



Legislation Text

File #: 0317-2014, **Version:** 1

BACKGROUND: The purpose of this legislation is to authorize the Director of Public Utilities to pay the Ohio Power Company dba American Electric Power (AEP) for pole attachment rental fees in accordance with an agreement signed in 2002 between the city and Columbus Southern Power dba AEP and to modify said agreement to reflect amended terms and conditions. On 4/1/2012 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. With the merger, Columbus Southern Power's contractual obligations were assigned to Ohio Power Company. By this legislation, Columbus consents to the assignment of the Agreement for Joint Use of Poles by Columbus Southern Power to Ohio Power Company.

The City of Columbus, Division of Power 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. These fees were deducted originally from the Transportation Right A Way fees until such time an audit was conducted between the City of Columbus and AEP.

In 2007 the pole attachment audit was conducted and starting 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 directly for its joint pole usage.

A pending invoice from AEP for annual rental fees in the amount of \$169,050.00 for the period of 1/1/2014 through 12/31/2014 must be paid.

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

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.

Ohio Power Company dba as the American Electric Power (AEP) contract compliance number is 314271000, expires 07/11/14.

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 2012, \$166,830.00 was paid for service dates of 1/1/2012 through 12/31/2012. In 2013, \$168,690.00 was paid for service dates of 1/1/2013 through 12/31/2013.

To authorize the Director of Public Utilities to pay Joint Use of Poles Rental Fees to Ohio Power Company dba AEP in accordance with the terms of an existing agreement and to modify said agreement, to authorize the expenditure not exceeding \$169,050.00 from the Electricity Operating Fund, to consent to the assignment of the Agreement for Joint Use of Poles by Columbus Southern Power to Ohio Power Company; and to declare an emergency. (\$169,050.00)

WHEREAS, the Division of Power and Water and Ohio Power Company dba 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, 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 consents to the assignment of the Agreement for Joint Use of Poles by Columbus Southern Power to Ohio Power Company; and

WHEREAS, it is necessary to authorize an expenditure to pay AEP/Ohio Power Company for joint use of poles rental fees for the period of 1/1/2014 through 12/31/14; and

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

WHEREAS, an emergency exists in the usual daily operation of the Division of Power, Department of Public Utilities, in that it is immediately necessary to authorize the Director of Public Utilities to pay Ohio Power Company dba 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 Ohio Power Company dba American Electric Power (AEP) to pay rental fees due in accordance with said existing agreement and to consent to the assignment of the Agreement for Joint Use of Poles by Columbus Southern Power to Ohio Power Company.

SECTION 2. 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 3. That the expenditure not exceeding \$169,050.00, 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 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.