

**Special Meeting Agenda**  
**PUD Board of Commissioners**  
Tues, Jan 24, 2023 9:00 AM  
310 Four Corners Rd.  
Port Townsend, WA 98368  
and online via Zoom



**To join online go to:** <https://zoom.us/my/jeffcopud>. Follow the instructions to login. Meetings will open 10 minutes before they begin. TOLL FREE CALL IN #: 833-548-0282, Meeting ID# 4359992575#. Use \*6 to mute or unmute. \*9 to raise a hand to request to begin speaking.

Page

**1. Call to Order**

With the adoption by the Washington State Legislature of ESHB 1329, providing for both virtual and in-person meetings to be held, JPUD will be offering both virtual on-line meetings as well as in-person meetings, unless advance notice is provided. In person attendance will be limited to provide sufficient space and masking is encouraged. Online participant audio will be muted upon entry. Please unmute at the appropriate time to speak. If you are calling in, use \*6 to mute and unmute and\*9 to raise a hand to request to speak.

**2. Agenda Review**

**3. State Auditor Exit Interview**

**4. Broadband Rates and Policies**

3 - 19

[JPUD Broadband RP 20230124.pdf](#) 

4.1. Wholesale Rates Proposed Changes

20 - 24

[Approved Wholesale Rate Schedule 07132021.pdf](#) 

[Draft Open Access Rates 2023.pdf](#) 

4.2. Wholesale Policies Proposed Changes

25 - 46

[Approved Telecom Policy Manual 08032021.pdf](#) 

[Draft Open Access Policies 2023.pdf](#) 

4.3. Draft Communications Transport Agreement

47 - 53

[Draft Master Service Agreement 2023.pdf](#) 

- 5. South County Broadband Support**
- 6. NoaNet Discussion**
- 7. Executive Session per RCW 42.30.110 (1) (g) to review the performance of a PUD employee**
- 8. Adjourn**



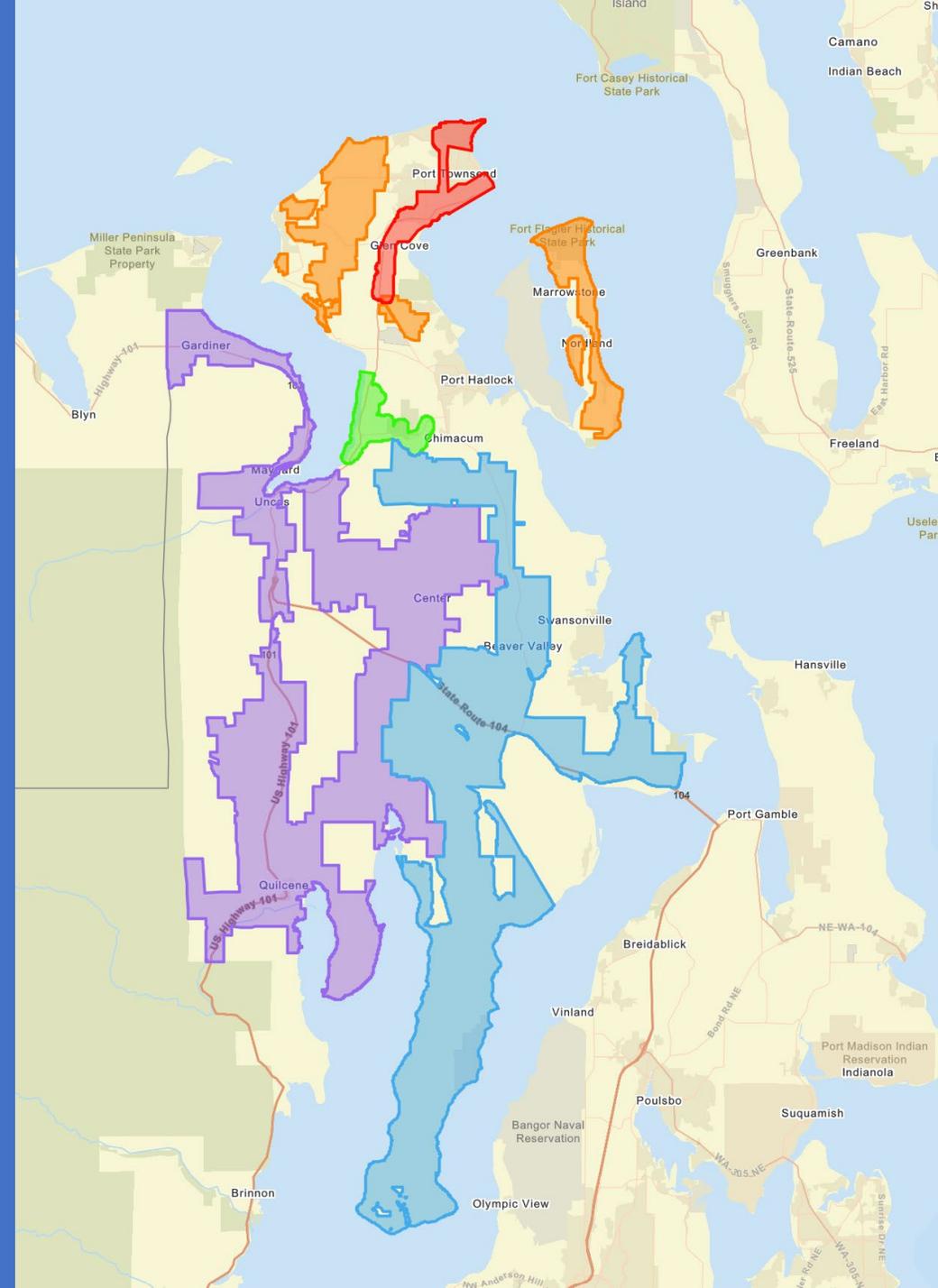
# Jefferson County Public Utility District

## Open Access Rates and Policies Revisions

Doug Dawson- CCG Communications  
& Will O'Donnell

Broadband and Communications Director

January 24, 2023



# Broadband Department Objectives

Extend fiber network to all unserved customers in electric service territory

Partner to assist with connections outside of electric service territory

Fund construction with state and federal grants & loans

Extend existing open access fiber network where financially viable

Build future-proof, reliable, affordable open access network to improve quality of life

\*Unserved currently defined as 25/3 over wireline

# Presentation Agenda

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Goal of Changes

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Program Overview

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Proposed Open Access Rates

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Proposed Policies

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Staffing Update





# GOALS

New PON Network

More Customer Choice

More Freedom For ISP

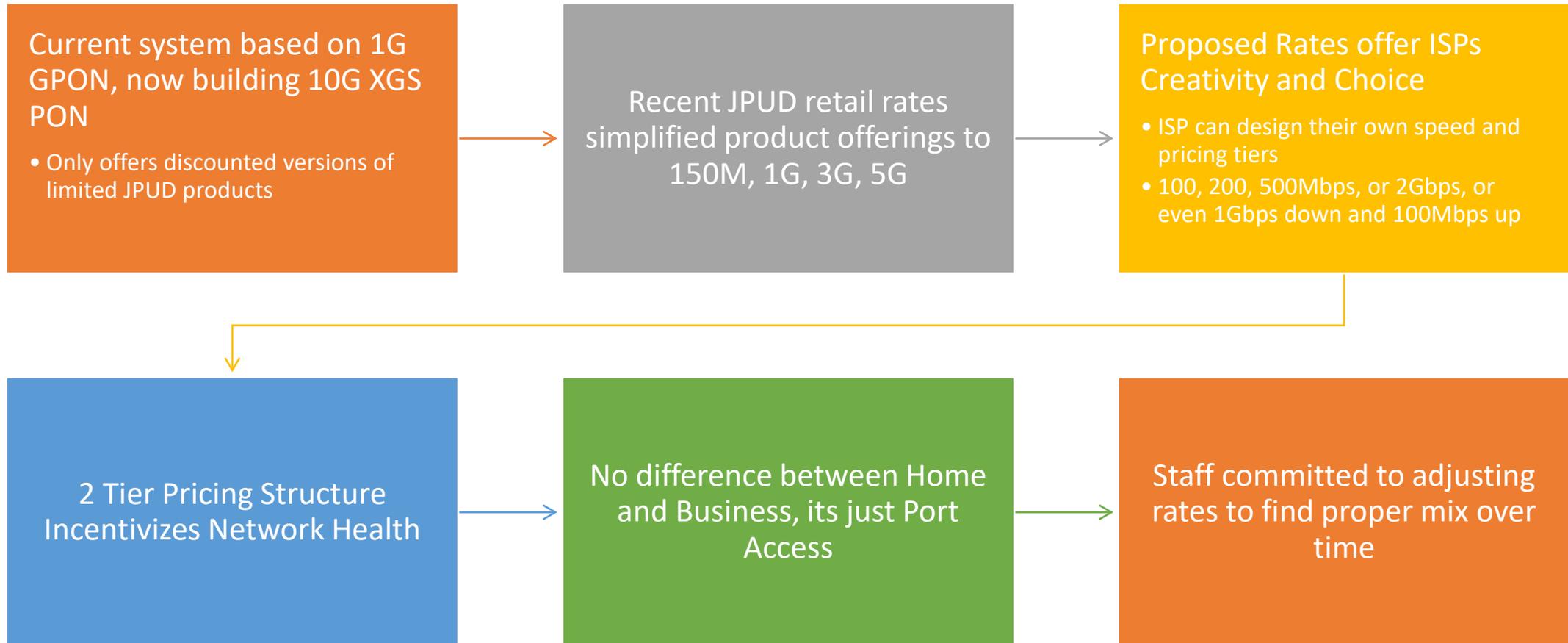
Accessible Pricing

Clear Rates and Programs

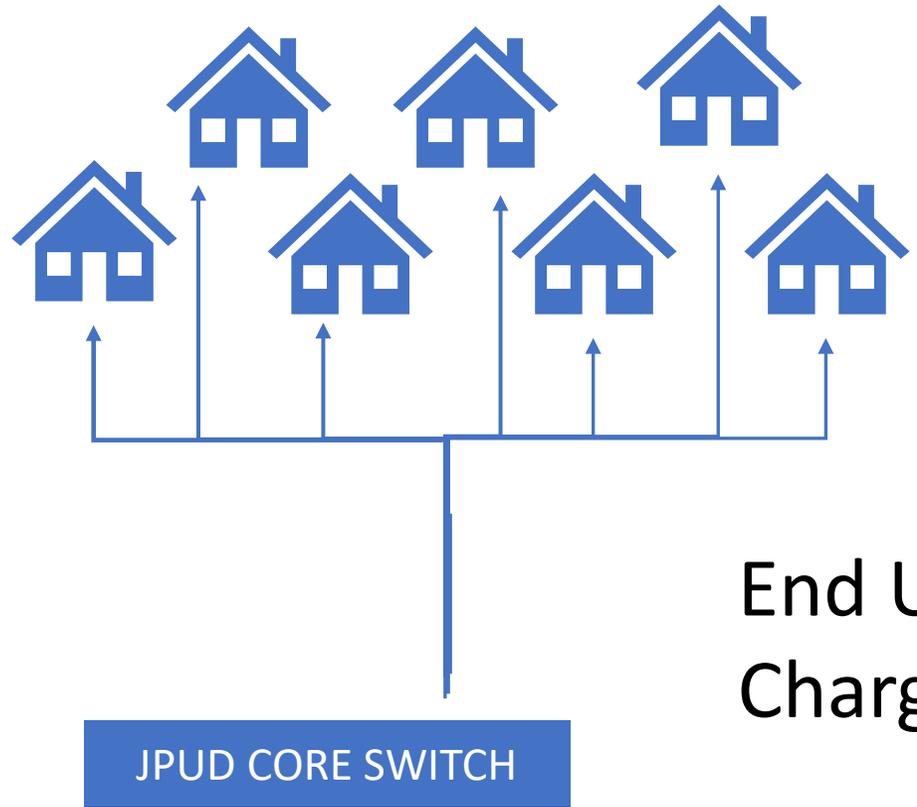
Healthy Network, No Congestion

Better Relationship w/ ISPs

# Why Change the Rates?



# Standard Home or Small Business PON Connection



10G End User Port on Premise Device



End User Port Charges



Aggregation Port Charge



TOTAL MRC

# Aggregation Port Rates

Speeds	Rate	10 Customers	20 Customers	50 Customers	100 Customers
0-100Mbps	\$100	\$10	\$5	\$2	\$1
101-500Mbps	\$300	\$30	\$15	\$6	\$3
501-999Mbps	\$750	\$75	\$38	\$15	\$8
Up to 2/2 Gbps	\$1,000	\$100	\$50	\$20	\$10
Up to 3/3 Gbps	\$1,500	\$150	\$75	\$30	\$15
Up to 5/5 Gbps	\$2,000	\$200	\$100	\$40	\$20

