

WELCOME TO CPS ENERGY

POLE ATTACHMENT STANDARDS WORKSHOP
FEBRUARY 17, 2016



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INTRODUCTIONS HOUSEKEEPING

MEETING PREP



- **Introductions**
- **Restrooms**
- **Evacuation / Staging**
- **Cell Phones**
- **Information Packets**



AGENDA REVIEW

TODAY'S AGENDA



Item #	Start	Topic	Presenter
1	9:30	Introductions / Housekeeping	B Bartos
2	9:45	Agenda Review	B Bartos
3	10:00	Welcome	Jelynn LeBlanc-Burley
4	10:20	CPS Energy Pole Attachment Services	B Bartos
5	10:45	Break	
6	11:00	Review of Pro Forma Pole Attachment Agreement	G Garcia
7	Noon	Lunch	
8	1:00	Review of Pole Attachment Standards	B Bartos
9	2:00	One-Touch Review	B Bartos
10	2:30	Timeline Review / Formal Comment Process	B Bartos
11	3:00	Impact on Attaching Entities	B Bartos / G Garcia
12	3:25	Questions	CPS Team
13	3:45	Final Wrap-Up / Adjourn	B Bartos

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AGENDA ITEM #3



WELCOME

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OPENING STATEMENT



**Jelynne LeBlanc-Burley,
Group Executive Vice President &
Chief Delivery Officer**



CPS ENERGY POLE ATTACHMENT SERVICES

**However beautiful the strategy,
you should occasionally look at
the results.**

--Winston Churchill



TODAY'S ENVIRONMENT



CPS Energy is experiencing a dramatic increase in the number of new and existing Attaching Entities requesting access to our poles

Technology is rapidly changing – “cable” is morphing into “telecom” and into “wireless”

Differences in varying Agreements

Recognition that our processes have not met our, or your needs—resulting in Unauthorized Attachments

RENEWED BUSINESS FOCUS



CPS Energy has undertaken a renewed focus on our pole attachment business. To that end, we have:

- Redefined & refocused our goals
- Documented & streamlined our processes

And we are working toward:

- Improving communications with our Attachers
- Renew & update all Attachment Agreements
- Diplomatically, but firmly, require compliance in program

Renewed Resource Focus...

Distribution Engineering

Pole Attachment Services

**Internal
Staff**

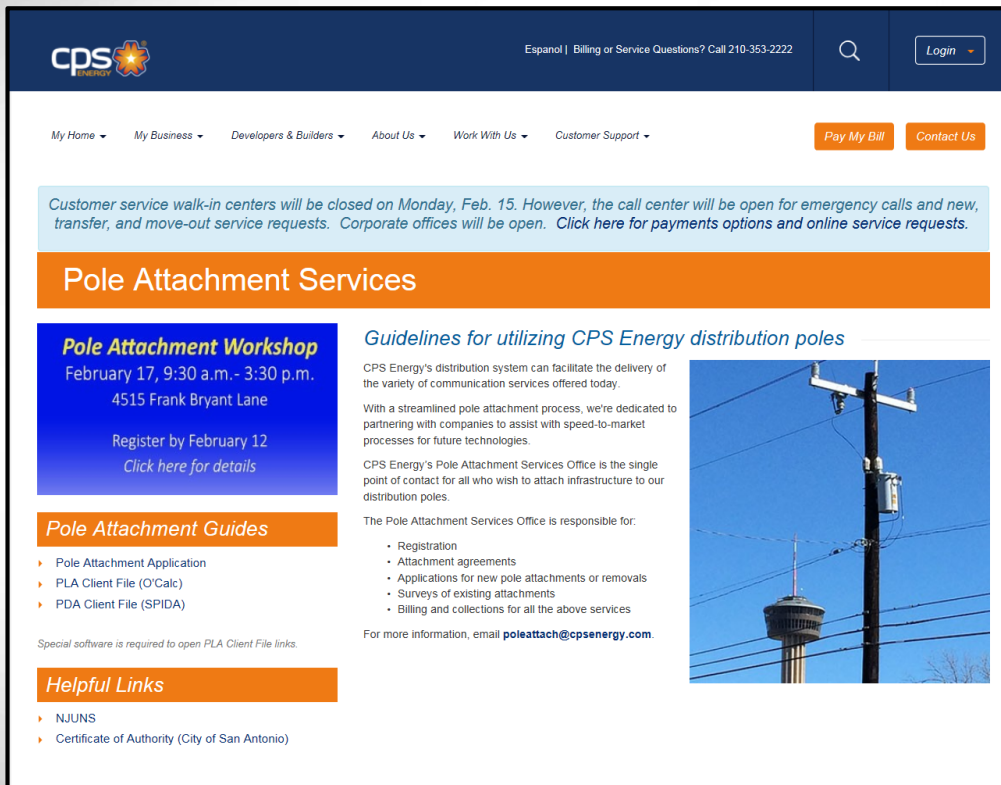
**Contractor
Staff**

CPS Staff and Contractor

- Brian D. Bartos, PE – Manager, Pole Attachment Services
- Claudia Valles-Tovar, PE
- Anna P. Esquivel, PE
- Henry Figueroa
- Chris Clowers, Sr Project Manager - Utilimap
- Mike Denning, PE – Manager Utility Coordination

