

Economic Development Drives Fiber-Focused Community Vision

Colorado Springs, Colorado Population 483,956

Early-morning coffee discussions between the mayor of the City of Colorado Springs and the CEO of Colorado Springs Utilities (Springs Utilities) led to a focus on the growing needs for community-owned broadband infrastructure beginning in 2020. For Springs Utilities, municipally owned and citywide connectivity was increasingly necessary to manage the existing water, natural gas, electric, and wastewater infrastructure. Springs Utilities recognized that advanced technology would be required to meet its goals of providing safe, reliable, and cost-effective services in a rapidly growing community.

Springs Utilities saw that enhanced connectivity could enable its electric division to adapt to critical trends and requirements: distributed solar energy production, electric vehicle charging, and stringent carbon reduction standards. Considering regional water constraints, Springs Utilities also needed to maximize the efficiency of its water system and minimize water loss through close and intelligent systems monitoring. These challenges are supercharged due to rapid population growth.

Colorado Springs has a dynamic high-technology economy. The mayor recognizes that for the community to thrive in the future, world-class broadband services are necessary. In addition, community leaders recognize that digital equity is an important goal so that all citizens can fully benefit from technology.

Springs Utilities had a strong conviction that, for many reasons, it should own the network infrastructure itself. A key consideration in the feasibility study process was security of infrastructure control systems.

A project consultant estimated that a proprietary, Springs Utilities-only network would

PROFILE FEATURES

Open Access	Muni ISP	Private ISP(s)
Muni Electric	Co-op	Private Ownership
FTTH	Wireless	Both
Urban	Suburban	Rural

cost about \$450 million to construct. The same analysis found that to appropriately engineer and build an open-access network serving the entire Colorado Springs community would add just \$150 million to that cost. However, that additional investment would create a network that would provide significant revenue opportunities for Springs Utilities over time, making it more affordable for Springs Utilities and providing significant community benefits.



Colorado Springs Utilities
It's how we're all connected

Springs Utilities made two policy choices through the study process. The first was a decision to stick to its core competencies of infrastructure construction, maintenance, and operations and avoid having to operate in a competitive ISP environment. As a result, Springs Utilities sought proposals from private-sector ISPs to deliver retail internet services to businesses and residents. Customer service reputation was a key consideration in the selection process—as were reliability, pricing/affordability, and reimbursement (lease terms).

In a competitive process, Springs Utilities selected Ting Internet as the first anchor ISP tenant on its network. Ting will pay Springs

Utilities on a per-address basis regardless of whether Ting captures that address as a customer or not.

The second Springs Utilities policy choice was to build a fiber-to-the-curb network rather than a complete fiber-to-the-home network. Ting is building the final drop—that is, the fiber from the curb or pole to the customer’s home or business. This decision shifts the drop construction expense to the private ISP, a financing benefit to Springs Utilities. But this decision also likely increases the challenge for additional internet providers to enter the market. Springs Utilities is in discussions to lease excess fiber capacity to additional ISPs; its success in doing so will be interesting to watch. Springs Utilities also plans to lease dark fiber on its networks. Likely customers would include larger corporations seeking a direct connection to a data center or major internet node or organizations with multiple locations, such as school districts, health care systems, or bank branches.

Springs Utilities is planning on completing the network in 2028—an aggressive schedule in a growing city of just under 500,000 people. With Zone One construction complete, Springs Utilities has begun deploying in the second construction zone. Engineering efficiencies and cost minimization are driving the construction schedule.

The community is excited about the anticipated digital equity impacts of this network. Ting is an active marketer of the Federal Communications Commission’s Affordable Connectivity Program (ACP), so qualifying, low-income residents can receive free fiber internet service and a free router.

In summary, Springs Utilities and the Colorado Springs community are anticipating many benefits from this new network investment:

1. lease payments from Ting and other network users that will support the network construction, maintenance, and operations expenses;
2. enhanced efficiency and sustainability of the area’s utility services;

3. a state-of-the-art broadband network to support community and economic development;
4. a more competitive broadband marketplace that will drive better customer services and lower prices; and
5. a community-wide foundation for digital equity initiatives.

Seems like a smart investment in one’s own community!