Estimated charge per customer

# Aggregation Port Measurement Process

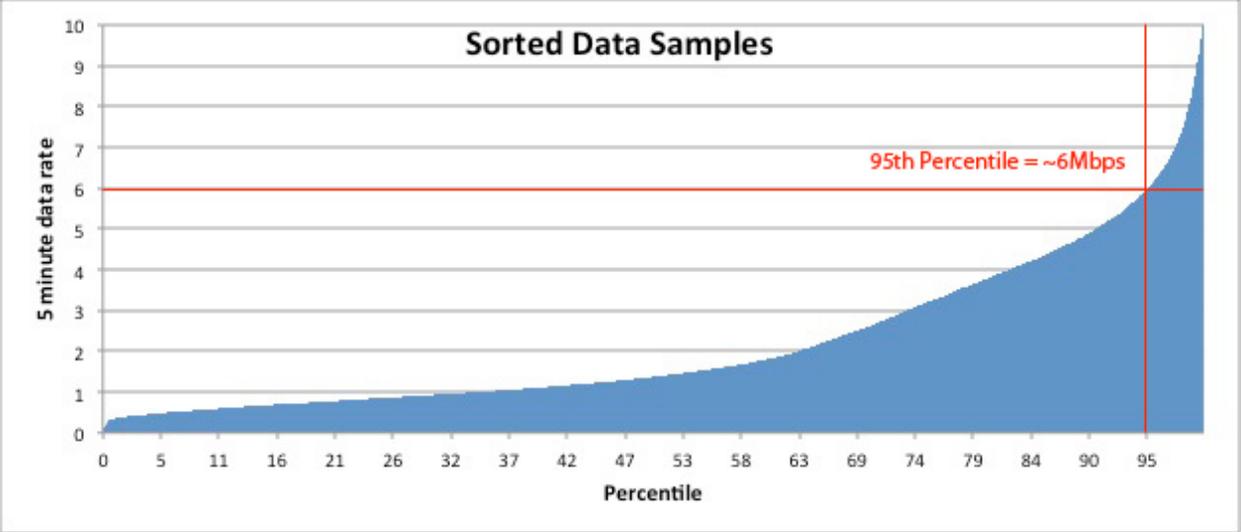
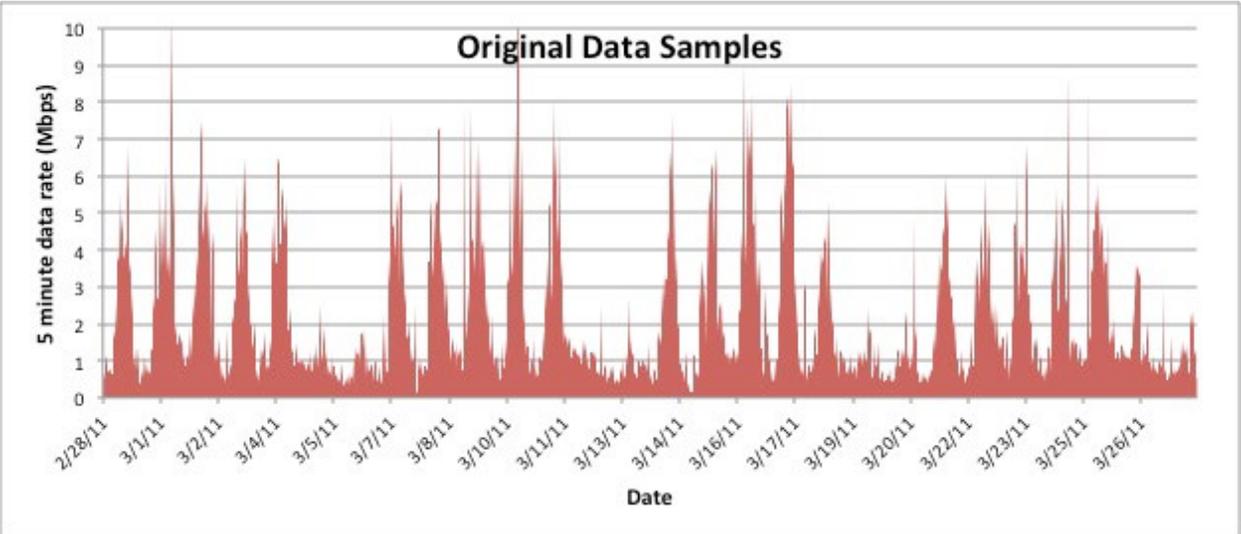
Sample Bandwidth every 5 minutes in a monthly billing cycle

