



Dark Fiber Rate Schedule: Proposed Rate Increase

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Dark Fiber System

- Installed cost: \$1.4 million
- fiber-pair miles of total capacity:
 - 2012: 1,705 fiber-pair miles
 - 2015: 1,836 fiber-pair miles
- Installed, Operated, & Maintained by Electric Utility
- Primary purpose to improve utility communications. Surplus provided to 3rd parties.
- Existing customers include PeaceHealth, Willamalane, School District, City of Springfield, IntegraTelecom

Revenues and Costs Over Time:

- Average Revenue/Benefits*: \$209K /yr
- Average Costs: \$162K /yr
- New services and infrastructure costs recovered through annual cost and revenue streams
- Net benefits (~\$40,000 per year) applied to recovery of initial capital investment

* Benefits include unbilled fiber used by SUB and currently donated fiber to the City and School District

Why A Proposed Increase?

- Existing Dark Fiber Rate was established in 2004, updated in 2007 and 2013, and included O&M cost component based on 2013 figures
- O&M projects and costs per project have increased
- Customers requesting single fiber option (versus fiber-pair)
- Costs are spread over “lit” fiber (not unused fiber) ~48% of the system is lit
- Slight increase in capital recovery component proposed

Summary of Changes

- Existing Monthly Rate:

- Capital Component: \$26.75/fiber-pair mile
- O&M Component: \$ 9.00/fiber-pair mile
- Total Monthly Rate \$35.75/fiber-pair mile

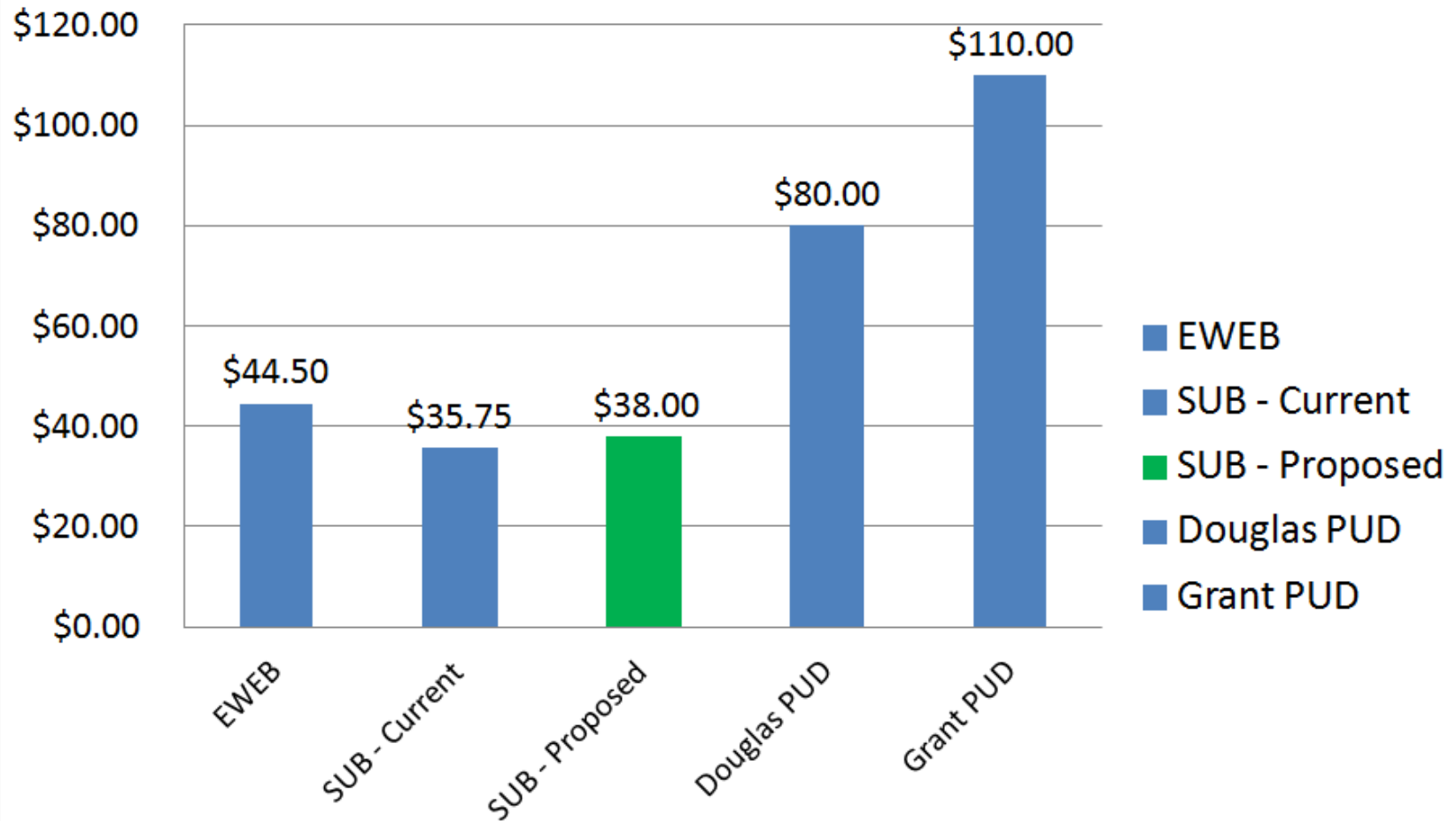
- Proposed Monthly Rates:

	Fiber-pair mile	Fiber strand mile	Wavelength mile
Capital Component	\$30.00	\$16.00	\$4.00
O&M Component	\$8.00	\$5.00	\$3.50
Total Monthly Rate	\$38.00	\$21.00	\$7.50

- Percent Increase (for fiber-pair mile): 5%

Dark Fiber Rate Comparison

Dark Fiber Rates - \$/Fiber-Pair mile



* CenturyLink based on IOF dark fiber, single strand rate of \$68.38

Questions/Board Action

- Questions?
- Subject to clarification and discussion from any public comments during the rate hearing, after the close of the rate hearing staff requests adoption of Resolution 2016-#