New website

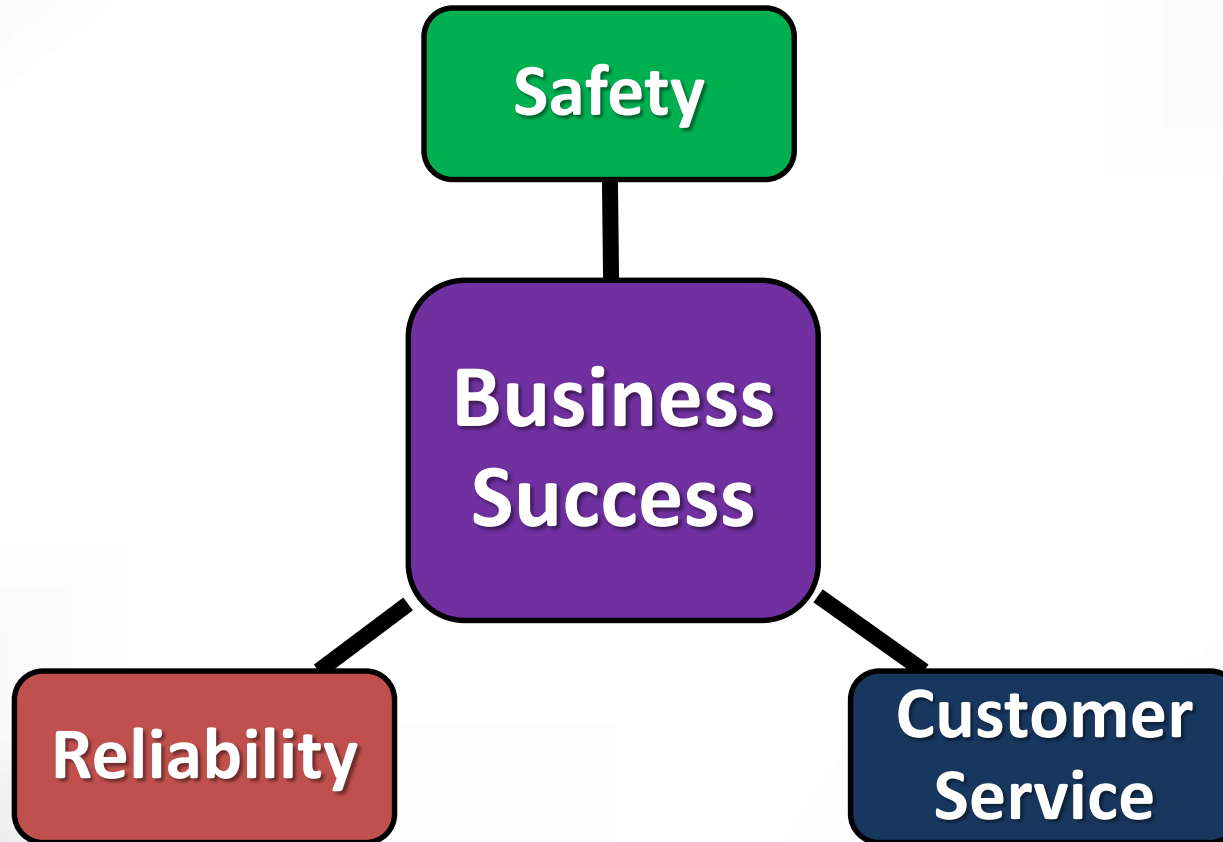
- Primary Communication Medium
- Timely Information
- Document Downloads
- Document Submittals
- Useful Information
- Links



The screenshot shows the CPS Energy website's "Pole Attachment Services" page. The header includes the CPS Energy logo, a search bar, and a "Login" button. Navigation links include "My Home", "My Business", "Developers & Builders", "About Us", "Work With Us", and "Customer Support". There are "Pay My Bill" and "Contact Us" buttons. A blue banner at the top states: "Customer service walk-in centers will be closed on Monday, Feb. 15. However, the call center will be open for emergency calls and new, transfer, and move-out service requests. Corporate offices will be open. Click here for payments options and online service requests." The main heading is "Pole Attachment Services". A blue box highlights a "Pole Attachment Workshop" on February 17, 9:30 a.m. - 3:30 p.m. at 4515 Frank Bryant Lane, with a registration deadline of February 12 and a link for details. A section titled "Pole Attachment Guides" lists links for "Pole Attachment Application", "PLA Client File (O'Calc)", and "PDA Client File (SPIDA)". A note mentions special software for PLA Client File links. A "Helpful Links" section lists "NJUNS" and "Certificate of Authority (City of San Antonio)". A central section titled "Guidelines for utilizing CPS Energy distribution poles" includes text about the distribution system, a commitment to streamlining the process, and the role of the Pole Attachment Services Office. A list of services includes registration, attachment agreements, applications for new attachments or removals, surveys of existing attachments, and billing/collections. An email address, poleattach@cpsenergy.com, is provided for more information. An image of a utility pole with a water tower in the background is also shown.

www.cpsenergy.com/poleattachments

VALUES TO SUCCESS



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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

AGENDA ITEM #5



BREAK

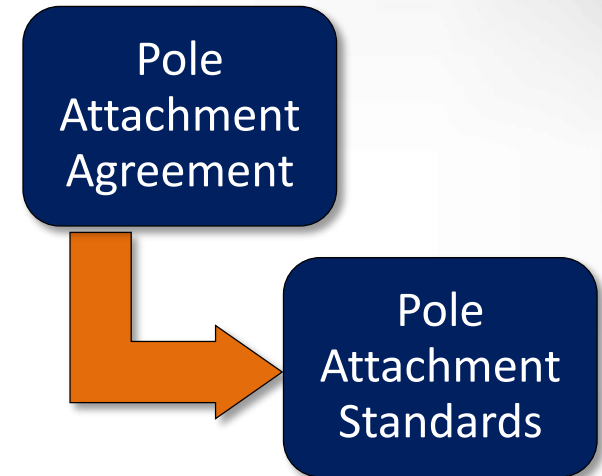


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**REVIEW OF
PRO-FORMA
POLE ATTACHMENT
AGREEMENT**

The CPS Energy Pole Attachment Program is structured that:

- An executed Agreement grants the entity a License which grants the right to secure Permits for Attachment
- Permits for Attachments are granted contingent upon compliance with the Pole Attachment Standards
- Permit is required to access a CPS Energy Pole



SELECT OPTION



The draft Pro-Forma Agreement requires each entity to certify its qualification as to Insurance and Bond Options.

Option qualification based on number of Attachments and if the Attachments are used for private use or competitive service offerings.

Option A: up to 300 Attachments & not providing Communication Services

Option B: 301 to 1,000 Attachments & providing Communication Services

Option C: 1,001 to 25,000 Attachments & providing Communication Services

Option D: more than 25,000 Attachments & providing Communication Services

OPTION TERMS



Each Option has varying requirements in terms of Insurance and in Performance Bond. For example...

Option Certification	Commercial Liability <i>Each Occurrence</i>	Commercial Liability <i>General Aggregate</i>	Performance Bond
Option A	\$1,000,000	\$2,000,000	Exempt
Option B	\$1,000,000	\$2,000,000	\$25,000
Option C	\$1,000,000	\$2,000,000	\$100,000
Option D	\$2,000,000	\$5,000,000	\$500,000

The draft Pro-Forma Agreement contains all of the “normal” boilerplate provision generally expected in a contract such as...

