



General Manager
334 Front Street
Ketchikan, AK 99901

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TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Karl R. Amylon, General Manager

DATE: January 22, 2021

RE: **Ordinance No. 21-1922 – Amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code; Providing for a Public Hearing; and Establishing an Effective Date**

The attached ordinance was approved in first reading at the City Council meeting of January 21, 2021. If adopted in second reading, Ordinance No. 21-1922 formalizes rates for products and services provided by the Telecommunications Division, which were previously authorized by my office through interim tariffs.

The details of and rationale for the modifications are detailed in Mr. Cushing's transmittal memorandum and require little elaboration on the part of my office. I would note that the increased speeds for KPU residential and business internet service offerings, which are being made available to current customers at no additional cost, is a direct result of Telecom's successful construction of a new subsea fiber cable to Prince Rupert, British Columbia.

Mr. Cushing will attend the City Council meeting of February 4, 2021, in order to address any questions and/or concerns that Councilmembers may have.

A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended that the City Council adopt the motion approving in second reading Ordinance No. 21-1922 amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code; providing for a public hearing; and establishing an effective date.

Recommended Motion: I move the City Council approve in second reading Ordinance No. 21-1922 amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code; providing for a public hearing; and establishing an effective date.

Exempting the Procurement of Programming Content for KPU TV from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – National Cable Television Cooperative and Vubiquity, Inc.

Moved by Kiffer, seconded by Gage pursuant to Section 3.12.050(a)(2) of the Ketchikan Municipal Code, the City Council exempt the procurement of 2021 KPU TV Programming Content from competitive bidding/written quotation requirements; authorize the general manager to purchase programming content from the National Cable Television Manager to purchase programming content from the National Cable Television Cooperative (NCTC) in an amount not to exceed \$1,100,000 and from Vubiquity, Inc. in an amount not to exceed \$55,000; and approve funding in an amount not to exceed \$1,155,000 from the 2021 Telecommunications Division's licenses and Fees – Broadcast Content Fees Account No. 630.04.

Motion passed with Gass, Kiffer, Gage, Bradberry, Flora, Zenge and Bergeron voting yea.

Ordinance No. 21-1922 – Amending Chapter 11.12, Telecommunications Service and Rates of the Ketchikan Municipal Code - First Reading

Moved by Kiffer, seconded by Gage the City Council approve in first reading Ordinance No. 21-1922 amending Chapter 11.12, Telecommunications Service and Rates, of the Ketchikan Municipal Code; providing for a public hearing; and establishing an effective date.

Copies of Ordinance No. 21-1922 were available for all present.

Assistant Telecommunications Division Manager Lindgren answered questions from the Council.

Motion passed with Gass, Kiffer, Gage, Bradberry, Flora, Zenge and Bergeron voting yea.

Budget Transfer – Exempting the Procurement of Howell Bunker Valve Including Specialized Design, Parts, Valve Controls, Expedited Manufacturing and Shipping from the Competitive Bidding/Written Quotation Requirements of the Ketchikan Municipal Code – VAG Group

Moved by Kiffer, seconded by Gage pursuant to subparagraph 6 of Section 3.12.050(a) of the Ketchikan Municipal Code, the City Council exempt the procurement of a Howell Bunker Valve for the Silvis Lake Hydroelectric Project from the competitive bidding/written quotation requirements of the Ketchikan Municipal Code; authorize the Procurement of such a valve including specialized design, parts, valve controls, expedited manufacturing and shipping from the VAG Group at a cost not to exceed \$120,000; approve a budget transfer in the amount of \$120,000 from the division's 2021 Bailey Unit No. 1 Rehabilitation Capital Account.

Motion passed with Gass, Kiffer, Gage, Bradberry, Flora, Zenge and Bergeron voting yea.



KPU Telecommunications

2970 Tongass Avenue
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Phone (907) 225-1000
FAX (907) 225-1788

Memorandum

To: Karl R. Amylon, KPU General Manager

From: Ed Cushing, KPU Telecommunications Division Manager

Date: January 12, 2021

Subject: **Ordinance No. 21-1922 – Amending Chapter 11.12 Telecommunications Service and Rates of the Ketchikan Municipal Code; Providing for a Public Hearing; and Establishing an Effective Date**

This memorandum introduces Ordinance 21-1922 - amending Chapter 11.12 Telecommunications Service and Rates - for City Council consideration at the January 21, 2021 City Council meeting.

Ordinance number 21-1922 incorporates Interim Tariffs IT 20-0710 and IT 20-1105 into the Ketchikan Municipal Code (KMC).

