGE	\$43,633.55
9470	VEHICLE RENTAL/CAR MILEAGE	\$0.00
9450	311 CALL CENTER SERVICES	\$0.00
9480	COMPUTER SERVICES	\$0.00
9650	BAD DEBT WRITE-OFFS	\$0.00
TOTAL OTHER SERVICES & CHARGES		\$49,649.83
9760	EQUIPMENT	\$8,293.25
9880	CONSTRUCTION IN PROGRESS	\$291,905.65

Pole Line and Duct System Rate Study | 2021

TOTAL CAPITAL EXPENDITURES **\$300,198.90**

GRAND TOTAL **\$531,719.88**

9.5. Bond Costs

At the April 5, 1977, committee of the whole meeting, the city commission decided the level of return on water system equity. The level decided upon was one percent more than the average bond buyer's index of municipal bonds for the previous twelve month period.

Bond buyer's index of 20 municipal bonds average for FY2020 was 2.454%

9.6. City Duct Costs Averaging Comprised Over Last 5 Years

PROJECT	DUCT CONFIGURATION BUILT ON THIS PROJECT	CONFIGURATION COST PER FOOT	ONE DUCT PER FOOT COST	AVERAGE PER FOOT COST PER PROJECT	MANHOLE WITH PACKAGE COST	4x4 HANDHOLE WITH PACKAGE COST	INNER- DUCT PER FOOT COST
Bridge - Winter to Summer (FY16)	(10) 4" CE (6) 4" CE (1) 4" DB	\$86.00 \$76.00 \$19.00	\$8.60 \$12.67 \$19.00	\$13.42			\$10.00
Bostwick - Lyon to Crescent & State - Jefferson to Lafayette (FY16)	(6) 4" CE (1) 4" DB	\$45.00 \$8.00	\$7.50 \$8.00	\$7.75	\$8,250.00		\$7.10
Mason - Bond to Division (FY17)	(1) 4" DB	\$24.48	\$24.48	\$24.48			
Monroe - Sweet to Palmer (FY17)	(1) 4" DB	\$24.48	\$24.48	\$24.48			
Misc. Innerduct Install (FY17)							\$4.14
Sheldon (FY18)	(16) 4" CE	\$150.00	\$9.38	\$9.38	\$19,310.00		
Lafayette & Hastings (FY18)	(2) 4" DB	\$25.00	\$12.50	\$12.50		\$6,350.00	\$15.00
Newberry (FY18)	(1) 4" DB (2) 4" DB (4) 4" DB (6) 4" CE (8) 4" CE (16) 4" CE	\$11.75 \$16.00 \$21.00 \$74.00 \$78.00 \$135.00	\$11.75 \$8.00 \$5.25 \$12.33 \$9.75 \$8.44	\$9.25	\$12,850.00	\$7,300.00	
Weston (FY18)	(9) 4" CE	\$89.25	\$89.25	\$89.25			
Misc. Innerduct Install (FY18)							\$5.35
Division - Wealthy to Cherry (FY19)	(1) 4" DB (1) 4" CE (4) 4" CE (8) 4" CE	\$19.00 \$37.40 \$118.05 \$126.80	\$19.00 \$37.40 \$29.51 \$15.85	\$23.59	\$18,580.00		\$11.00

	(9) 4" CE	\$145.80	\$16.20				
Overhead Primary Relocation (FY20)	(4) 4" CE	\$247.86	\$61.97	\$61.97	\$26,375.00		
Circuit West (FY20)	(4) 4" DB	\$37.00	\$9.25	\$12.88	\$16,200.00	\$6,800.00	\$11.50
	(4) 4" CE	\$67.00	\$16.75				
	(6) 4" CE	\$72.00	\$12.00				
	(10) 4" CE	\$135.00	\$13.50				
Ottawa - Faibanks to Coldbrook (FY20)	(1) 4" DB	\$21.75	\$21.75	\$16.14	\$20,830.00		\$12.00
	(9) 4" CE	\$131.15	\$14.57				
	(16) 4" CE	\$193.55	\$12.10				
Five Year Average Cost				\$25.42	\$17,485.00	\$6,816.67	\$9.51

10. NET LINEAR COST OF DUCT CALCULATION

The cost for one linear foot of 4" duct is calculated using the cost averages prepared for FY2021. (See the CITY DUCT COST AVERAGE Section 9.6; this cost average is updated every five years.) In the preparation of this cost, the construction costs associated with the building of the duct, the manholes and handholes associated with the duct, the engineering, and the innerduct placed in the duct are incorporated in this foot.

