

SOUTHERN CALIFORNIA JOINT POLE COMMITTEE

437 So. Cataract Ave. Unit 3
San Dimas, CA 91773
Phone (909) 592-4001
Fax (909) 592-4636

January 8, 2008

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 9:05 a.m., at the Committee office. Those in attendance were:

Mr. Art Johnson	City of LA -DWP (teleconference)
Mr. Larry Chow	Southern California Edison
Ms. Velma Prouty	AT&T Calif.
Ms. Sherri Goetz	Southern California Edison
Ms. Lupe Hernandez	AT&T Wireless
Mr. Justin Cashmer	Verizon California
Mr. Cory Autrey	Sprint-Nextel
Ms. Paula Haney	NextG Networks
Ms. Shawna Dubois	NextG Networks
Mr. Steve Rodriguez	T-Mobile, USA
Ms. Lynn Prescott	Verizon Wireless
Ms. Jennie Corella	Committee Staff
Ms. Jean Baccus	Committee Staff

The first issue on the agenda is **Item 1454: 2009 Authorized Costs**. Ms. Corella reported that costs are reviewed by the ad hoc every two years to ensure that the costs are in accordance with how business is transacted today. She added that the changes in costs should be reflected in 2009. She stated that last year an authorized costs matrix was created to aid members in calculating and submitting their costs. It was agreed that the current years costs should not be reflected on the matrix worksheet sent to members. Ms. Corella stated that she would be sending the matrix file via email to the ad hoc members for their review. She further stated that it is advantageous to start the review of costs early in the year. The ad hoc members agreed.

Under miscellaneous items is listed item AC 5-C disposal cost. Mr. Chow reported that this issue concerns the costs of disposing pole portions when pole topping a pole. He stated that SCE has submitted their costs for pole portions. He added that he believes the costs rate is per pound. The ad hoc is waiting for DWP to submit their costs. Ms. Hernandez reported that she is of the opinion that the City of Pasadena has presented their disposal costs to the ad hoc. She further added that Mr. Cox stated that the disposal costs rate is per ton, and would therefore be difficult to extrapolate pole portion weights and costs.

Mr. Chow further stated that he received additional information from the wood specialist within his organization. He stated that there are separate cost tables for different species and types of poles.

Mr. Chow further stated that there are instances when the pole top is greater than 10 feet, which could warrant cost reimbursement.

Mr. Johnson stated that he would attempt to bring these costs for DWP by the next ad hoc.

The ad hoc meeting adjourned at 9:15 a.m. The next meeting is scheduled for February 12, 2008.

Jennie Corella, Manager of Operations

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February 12, 2008

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 11:25 a.m., at the Committee office. Those in attendance were:

Mr. Robert Allen	City of LA -DWP (teleconference)
Mr. Larry Chow	Southern California Edison
Ms. Velma Prouty	AT&T Calif.
Ms. Sherri Goetz	Southern California Edison
Ms. Lupe Hernandez	AT&T Wireless
Ms. Shawn Henderson	AT&T Wireless
Mr. Justin Cashmer	Verizon California(teleconference)
Mr. Cory Autrey	Sprint-Nextel
Ms. Paula Haney	NextG Networks
Ms. Shawna Dubois	NextG Networks
Mr. Steve Rodriguez	T-Mobile, USA
Ms. Lynn Prescott	Verizon Wireless
Ms. Jennie Corella	Committee Staff
Ms. Jean Baccus	Committee Staff

The first issue on the agenda is **Item 1454: 2009 Authorized Costs**. Mr. Allen inquired if the ad hoc members had a copy of the AC matrix, and if they have reviewed it for approval.

Ms. Hernandez responded that LAC agrees with the matrix. The members all agreed that the matrix has their approval.

Ms. Corella stated that if the ad hoc members are in agreement with the matrix, her next step is to forward the matrix to the members. She inquired as to a fair amount of turnaround time. She added that she decided on an early start to allow all members ample time to research and provide their costs to the ad hoc.

Normally, Ms. Corella stated that the process starts in July, however, she reiterated that she would like to gain a head start on this annual process.

After some discussion the consensus is to have members submit their costs no later than July 1, 2008. Ms. Corella would be sending out notices this month.

The next issue on the agenda is miscellaneous items. Bullet one is AC 5-C Disposal costs. This issue pertains to the disposal of pole portions.

Mr. Chow stated that according to the majority of ad hoc members, the disposal costs are based on weight of the wood being disposed. He added that perhaps this issue belongs in Routine. Since a current AC disposal cost exists in the Routine, perhaps a greater clarity to the definition of the section is required. He proposed portions of 15 to 30 feet could be one half of 5-D, and anything above 30 feet could be at full cost.