Background

IT 20-0710 restructures KPUTel's OWAN (Optical Wide Area Network) offerings. Via recent improvements to the overall capability of the KPUTel network, we are now able to increase the speeds of our OWAN service offerings. KPUTel's business customers have requested higher OWAN speeds - which we will be able to accommodate via this restructuring.

IT 20-1105 provides significant speed increases to our residential and business Internet service offerings. The new speed tiers – with speeds up to 1 Gig (1,000 Megs) - have been made possible via activation of KPUTel's new subsea fiber. The new/higher speeds will give our customers much faster Internet service, for no increase in monthly charges.

Approval of Ordinance No. 21-1922 will ensure that all rates, charges, modifications, changes and additions noted above are formally codified in the Ketchikan Municipal

Code. Copies of Interim Tariffs IT 20-0710 and IT 20-1105 are attached for City Council review.

Recommendation

It is recommended that the City Council approve in first reading, Ordinance No. 21-1922 – Amending Chapter 11.12 Telecommunications Service and Rates of the Ketchikan Municipal Code; Providing for a Public Hearing; and Establishing an effective date.

Recommended Motion: I move that the City Council approve in first reading, Ordinance No. 21-1922 – Amending Chapter 11.12 Telecommunications Service and Rates of the Ketchikan Municipal Code; Providing for a Public Hearing; and Establishing an effective date.

THE CITY OF KETCHIKAN, ALASKA

ORDINANCE NO. 21-1922

AN ORDINANCE OF THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA; AMENDING CHAPTER 11.12 TELECOMMUNICATIONS SERVICE AND RATES OF THE KETCHIKAN MUNICIPAL CODE; PROVIDING FOR A PUBLIC HEARING; AND ESTABLISHING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF KETCHIKAN, ALASKA, AS FOLLOWS:

Section 1: Amendment: Section 11.12.080(c)(4) of the Ketchikan Municipal Code entitled "Special Access Circuits (Recurring Monthly)." is amended as follows:

(4) Special Access Circuits (Recurring Monthly).

<u>Description</u>	<u>Rate</u>
Bridging/voice (per port)	\$4.37
Bridging/data (per port)	\$4.37
Level adjustment	\$4.37
Pad/transformer	\$4.37
Tied line	\$12.27
Two-wire voice grade service (per term.)	\$20.37
Four-wire voice grade service (per term.)	\$40.74
Digital data service 56/64 Kbps (per term.)	\$46.56
Digital data service 500 Kbps (per term.)	\$50.00
Digital data service 768 Kbps (per term.)	\$69.00
Digital data service 1.0 Mbps (per term.)	\$75.00
Digital data service 2.0 Mbps (per term.)	\$100.00
Digital data service 3.0 Mbps (per term.)	\$150.00
Digital data service 4.0 Mbps (per term.)	\$175.00
Digital data service 5.0 Mbps (per term.)	\$200.00

<u>Description</u>	<u>Rate</u>
Digital data service 10.0 Mbps (per term.)	\$220.00
Private local area network (per extension)	\$49.95
Q in Q – 2 or more VLANs (per port)	\$49.95
T-1 service (1.544 Mbps) (per term.)	\$243.00
Multiplexing for T-1 service (per term.)	\$110.58
Channel unit for multiplexing (per term.)	\$11.64
DCM switch interface	\$37.83
Meet-Me conference bridge	ICB*
OWAN 100 Mbps service to home office, per termination	\$100.00
	\$245.00
OWAN 10 <u>25</u> Mbps service, per termination	<u>\$150.00</u>
	\$375.00
OWAN 50 Mbps service, per termination	<u>\$245.00</u>
	\$467.00
OWAN 100 Mbps service, per termination	<u>\$375.00</u>
	\$1,200.00
OWAN 250 Mbps service, per termination	<u>\$467.00</u>
	\$1,300.00
OWAN 300 <u>500</u> Mbps service, per termination	<u>\$1,200.00</u>
	\$1,520.00
OWAN 500 <u>600</u> Mbps service, per termination	<u>\$1,300.00</u>
	\$1,750.00
OWAN 750 Mbps service, per termination	<u>\$1,520.00</u>
	\$2,025.00
OWAN 1 Gbps service, per termination	<u>\$1,750.00</u>
<u>OWAN 2 Gbps service, per termination</u>	<u>\$2,025.00</u>

Description**Rate**

OWAN 10 Gbps service, per termination

\$4,050.00

*Per individual service agreement

Section 2: Amendment: Section 11.12.090(b)(1) of the Ketchikan Municipal Code entitled "Internet Service." is amended as follows:

(1) Internet Service Rates.