There are 246,272 linear feet of duct, 919 manholes, and 353 handholes. By dividing the 919 manholes into the linear feet of duct, we obtain the average footage between manholes of 268 feet. By dividing the 353 handholes into the linear feet of duct, we obtain the average footage between handholes of 698 feet.

The average cost of a manhole with the hardware package that resides within it is \$17,485.00. A typical manhole is shared by both the electrical and communications systems. The current utilization of the conduit system not owned by ELC is 65.7%, therefore the cost of the manhole is to be associated with communications, resulting in a cost of \$11,489.93 for each manhole. With an average footage between manholes of 268 feet, we find the cost of the manhole distributed over the 268 feet to be \$42.88 per foot.

The average cost of a handhole with the hardware package that resides within it is \$6,816.67. A typical manhole is shared by the electrical, traffic signal and communications systems. The current utilization of the conduit system associated with the handholes that is not owned by ELC is 78.2%, therefore the cost of the handhole is to be associated with communications, resulting in a cost of \$5,331.77. With an average footage between handholes of 698 feet, we find the cost of the handhole distributed over the 698 feet to be \$7.64 per foot.

The resultant net cost of construction of a 4" duct with manholes, handholes, and innerduct is the summation of the duct per foot cost (\$25.42 from Section 9.6) plus the manhole cost per duct foot (\$42.88), plus the handhole cost per duct foot (\$7.64) resulting in a total cost of \$75.94 for a

4" duct. For conduits that innerduct, the innerduct per foot cost (\$9.51) is added resulting in a total cost of \$85.45.

Engineering associated with the construction costs averages 15% of the construction cost. This includes both design phase services and construction phase services.

In summary the total linear cost for a 4" duct with manholes, handholes, innerduct, and engineering is:

Total Cost of 4" Conduit	\$75.94
Engineering costs (15%)	\$11.39
Net linear costs for 4" duct	\$87.33/foot
Total Cost of 4" Conduit with Innerduct	\$85.45
Engineering costs (15%)	\$12.82
Net linear costs for 4" duct with Innerduct	\$98.27/foot

11. SUMMARY

In the interest of complying with the "Pole Line and Duct System" utility ordinance that was established in July of 2011, this Pole Line and Duct System Rate Study was completed to establish the User fees for use of its assets. Previously the City recognized that it had allowed system users to occupy these facilities with little or no fees, which was inconsistent with the standard operations of other similar utility providers. This System has value to Users because it allows them access throughout the City without digging in the roadways for their own infrastructure, or obtaining private utility easements. Where the duct system is not accessible, the City's pole line system is usually available for pole attachments by System Users. System users, as described in this report include institutions, governmental agencies, communication companies, utilities, and others.

This study considered the City's costs of construction, depreciation, maintenance, administration, and return on investment in determining these proposed User fees. These fees were developed based on the guidelines prepared by the Federal Communication Commission (FCC) and the Michigan Public Service Commission (MPSC). These guidelines were used to help establish a reasonable "market" rate as it governs many other providers of similar services in Michigan. As a result, the proposed User fees for the City have been determined, for the most part, to be in line with user rates charged by similar utilities in Michigan.

