



City of Columbus

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Legislation Text

File #: 0229-2012, Version: 1

BACKGROUND: The purpose of this legislation is to authorize the Director of Public Utilities to pay Columbus Southern Power dba American Electric Power (AEP) for pole attachment rental fees in accordance with an agreement signed in 2002 and to modify said agreement to reflect amended terms and conditions.

The City of Columbus, Division of Power and Water and AEP own and operate electric transmission and distribution system facilities throughout Franklin County. Each party owns certain poles which have facilities owned by the other party attached to such poles. An agreement signed in 2002 between Columbus Southern Power and the City of Columbus authorized the terms, conditions and rates to be paid for the joint use of poles. The payment terms of said agreement provided a setoff of the amounts Columbus Southern Power would otherwise owe the City under Section 910 for right-of-way permit fees. In December 2008, it was determined that the joint use fees would no longer be deducted from AEP's Right-of-Way Permit fees and that AEP would be allowed to bill the Division of Power and Water directly for its joint pole usage. A pending invoice from AEP for annual rental fees in the amount of \$166,830.00 for the period of 1/1/2012 through 12/31/2012 must be paid.

For annual rental fees going forward, the contract modification provides that funds will be approved annually by ordinance of City Council.

Columbus Southern Power dba American Electric Power's contract compliance number is 314154203, expires 02/01/12. Emergency action is requested in order to process payment in a timely manner.

FISCAL IMPACT: There is sufficient budget authority for this expense in the Electricity Operating Fund for this expenditure. In 2010, \$256,580.75 was paid for service dates from 1/01/09 through 8/6/2010. In 2011, \$ 229,488.00 was paid for service dates of 8/7/2010 through 12/31/2011.

To authorize the Director of Public Utilities to pay Joint Use of Poles Rental Fees to Columbus Southern Power dba American Electric Power in accordance with the terms of an existing agreement and to modify said agreement, in accordance with the sole source provisions of Columbus City Code, to authorize the expenditure not exceeding \$166,830.00 from the Electricity Operating Fund, and to declare an emergency. (\$166,830.00)

WHEREAS, the Division of Power and Water and Columbus Southern Power dba American Electric Power (AEP) own and operate electric transmission and distribution system facilities throughout Franklin County; and
WHEREAS, each party owns certain poles which have facilities owned by the other party attached to such poles; and

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

WHEREAS, it is necessary to authorize an expenditure to pay AEP for joint use of poles rental fees for the period of 1/1/2012 through 12/31/12; and

WHEREAS, it is also necessary to modify the aforesaid agreement to reflect amended terms and conditions; and

WHEREAS, AEP, as owner and operator of said poles, is the sole provider for the required services and therefore this legislation is being submitted in accordance with the sole source provisions of Columbus City Code Section 329.07(e); and

WHEREAS, an emergency exists in the usual daily operation of the Division of Power and Water, Department of Public

Utilities, in that it is immediately necessary to authorize the Director of Public Utilities to pay AEP for Joint Use of Poles Rental Fees in a timely manner and to modify the existing agreement for the immediate preservation of public health, peace, property and safety; now, therefore;

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

SECTION 1. That the Director of Public Utilities be and is hereby authorized to modify an existing agreement for the joint use of poles with Columbus Southern Power dba American Electric Power (AEP) and to pay rental fees due in accordance with said existing agreement.

SECTION 2. That the expenditure not exceeding \$166,830.00, or as much thereof as may be needed, is hereby authorized from the Electricity Operating Fund, Fund 550, Division 60-07, OCA 600783, Object Level Three 3302.

SECTION 3. That this Council finds it in the best interest of the City of Columbus to pass this legislation in accordance with the Sole Source provisions of Columbus City Code Section 329.07 (e).

SECTION 4. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.