Description (Recurring Charges)

Download Speeds Up To	Upload Speeds Up To	Email Accounts Included	Data Transfer Included	Monthly Rate	Additional Information
3-M	3-M	8	25-GB	\$34.95	-
5-M	5-M	8	50-GB	\$49.95	-
10-M	10-M	8	150	\$59.95	
<u>Up to 30M</u>	<u>Up to 30M</u>		<u>100 GB</u>		
30-M	30-M	8	200 GB	\$74.95	
<u>150M</u>	<u>150M</u>				
100-M	100-M	8	400	\$89.95	
<u>350M</u>	<u>350M</u>		<u>500 GB</u>		
250	250	8	600	\$129.95	Includes 1 static IP
<u>650M</u>	<u>650M</u>		<u>750 GB</u>		
500-M	500-M	8	1 TB- <u>Business;</u>	\$199.95	Includes 1 static IP and
<u>1GB</u>	<u>1GB</u>		<u>Unlimited</u>		consumer grade managed
			<u>Transfer-</u>		WiFi, not Enterprise
			<u>Residential</u>		
0 M	0 M	0	0	\$18.95	Line access for KPU TV customers who do not require Internet

Add-On Features (Recurring Charges)

Additional email address.	\$1.00
Additional 1 MB server storage.	\$3.00
Additional 2 GB email storage space.	\$3.00
Static IP address – No service order charge for residential customer.	\$10.00
Additional each 10 GB over max. transfer.	\$1.00
<u>Standalone</u> Internet vacation rate.	\$12.00
Each 5 additional LAN stations above 8.	\$35.00
Static IP option (plus \$25.00 one-time setup fee).	\$10.00
Managed router service.	\$8.95
Managed router repeater, each.	\$4.95
Cloud firewall service.	\$1.95
Unlimited data transfer.	\$30.00
Consumer broadband loop.	\$15.13

Description (Nonrecurring Charges)

Internet reconnect (field visit not required)	\$20.00
Internet trip charge	\$20.00
Jack installation fee	\$55.00
Managed router service installation	\$49.95
Nonreturned equipment fee, managed router service	\$150.00

Section 3: Public Hearing. A public hearing on the aforesaid amendments shall be held at the Council Chambers on February 4, 2021.

Section 4: Effective Date. This ordinance is effective one (1) month after its final passage and publication.

PASSED ON FIRST READING: _____

FINAL PASSAGE _____.

Robert Sivertsen, Mayor

ATTEST:

Diane Bixby
City Clerk



KPU Telecommunications
 2900 Tongass Avenue
 Ketchikan, AK 99901

Phone (907) 225-1000
 Fax (907) 225-1788

Memorandum

To: Karl Amylon, KPU General Manager

From: Ed Cushing, Telecommunications Division Manager
 Kim Simpson, Division Manager of Sales, Marketing, & Customer Service

Date: 7/10/2020

Subject: Request for an Interim Tariff to reconfigure OWAN pricing and add additional offerings.

IT 20-0710

Under 11.12.080(c)(4) Special Access Circuits (Recurring Monthly).

<u>Description</u>	<u>Rate</u>
Bridging/voice (per port)	\$4.37
Bridging/data (per port)	\$4.37
Level adjustment	\$4.37
Pad/transformer	\$4.37
Tied line	\$12.27
Two-wire voice grade service (per term.)	\$20.37
Four-wire voice grade service (per term.)	\$40.74
Digital data service 56/64 Kbps (per term.)	\$46.56
Digital data service 500 Kbps (per term.)	\$50.00
Digital data service 768 Kbps (per term.)	\$69.00
Digital data service 1.0 Mbps (per term.)	\$75.00
Digital data service 2.0 Mbps (per term.)	\$100.00
Digital data service 3.0 Mbps (per term.)	\$150.00