Sort and Aggregate

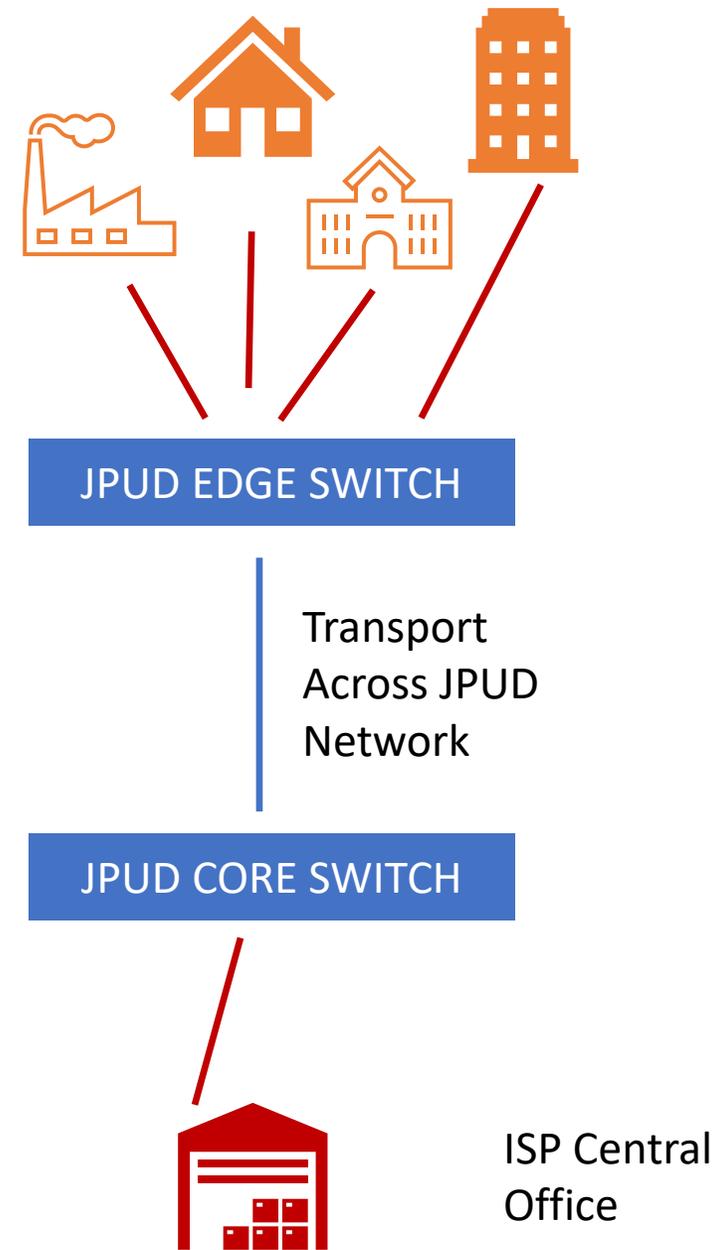
Remove top 5%

Determine 95<sup>th</sup> Percentile Speed

Charge Rate per Table



# Transport Connection





# ISP Application Process

Online Application- TBD

Updated Annually

Proof of Insurance

JPUD as Additional Insured

\$250 new ISP, \$100 renewing

Policy is ISP Handbook

# Service Application

Online Application

One Per End User or Service

Paid by ISP, not End User

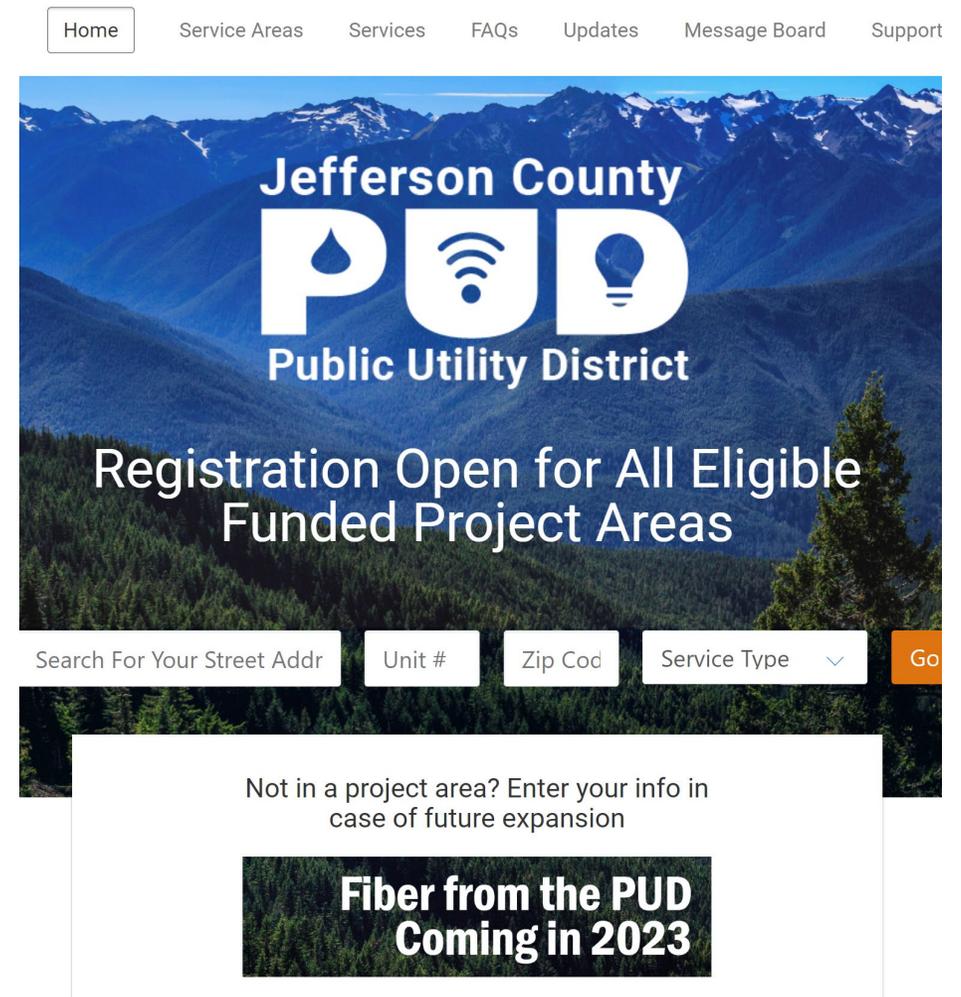
Includes MSA

30-day response in Open  
Special Project Areas

JPUD Installs Fiber, ONT

# How can ISPs Sign Up Customers Now?

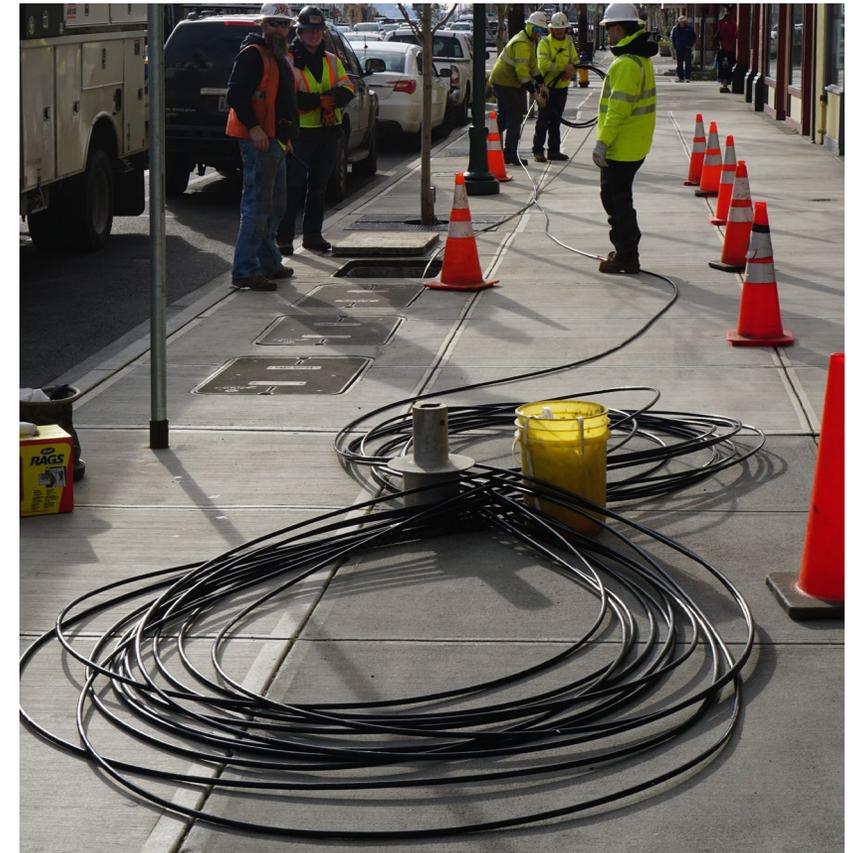
- Tell them to register online at [fiber.jeffpud.org](http://fiber.jeffpud.org)
- They can indicate they want a different ISP.
- When we begin drop construction in a Special Project Area, ISPs will be notified via email.
- At that time ISPs can submit Service Order and Construction Request.



# What about Transport or Other Orders

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- JPUD will try to accommodate transport orders over existing network
- JPUD will not be able to fulfill orders for new facilities construction until Q3 2023 at the earliest.
- JPUD will consider orders for existing customer facilities expansion, relocation, or transfer of service
- JPUD is not connecting new customers via Active Ethernet in 2023
- JPUD is not selling new dark fiber or internet in 2023



# Policy Revisions

Designed to be Handbook

MSA contains legal contract

Governs how to use network

Explains Product details

Defines Responsibilities

Problem Resolution

# Additional Policies that Apply

Data Privacy Policy

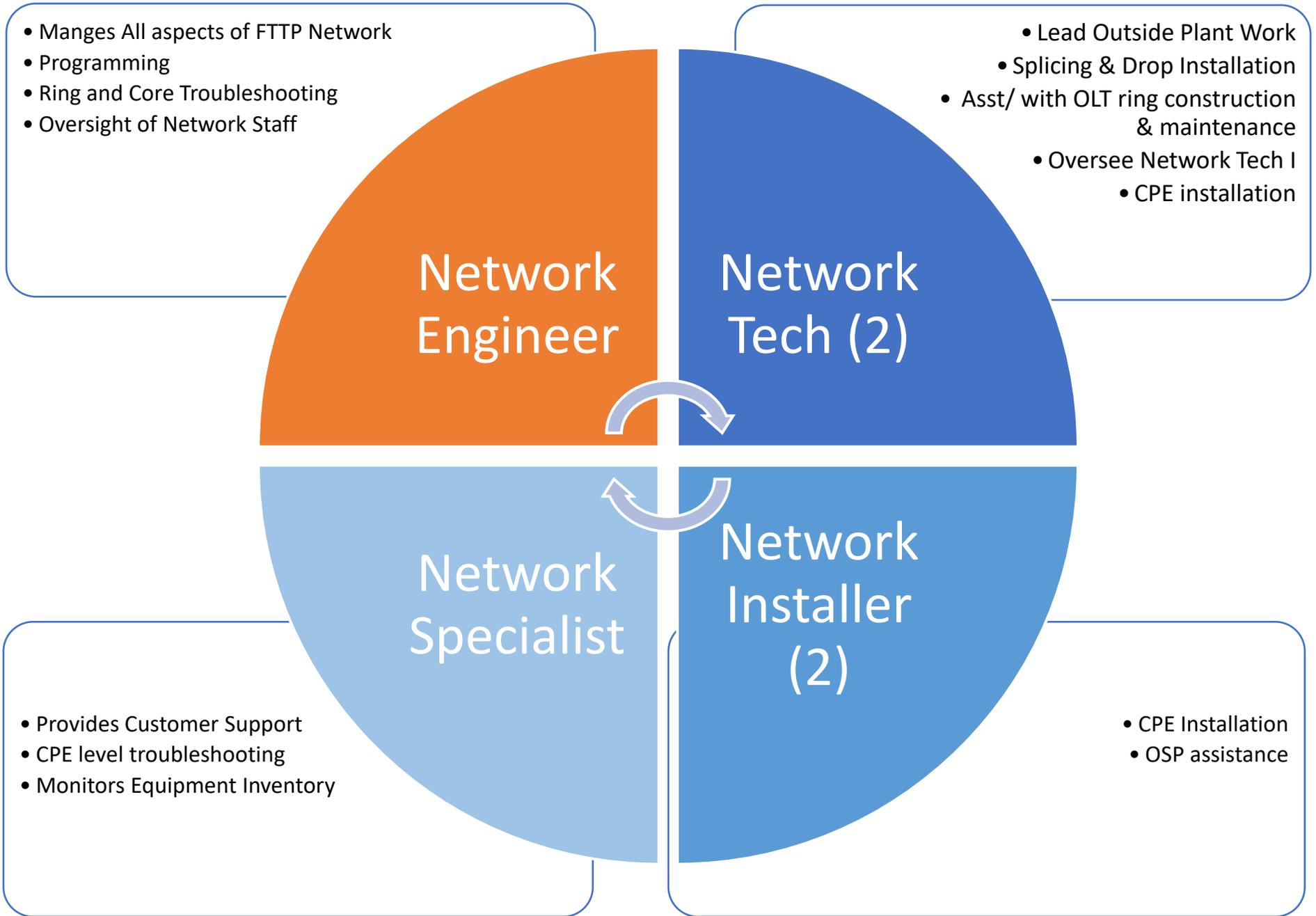
Customer Service Policy

Internet Service Agreement

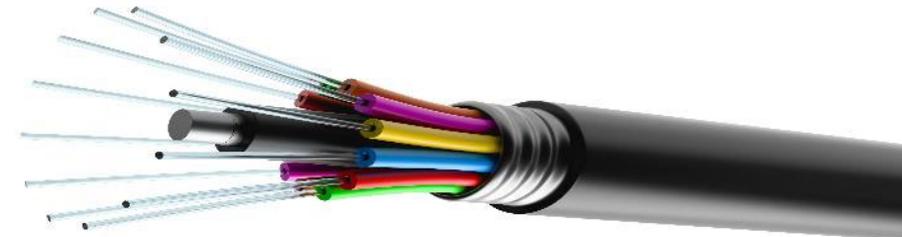
Acceptable Use Policy



# STAFFING PLAN



# Questions?



**Jefferson County PUD**  
**RATE SCHEDULE**  
**Wholesale Broadband Services**  
**Effective August 19, 2021**

- A. The rates listed on this schedule are available to qualified Internet Service Providers (ISPs) desiring to use the PUD's wholesale fiber optic network. The PUD reserves the right, at its sole option to discontinue or modify services listed in this rate schedule at any time.
- B. All wholesale fiber optic and wireless network services provided by the PUD are subject to the terms and conditions in the PUD's Telecommunications Policies, as may be amended from time-to-time.
- C. The amount of any tax levied by any governmental entity, in accordance with the laws of the State of Washington, will be added to the charges shown in this rate schedule.
- D. Rates listed in all tables below are monthly recurring charges unless otherwise noted.
- E. The products delivered with Residential Ethernet Services and Business Ethernet Services are intended to serve a single User location. It is prohibited to use the bandwidth from these products to connect to or sell services to additional customer locations.
- F. The District's fiber optic network is able to provide other features such as dark fiber, point-to-multipoint VLANs, and other backhaul solutions. The District is willing to sell such services under individual contractual arrangements. Please contact the District at [broadband@jeffpud.org](mailto:broadband@jeffpud.org) to discuss your needs.
- G. The PUD may enter into contractual arrangements with an RSP for any services not included on this rate sheet. The PUD must get Board approval for any contract greater than \$1,000 in monthly recurring fees.
- H. The PUD will offer a low-income discount for residential connections where somebody in a household meets the FCC's definition of those eligible for a discount. That definition currently includes anybody that is part of the Supplemental Nutrition Assistance Program (SNAP), Medicaid, Federal Public Housing Assistance, Supplemental Security Income, the Veterans and Survivors Pension Benefit, or certain Tribal Programs. The FCC may periodically change this definition. RSPs are required to pass this discount on to the qualifying household. RSPs are encouraged to match, and double the discount, but are not required to do so.
- I. General Service Areas refer to sections within the PUD's service territory where aid-to-construction costs may apply in determining connection fees per new service drop
- J. Special Project Areas refer to designated zones within the PUD's service territory where grant-or other funding sources allow for the possible waiver of construction fee for new service drops of 1000 feet or less. Special Project Areas will be posted on the PUD's website when designated.