It was agreed to move this issue to the routine revision ad hoc committee under **Item 1457: Disposal of a Topped Pole.**

Review of Action Items:

- Send out AC matrix to membership to provide their respective costs no later than July 1, 2008.

The ad hoc meeting adjourned at 11:30 a.m. The next meeting is scheduled for March 11, 2008.

Jennie Corella, Manager of Operations

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May 13, 2008

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 9:55 a.m., at the Committee office. Those in attendance were:

Mr. Robert Allen	City of LA -DWP (teleconference)
Mr. Art Johnson	City of LA – DWP (teleconference)
Mr. Larry Chow	Southern California Edison
Ms. Velma Prouty	AT&T Calif.
Ms. Sherri Goetz	Southern California Edison
Ms. Lupe Hernandez	AT&T Wireless
Ms. Shawn Henderson	AT&T Wireless
Ms. Paula Haney	NextG Networks
Mr. Steve Rodriguez	T-Mobile, USA
Ms. Lynn Prescott	Verizon Wireless
Ms. Jennie Corella	Committee Staff
Ms. Jean Baccus	Committee Staff
Ms. Angela Pranata	Committee Staff

The first item on the agenda is **Item 1450: Review of Section 14.9 Hand Dig**. Mr. Chow opened discussing by stating that at the last meeting is was agreed that the members would determine if their organizations are currently including hand dig in their submitted pole costs. He added that at the previous meeting, Mr. Autrey stated that he was under the impression, that hand dig is in fact included in the total cost of the pole. The members are to take an average of their difficult pole sets, and the simple pole sets and arrive at an average overall cost of difficult and simple sets. He further stated that the issue with hand dig is the members arriving at an agreement of when does hand dig apply and when does it not apply. Mr. Chow added that initially, he agreed with the hand dig imbedded in the pole costs, therefore, eliminating authorized cost (AC) item 9, and the issue of agreeing whether a hand dig was necessary or not. However, he added that representatives should expect to be questioned by individuals within their organizations inquiring why the hand dig cost was removed, and there would be instances where members would request reimbursement for hand dig. He further added that the ad hoc should arrive at a consensus to either include the hand dig in all pole costs, or to maintain the current AC in the handbook.

Mr. Johnson stated in his opinion, he would support imbedding hand dig in all the pole prices.

Mr. Wolfe stated that imbedding the hand dig cost into every pole set does not appear equitable to him. He added that not every pole set is accessible to digging equipment, thus the required AC for hand dig.

Ms. Hernandez stated that what the ad hoc is attempting to ascertain is if hand dig is currently imbedded in member pole prices.

Mr. Wolfe responded that in the North, the hand digs, or any other inaccessible conditions, are not included in their pole costs.

When questioned, Mr. Chow responded that SCE arrives at their pole prices in a similar method as AT&T California, by treating it as an average equipment pole set excluding any inaccessible conditions. He further stated that this is why the South originally implemented the additional hand dig cost.

Ms. Hernandez interjected stating that the ad hoc must determine if members are including hand dig in their poles costs. The objective is to agree if an AC is needed for hand dig. The members are to return to the table with the process they use when arriving at their pole costs, and if they in fact do, or do not include the pole costs. The issue here is should AC item 9 be removed, if hand dig is already imbedded in one's pole prices, or should all members uniformly exclude the hand dig costs from their annual submitted pole prices. She added that although there is a pole price matrix provided to aid members in arriving at their costs, everyone has a different interpretation of the costs.

The consensus is to have each member provide the process of how they arrive at their pole costs. The primary objective is to determine if hand dig, or any other inaccessible pole set, is or is not included in their submitted costs. The members are to be ready with this information by the next ad hoc meeting scheduled for June 10, 2008.

The next issue on the agenda is **Item 1454: 2009 Authorized Costs**. The matrix has been sent to all members to aid in proposing their costs. The dead line for submitting the authorized costs matrix is July 1, 2008. Ms. Corella would be sending a reminder to all members.

The third issue on the agenda is **Item 1457: Disposal of a Topped Pole**. Mr. Chow opened discussion by stating that this issue concerns reimbursement for the disposal of a topped pole. Mr. Chow stated that SCE is proposing compensation for the length of a topped pole equivalent to the rest of the pole that a communications company would be disposing. He added that if a member tops 25 feet of a pole, the cutting member is not compensated for the disposal. Yet the members disposing the remainder of the pole that is in the ground, and is equivalent in length of the topped pole, the removing member is compensated for disposal. The objective is to agree if the member topping a pole should be compensated as the member removing from the ground. If agreed that the topping member should be compensated, then the ad hoc would open discussion on the process.

Mr. Wolfe stated that the topping of poles is normally performed by power, and the part of the pole that is being topped is primarily owned by power. Therefore, in his opinion, why should the other owning members share in the cost of the disposal?