- Indemnification
- Assignment
- Severability
- Governing Law
- Others

The draft Pro-Forma Agreement proposes:

- Initial Term: Five Years
- Renewal: Automatic for successive one year periods
- Termination: Following the initial term, either party giving six months notice

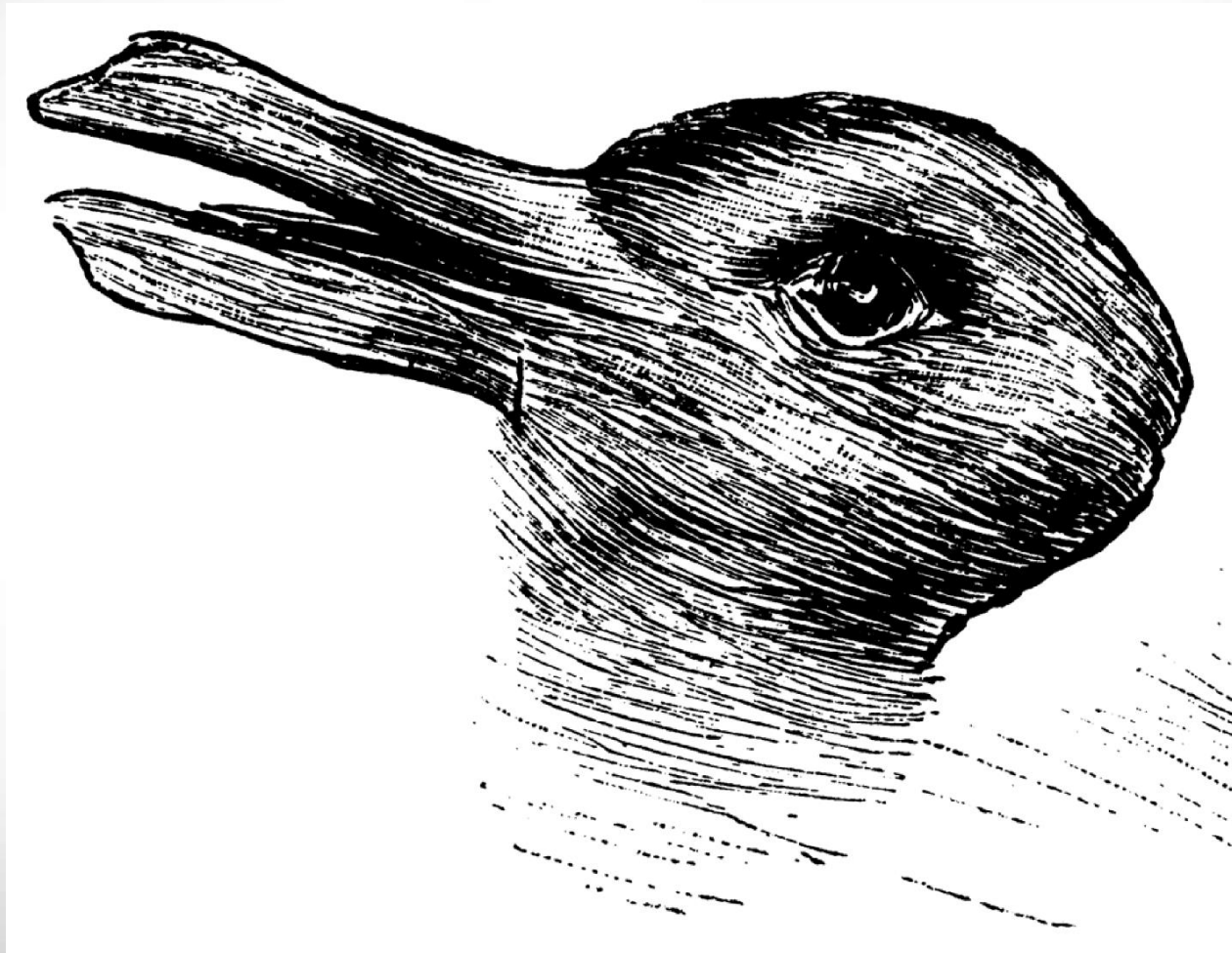
AGENDA ITEM #7



LUNCH



WHAT DO YOU SEE?



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REVIEW OF POLE ATTACHMENT STANDARDS

WHY STANDARDS?



Required for all Pole Attachments to ensure

- Public safety; and
- System reliability

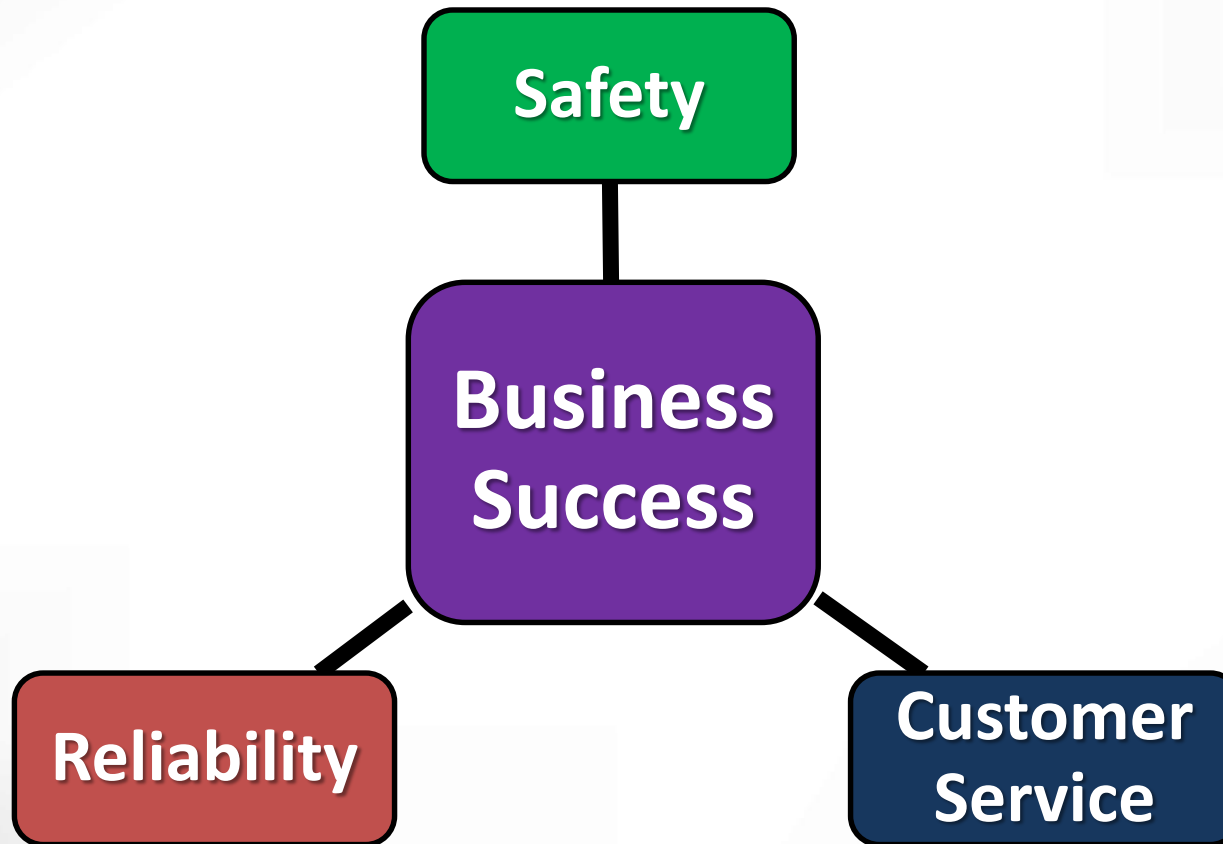
CPS Energy Pole Attachment Standards are based on