Exhibit 1

<b>Set-up of New Service Provider</b>	\$250 non-recurring. This is applied one time for a new RSP.
<b>Residential Ethernet Services:</b>	
100/100 Mbps Basic Access (per unique premises) Tier 1 technical support provided 24/7, higher tiers of support available only during PUD's normal business hours. Includes data and/or Ethernet voice ports	\$35
250/250 Mbps Basic Access (per unique premises) Tier 1 technical support provided 24/7, higher tiers of support available only during PUD's normal business hours. Includes data and/or Ethernet voice ports	\$40
1 Gbps/1 Gbps Basic Access (per unique premises) Tier 1 technical support provided 24/7, higher tiers of support available only during PUD's normal business hours. Includes data and/or Ethernet voice ports	\$45
Premium Support (per unique premises) Added to any of the above products. Provides priority restoration following network outages.	\$10
Low Income Fiber Discount. The PUD will verify that somebody in a household qualifies for the low-income discount using the FCC definition. The discount will not apply if at some future time nobody in the household qualifies.	\$10 monthly discount. Only one discount per household.
<b>Business Ethernet Services:</b>	
100/100 Mbps Basic Access (per unique premises) Tier 1 technical support provided 24/7, higher tiers of support available only during PUD's normal business hours. Includes data and/or Ethernet voice ports	\$40
250/250 Mbps Basic Access (per unique premises) Tier 1 technical support provided 24/7, higher tiers of support available only during PUD's normal business hours. Includes data and/or Ethernet voice ports	\$45
1 Gbps/1 Gbps Basic Access (per unique premises) Tier 1 technical support provided 24/7, higher tiers of support available only during PUD's normal business hours. Includes data and/or Ethernet voice ports	\$50
Premium Support (per unique premises) Added to any of the above products. Provides priority restoration following network outages.	\$15
<b>Customer VLAN Off-Network Services: (Includes Premium Support)</b>	
100 Mbps port – Month-to-Month billing	\$500
100 Mbps port – 3-Year Contract	\$300

Exhibit 1

100 Mbps port – 5-Year Contract	\$200
250 Mbps port – Month-to-Month billing	\$700
250 Mbps port – 3-Year Contract	\$500
250 Mbps port – 5-Year Contract	\$300
1 Gbps port – Month-to-Month billing	\$1,100
1 Gbps port – 3-Year Contract	\$900
1 Gbps port – 5-Year Contract	\$650
<b>Collocation:</b>	
The following are monthly recurring charges for collocating equipment in District Facilities. The rates include cabinet or rack space, access to 20 amp AC power, and keyed entry for Customer access.	
Full Rack Space	\$500
Half Rack Space	\$250
One-Third Rack Space	\$170
One-Fourth Rack Space	\$125
DC Power – per each 5 amps of total installed breaker capacity	\$18
<b>Labor Charges.</b> To be applied per hour to any work requested by Customer that is not included in a standard installation. Minimum charge is for ½ hour of time.	
Standard Labor Charge	\$100 per hour
Overtime Labor Charge	\$150 per hour
<b>Connection Fee per new Service Drop</b>	<p>GENERAL SERVICE AREA: Aid to Construction charges may apply. Aid to Construction costs will be estimated per connection request.</p> <p>SPECIAL PROJECT AREA: Installation is generally free for any drop of 1,000 feet or less. The PUD reserves the right to apply special construction charges for drops over that length. The PUD also reserves the right to bill extra charges for drops less than 1,000 feet that require construction under a significant amount of concrete, pavement or other impediments.</p>

# BROADBAND NETWORK ACCESS

## SCHEDULE OF RATES AND CHARGES



**NETWORK ACCESS APPLICATION FEE: \$250** Non-refundable.

**NETWORK ACCESS RENEWAL FEE: \$100** Due annually on January 31<sup>st</sup>. Must include updated copies of Insurance, updated contact information, and any other necessary documents.

### END USER ACCESS PORT RATES

*Single 10G Ethernet Port. Charged per end user. PON network only. Does not include internet.*

Speeds	Up to 1/1Gbps	Up to 3/3 Gbps	Up to 5/5 Gbps
MRC	\$40	\$100	\$250
PUD Verified Low Income Discount	-\$10/mo		

### LEGACY END USER ACCESS PORT RATES

*Only available to active ethernet connections obtained or requested prior to Jan. 1, 2023. 1G or greater Ethernet port. Charged per end user. Does not include internet.*

Speeds	Up to 1/1Gbps
MRC	\$80

### AGGREGATION PORT RATES

*Includes 1 10G Optical Port. Does not include internet. Additional Engineering charges may apply. See Open Access Broadband Service Policies for more information.*

Speeds	MRC < 1/1Gbps	Speeds	MRC < 5/5Gbps
0-100Mbps	\$100	Up to 2/2 Gbps	\$1000
101-500Mbps	\$300	Up to 3/3 Gbps	\$1500
501-999Mbps	\$750	Up to 5/5 Gbps	\$2000

### FACILITES EXTENSION CHARGES

Area Type	Charge
General Service Area	Cost of all materials and labor needed to complete the connection.
Special Project Area	Varies. See website or contact JPUD staff for updated information and potential charges.

### POINT TO POINT TRANSPORT RATES

*Includes up to 2 10G Optical Ports. Does not include internet. Additional Engineering charges may apply.*

NRC	Speeds	Up to 1/1Gbps	Up to 3/3 Gbps	Up to 5/5 Gbps	Up to 10/10 Gbps
\$500	MRC 1YR Contract	\$500	\$600	\$900	\$2000
\$500	MRC 2YR Contract	\$450	\$540	\$810	\$1500
\$500	MRC 3YR Contract	\$405	\$486	\$729	\$1000

JPUD BROADBAND NETWORK ACCESS SCHEDULE OF RATES AND CHARGES

**COLLOCATION RATES**

*The following are monthly recurring charges for collocating equipment in District Facilities. The rates include cabinet or rack space, access to 20-amp AC power, and keyed entry for Customer access. Conditions related to access are detailed in the PUD Broadband Policies. Labor rates may apply.*

Rack Portion	MRC
Full	\$500
Half	\$250
One Third	\$170
One Quarter	\$125
DC Power <i>per each 5 amps of total installed breaker capacity</i>	\$18
<i>Additional 20 amp AC circuits by request</i>	<i>Cost to be determined if available</i>

**NON-JPUD FACILITIES RELATED SERVICE REQUESTS**

DURING OFFICE HOURS <i>8am to 4:30pm, Monday through Friday, excluding holidays.</i>	\$150 per hour (1hr. min.)
AFTER HOURS <i>4:30pm to 8am, Monday through Friday and anytime weekends and holidays.</i>	\$200 per hour (2hr. min)

Exhibit 2

**TELECOMMUNICATIONS CUSTOMER SERVICE POLICIES  
OF THE PUBLIC UTILITY DISTRICT OF JEFFERSON COUNTY, WASHINGTON**

**Adopted: August 3, 2021**

**1.0 APPLICABILITY OF POLICIES**

These Telecommunications Customer Service Policies are subject to revision by the Commission of the District from time to time as determined to be in the District's best interests.

The District provides telecommunications services and facilities in accordance with the provisions of RCW 54.16.330. The District reserves the right to discontinue any service at any time and in the event that any Customer shall fail to comply with these Policies. Service also may be disconnected by the District at any time to prevent fraudulent use or to protect its property.

Contracts between the District and Customers for specialized services such as telecommunication transport services or dark fiber may contain different terms and conditions from those set forth in these Telecommunications Customer Service Policies provided such contracts are approved by the District's Commission and further provided that such contracts shall comply with RCW 54.16.330 requiring that the rates, terms, and conditions for such services are not unduly or unreasonably discriminatory or preferential.

Exhibit 2

**1.1 DEFINITION OF TERMS**

Special terms when used in these policies shall have the following definitions:

<u>Commission</u>	The elected Board of Commissioners of Public Utility District of Jefferson County, Washington.
<u>Customer</u>	A person or entity purchasing wholesale Telecommunications Services from the District. A Customer may not be a retail user of Telecommunications Services.
<u>Due Date</u>	The date by which the Customer's payment for Telecommunications Services must be received by the District as specified on the District's Billing Statement. The Due Date will be 30 days after the billing date specified on the bill, or the next business day if the 30 <sup>th</sup> day is a weekend or a holiday.
<u>Pre-Pay</u>	An agreement by the District and the Customer obligating the Customer to make advance payment for Telecommunications Services or Facilities.
<u>Special Fiber Construction</u>	District may require the Customer to pre-pay for some cost of construction needed to add a User to the network before the customer is added to the network. Special Fiber Construction may be charged if the Customer asks to connect to a User to anywhere other than the normal Fiber Demarcation Point. Special Fiber Construction may also be assessed for Users for which there are high costs of connection required to connect to the network.
<u>Telecommunications Services</u>	All telecommunications services and facilities provided to Customers as set forth in an applicable District rate schedule.
<u>Telecommunication Facilities</u>	Those facilities required to provide Telecommunications Services. This includes, but is not limited to, fiber, vaults, switches, routers and gateways.
<u>Fiber Demarcation Point</u>	The designated connection point at which the District's facilities end. The final location of the Fiber Demarcation Point shall be determined exclusively by the District. District devices will, to the extent feasible, be installed only in locations that allow free and safe access for installing, removing and testing.
<u>User</u>	A person or entity that is receiving access to Telecommunications

Exhibit 2  
Services from a Customer

## **2.0 TELECOMMUNICATION GENERAL POLICIES**

### **2.1 RATE SCHEDULE**

A Rate Schedule has been adopted by the Commission to establish charges for Telecommunications Services. The Commission may revise the rate schedule from time to time and at any time as they determine necessary or advisable. Copies of the current rate schedules are available upon request.

### **2.2 LIMITATIONS OF DISTRICT OBLIGATIONS**

The District will attempt to provide, but does not guarantee, a regular and uninterrupted supply of service. The District may suspend the delivery of service for the purpose of making repairs or improvements to its Telecommunications Facilities. Repairs or improvements that can be scheduled will be scheduled, when feasible, at such time as to minimize impact to Customers and Users. Telecommunications Services/Facilities are inherently subject to interruption, suspension, curtailment and fluctuation. In no event, however, shall the District be liable to its Customers or any other persons for any damages to person or property arising out of, or related to, any interruption, suspension, curtailment or fluctuation in service if such interruption, suspension, curtailment or fluctuation results in whole or part from any of the following:

- A. Causes beyond the District's reasonable control including, but not limited to, accident or casualty, fire, flood, drought, wind, acts of the elements, court orders, insurrections or riots, breakdowns of or damage to equipment/facilities of District or of third parties, acts of God or public enemy, strikes or other labor disputes, civil, military or governmental authority; or
- B. Repair, maintenance, improvement, renewal or replacement work on District's Telecommunication Facilities, which work, in the sole judgment of District, is necessary or prudent; or
- C. Automatic or manual actions taken by District, which in its sole judgement are necessary or prudent to protect the performance, integrity, reliability or stability of District's telecommunication system or any telecommunication system with which it is interconnected.

### **2.3 LIMITATIONS OF DAMAGES**

In no event shall the District have any obligation or liability for any lost profits, consequential, incidental, indirect, special or punitive damages of any type arising out of, or in any way connected to, the District's Telecommunications Services/Facilities or any interruption, suspension, curtailment or fluctuation of the District's Telecommunications

## Exhibit 2

Services regardless of the cause thereof.

### 2.4 CUSTOMER OBLIGATIONS

It shall be the responsibility of the Customer to abide by all applicable rate schedules and policies relating to service as the same currently exist or are hereafter amended. By continuing to utilize the District's Telecommunications Services, the Customer shall be deemed to have accepted all of the terms and conditions contained in the District's rate schedules and policies as the same currently exist or are amended from time to time.