The study demonstrated the methodologies for calculating the rates, comparing market rates, and proposing Grand Rapids User fees. As a result of studying the actual applicable costs, while comparing these costs to the overall industry rates, this study recommends the adoption of the following User fees for FY2021:

12. USER FEE SCHEDULE

Pole Line &	Description	Rate	Unit
Duct System	Pole Attachment	\$3.74	Per pole
	Full 4" Duct	\$6.63	Per foot
	1.25" Duct	\$1.86	Per foot
	1" Duct	\$1.25	Per foot
	14mm Duct	\$0.62	Per foot
	10mm Duct	\$0.36	Per foot
Micro-Cells	Pole Type		
	Fiberglass	\$1,242.22	Per Pole
	Ornamental	\$2,226.48	Per Pole
	Square Tapered Steel	\$888.41	Per Pole
	Wood	\$368.21	Per Pole

The Tenant shall pay to the City a user fee for use of the pole attachment and duct system in the amount established in the rate study schedule. If the Tenant fails to pay any user fees within 30 days of the invoice shall be assess 2% and late fee of \$38.00. The fee schedule pursuant to this paragraph is listed above. Listed below is the current user.

13. SMALL-CELL WIRELESS FACILITY POLICY

See City ordinance 2019-26 for requirements.

Any tenant requesting attachment to City Poles must meet the following requirements:

- The Nonexclusive Micro-Cell License Contract must be signed before any Placement Permit Application can be submitted.
- Completion of the Placement Permit Application. (See Exhibit A)
- All fees must be paid in full before issuance of permit(s). Outstanding payment will delay the issuance of permit(s).
- Annual pole attachment fees will be pro-rated for the first year.

14. EXHIBIT A – SMALL-CELL PLACEMENT PERMIT APPLICATION



SMALL-CELL PLACEMENT PERMIT APPLICATION INSTRUCTIONS AND PROCEDURES

Licensee Responsibility

1. The licensee is responsible to perform an engineering analysis to determine the placement of the attachment on the pole, in accordance with the provisions of the National Electrical Safety Code (NESC).
2. The licensee, if necessary, must make arrangements with the other attachment owners to move/transfer their facilities in order to meet the NESC requirements.
3. Licensee must mark the small-cell equipment with Licensee's name and provide a toll-free number to call for assistance. The markings shall be large enough to be read from the ground.

Instructions, Required Documents and Fees

1. **Application and Permit:** Prepare and submit small-cell application and permit proposals prior to performing any work on the City's poles. Please register online by going to <https://inspections.grcity.us/citizenaccess/>.
 - a. Fully complete the Business Information.
 - b. Fully complete the Contractor Information.
2. **Proposal Plan:**
 - a. Site plan/location
 - b. Define the equipment to be placed, including the size, color, design, identifying tags, equipment manufacturer, equipment specification, etc.
 - c. Describe how the equipment will be affixed to the City Property.
 - d. Describe the manner in which power and any other needed services will be provided to the small-cell equipment, including any wiring, duct or conduit to be used.
 - e. Provide photographs of the proposed equipment.
 - f. Provide drawing(s) detailing the placement of the equipment with details on powering, communication back feed, and means of affixing the equipment and associated components.
 - g. Sign the completed application prior to submittal.
3. **Approval Process:**
 - a. Energy, Lighting, and Communications Department will review the completed application materials and provide for reviews by other City staff. Incomplete applications will receive notification within 25 calendar days.
 - b. Within 60 business days of receipt of a fully completed application, the Energy, Lighting, and Communications Department will issue a placement permit.

- c. All small-cell equipment shall be placed, installed, operated, maintained, repaired, replaced, and improved only as provided in the placement permit.
- d. Licensee shall provide as-built drawings to the City promptly after completion of each installation. Any deviation from any requirement in a placement permit shall breach the Contract.

4. Fees:

- a. Pole Inspection Evaluation Fees (\$55 per pole)
- b. Placement Permit Application Fees (\$150 per permit)
- c. Pole inspection evaluation and placement permit application fees are nonrefundable and nontransferable.
- d. Annual license fee: see your ***Non-Exclusive Micro-Cell License Contract***
- e. Annual pole attachment fee based on type: see ***User Fee Schedule section 12***

