



Legislation Text

File #: 0826-2023, Version: 1

This ordinance authorizes the Director of Public Utilities to modify and increase contract #EL011028 with Ohio Power Company, dba American Electric Power (AEP), to provide funding for the payment of 2023 pole attachment rental fees for the Division of Power (DOP), in accordance with an existing agreement for the Joint Use of Poles (the "Agreement") executed by the City and Columbus Southern Power, dba AEP. The City consented to the assignment of the Agreement by Columbus Southern Power to Ohio Power Company through the passage of ORD #0317-2014 after the merger of AEP Ohio's two operating companies, with Ohio Power Company the surviving entity.

DOP and AEP both own and operate electric transmission and distribution system facilities throughout Franklin County. These facilities include certain poles that have attached equipment owned by the other party. The Agreement provides the terms, conditions, and rates for the joint use of these poles. Per the terms of the Agreement, an inventory of jointly used poles was conducted in 2012. The Agreement provides that, in the event a pole inventory discloses any attachments that were not previously authorized by the pole owner, the attaching party is to pay annual charges for the attachments for a period of five (5) years or the period from the date of the last inventory, whichever is less, plus interest, at the current Interest Rate.

The invoice from AEP for 2023 annual rental fees, reflecting 15,469 attachments on AEP poles less 2,835 AEP attachments on City-owned poles, totals \$189,525.00. For annual rental fees going forward, the contract modification provides that funds will be approved annually by ordinance of City Council.

This ordinance is being submitted in accordance with the relevant provisions of Chapter 329 of City Code pertaining to contract modifications.

1. Amount of additional funds: The total amount of additional funds needed for this contract modification #14 is ADD \$189,525.00. Total contract amount including this modification is \$2,525,169.57.
2. Reason additional funds were not foreseen: The need for additional funds was known at the time of the initial contract.
3. Reason other procurement processes were not used: This modification is a continuation of the original contract for the payment of rental fees for the joint use of poles owned by AEP.
4. How cost was determined: The modification is based upon a set annual attachment rental fee charged for each pole attachment for 2023 - currently \$15/attachment - and any arrearage charges for attachments added during 2022.

SUPPLIER:

Ohio Power Company, dba American Electric Power (AEP) | D365 Vendor #006032 | Federal EIN #31-4271000 | Expires 2/4/2023

AEP does not hold MBE/FBE status.

The company is not debarred according to the Excluded Party Listing System of the Federal Government or prohibited from being awarded a contract according to the Auditor of State Unresolved Findings for Recovery Certified Search.

FISCAL IMPACT:

\$189,525.00 is budgeted and available for this purchase.

\$185,010.00 has been spent in 2023

\$0.00 was spent in 2022

\$175,410.00 was spent in 2021

To authorize the Director of Public Utilities to modify and increase the contract for Joint Use of Poles with Ohio Power Company, dba American Electric Power, for the Division of Power; and to authorize the expenditure of \$189,525.00 from the Electricity Operating Fund. (\$189,525.00)

WHEREAS, the Division of Power and Ohio Power Company, dba American Electric Power (AEP), own and operate electric transmission and distribution system facilities throughout Franklin County; and

WHEREAS, each party owns certain poles with attachments owned by the other party; and

WHEREAS, an agreement signed in 2002 between Columbus Southern Power and the City of Columbus authorized the terms, conditions and rates for joint use of these poles; and

WHEREAS, on April 1, 2012 the Public Utilities Commission of Ohio (PUCO) approved AEP Ohio's Electric Security Plan, which authorized the merging of its two operating companies: Columbus Southern Power and Ohio Power, with the Ohio Power Company the surviving entity; and

WHEREAS, with the merger, Columbus Southern Power's contractual obligations were assigned to the Ohio Power Company; and

WHEREAS, Columbus consented to the assignment of the Agreement for Joint Use of Poles by Columbus Southern Power to Ohio Power Company dba American Electric Power through the passage of ORD #0317-2014; and

WHEREAS, it is necessary to modify and increase the existing contract with Ohio Power Company, dba American Electric Power, to provide for the payment of joint use of poles rental fees for calendar year 2023 and arrearage of annual attachment fees for any attachments added during 2022; and

WHEREAS, this ordinance is being submitted in accordance with the relevant provisions of Chapter 329 of City Code pertaining to contract modifications; and

WHEREAS, the expenditure of \$189,525.00, or so much thereof as may be needed, is hereby authorized in Fund 6300, Electricity Operating Fund, in object class 03, Services, per the accounting codes attached to the ordinance; and

WHEREAS, it has become necessary in the usual daily operation of the Department of Public Utilities, Division of Power, to authorize to authorize the Director of Public Utilities to modify and increase the current contract for Joint Use of Poles with Ohio Power Company, dba AEP, to process payment of the 2023 rental fees and arrearage of annual attachment fees for those attachments added during 2022; **now, therefore**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of Public Utilities is hereby authorized to modify and increase the current contract with Ohio Power Company, dba American Electric Power (AEP), for the payment of 2023 rental fees and arrearage of annual attachment fees for those attachments added during 2022, for the Department of Public Utilities, in accordance with the

terms and conditions as shown in the Joint Use of Poles Agreement on file in the Office of the Division of Power. Total amount of modification No. 14 is ADD \$189,525.00. Total contract amount including this modification is \$2,525,169.57.

SECTION 2. That the expenditure of \$189,525.00, or so much thereof as may be needed, is hereby authorized in Fund 6300, Electricity Operating Fund, in object class 03, Services, per the accounting codes attached to the ordinance.

SECTION 3. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated and the City Auditor shall establish such accounting codes as necessary.

SECTION 4. That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this ordinance.

SECTION 5. That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.