### 2.5 APPLICATION FOR SERVICE

A new Customer must apply to the District for approval before being allowed to use the District's fiber network. Customer must provide the following to be approved to use the network:

- Customer must provide a current valid business license and UBI number or local business license as required that provide proof that the Customer is legally allowed to resell services.
- Customer must be current and have paid all previously accrued and outstanding amounts owed the District for Telecommunications Services.
- Customer shall procure and maintain for the time in which Customer is providing services using the District fiber network, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Customer, its agents, representatives, employees, or subcontractors. Any payment of deductible or self-insured retention shall be the sole responsibility of the Customer. Customer shall provide a Certificate of Insurance which shall include the following:
  - Automobile Liability insurance with limits no less than \$1,000,000 combined single limit per accident for bodily injury and property damage;
  - Commercial General Liability insurance written on an occurrence basis with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate for personal injury, bodily injury and property damage. Coverage shall include but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if applicable; and employer's liability; and
  - Worker's Compensation insurance at the limits established by the State of Washington.
- The PUD shall be named as an additional insured on the insurance policy, as respects to work performed by or on behalf of the Customer, and a copy of the endorsement naming the PUD as additional insured shall be attached to the Certificate of Insurance. The Customer's insurance shall be primary insurance as respects the PUD and the PUD shall be given thirty (30) days prior written notice of any cancellation, suspension or material change in coverage.

**2.6 PRE-PAYMENT FOR USER CONNECTION TO THE NETWORK**

The Customer shall be required to prepay any Connection Fees as defined in the Rate Schedule as well as any Special Construction Charges assessed to a specific customer before the District will initiate the construction to add the User to the network.

**3.0 BILLING AND COLLECTION**

**3.1 BILLING PERIODS**

Customers will be billed monthly for Telecommunications Services or as otherwise provided in the applicable District rate schedules. Charges shall be prorated when Telecommunications Services are provided for more than or less than the actual billing period.

**3.2 ADJUSTMENT OF BILLING ERRORS**

The District reserves the right to adjust any billing when it determines that an error in billing has been made and a correction is in order. The District may revise such bill on the basis of best evidence available.

**3.3 PAYMENT**

The District requires receipt of payment for Telecommunications Services/Facilities on or before the earlier of the Due Date specified on the billing statement or the date specified in the Prepayment Agreement if the Customer has executed a Prepayment Agreement.

**3.4 LATE PAYMENT CHARGES**

If payment hasn't been received by the District on or before the Due Date, a late charge shall be assessed on the unpaid balance. The late payment charge shall be calculated at 1.5% per month. In no event shall the minimum monthly late payment charge amount be less than \$50.00. Late payment charges shall continue to accrue until such time as the bill and all accumulated charges have been paid in full.

**3.5 RETURNED CHECK CHARGES**

If Customer payment fails, due to any reason, the District will charge a return check fee in accordance with RCW 62A.3-501 and RCW 62A.3-525.

**3.6 PAYMENT OPTIONS**

Customers may make payment to the District by any District-approved means.

**3.7 CUSTOMER AND USER REQUIREMENTS**

## Exhibit 2

In order to protect the District's Telecommunications Services and Telecommunications Facilities, all Customers and Users shall strictly comply with the following requirements:

### **A. Illegal Use**

The District's Telecommunications Services may only be used for lawful purposes. Any transmission, distribution, retrieval, or storage of material that violates any applicable law is prohibited. Customers of Telecommunications Services are required to have and enforce policies governing their Users which prohibit the following activities involving District Telecommunications Services or Telecommunications Facilities, without limitation:

1. Compliance with all Intellectual property rights and laws – No Customer or User shall violate any intellectual property rights including those protected by patent, copyright, trade secret, or other intellectual property right.
2. Inappropriate content – No Customer or User shall transmit, broadcast or receive any material that is legally obscene or constitutes child pornography, or any material that is libelous, defamatory, or that otherwise violates applicable laws.
3. Export control – No Customer or User shall transmit, broadcast or receive any material that violates export control laws or other applicable regulations.
4. Forging of Headers – No Customer or User shall misrepresent or forge any message header to mask the originator of a transmitted communication.

### **B. System and Network Security**

The District makes no guarantee regarding, and assumes no liability for, the security and integrity of any data or information transmitted by the Customer or a User over the District's Telecommunication Facilities or Telecommunications Services. Any attempt to breach system and network security measures is expressly prohibited and may result in criminal and civil liability. Customers of Telecommunications Services are required to have policies governing their Users which prohibit the following, without limitation:

1. Unauthorized Access – Customers and Users may not attempt to gain unauthorized access to or attempt to interfere with the normal functioning and security of the Telecommunications Services or any other District system. Illegally accessing or accessing without proper authorization computers, accounts, networks or purposely breaching firewalls or security measures of another company's or individual's system (hacking) is also a violation.
2. Unauthorized Monitoring – Customers and Users may not attempt to monitor

## Exhibit 2

any information on any network or system without authorization of the owner of that network.

3. Interference - Customers and Users may not attempt to intercept, redirect or otherwise interfere with communications intended for other parties.
4. Fraud/Forgery – Customers and Users are expressly prohibited from impersonating another party by altering IP addresses or forging TCP-IP packet header information within an email or newsgroup posting. Misrepresenting or forging message headers to mask the originator of a message is a violation of these policies.
5. “Denial of Service Attacks” – Customers and Users may not flood, deliberately attempt to overload a system, or broadcast attacks.
6. Virus Transmission - Customers and Users may not intentionally or negligently transmit files containing a computer virus, Trojan Horse, Worms, corrupted data or other destructive activities.
7. Re-transmission – Transmission of District network services beyond the premises which is directly connected to the District’s network, except as specifically allowed under Rate Schedule 100.

### **C. Email**

Although the District makes no promises to police any activities on the Telecommunication Facilities, it is required that Customers of Telecommunications Services have and enforce policies for Users requiring compliance with certain conduct in connection with e-mail. Compliance shall include, without limitation:

1. Unsolicited Email - Users may not use any Services to transmit or collect the responses from excessive volumes of unsolicited commercial e-mail messages. The use of another provider's service to send unsolicited commercial or bulk e-mails, SPAM or mass mailings to promote a site associated with the District’s network or any of its customers is similarly prohibited.
2. E-mail Relay - The use of another party's e-mail server to relay e-mail without express permission from such party is prohibited.

### **D. Rights of the District**

1. The District will cooperate with legally authorized law enforcement and government agencies or other parties involved in investigating claims of illegal or inappropriate activity.
2. Violation of this policy may result in temporary suspension or termination of

Exhibit 2  
service, at the District's sole discretion.

### **3.8 RIGHT TO DISCONNECT**

The District's right to discontinue Telecommunications Service may be exercised whenever:

- A. Customer is not current on payments due to District. District invoices are due and payable within 30 days. Customer will be disconnected if at least 75% of any past due billing has not been paid within 30 days past the date of the invoice. Disconnection of Telecommunications Services may occur as often as delinquency shall occur and neither delay nor omission on the part of the District to enforce this rule at any one or more times shall be deemed as a waiver of its rights to enforce the same at any time, so long as the delinquency continues; or
- B. Violation of these Telecommunications Customer Service Policies or the signed Telecommunications Service Provider Application and Agreement.

### **4.0 SERVICE OBLIGATIONS**

#### **A. Request for New Service**

Customer shall make a formal request to connect a new User to the network by sending an email to [broadband@jeffpud.org](mailto:broadband@jeffpud.org). That email should contain the following minimum information:

- Name of the User
- Address of the User
- The specific product being requested from the Rate Schedule

Within 7days of a formal request for service, the District shall provide Customer with a quote for service which would include any additional pre-paid fees required for to cover the cost of construction or installation.

At this point, Customer can place a valid order for service by pre-paying the District for any connection fees as described in the Telecommunications Rate Schedules and pre-paying any specific construction charges that the District is requiring, if any, for a specific customer.

Before District will proceed with construction, Customer must provide evidence that the real property owner is granting easement to the District for crossing and locating infrastructure on the property.

Customer must also notify the User about any planned site visit by the District.

#### **B. Installation Goals**

Both parties shall cooperate to try to connect a new residential User to the network

## Exhibit 2

within 30 days of the date of a valid order.

The District and Customer will work jointly to set an installation date goal for each new business customer at the point where there is a valid order.

### **C. Demarcation**

The physical demarcation point between the District network and Customer network shall be at the point where the District places the electronics at a User location that converts light signal into electrical signal.

The District's policy for a residential User is to place the demarcation on the outside of a User location close to the electric meter, but the District retains the right to locate the demarcation point indoors or at some different outdoor location.

The District's policy for a business User is to place the demarcation indoors at the customer location. The District expects Customer to be familiar with the customer location and to define the location of a business User demarcation.

In all cases, Customer may request an alternate demarcation point from that suggested by the District. The District will try to accommodate the Customer request, but there may be additional fees.

The District's Responsibility ends at the demarcation point and all wiring and other facilities past the demarcation are the responsibility of Customer. District might agree to do additional work past the demarcation point but is not obligated to do so. Any District work past the demarcation will be performed at the District's hourly rate identified on the Rate Schedule.

When the installation to the demarcation is complete the District will notify the Customer and will include any information pertinent to the installation.

### **D. Responsibility for Maintenance and Repairs**

District is responsible for all network obligations on the District side of the demarcation, including the electronics at the demarcation point. Customer is responsible for all network at the User location that is past the demarcation point.

Each party will be responsible for all maintenance and repair costs on its side of the demarcation point.

Both parties will cooperate to reduce unneeded truck rolls. Should District be requested to make a truck roll by Customer but finds that the problem was on the Customer side of the demarcation, the District will bill time and materials as defined in Telecommunications Rate Schedule. There will no fees for a truck roll where the problem was on the District side of the demarcation.

## Exhibit 2

### **E. Network Monitoring / Escalation**

Customer must provide the District with an escalation list that identifies the contact at Customer who should be notified of network problems or outages. This list shall identify the specific and best ways to reach the Customer contact, including telephone number and email address. Customer should also provide a back-up contact in case the primary contact can't be reached. Customer is free to provide different contacts for different kind of network problems.

District will monitor the fiber network 24/7. The District will notify the appropriate Customer contact about identified network problems that have a material impact on User performance.



# OPEN ACCESS NETWORK BROADBAND SERVICE POLICIES

Adopted: February XX, 2023

Revised:

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## APPLICABILITY OF POLICIES

Public Utility District No. 1 of Jefferson County (JPUD)'s Open Access Network Broadband Service Policies are subject to revision by the Commission of JPUD from time to time as determined to be in the JPUD best interests.

JPUD provides broadband services and facilities in accordance with the provisions of RCW 54.16.330. JPUD reserves the right to discontinue any service it provides at any time due to failure to comply with policies. Service also may be disconnected by JPUD at any time to prevent fraudulent use or to protect its property.

Contracts between JPUD and individuals or businesses seeking access to JPUD's broadband network may contain different terms and conditions than those set forth in these Broadband Open Access Network Service Policies provided such contracts are approved by JPUD's Commission and further provided that such contracts shall comply with RCW 54.16.330 requiring that the rates, terms, and conditions for such services are not unduly or unreasonably discriminatory or preferential.

## DEFINITION OF TERMS

**Active Connection:** Powered connection between electronics on the premises of an End User and core network electronics over a single fiber optic cable.

**Broadband:** A wide range for digital information to travel across. Depending on which regulating body is in charge of funding, it could mean 25 Mbps upload speeds and 3 Mbps down, or 100 Mbps down and 20 up, or any number of combinations that allow for low latency two-way video streaming enabling remote work, schooling, or telemedicine.

