



HUNTSVILLE UTILITIES OPERATIONAL STANDARD

CEO Approval Date: 2/11/2019
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Standard #: OS-EO-10-30-001

Standard: Pole Attachments

Responsible Department/Title: Engineering/VP of Engineering/Financial Services/CFO

Purpose: To ensure consistent practice in the administration of pole attachments from identification and mapping, through billing and reporting compliance for adherence with City Ordinances and TVA regulations.

Engineering Responsibilities:

Engineering will have a designated Pole Attachment Coordinator who ensures all Engineering Department responsibilities are met and is the primary contact for internal and external parties.

The identification of attaching parties and compliance with contractual obligations for both joint use and single use pole relationships, will be the responsibility of Engineering.

Engineering will also be responsible for providing pole attachment counts by the attaching party to the Accounting Department for the purpose of invoicing the attaching parties, using rates provided by the Budget and Rates Department. This is to be done annually before January 31 for the count as of the previous December 31.

Engineering will ensure that Licensees are notified of adjustments to the rates as required in the Pole Attachment Agreement.

Accounting Responsibilities:

Accounting will be responsible for preparing the TVA annual report (with the exception of any pages related to pole attachments (currently page 36)) and notifying the Budget and Rates Department that the information presented in the annual report can be used for the completion of the TVA pole attachment template. TVA requires that the pole attachment template be submitted no later than fifteen days after the submission of the TVA annual report.

Accounting will also be responsible for the general ledger and plant records as they appear in the TVA annual report, which will subsequently be used by the Budget and Rates Department to complete the TVA pole attachment agreement. This would include gross electric plant and depreciation (TVA annual report page 1) and more specifically, FERC accounts 364, 365, 369, which are all related to poles. Also included in the pole attachment rate calculation are FERC expense account balances 593, 625, 935 and 408.1 which would also fall under the Accounting's responsibility for the general ledger.

Mapping Responsibilities:

Mapping will provide the number of poles as of June 30 of the current year to the Budget and Rates Department to be used to complete both the TVA annual report and the TVA pole attachment template. Mapping, Engineering and Operations should make an effort to maintain accurate pole records and maps, including attachment data, by performing pole audits, either internally or externally. The number of poles as of June 30 should be reported no later than July 31 of that year.



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Budget and Rates Responsibilities:

Budget and Rates will complete the portions of the TVA annual report related to attaching parties and pole counts and notify TVA and Accounting when it is submitted.

The Budget and Rates Department will complete and submit the required pole attachment template annually to TVA. Since Huntsville Utilities (HU) leases fiber, which is also a pole attachment in parts of the service area, the Budget and Rates Department will complete the Template 2 version of the pole attachment template. Until actual pole attachment information can be validated, the Budget and Rates Department will use the probability template provided by TVA to determine the number of average attaching parties. The Budget and Rates Department will serve as the point of contact with TVA, facilitate responses to any questions or requests from TVA in regards to the data provided, and will distribute the approval letter after TVA approves the rates. The Budget and Rates Department provides the pole rental fees to the Engineering Department no later than December 31 of each year in order to facilitate billing for the pole attachments.

The Budget and Rates Department will also complete the Broadband Fiber Allocation spreadsheet to determine the minimum pole attachment rate that can be charged for fiber lessees. Some inputs for this spreadsheet are taken from the pole attachment template, but the percentages of fiber used for electric purposes versus “broadband” purposes should be provided by the Engineering department. Certain fiber contracts in place at the time that TVA began regulating pole attachments are excluded from this requirement until renewal, but Engineering should work with legal counsel to adjust for this for any new lease contracts.

The Budget and Rates Department will work with TVPPA to obtain the joint use pole rates with AT&T. This is a contracted rate that is adjusted each year by the Handy-Whitman index and is communicated to all members of TVPPA for consistency in billing.

The Budget and Rates Department will perform analysis on the new rates to determine revenue impacts and reasonableness by comparing HU rate base with those of peer utilities within TVA that are willing to share their calculations. Any specific items that look concerning or unreasonable will be forwarded to the areas of responsibility indicated above for investigation.

CFO Responsibilities:

The CFO will review the approved billing rates and forward the rates and attachment data to the Accounting department for the annual billing. The CFO will be responsible for determining the billing cycle, which currently runs concurrent with the calendar year.

Original Issue Date: 2/12/19



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