- Applicable federal, state, and local laws, regulations, or ordinances;
- Recognized engineering standards (NESC); and
- Good Utility Practice

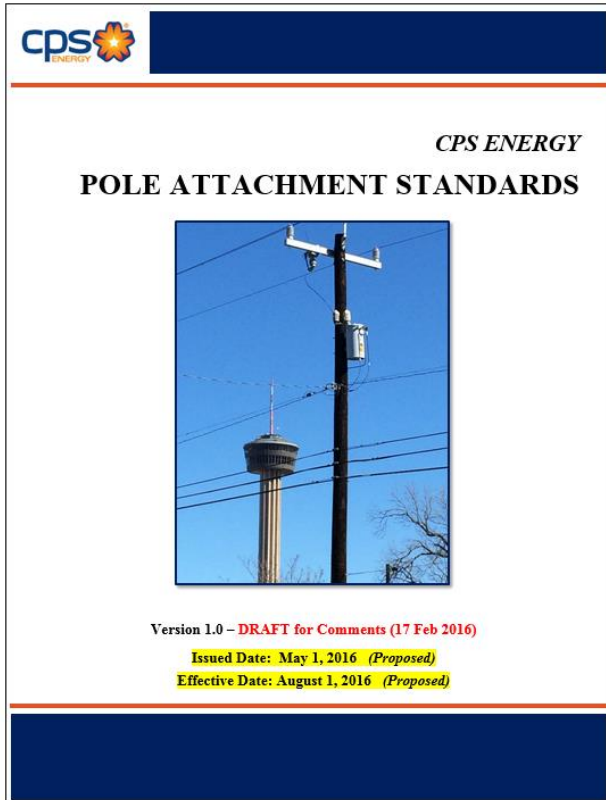
Provide for credibility, integrity, & acceptance in the Pole Attachment Process

- Uniformity & interoperability
- Lower risk
- Reduced costs to all parties

VALUES TO SUCCESS



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Options for Application processing

- Simplified Application form
- Streamlined process
- Changes in Application Fees

Clear, concise Engineering Standards

- Use of CPS Energy approved contractors
- Pole Loading Analysis requirements

Enforcement provisions

- Notification requirements
- Escalation for compliance

Streamlined process

- Attacher has more control over schedule
- New Permit Application form
- Enhanced electronic submittal

Offering new options

- Align and support your business needs

Restructure of Application Fees

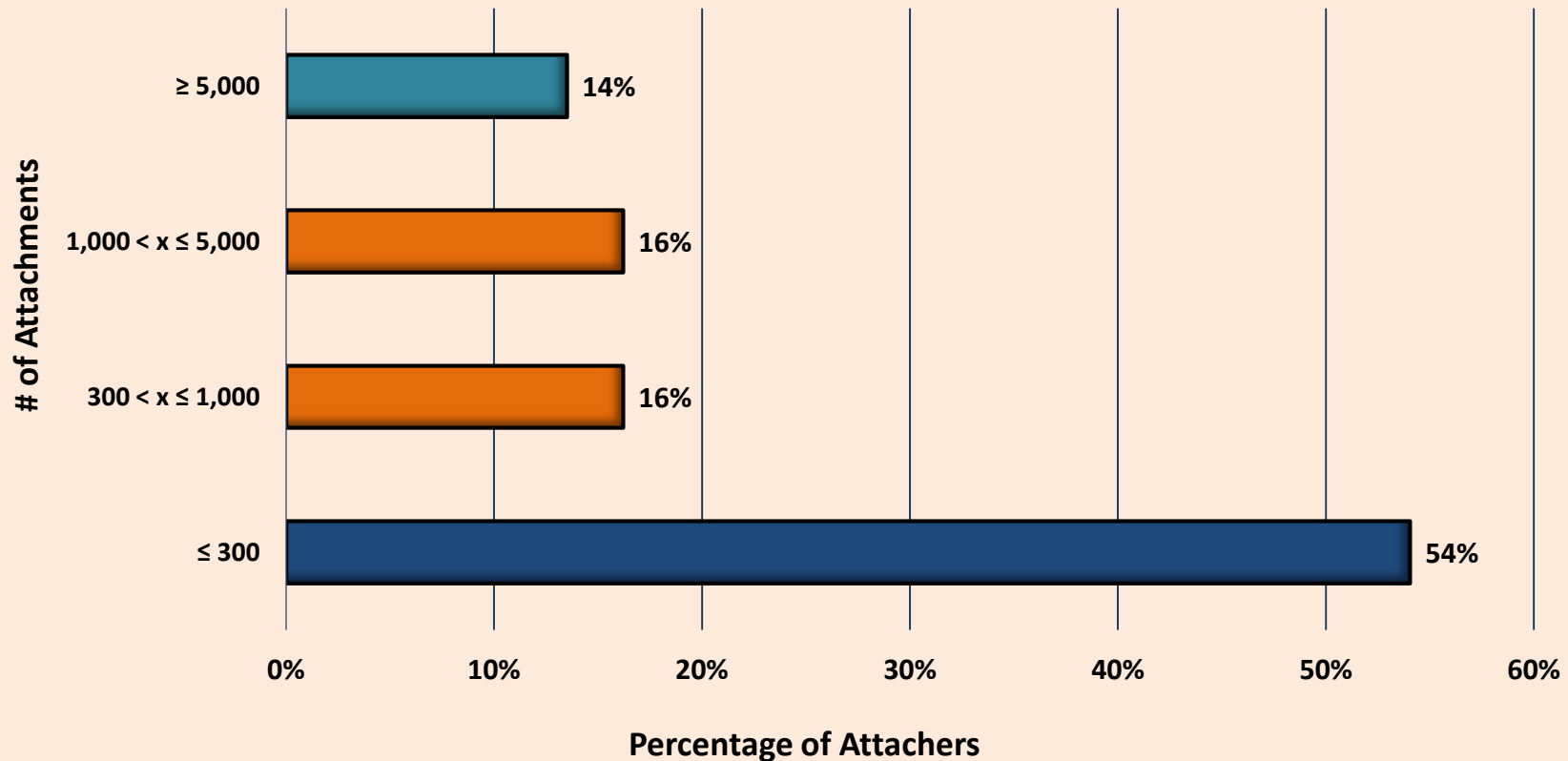
- Application Fee
- Recovery of CPSE Consultant fees