**Carrier:** Private commercial telecommunications provider operating across county, state, or national boundaries.

**Commission:** The elected Board of Commissioners of Public Utility District No. 1 of Jefferson County, Washington.

**CTS:** Communications Transport Service. The act of sending digital information across a physical network.

**Demarcation Point:** The designated connection point at which the JPUD's facilities end. The final location of the Fiber Demarcation Point shall be determined exclusively by JPUD. JPUD devices will, to the extent feasible, be installed only in locations that allow free and safe access for installing, removing, and testing.

**End User:** A person or entity that is receiving access to internet services from an ISP over JPUD's Open Access Broadband Network.

**Facilities:** Refers to lines, conduits, ducts, poles, wires, cables, crossarms, receivers, transmitters, instruments, machines, appliances, instrumentalities and all devices, real estate, easements, apparatus, property, and routes used, operated, owned, or controlled by JPUD to facilitate the provision of telecommunications or broadband services.

**MRC:** Monthly Recurring Charge. Billed every month.

**ONT:** Optical Network Terminal. The fiber equivalent of a modem.

**NRC:** Non-Recurring Charge. One-time fee.

**Line Extension:** The construction and installation of JPUD owned fiber optic cable connecting JPUD facilities and network to an end user or ISP or Carrier facilities. Charges apply.

**Open Access:** CTS over facilities owned by one party, but open for use by other parties that agree to service terms that do not prohibit competition and instead create multiple service options for

the End User.

**PON:** Passive Optical Network (PON) refers to CTS delivered over fiber optic cable that originates from a single port but can be split up to 64 times before being delivered to the End User.

**Internet Service Provider (ISP):** A person or entity that has been approved by the JPUD to access broadband network facilities for the purposes of providing internet service to End Users. Referred in this document as an ISP.

## QUALIFICATIONS

### ISP Qualification Application

All prospective ISPs must complete a Qualification Application and provide the following information:

- A. Proof of insurance (more info in following section)
- B. UBI (business license) number.
- C. Proof of ability to install on premise and provide for End User services.
- D. Proof of continuous 24 hours per day, 365 days per year, technical support ability including access number.
- E. A set-up fee per JPUD's rate schedules.
- F. Proof of a layer three capable router for provisioning of retail services to End Users. Contact JPUD for the minimum requirements.

### Qualified ISP Insurance Requirements

Insurance must be in place and approved by JPUD before the ISP can connect to the network. The insurance provides protection against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the ISP, its agents, representatives, employees, or subcontractors. Any payment of deductible or self-insured retention shall be the sole responsibility of the ISP. ISP shall provide a Certificate of Insurance which shall include the following:

- Automobile Liability insurance with limits no less than \$1,000,000 combined single limit per accident for bodily injury and property damage.
- Worker's Compensation insurance at the limits established by the State of Washington.
- Commercial General Liability insurance written on an occurrence basis with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate for personal injury, bodily injury and property damage.
- JPUD shall be named as an additional insured on the insurance policy, with respect to work

performed by or on behalf of the ISP, and a copy of the endorsement naming JPUD as additional insured shall be attached to the Certificate of Insurance. The ISP's insurance shall be primary insurance with respect to JPUD and JPUD shall be given thirty (30) days prior written notice of any cancellation, suspension or material change in any coverage.

- Insurance coverage must be maintained for as long as the ISP is providing services using JPUD fiber network. The ISP shall provide JPUD with a copy of the endorsement every time a policy is renewed or modified so that JPUD always has the most current policy on file. Failure to provide current insurance coverage will result in termination.

## **END USER APPLICATIONS FOR CONNECTION TO BROADBAND FACILITIES**

All prospective End Users of ISPs utilizing JPUD's Open Access Network to provide Broadband services will be required to complete a JPUD Broadband Construction Application to extend JPUD Broadband Facilities to their home or business. The ISP will submit the End User's Broadband Construction Application along with the ISP's Application for Service form signed by an authorized agent or employee of the selected ISP to JPUD. JPUD staff or contractors will perform the work of installing Broadband Facilities to the End User, but End Users will be serviced and billed through their chosen ISP and as such, all charges and rates for service are determined by their ISP. The Application for Service shall set forth all information that JPUD may reasonably require.

## **SERVICES AVAILABLE**

Readily available Open Access Network Broadband Services from JPUD are listed on the Schedule of Rates and Charges. For services not listed on the Schedule of Rates and Charges, please contract Broadband Department Staff. Staff may or may not be able to accommodate requests. Special rates and contract terms may apply.

Note: JPUD is not accepting new requests for residential or small business service over Active Ethernet.

## **CHARGES AND BILLING**

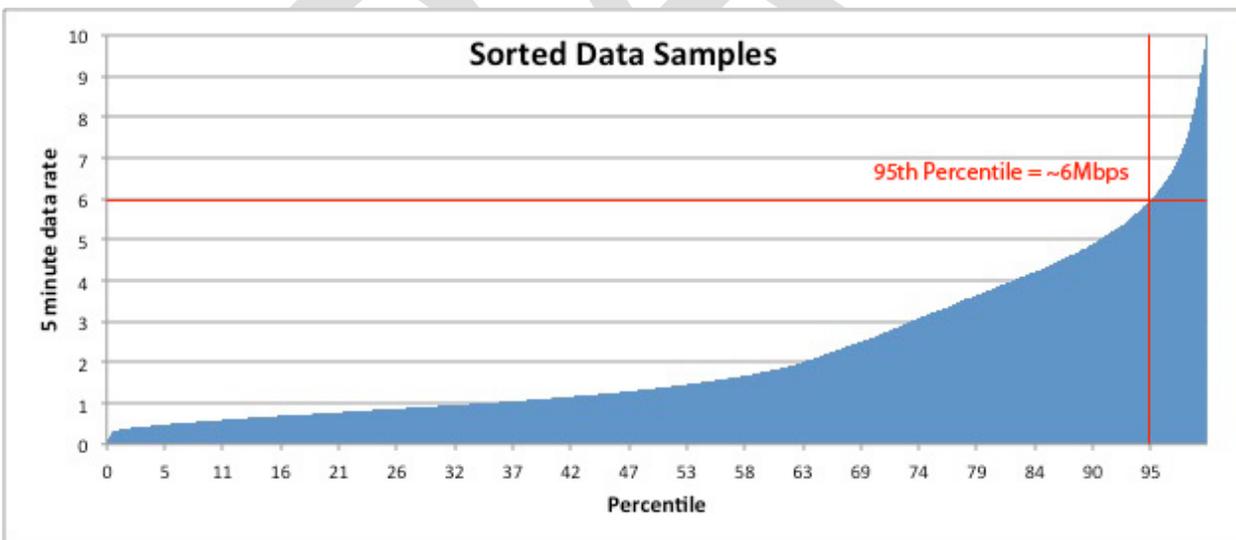
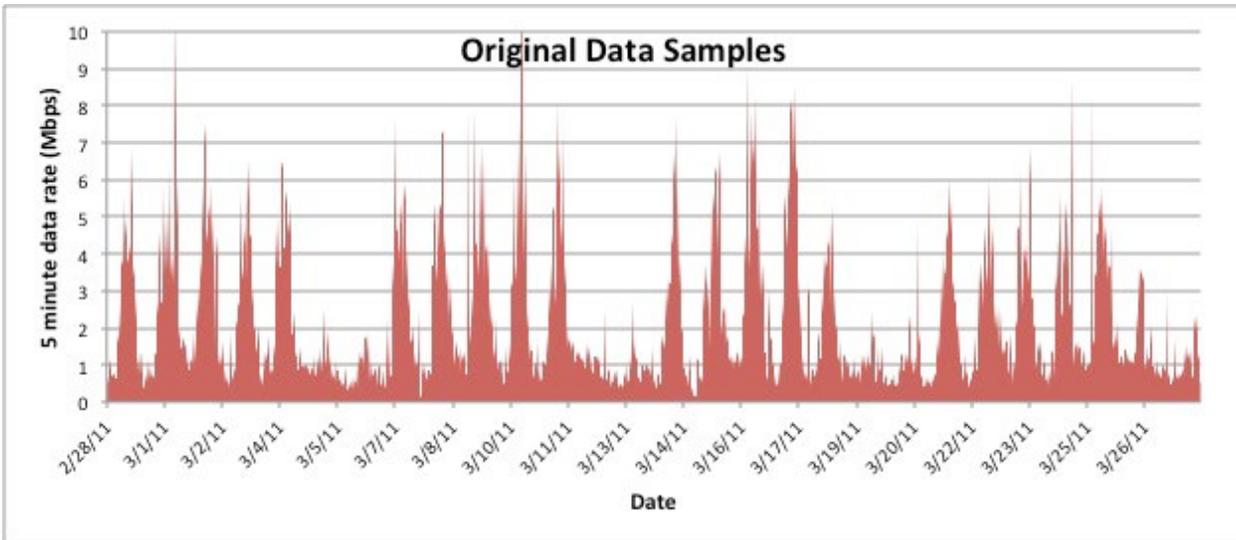
A Schedule of Rates and Charges has been adopted by the Commission. The Commission may revise the rate schedule from time to time and at any time. Copies of the current rate schedules are available on JPUD's website and are also available upon request.

Billing and Collections practices are governed by JPUD's Customer Service Policy.

### **Aggregation Port Billing Method**

ISPs utilizing a JPUD Aggregation Port to connect their facilities to End Users on JPUD's network must pay for the aggregated bandwidth used across the network. Rates for various bandwidths are posted in the Schedule of Rates and Charges.

Unlike other Broadband Service Rates, Aggregation Port Rates are variable, and based on measurement of bandwidth consumed. The method of measurement is known as Burstable Billing. Over the course of the billing period, ISP data usage, measured in Mbps, is recorded in 5-minute intervals. At the end of the month these bandwidth recordings are sorted highest to lowest and the highest 5% of the samples are removed. The ISP is then billed at the value that falls at the 95<sup>th</sup> percentile of bandwidth used.



### Low Income Discount Requirement

Pursuant to RCW 74.38.070, JPUD offers reduced utility rates for low-income citizens. Qualifying consumers shall meet the JPUD’s Low Income or Senior Discount qualifications. JPUD will verify that the End User meets the qualifications and will apply the Low Income Discount to the End User Port Charge. The ISP must pass along the full discount to the qualifying End User. ISPs are strongly

encouraged to offer a matching low-income discount to extend the greatest level of assistance possible to qualifying End Users.

This discount is only available to the qualifying End User. The ISP must notify JPUD when the account changes names. JPUD may verify and confirm that program guidelines are being met. Periodic recertification may be required.

## **FACILITIES EXTENSIONS**

### Special Project Areas

JPUD accepts requests for service to End User locations that have been designated as available for a fiber connection by JPUD. JPUD will define an area as available for service after new fiber has been activated, fully tested, and determined by JPUD staff to be ready to serve retail customers. These areas are defined as Special Project Areas. JPUD will post these areas publicly on its website and share the locations with qualified and approved ISPs via email. NRC for facilities connections may apply.

### General Service Areas

Due to limitations of staffing and facilities capacity, JPUD cannot guarantee extension of facilities to areas outside of Special Project Areas. Requests for service or facilities connections outside of Special Project Areas will be evaluated by JPUD's Broadband department on a case-by-case basis. All costs and charges may be passed on to the ISP. A quote will be provided to the ISP if Broadband staff determines facilities extension can be made available.