15. EXHIBIT B – LIST OF SYSTEM USERS

Current User List		
123.NET		Interurban Transit Partnership
ACD.Net		Kent County
Amway		KLA Labs
Arnies		Lightspeed
AT&T		MDIT
Borgess Health		MDOT
CenturyLink		Merit
Comcast		Metro Health
Display Pack		Mobilitie
Everstream		Peninsula Fiber Network
Flexco		RDV
Fiber Tech		Spectrum Health
First United Methodist Church		TDS Metrocom
FSU/Kendall		Telnet
GR IT		Trinity Health
GR Parking		US Signal
GR Parks & Recreation		Van Andel Institute
GR Traffic Safety		VanEerdn
GR Water		Verizon
Grand Bank		Windstream
GRCC		Zayo
GVSU		

Current Small-Cell License List	
Verizon	Mobilitie
A&T	Zayo

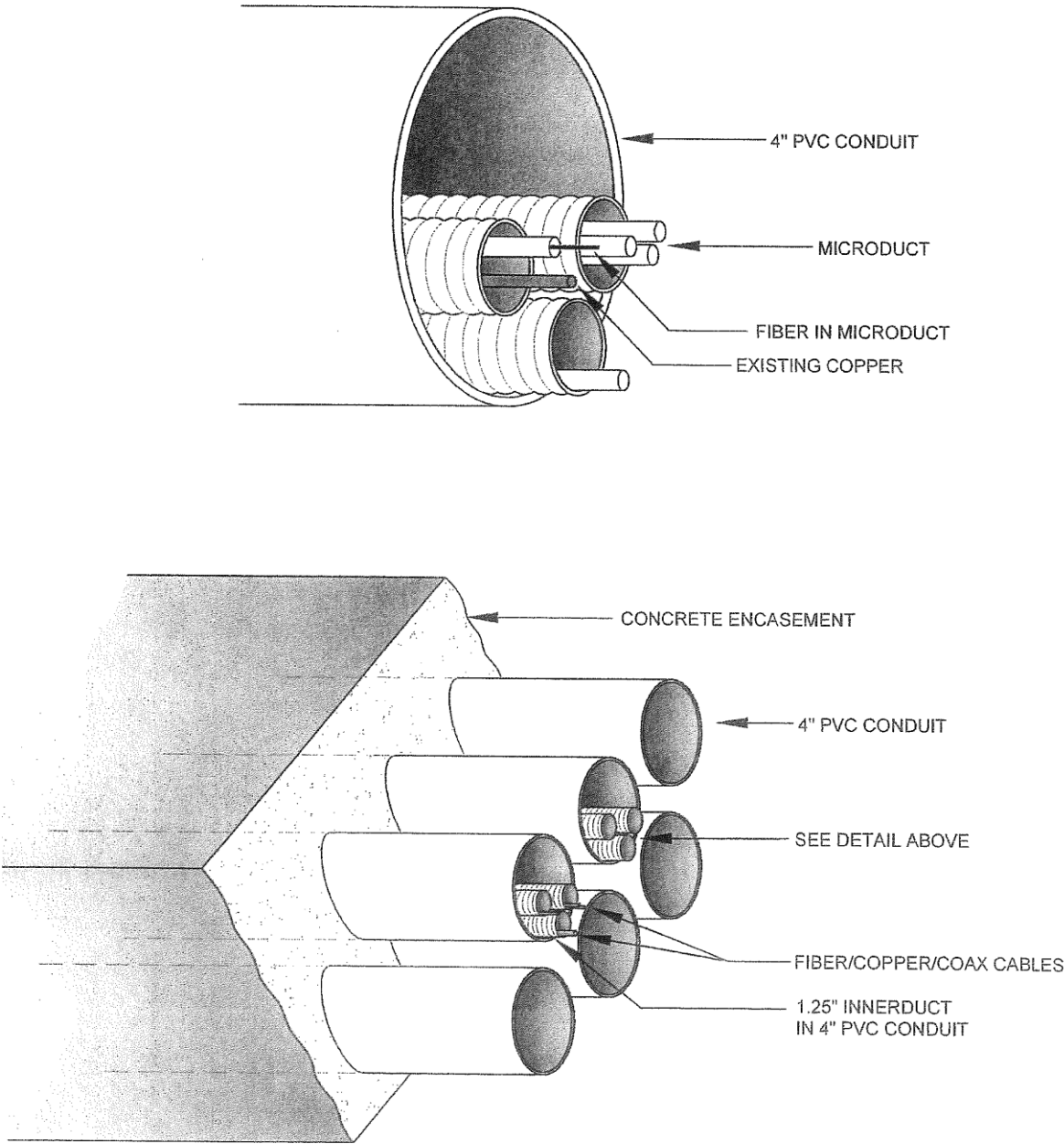
16. DRAWINGS

D1 Duct Bank Detail

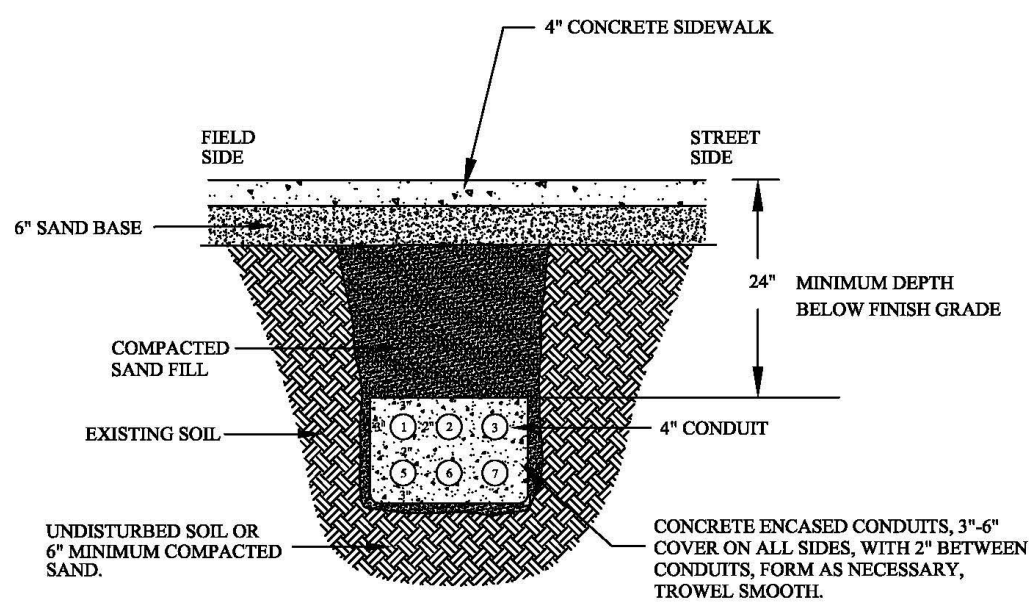
D2 Duct Bank Section

D3 Wood Pole with Cobra Head Luminaire

D1 Duct Bank Detail

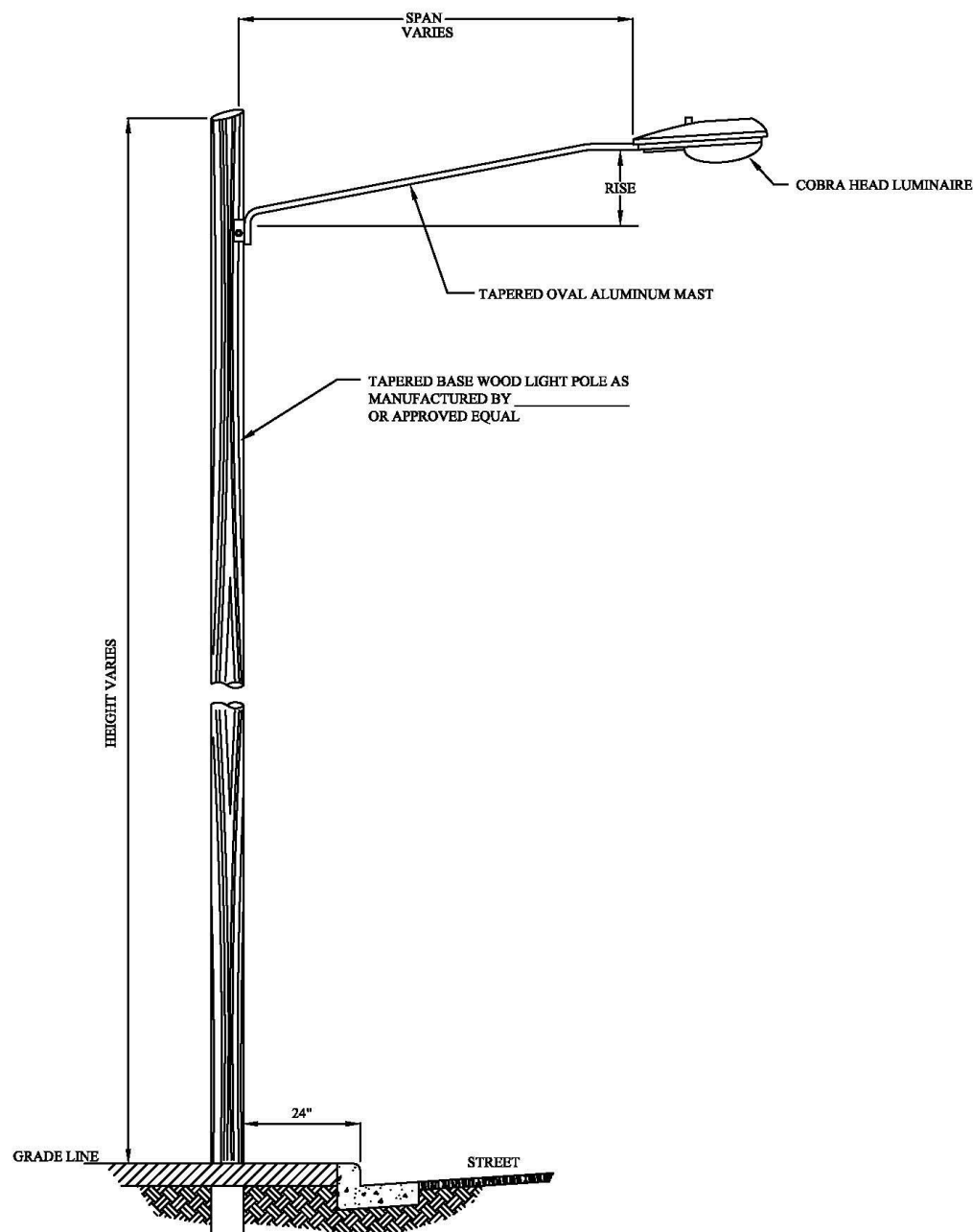


D2 *Duct Bank Section*



DUCT BANK SECTION
(SHOWN UNDER SIDEWALK)

D3 Wood Pole with Cobra Head Luminaire



WOOD POLE WITH COBRA HEAD LUMINAIRE
NOT TO SCALE

17. INFRASTRUCTURE PHOTOGRAPHS

- P1 Wood Pole with Cobra Head Luminaire*
- P2 Typical Pole Attachment*
- P3 Duct Installation in Ann Street Bridge*
- P4 Duct Installation in Division Avenue & Buckley Street*
- P5 Duct alongside Storm Sewer under US131*
- P6 Duct Installation in Wealthy Street*
- P7 Manhole Interior 1*
- P8 Manhole Interior 2*
- P9 Manhole Interior Access 1*
- P10 Manhole Interior Access 2*
- P11 Duct Riser*