ATTACHMENTS BY ENTITY



CPS Energy

2016 Total Attachments by Attaching Entity



ATTACHMENT OPTIONS



Process Step	Standard Process	Standard Process Small Entity	Mass Deployment Medium Volume	Mass Deployment High Volume
Process Criteria	> 300 Total Attachments Installed	≤ 300 Total Attachments Installed	100 - 800 Proposed Attaching/Overlapping Poles per month	> 800 Proposed Attaching/Overlapping Poles per month
Make-Ready Electrical Engineering (MREE)	Attacher	CPSE	Attacher	Attacher
Make-Ready Electrical Construction (MREC)	CPSE	CPSE	Attacher or CPSE (Option)	Attacher
Make-Ready Communication Construction (MRCC): 1-Touch Transfer-Simple	Attacher	Attacher	Attacher	Attacher
MRCC: Complex-Transfer	Attacher/ Owner	Attacher/ Owner	Attacher/ Owner	Attacher/ Owner
Post-Construction Inspections	CPSE	CPSE	CPSE	CPSE
Control over Contractors	Attacher & CPSE	Attacher & CPSE	Attacher & CPSE	Attacher
Application Review Period	21 Days	45 Days	21 Days	21 Days

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STANDARD PROCESS



Responsible Party



STANDARD PROCESS

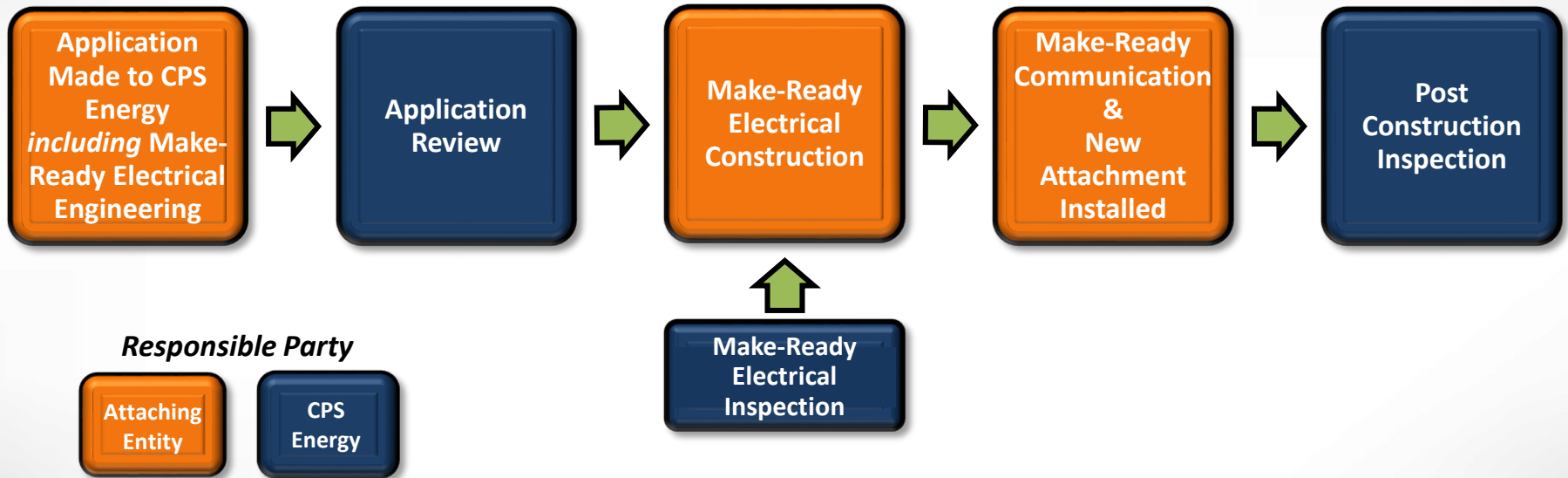
SMALL ENTITY



Responsible Party:

