

May 19, 2025

## MEMORANDUM

**To:** Sustainability, City Light, Arts and Culture Committee  
**From:** Eric McConaghy, Analyst  
**Subject:** Council Bill 120986: City Light and Ziply Fiber Sharing Agreement Ordinance

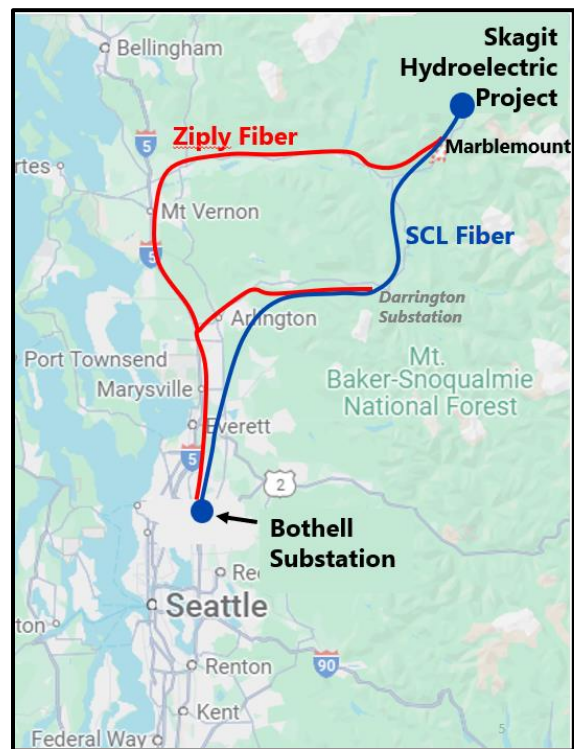
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On June 6, 2025, the Sustainability, City Light, Arts and Culture Committee (Committee) will discuss [Council Bill \(CB\) 120986](#). This legislation would authorize Seattle City Light (SCL) to execute an indefeasible right of use (IRU) fiber sharing agreement (agreement) with Ziply Fiber Pacific, LLC (Ziply) for an effective period of up to two 15-year terms.

Via the proposed agreement, SCL and Ziply (an internet service provider) would each gain rights to use fiber in the other party's system in a reciprocal exchange. Under the agreement, SCL and Ziply would each provide the other with access to specific and separate fiber strands of their respective fiber networks located between the SCL's Bothell substation and the intersection of Ziply's and the SCL's fiber pathways located in Marblemount, Washington.

### Background

Parties execute IRU agreements to secure rights to telecommunication system capacity that cannot be undone. They gain certainty of the capacity that they would otherwise have to secure through construction or purchase. For the IRU Agreement between SCL and Ziply, "fiber" means existing fiber optic strands within the parties' respective telecommunication networks.



*Source: Seattle City Light*

SCL completed a fiber optic connection between the Bothell substation and the utility's hydrogeneration facilities on the Skagit River in the late 1990s at a project cost of \$7.5 million. SCL relies on this fiber line to carry data critical for operations including unit control, spillgate controls, protective relay operations, dam failure warning systems, and surveillance cameras as well as communication including radio traffic to Seattle, telephone service, and IT connectivity.

SCL seeks to increase reliability in its communications between Bothell and Diablo with a redundant fiber connection. The threat to SCL's connection is empirical: over the past ten years, vandals have damaged the current fiber connection on four occasions.

SCL estimates the cost to construct redundant fiber connections from Bothell to Marblemount at \$13.8 million or more. Ziplly would similarly gain better connectivity and reliability for its network.

Both parties would commit to maintaining the fiber according to provisions of the agreement and pay their portion of the initial cost to enable their respective fiber pathways to exchange information. SCL's budget accommodates the estimated cost for the ongoing maintenance and the initial connection. The labor for the initial connection would be about one day for a two-person crew.

Separately from the proposed IRU agreement, SCL and Ziplly interact regarding telecommunication equipment attachment to poles. Ziplly pays a per pole rental fee for access to City Light poles for attaching equipment according to the established rates in the Seattle Municipal Code (SMC)<sup>1</sup>. Ziplly also co-owns poles with City Light.

### **Ziplly Acquisition**

Bell Canada (a large Canadian internet company) is in the process of acquiring Ziplly subject closing conditions and receipt of Federal Communications Commission regulatory approvals. The sale is expected to close in the second half of 2025. SCL reports that Ziplly would operate as a separate entity after the acquisition and that the transaction would not affect Ziplly's obligations under the IRU fiber sharing agreement.

If Ziplly was involved in a future asset purchase (not currently contemplated) that resulted in Ziplly no longer existing, then the language in Section 12 of the proposed IRU fiber sharing agreement would provide for assignment of the contract to a new party with the written consent from the City, through SCL, after conducting due diligence.

### **Next Steps**

If the Committee votes to recommend approval of CB 120986 on June 6, then Council could take final action on the CB as soon as June 17, 2025.

cc: Ben Noble, Director  
Calvin Chow, Supervising Analyst

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<sup>1</sup> [SMC 21.49.065](#)