P1 Wood Pole with Cobra Head Luminaire



P2 Typical Pole Attachment



P3 *Duct Installation in Ann Street Bridge*



P4 *Duct Installation in Division Avenue & Buckley Street*



P5 *Duct alongside Storm Sewer under US131*



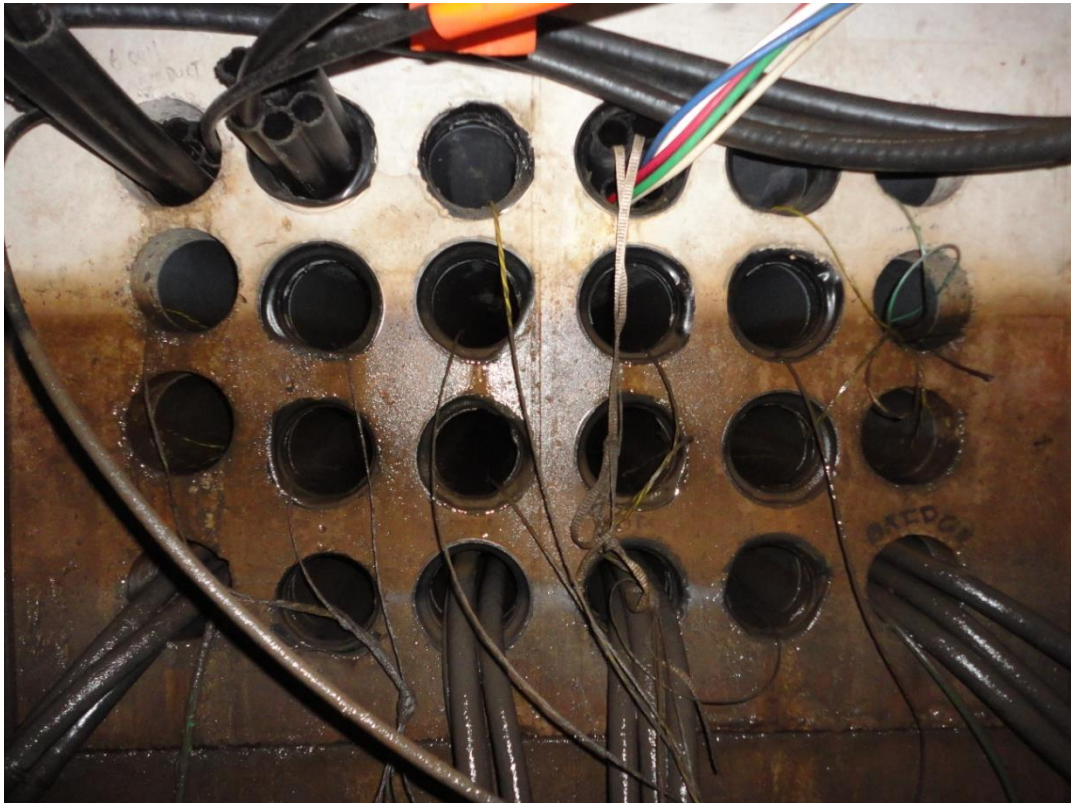
P6 *Duct Installation in Wealthy Street*



P7 **Manhole Interior 1**



P8 **Manhole Interior 2**



P9 Manhole Interior Access 1



P10 Manhole Interior Access 2



P11 Duct Riser



CITY OF GRAND RAPIDS ENERGY, LIGHTING AND COMMUNICATIONS MANHOLE RACKING POLICY

The placement of cabling through the City conduit/manhole system requires that users adhere to industry standards in the installation of those cables within the system. Inspections by the City will consist of review of the following items for compliance:

- Cable enters the manhole and is directed to the sidewalls for racking on the stanchions within the manhole. Attachment to the stanchions will be made by tie wraps or straps that securely hold the cable in place.
- Cable shall have a label on it that identifies the facility owner, what type of cable it is, and the telephone number of the facility owner.
- Cable shall not cross over or impede the moving of any other cable within the manhole system. Slack coils and splice cases shall be neatly tied back to the walls.
- No cable shall be lying on the floor of the manhole.
- Location of cables in the manholes will be based on function of the facility. Primary cables will be placed in the lowest level of the manhole, with secondary the next level up, and communications cables will be as high as practical in the manhole.
- Cables placed in inner duct shall use the smallest inner duct available for the size of cable that is being placed.

As defined in the permit issued for cable placement within the City Conduit System, as-built drawings reflecting the cable placement shall be sent to the City. A spot review of the installation, as reflected by the as-builts will be conducted. Any violation of the Manhole Racking Policy will be noted and a notice will be sent to the facility owner. The violation shall be corrected within thirty (30) days or the facility owner may be required to remove the cables, at the discretion of the City.