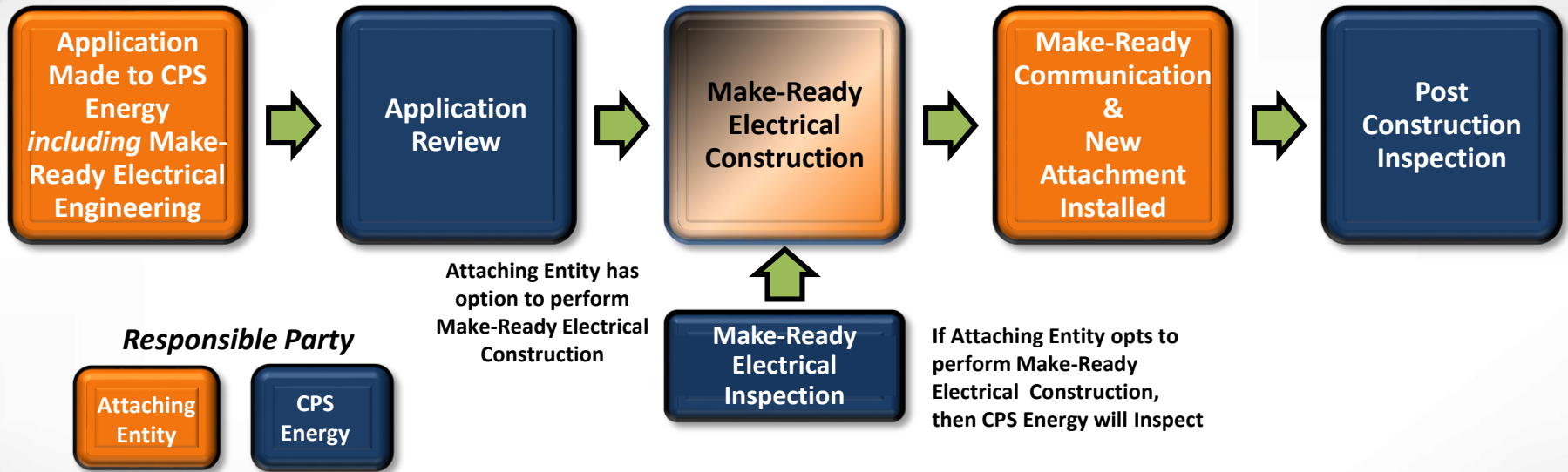


MASS DEPLOYMENT HIGH VOLUME



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MASS DEPLOYMENT MEDIUM VOLUME



POLE LOADING ANALYSIS

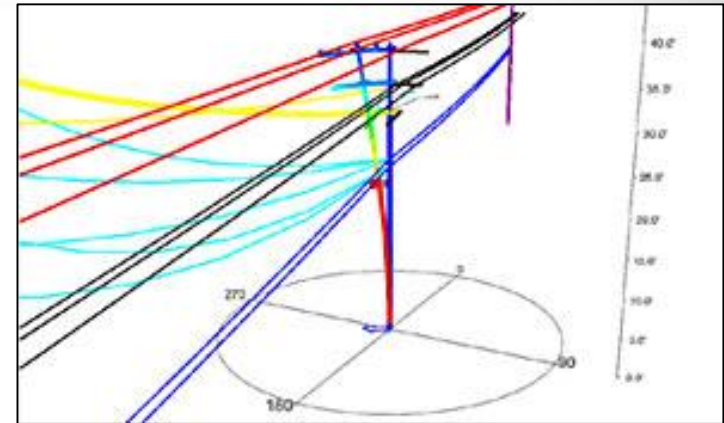


Locate and replace overloaded poles

- Only for required conditions as specified in CPS Energy Standards
- In accordance with NESC standards
- Will require PE sign and seal

Benefits of Pole Loading Analysis

- Increased Public Safety
- Increased System Reliability



OVERLASHING

Addressed in the Pole Attachment Standards

Treated as a new Attachment

- Application & Permit is Required for all Overlashings; however,
 - Application Fee waived
 - Not counted in annual Attachment count if Attachment Overlashed to is Permitted



Subject to the Engineering Standards, including PLA

WIRELESS / ANTENNA ATTACHMENTS



Comprehensive attachment standards for Wireless/Antenna Attachments are currently under development

- Tentative date for publication is fall 2016
- CPS Energy will review Application Permits for Wireless/Antenna Attachments on a case-by-case basis



REVIEW OF ONE-TOUCH TRANSFER PROCESS

“Rearranging existing pole attachments or installing new poles—a process referred to as ‘make-ready’ work—can be a significant source of cost and delay in building broadband networks.”

--Federal Communications Commission
Connecting America: The National Broadband Plan
March 2010
Recommendation 6.2

More and more, policy makers are looking at One-Touch...

- Leverages labor-intensive work
- Reduces overall costs to industry
- Increases speed to market
- Conceptually similar to “dig once” policies

WHAT IS ONE-TOUCH?



Within the CPS Energy Pole Attachment Standards, One-Touch is...

The ability of an Attaching Entity to effect the “Simple Transfers” of other Attaching Entities’ Attachments during the Make-Ready process by effecting a relocation of the Attachment on the same pole or a relocation of the Attachment to a new pole without the need to cut and/or splice or take a customer or network outage.

To be eligible for the One-Touch Transfer Process

- 1) Simple Transfers Only
- 2) Certified Contractors
- 3) Applicable to CPS Energy
- 4) Applicable to the Attaching Entity
- 5) Subject to Applicable Engineering Standards
- 6) Advanced Notice of Transfer
- 7) Post Transfer Notice
- 8) Cost Responsibility

COMPLEX TRANSFERS



Complex Transfers require the Attachment to be cut, spliced, or otherwise cause a planned customer or network outage.

- Advanced Notification of Request
- Owner's responsibility
- Subject to Applicable Engineering Standards
- Escalation process
- Cost Responsibility