### Facilities And Service Installation

All construction of Broadband Facilities, including but not limited to fiber drops and network electronics will be performed by JPUD. This includes the ONT or equivalent device at the End User premises. JPUD will be the sole owner of all Broadband Facilities on the network side of the End User demarcation point. JPUD will not own or be responsible for any wiring or other electronics on the End User side of the demarcation point.

### Special Project Areas Installation Timeline

JPUD shall strive to complete all new connections to End Users located in Special Project Areas within 30 calendar days of the date of a valid order. To the extent practical, JPUD shall supply the ISP with an estimated date of installation. JPUD will notify the ISP when the installation date becomes specifically known.

### End User Premise Demarcation

The physical demarcation point between JPUD network and ISP network shall be at the point where JPUD places the electronics in an End User premises that converts light signal into electrical signal.

JPUD's practice is to locate the demarcation point inside the End User premises, but JPUD retains the right to locate the demarcation point at a location of its choosing. ISP may request an alternate demarcation point from that suggested by JPUD. JPUD may accommodate ISP requests, and additional NRCs could apply.

JPUD's Responsibility ends at the demarcation point and all wiring and other facilities past the demarcation are the responsibility of ISP. When the installation to the demarcation is complete JPUD will notify the ISP and will include any information pertinent to the installation.

## **COLLOCATION**

ISPs can collocate facilities in core JPUD offices, and JPUD will make a fiber connection between JPUD Core and the ISP connection point within the collocation. The ISP will be charged the appropriate JPUD's fees applicable to collocation per the Schedule of Rates and Charges. ISP must arrange for fiber transport to meet at JPUD's office with the collocation.

Should the ISP elect to collocate in JPUD core office, the following terms and conditions apply:

- ISP and JPUD will work together to develop a mutually agreeable implementation schedule for placing the ISP equipment, and the parties agree to work together, in good faith, in the future as needed to maintain the arrangement, as appropriate.
- JPUD shall be responsible for maintaining its central office space used by ISP in good working order to maintain continuing reliable operations.
- ISP is responsible for maintenance of its electronics inside the collocation. Arrangements can be negotiated for JPUD to perform minor tasks such as changing a bad card, for a fee.
- JPUD shall provide and maintain a twenty-four hour a day, seven day-a-week contact number for ISP to report Services troubles and equipment/Network alarm conditions. JPUD shall furnish ISP with a personnel contact list to be utilized when trouble report resolution needs to be escalated.
- JPUD and ISP shall furnish each other with their respective lists of personnel authorized to receive and issue trouble reports under this Agreement. Each party shall maintain the capability to accept, process and dispatch personnel on trouble reports, without delay after the performance of appropriate tests and attempts to isolate the trouble remotely. If testing and remote trouble isolation procedures are ineffective, each party will assist the other in efforts to isolate the trouble.
- Intrusive Maintenance, which requires service down time, will normally be performed during off peak hours, defined as midnight to 6:00 AM. JPUD and ISP will mutually agree to a "Maintenance Window", usually in low traffic periods, to perform this work. JPUD will

notify ISP by telephone or email at least five (5) calendar days prior to commencing any such scheduled maintenance work. ISP will provide a contact name and telephone number to coordinate its end of such activity. JPUD personnel shall notify ISP by telephone upon completion of such scheduled Maintenance work.

### Floor Space Lease

ISP shall be responsible for and pay for the installation and arrangement of its electronics at any JPUD location, and continuing use, and shall enter into a lease agreement with JPUD.

This lease shall include reasonable access to the core office by the ISP for purposes limited to the installation, removal, maintenance, repair and inspection of the equipment. JPUD will require that any ISP staff be accompanied by a JPUD staff person. After hours rates will apply per the Schedule of Rates and Charges for any access needed after working hours.

ISP shall pay a monthly fee for collocation based upon the Schedule of Rates and Charges.

### Power, Generator, Battery Reserve

JPUD shall maintain and make available for the operation of the ISP electronics a standby emergency generator, provided that JPUD's emergency generator may be portable rather than a permanent standby. The collocation space is equipped with an AC power transfer switch and an emergency generator plug.

JPUD shall also maintain a minimum battery power reserve of eight hours.

### Relocation

Unless the circumstances make such notice impracticable, JPUD shall give ISP at least 90 days prior written notice of any scheduled relocation of JPUD equipment and as much advance notice as possible of any unscheduled relocation.

In the event a JPUD Central Office is relocated or replaced by a new site, ISP shall relocate its applicable electronics. Any such relocation shall be undertaken at no cost to ISP, except in cases where relocation is accompanied by additions or other work to benefit ISP and for which ISP agrees in writing to pay.

## **RESPONSIBILITY FOR MAINTENANCE AND REPAIRS**

JPUD is responsible for all network obligations on JPUD side of the demarcation, including the electronics at the demarcation point. ISP is responsible for all network facilities past the demarcation point.

Both parties will cooperate to reduce unneeded truck rolls. Should JPUD be requested to make a truck roll by ISP but finds that the problem was on the ISP side of the demarcation, JPUD will bill

time as defined in the Schedule of Rates and Charges. There will be no charges to the ISP for a truck roll where the problem was on JPUD side of the demarcation.

### Trouble Reporting and Resolution

JPUD will monitor the fiber network 24/7. JPUD will notify the ISP contact about identified network problems that have a material impact on End User performance.

JPUD and ISP will maintain a Trouble Report Log for recording specific information when trouble reports are received by the other party and repairs are accomplished. Trouble Log information will be provided, upon request, to the party reporting the trouble and will include, but not limited to the following information:

1. Control number associated with each trouble report
2. Date and time of the trouble report
3. Name and telephone number of the entity reporting trouble
4. Name and telephone number of the entity receiving the trouble report
5. Repairs required to correct the trouble
6. Date and time of trouble clearance
7. Name and telephone number of the entity clearing the trouble
8. Name and telephone number of the entity receiving trouble completion

Alarms. JPUD shall connect its alarm monitoring system to the ISP Equipment if so requested by ISP. The alarms in the monitoring system may include alarms to signal commercial AC failure; low DC; emergency generator run; door open; high temperature; low temperature; or high water.

Should ISP ask for assistance from JPUD technicians during a network emergency, JPUD will attempt to dispatch trained personnel within two (2) hours of notification by ISP.

In the event of an Equipment failure or out-of-service condition ("Outage"), JPUD shall inform ISP daily of the repair status, the progress of restoration, the estimated time remaining until the restoration of service, and all other significant information concerning the outage restoration. JPUD shall also, within ten (10) calendar days of the restoration of Service following an outage, submit to ISP a final outage report. This report shall be in a form reasonably acceptable to ISP and contain all significant information concerning the cause of the outage and restoration of service.

### Notice Of Work Affecting Equipment

JPUD agrees it shall notify ISP prior to the commencement of any work or activity that may affect the ISP electronics such as AC or DC power work, building environmental equipment changes, and other building activities.

### Escalation

JPUD will report End User service outages within one hour when the outage occurs during normal

business hours, or as soon as practical for outages occurring after hours.

JPUD will notify ISPs of minor problems (not causing an outage) by the end of the following business day after becoming aware of the problem.

ISP must provide JPUD with an escalation list that identifies the contact at ISP who should be notified of network problems or outages. This list shall identify the specific and best ways to reach the ISP contact, including telephone number and email address. ISP should also provide a back-up contact in case the primary contact can't be reached. ISP may also provide different contacts for different kind of network problems.

## **SERVICE LIMITATIONS AND TERMINATION**

In order to protect JPUD's Broadband Services and Facilities, all ISPs and End Users shall strictly comply with all terms and conditions of JPUD's Communications Transport Agreement, Acceptable Use Policies, Internet Service Agreement, Data Privacy Policy, and Customer Service Policy.

JPUD makes no guarantee regarding, and assumes no liability for, the security and integrity of any data or information transmitted by the ISP or an ISP's End Users over JPUD's Broadband Network or Facilities. Any attempt to breach system and network security measures is expressly prohibited and may result in criminal and civil liability.

JPUD's right to discontinue Broadband Service may be exercised whenever:

- ISP is not current on payments. JPUD invoices are due and payable within 30 days of the date of the invoice. ISP will be disconnected if at least 75% of any past due billing has not been paid within 30 days past the date of the invoice. Disconnection of Broadband Services may occur as often as delinquency shall occur and neither delay nor omission on the part of JPUD to enforce this rule at any one or more times shall be deemed as a waiver of its rights to enforce the same at any time, so long as the delinquency continues; or
- ISP or End User violates any governing policy or agreement regarding access to JPUD Broadband Services or Facilities, including but not limited to the Open Access Broadband Service Policies, Communication Transport Agreement, Customer Service Policies, Acceptable Use Policies, Internet Service Agreement, Data Privacy Policies, as may be amended.

In addition, ISPs, and End Users must conform to the Federal Communication Commission (FCC) rules and regulations. In the event JPUD determines that any ISP or End User are acting in violation of this or other JPUD policy, FCC regulations or state and local law, termination of service may follow.

# MASTER SERVICES AGREEMENT FOR COMMUNICATION TRANSPORT SERVICES



**THIS AGREEMENT**, made and entered into effective as of the date signed below, by and between \_\_\_\_\_, a corporation/limited liability company/limited liability partnership/general partnership/limited partnership/other (specify: \_\_\_\_\_), organized under the laws of the State of \_\_\_\_\_, hereinafter called "**Customer**," and **Public Utility District No. 1 of Jefferson County**, a Washington State Public Utility District, hereinafter called "**JPUD**". This Agreement becomes legally binding upon signature by both parties.

**RECITALS:** Customer desires to obtain Communication Transport Services ("CTS") on JPUD's Open Access Broadband Network; and

JPUD is agreeable to provide CTS and allow Customer to terminate its signal cable in facilities generally described in an attached associated Service Order. Customer may use service only for authorized and lawful purposes.

**NOW, THEREFORE**, Customer and JPUD, in consideration of mutual conditions and covenants herein after described, do agree as follows:

**Overview:** This Agreement states the general terms and conditions by which JPUD will deliver and Customer will receive any or all of the services provided by JPUD. The specific services and/or products to be provided and the procedure for obtaining services shall be detailed in associated Service Order Summary. This Agreement is intended to cover any and all CTS ordered by Customer and provided by JPUD. Customer may use services only for authorized and lawful purposes.

1. **Delivery of Services:** By submitting a Service Order Summary, Customer agrees to take and pay for, and, by accepting the Service Order, JPUD agrees to provide, the services(s) during the term described on the Service Order. JPUD has the right to limit the manner in which any portion of its network and facilities ("Network" or "JPUD Facilities") is used in order to protect the technical integrity of the Network. JPUD is not liable or responsible for content, errors in transmission, or failure to establish connection.
2. **Installation and Interconnection of Services:** Other than the facilities, termination equipment or other devices provided by Customer, and unless otherwise provided elsewhere in this Agreement or any attachments hereto, JPUD will pay for, provide, install, maintain, operate, control and own any equipment, cable or facilities connected to the Network ("System Equipment"), which equipment at all times remains JPUD's personal property, regardless of where located or attached. JPUD may change, replace

or remove the System Equipment, regardless of where located, so long as the basic technical parameters of the service are not altered, and this Agreement constitutes Customer's consent to such change, replacement or removal. Customer may not rearrange or move or disconnect the System Equipment and is responsible for any damage to or loss of System Equipment caused by Customer's negligence or willful misconduct or that of its end users. JPUD has no obligation to install, maintain or repair any equipment owned or provided by Customer, except as may be specifically provided herein. If Customer's or an end user's equipment is incompatible with service, Customer is responsible for any special interface equipment or facilities necessary to ensure compatibility. Customer is responsible to ensure that its equipment does not interfere with the provision of or functionality of services to Customer or other parties with whom JPUD contracts. If, in responding to a Customer initiated service call, JPUD reasonably determines that the cause of such service call is a failure, malfunction or inadequacy of Customer provided equipment or software, Customer will pay JPUD for such service call at JPUD's then prevailing rates.