Mr. Chow responded that historically that might have been true, however, today the joint pole arena can expect to experience other type owners higher up on poles. Mr. Wolfe responded that in his opinion, he does not believe that communication would ever be allowed to own space on the top of a pole.

After extensive discussion, the consensus is to poll other members to discuss consideration of compensating the topping member. Mr. Chow stated that what he is considering is to allow the topping member to invoke AC 5 –D – Disposal at \$123.00. Mr. Chow is to return next month with his disposal costs for topped poles.

The last assigned item to this agenda is **Item 1462: Section 7.12 OT Costs/disaster replacements**. Mr. Chow opened discussion by stating that this issue concerns fire, storms and the restoration of facilities damaged by these instances. SCE is attempting to recover the overtime costs expensed by SCE to restore service as mandated.

Ms. Hernandez stated that Section 7.12 has been created, however, it is in draft mode and has not been approved by the ad hoc committee for presentation to the Board for final approval. It was agreed to address the possibility of creating a cost to compensate for overtime cost in disaster situations prior to moving forward with this section.

Mr. Chow stated that this issue could be held over at this time due to Mr. Johnson, and Mr. Wolfe not having the benefit of the history behind this issue.

Under miscellaneous items, Mr. Wolfe inquired of Mr. Johnson if DWP intends on utilizing FRC or concrete poles. Mr. Johnson responded that the department is moving toward fiberglass, concrete and steel. Concrete and steel utilized for the switch and dip poles. The fiberglass would be utilized for property line.

Review of Action Items:

- DWP and AT&T California are to return next month with their respective disposal costs for topped poles.
- Send reminder to members that deadline for any proposed authorized costs are due no later than July 1, 2008.
- Ad hoc members to return with the process of arriving at their respective pole prices.

The ad hoc meeting adjourned at 10:55 a.m. The next meeting is scheduled for June 10, 2008.

Jennie Corella, Manager of Operations

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June 10, 2008

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 11:40 a.m., at the Committee office. Those in attendance were:

Mr. Art Johnson	City of LA -DWP (teleconference)
Mr. Justin Cashmer	Verizon California
Mr. Larry Chow	Southern California Edison
Mr. Robert Wolfe	AT&T California
Ms. Sherri Goetz	Southern California Edison
Ms. Lupe Hernandez	AT&T Mobility
Ms. Shawn Henderson	AT&T Mobility
Ms. Paula Haney	NextG Networks
Mr. Cory Autrey	Sprint-Nextel
Ms. Lynn Prescott	Verizon Wireless
Ms. Jennie Corella	Committee Staff
Ms. Jean Baccus	Committee Staff
Ms. Angela Pranata	Committee Staff

The first item on the agenda is **Item 1450: Review of Section 14.9 Hand Dig**. Mr. Chow opened discussion by stating that the ad hoc members are to provide their methods of calculating pole costs. The question is whether members are including the cost of hand dig in their submitted pole prices. What is required is a uniform method of calculating pole costs. All members should either take into account the cost of a hand dig when submitting their costs, or all costs should exclude the hand dig cost.

Mr. Johnson reported that DWP does not take into account the cost of a hand dig when submitting their pole prices.

Mr. Wolfe reported that AT&T California does not include a hand dig in their submitted costs.

Ms. Prescott inquired if DWP accounts hand-dig for rear property.

Mr. Chow stated that he is of the opinion that the methodology was that a percentage of poles are street set, another percentage rear property. Ms. Prescott stated that this is correct, however; it is not a set formula since every member is aware of his or her respective percentages of street and rear property sets.

Ms. Prescott stated that her understanding is that hand dig is included in pole costs for the percentage of rear property sets, but not for street sets. She added that this was the driver for the creation of AC 9.

Mr. Wolfe stated that he has collaborated with Ms. Prouty on AT&T California poles prices, and they do not include hand-dig for rear property or street sets. His costs are for the standard pole set with truck accessibility.

Ms. Prescott stated that personally, she sees no problem in paying an authorized cost for hand dig. If the cost is imbedded in the pole price, then members are paying for hand-dig on every cost paid for a pole.

Mr. Chow stated that in many instances a pole is truck accessible, however, you are unable to utilize the equipment required to set the pole.

Originally, what prompted this discussion is that some members were applying AC 9 – Hand dig to many JPAs where it appeared not necessary, and other members were pushing back JPAs.

Mr. Wolfe added that members should state the conflict that required the hand-dig action on the JPA, such as hand-dig due to sub-structure

Mr. Chow stated that the objective is to determine if hand-dig should be imbedded in all pole prices, and eliminate AC 9, or exclude hand-dig from all pole prices, and maintain AC 9.

The members agreed that when utilizing AC9 the conflict that necessitated the hand-dig must be stated on the JPA.