Benefits to both telecommunications industry, customers, & community at large

Telecommunication Industry

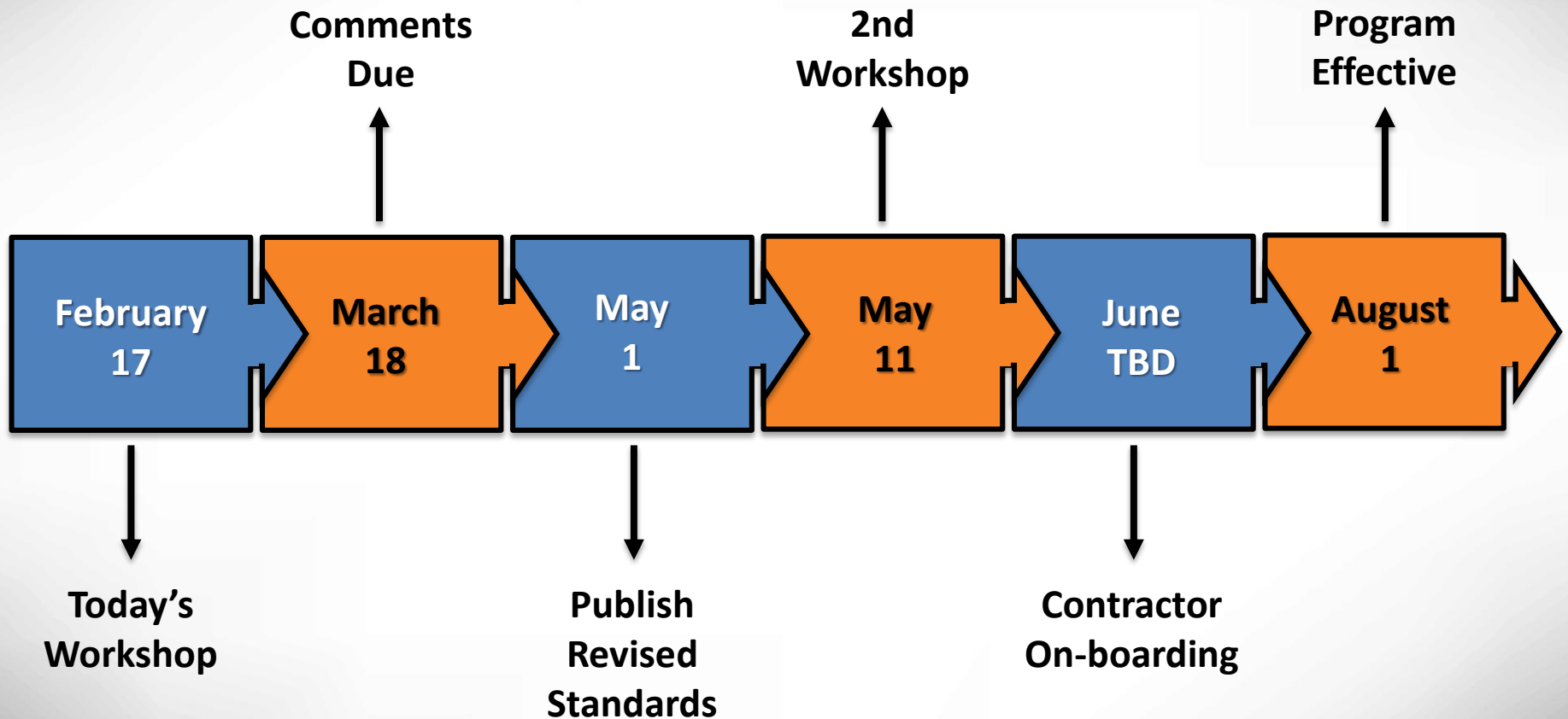
- Speed to Market
- Transparency
- Efficient Resource Allocation
- No Network Disruptions

Customers & Community

- Customer Impacts Minimized
- Construction Delays Avoided
- Economic Development Benefits
- Expedited Network Deployments

TIMELINE REVIEW & FORMAL COMMENT PROCESS

TIMELINE AT A GLANCE



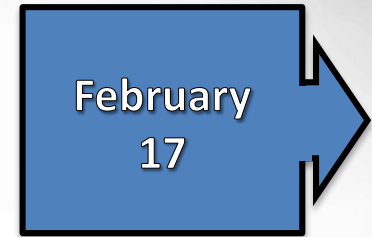
FEBRUARY 17

TODAY'S WORKSHOP



CPS Energy to introduce our new:

- Pole Attachment Program
- Pro-Forma Pole Attachment Agreement
- Pole Attachment Standards
- Pole Attachment Services webpage



**Solicit formal comments and participation
from all Attaching Entities**

FORMAL COMMENTS



CPS Energy is seeking input and inviting formal comments

- Questionnaire
- Pole Attachment Standards
- Pro-Forma Attachment Agreement

Documents available at

www.cpsenergy.com/poleattachments

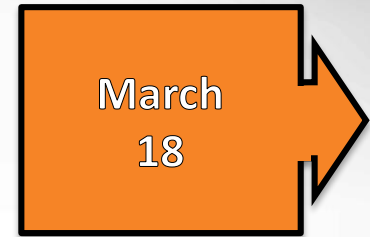
Comments received will be made public

MARCH 18

FORMAL COMMENTS DUE



**Comments are due to CPS Energy by
5:00 PM on Friday, March 18, 2016**



**Comments must be submitted via
email to poleattach@cpsenergy.com**

**Please include “Response to
Questions” in the subject line**

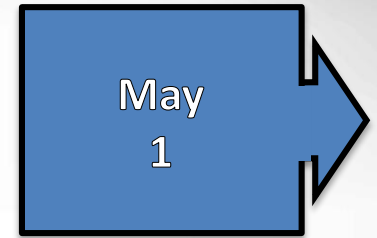
MAY 1

PUBLISH REVISED STANDARDS



CPS Energy to publish the adopted:

- Pole Attachment Standards
- Pro-Forma Pole Attachment Agreement
- Other documents required by the Pole Attachment Standards
- List of CPS Energy approved contractors
- CPS Energy's response to the formal comments provided
- Invitation to the May 11th workshop



Available on the Pole Attachment Services page on CPS Energy's public website:

www.cpsenergy.com/poleattachments

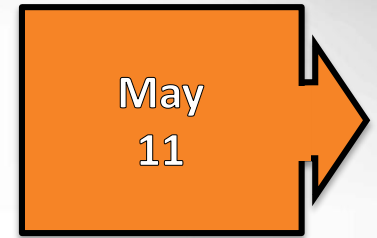
MAY 11

SECOND WORKSHOP



CPS Energy to present adopted:

- Pole Attachment Standards
- Pro-Forma Pole Attachment Agreement



Focus of workshop

- Review of all key requirements
- Expected transition process

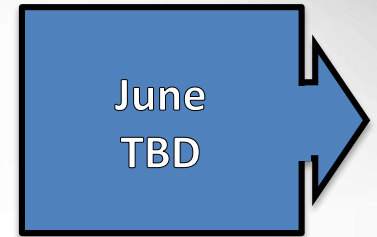
JUNE (TBD)

CONTRACTOR ON-BOARDING



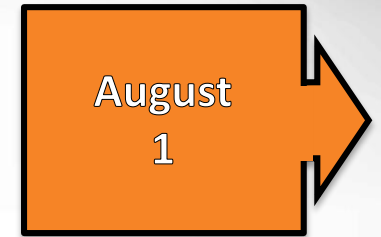
Intended for engineering and construction contractors

- Review of Pole Attachment Application process
- Detailed discussion of One-Touch Transfer field process



AUGUST 1

PROGRAM EFFECTIVE



CPS Energy's Pole Attachment Standards become effective and enforceable on all Attachments on CPS Energy poles.