JPUD may reconfigure, reprogram, substitute, rearrange or otherwise change any JPUD Facilities, whether such JPUD Facilities are on the Customer's premises or otherwise, at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer without the Customer's knowledge or consent. Although no specific advance notification period is applicable, JPUD will use its best efforts to notify the Customer of the planned timing of such activities and will use reasonable efforts to perform such activities at a time that is agreeable to the Customer (except where emergency conditions exist or where such change is required by a governmental agency or other authority to take place immediately).

3. **Term:** Subject to the provisions of Sections 11 and 12, the initial term for each service will commence and end on the dates indicated in the applicable Service Order. Thereafter, the service automatically renews for successive 1-year terms unless terminated by either party upon no less than 30 days written notice prior to the end of the initial or renewal term, or unless otherwise specified in the Service Order Summary. Any subsequent or renewal terms shall assume the same terms and conditions as the initial term unless otherwise stated in the Service Order Summary. This Agreement shall continue until so terminated by written notice as provided in Section 25. Upon termination of this Agreement, all rights of Customer to order new services cease and JPUD has no further obligations to furnish new services to Customer.
4. **Fees and Payment Terms:** Customer shall pay all fees due for services according to the prices and terms listed in the Service Order. Upon completing provisioning, installation and testing of the System Equipment needed to provide services ordered by Customer, JPUD will notify Customer that the services are available for Customer's use. These services are subject to but are not limited to a Monthly Recurring Charge ("MRC") as set

forth in Service Order. JPUD reserves the right to change the MRC for such services at any time, after the initial term hereof upon 25 days prior written notice to Customer. The MRC does not include any governmental taxes or tax-related charges, fees, surcharges or other amounts assessed by any government, which may be incurred in connection with services to be provided hereunder, all of which shall be paid by Customer. Any installation charges or other non-refundable Non-Recurring Charge ("NRC") to be billed one time will appear on the first monthly invoice. JPUD reserves the right to recover any additional installation charges accrued during installation.

5. Any payment not received within thirty (30) days of the invoice date will accrue interest at a rate of one and one-half percent (1½%) per month, or the highest rate allowed by applicable law, whichever is lower.
6. **Early Termination Charges:** If (a) Customer terminates this Agreement or any Service Order hereunder for reasons other than Cause; or (b) JPUD terminates this Agreement or any Service Order hereunder pursuant to Sections 11 or 12, then Customer will pay, within thirty (30) days after such termination: (i) all accrued but unpaid charges incurred through the date of such termination, plus (ii) an amount equal to fifty percent (50%) of the "MRC" for the then current term (and any pro rata portion thereof for any partial then current term) remaining in the unexpired portion of the then current term on the date of such termination, plus (iii) a pro rata portion of any and all credits received by Customer. If Customer desires to cancel a Service Order prior to accepting the services the following conditions apply, (I) where a Service Order Summary is canceled by the customer prior to the start of any design work or installation of facilities, no charge applies, (II) when a service that requires special design work is canceled after the design work has begun, JPUD may collect charges equal to the cost incurred for the associated design work time and materials to date, and (III) if cancellation is requested after completion of an installation, it will be treated as an early termination of service and is pursuant to the terms and conditions of Section 6. In the event of early termination by either Party, Customer shall not be entitled to reimbursement of fees already paid to JPUD and shall not be entitled to receive services from JPUD as specified in the Agreement.
7. **Limitation of Liability:** The total liability of JPUD to Customer in connection with this agreement, for any and all causes of actions and claims, including, without limitation, breach of contract, breach of warranty, negligence, strict liability, misrepresentation and other torts, shall be limited to the lesser of: (a) direct damages proven by customer; or (b) the amount paid by Customer to JPUD under this agreement for the one (1) month period prior to accrual of the most recent cause of action. In no event shall JPUD be liable for special, punitive, consequential, or incidental damages, including without limitation, lost revenue, profits or other benefit whether by tort, contract, or otherwise.

8. **Force Majeure:** Neither party is liable for any failure of performance if such failure is due to any cause or causes beyond such party's reasonable control, including without limitation, acts of God, fire, explosion, pandemics, vandalism, cable cut, adverse weather conditions, governmental action, labor difficulties and supplier failures. Customer's invocation of this clause shall not relieve Customer of its obligation to pay for any services actually received. In the event such failure continues for 60 days, the other party may terminate the affected portion of the Services.
9. **Assumption of Risk:** Customer recognizes that use of the Premises and JPUD's System Equipment including its Network shall be at its own risk, and therefore, expressly assumes any risk arising from the exercise of any rights, privileges or obligations identified herein.
10. **Indemnity:** Customer agrees to indemnify, defend and hold harmless JPUD, and the commissioners, officers, directors, employees, agents and other representatives of JPUD. Customer must indemnify, defend and hold harmless JPUD from all losses or damages arising from Customer's breach of this Agreement, violation of any third-party intellectual property right, all claims of any kind by Customer's end users, or any act or omission of Customer in connection with any service provided hereunder. Subject to the provisions of Section 7, JPUD agrees to indemnify, defend and hold harmless Customer from all losses or damages arising from or related to personal injury or property damage caused by the negligence or willful misconduct of JPUD.
11. **Termination by JPUD:** JPUD may terminate this Agreement or any Service Order hereunder, or suspend services, with prior written notice, upon (a) failure of Customer to pay any amounts as provided herein within thirty (30) days of invoice date; or (b) Customer's breach of any provision of this Agreement or any law, rule or regulation governing the services; or (c) if Customer provides false information to JPUD regarding the Customer's identity, creditworthiness, or its planned use of the services; or (d) if JPUD deems necessary to take any reasonable and lawful action to protect the property and rights of JPUD, and existing and potential customers of JPUD's services.
12. **Termination for Cause:** Either Party may terminate this Agreement for Cause. "Cause" shall mean a breach by the other party of any material provision of this Agreement, provided that written notice of the breach has been given to the breaching party, and the breach has not been cured within thirty (30) days after delivery of such notice.
13. **Resale of Services:** Any service provided under this Agreement may be resold to or shared with other persons or entities at the option of the Customer, subject to compliance with any applicable laws or Commission regulations governing such resale or sharing. The Customer remains solely responsible for all services ordered by it or billed to its account, for determining who is authorized to use its services and taking

appropriate actions to enforce such a determination, and for immediately notifying JPUD of any unauthorized use. JPUD has no obligation to provide notice to or otherwise communicate with the users or customers of Customers.

14. **Assignment:** Customer shall not assign, pledge, transfer or otherwise convey all or any part of the rights and privileges granted by this Agreement in any manner without prior written consent of JPUD, which consent it will not unreasonably withhold. Any transfer of this Agreement by merger, consolidation or liquidation of Customer, or any change in the ownership of or power to vote the majority of its outstanding voting stock (whether effected in one or more transactions or events occurring over any period of time) shall constitute an assignment for purposes of this Section. Customer may enter into agreements with other parties for transport circuits on terms consistent with this Agreement.
15. **Taxes:** Each party shall be responsible for its own federal, state and local taxes, assessments, fees, surcharges and other financial impositions. Notwithstanding the foregoing, Customer agrees that if there is any tax payable by it, but which is to be collected by JPUD which JPUD does not collect for any reason, upon assessment thereof by the applicable taxing agency, and demand by JPUD, Customer shall immediately remit the same to JPUD or the agency, as directed by JPUD, even if such assessment arises after the termination of this Agreement.
16. **Representations and Warranties:** Each party represents and warrants that it has full power and authority to execute, deliver, and perform its obligations under this Agreement. JPUD represents and warrants to Customer that any services provided hereunder will be performed in a manner consistent with that of other reputable providers of the same or similar services in the same locality. EXCEPT AS OTHERWISE SPECIFICALLY SET FORTH IN THIS AGREEMENT, JPUD MAKES NO WARRANTY, WHETHER EXPRESS, IMPLIED OR STATUTORY, AS TO THE INSTALLATION, DESCRIPTION, QUALITY, MERCHANTABILITY, COMPLETENESS OR FITNESS FOR ANY PURPOSE OF ANY PORTION OF THE NETWORK OR ANY SERVICE PROVIDED HEREUNDER OR DESCRIBED HEREIN, OR AS TO ANY OTHER MATTER, ALL OF WHICH WARRANTIES ARE HEREBY EXCLUDED AND DISCLAIMED.
17. **Governing Law:** This Agreement is governed by and subject to the laws of the State of Washington, excluding its principles of conflicts of law.
18. **Litigation:** If either party commences litigation under this Agreement, the prevailing party is entitled to reimbursement of its costs and attorneys' fees from the other party.
19. **Remedies not Exclusive:** The remedies provided in this Agreement shall be in addition to all other remedies to which JPUD may be entitled at law or in equity, including

without limitation the right to recover unpaid amounts with interest at the applicable statutory judgment rate, but accruing from the date initially due.

20. **Jurisdiction; Venue:** The parties consent to the personal jurisdiction of the courts of the State of Washington so that any litigation concerning or arising out of this Agreement shall be brought in Washington. The parties agree not to claim that Washington is an inconvenient place for trial. The venue of any such legal action shall be Jefferson County Superior Court of the State of Washington.
21. **Entire Agreement:** This Agreement and any addendums, attachments, Service Orders and other documents incorporated herein constitutes the entire agreement between the parties with respect to its subject matter and supersedes all other representations, understandings or agreements that are not expressed herein, whether oral or written. Except as otherwise set forth herein, no amendment to this Agreement shall be valid unless in writing and signed by both parties. In the event of any inconsistency between the terms contained in this Agreement and any specific provisions of the Service Order, the terms of the Service Order shall prevail. References herein to exhibits mean exhibits to this Agreement unless the context indicates otherwise.
22. **Waivers:** No waiver of any provision or breach of this Agreement shall be effective unless such waiver is in writing and signed by the waiving party and any such waiver shall not be deemed a waiver of any other provision of this Agreement or any other breach of this Agreement.
23. **Use of Name and Trademarks:** Neither party shall use any name, logo or service mark of the other party in marketing services to others without the express written consent of the other party.
24. **Confidentiality:** Customer shall treat all information made available or disclosed to, or developed or obtained by, Customer as the result of or related to this Agreement (“Confidential Information”) as confidential, and shall not disclose or use Confidential Information for the benefit of any person other than JPUD; provided however, that Customer shall have no obligation with respect to that portion of Confidential Information which is disclosed by JPUD to others without any restriction on use or disclosure, or which must be disclosed to others under law. If Customer receives a request for Confidential Information from a third party, Customer shall promptly notify JPUD in writing of such request, and if Customer in good faith believes it is obligated to disclose the requested Confidential Information, JPUD and/or Customer shall be given the opportunity to seek judicial or other protection of such Confidential Information, with the cooperation of JPUD or Customer.

25. **Notices:** All notices, requests, demands or other communications which are required or may be given pursuant to the terms of this Agreement shall be delivered in writing via email.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement in two (2) counterparts.

**Customer**

By:

Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Public Utility District No.1 of Jefferson County**

By:

Name \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_