Description	Rate
Digital data service 4.0 Mbps (per term.)	\$175.00
Digital data service 5.0 Mbps (per term.)	\$200.00
Digital data service 10.0 Mbps (per term.)	\$220.00
Private local area network (per extension)	\$49.95
Q in Q – 2 or more VLANs (per port)	\$49.95
T-1 service (1.544 Mbps) (per term.)	\$243.00
Multiplexing for T-1 service (per term.)	\$110.58
Channel unit for multiplexing (per term.)	\$11.64
DCM switch interface	\$37.83
Meet-me conference bridge	ICB*
OWAN 100 Mbps Service to Home office, per termination	\$100.00
OWAN 40 25 Mbps service, per termination	\$245.00 <u>150.00</u>
OWAN 50 Mbps service, per termination	\$375.00 <u>245.00</u>
OWAN 100 Mbps service, per termination	\$467.00 <u>375.00</u>
OWAN 250 Mbps service, per termination	\$1,200.00 <u>467.00</u>
OWAN 300 500 Mbps service, per termination	\$1,300.00 <u>1200.00</u>
OWAN 500 600 Mbps service, per termination	\$1,520.00 <u>1300.00</u>
OWAN 750 Mbps service, per termination	\$1,750.00 <u>1520.00</u>
OWAN 1 Gbps service, per termination	\$2,025.00 <u>1750.00</u>
<u>OWAN 2 Gbps service, per termination</u>	<u>\$2025.00</u>
<u>OWAN 10 Gbps service, per termination</u>	<u>\$4050.00</u>

This interim tariff will be submitted to the Ketchikan City Council for approval within 90 days. Customers will be advised of "pending approval" and that the rates could change.

The effective date of this Interim Tariff will be July 10, 2020.

Approved:  Date: 8/17/20
Karl R. Amylon, KPU General Manager

cc: Lacey Simpson, Assistant KPU Manager
Dan Lindgren, Assistant KPU Telecommunications Manager
Jason Hudlin, Plant Manager
Marketing Managers



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Ketchikan, AK 99901

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Memorandum

To: Karl Amylon, KPU General Manager

From: Ed Cushing, Telecommunications Division Manager
Kim Simpson, Division Manager of Sales, Marketing, & Customer Service

Date: 11/5/2020

Subject: Request for an Interim Tariff to change Internet service offerings.

*Kim Simpson
by Ed Cushing*

IT 20-1105

Under 11.12.090(b)(1) IP network service rates.

(1) Internet Service Rates.

Description (Recurring Charges)

Download Speeds Up To	Upload Speeds Up To	Email Accounts Included	Data Transfer Included	Monthly Rate	Additional Information
3-M	3-M	8	25-GB	\$34.95	
5-M	5-M	8	50-GB	\$49.95	
40 <u>Up to 30</u> M	40 <u>Up to 30</u> M	8	450 <u>100</u> GB	\$59.95	
30- <u>150</u> M	30- <u>150</u> M	8	200 GB	\$74.95	
400- <u>350</u> M	400- <u>350</u> M	8	400- <u>500</u> GB	\$89.95	

250 650 M	250 650 M	8	600 750 GB	\$129.95	Includes 1 static IP
500-M 1GB	500-M 1GB	8	1 TB- <u>Business</u> <u>Unlimited</u> <u>Transfer-</u> <u>Residential</u>	\$199.95	Includes 1 static IP and managed WiFi-Consumer Grade, not Enterprise
0 M	0 M	0	0	\$18.95	Line access for KPU TV customers who do not require Internet

Add-On Features (Recurring Charges)

Additional email address.	\$1.00
Additional 1 MB server storage.	\$3.00
Additional 2 GB email storage space.	\$3.00
Static IP address – No service order charge for residential customer.	\$10.00
Additional each 10 GB over max. transfer.	\$1.00
<u>Standalone</u> Internet vacation rate.	\$12.00
Each 5 additional LAN stations above 8.	\$35.00
Static IP option (plus \$25.00 one-time setup fee).	\$10.00
Managed router service.	\$8.95
Managed router repeater, each.	\$4.95
Cloud firewall service.	\$1.95
Unlimited data transfer.	\$30.00
Consumer broadband loop.	\$15.13

Description (Nonrecurring Charges)

Internet reconnect (field visit not required)	\$20.00
Internet trip charge	\$20.00
Jack installation fee	\$55.00
Managed router service installation	\$49.95
Non-returned equipment fee, managed router service	\$150.00

This interim tariff will be submitted to the Ketchikan City Council for approval within 90 days. Customers will be advised of "pending approval" and that the rates could change.

The effective date of this Interim Tariff will be November 10, 2020.

Approved: Karl R. Amylon Digitally signed by Karl R. Amylon
DN: cn=Karl R. Amylon, o=City Manager/
General Manager, ou=City of Ketchikan/
KPU, email=kara@kn-ak.us, c=US
Date: 2020.11.21 10:52:32 -0800 Date: _____

Karl R. Amylon, KPU General Manager

cc: Lacey Simpson, Assistant KPU Manager
Dan Lindgren, Assistant KPU Telecommunications Manager
Daniel White, Network Operations and Engineering Manager
Jason Hudlin, Plant Manager
Marketing Managers