



SOUTH FEATHER WATER & POWER AGENCY

TO: Board of Directors

FROM: Kathy Petersen, Power Division Manager

DATE: March 14, 2008

RE: T-Mobile USA, Inc. Contract
3/25/08 Board of Directors Meeting

In November 2007, T-Mobile USA, Inc., informed South Feather and PG&E that it had been awarded the right to use the 2.1 GHz microwave band for use for wireless communications technologies, per FCC rules, and that they desired to use the Sunset Hill-Chico path in order to provide service to Chico-area customers. Because SFWPA and PG&E hold primary licensee status on the path, T-Mobile is required to pay the cost of converting the Agency's microwave system to a different frequency. To that end, T-Mobile's and PG&E's engineers have reviewed the existing equipment and developed a list of equipment that will need to be changed out (in this case to the 6 GHz frequency). PG&E proposes taking the lead on the equipment-replacement project.

When T-Mobile begins operations on the Sunset Hill-Chico path, it will create interference with the other 2.1 GHz paths to Forbestown Headquarters, Kelly Ridge, Woodleaf and Sly Creek powerhouses, requiring that those paths also be converted to 6 GHz. Because South Feather holds only secondary licensee status on those paths, the costs of conversion will not be covered by T-Mobile, so PG&E has agreed to pay to upgrade that equipment also this year. This is a budget adjustment PG&E made subsequent to the Board approving the 2008 Power Division budget.

Attached is a Voluntary Relocation Agreement that will provide the mechanism for T-Mobile to acquire the Sunset Hill-Chico path and to reimburse PG&E for the costs of equipment conversion on the Agency's behalf. Dustin Cooper of the Minasian Law Firm worked with T-Mobile's and PG&E's attorneys to reach this agreement. (If the Agreement is not attached, T-Mobile failed to finalize its review in time for it to be bound in the agenda packet. Postponement of this item until your April meeting may be necessary.)

The recommended action is:

"I move approval of the Voluntary Relocation Agreement for Point-to-Point Fixed Service (Sunset Hill to Chico Substation) negotiated between T-Mobile USA, Inc., PG&E, and South Feather Water and Power Agency, and authorize the General Manager to execute said Agreement."