IMPACT ON ATTACHING ENTITIES

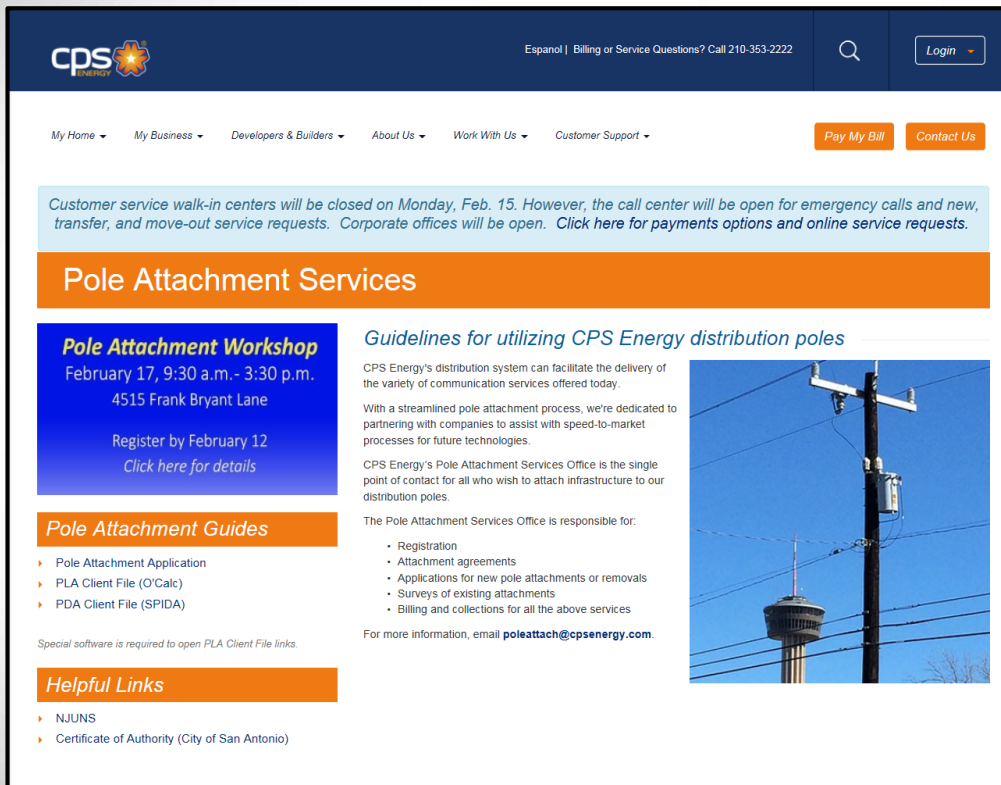
MAJOR CHANGES



- New Agreements to be executed
- Conformance to Standards
- Approved Engineering Contractors
- Regular/Improved Communications with CPS Energy

New website

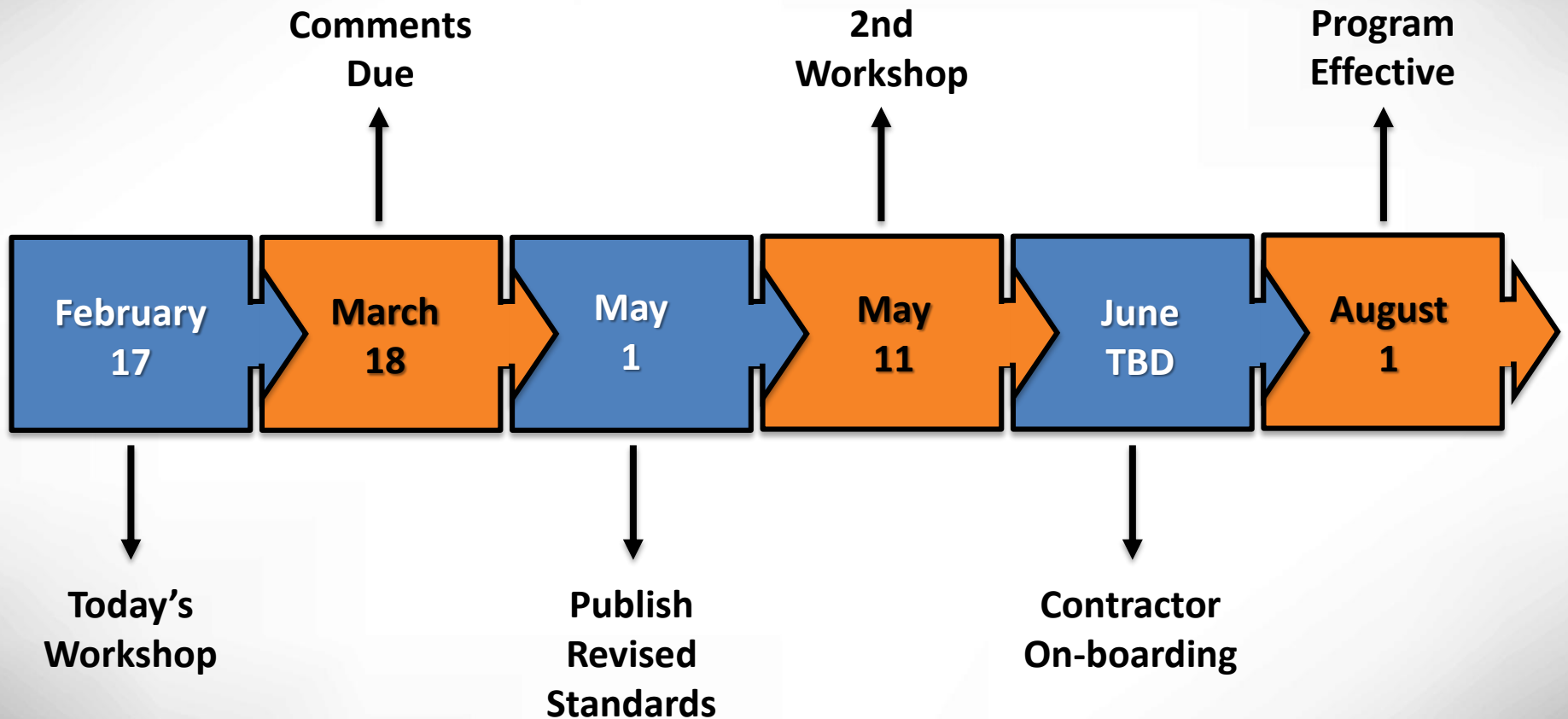
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www.cpsenergy.com/poleattachments

TIMELINE AT A GLANCE



QUESTIONS

THANK YOU
FOR PARTICIPATING IN
TODAY'S WORKSHOP



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