Mr. Johnson stated if joint owners have questions, they should contact the initiator via a phone call.

Mr. Chow stated that hand-dig is not identified immediately; therefore, in most instances it is assumed that a hand-dig would be required. He added that the cost would come on the back end of the process.

Ms. Prescott stated that the ad hoc could identify the most frequent conflicts that require a hand-dig, and identify them in the Routine as 9a, b, and c, and refer to the alpha when notating the hand-dig on the JPA.

Mr. Chow stated that if it is required that the cause of invoking hand-dig is required on the JPA, then, it should be applied to all other field conditions that are different than the intent. He added that it should be a default that anything coming in from the field, different than the intent, should be accompanied with an explanation. He questioned why is the ad hoc singling out hand-dig?

The members discussed creating 9a, 9b, and 9c to identify the cause for hand-dig.

Mr. Chow stated that if the hand-dig is one of three reasons, why the need for identification? He added that this appears to be a trust concern among members in completing JPAs.

He reiterated that if it becomes necessary to notate the cause for hand-dig, then it should be required on all changes to the intent. He added that his organization receives JPAs stating terminals had to be moved, cables requiring splicing etcetera, and there is no explanation on the JPA.

Ms. Hernandez stated that this type JPA should notate an explanation. He added that there should be trust among members, or not, and request explanations on all changes to the intent.

Ms. Hernandez remarked that she is in agreement with Mr. Chow; however, historically she has received JPAs where AC 9 is on every pole. She added that this situation might have prompted the required explanation, and/or elimination of AC 9.

Ms. Goetz stated that historically this might have been a problem, but she believes that the above-mentioned situation is no longer a problem.

Ms. Hernandez stated that originally, Ms. Prouty had brought this issue to the table. It concerned poles on property lines.

Mr. Wolfe stated that a simple explanation when hand-dig is invoked makes sense to him. Members do trust one another, however, the joint members in this particular situation are asking for verification. He added that listing the 3 primary causes does not make sense, since a hand-dig could be prompted by many reasons; therefore, an explanation makes more sense. There might be instances when hand-dig is required, such as having your truck and/or equipment fail but should other members share the cost of hand-dig in this instance?

Mr. Chow reiterated that SCE has no way of verifying if a terminal required moving, or if a cable required splicing after the fact. However, there is no question, and SCE honors the JPA. On the other hand, joint members are fighting SCE on nearly every hand-dig that they notate on a JPA. Granted, he added, that some hand-digs did require redlining, however, things have improved internally, but members continue to push back hand-digs. He added that even with an explanation on the JPAs, communication continues to push back.

Ms. Hernandez stated that perhaps the initiator neglects to remove AC 9 after the fact. She inquired if the initiator is aware that hand-dig is required initially.

Ms. Johnson responded that normally you are aware initially.

The members discussed this issue, and it was agreed that hand-dig is not included in the pole prices for a majority of the members. This being agreed the consensus is that AC 9 should be maintained.

This item has been assigned to the Routine Revision ad hoc committee for verbiage revision explaining the instances for invoking AC 9.

The next issue on the agenda is **Item 1454: 2009 Authorized Costs**. The matrix has been sent to all members to aid in proposing their costs. The dead line for submitting the authorized costs matrix is July 1, 2008. Ms. Corella sent a second reminder on June 3, 2008.

The third issue on the agenda is **Item 1457: Disposal of a Topped Pole**. Mr. Chow reported that he has received data internally; however, he has not had the opportunity to compile the information.

Mr. Wolfe questioned this issue. Mr. Chow informed him that what SCE is proposing is compensation for the portion of the topped pole. He added that in many instances the length of the topped is equivalent to that of the remaining pole to be pulled. The pulling members are compensated for the disposal of their portion of the pole, but the topping members are not compensated for disposal. SCE is proposing disposal compensation for their portion of the topped pole.

Mr. Wolfe stated that the pulling party gets reduced credit for what they have pulled. They do not get credit for what was topped.

Ms. Baccus stated that it is no longer handled in that manner, but the credit is for the pole height.

Mr. Johnson stated that the ad hoc is to arrive at a cost for disposing of a topped pole.

After extensive discussion on this issue, Mr. Chow stated that in the PTD situation, the pulling member is recovering costs from the other members. In the lowering and disposing of after the cut, costs are not recovered. However, when power cuts and kicks, and the other member must lower and dispose of what is left from the cut and kick, the other member is not recovering disposal costs. Therefore, it now appears to Mr. Chow that these two situations appear to cancel out.

Mr. Johnson inquired if Mr. Chow is satisfied with the discussion, and chooses to close this item number.

Mr. Chow stated that he is satisfied with the results of the discussion, and is ready to close this item number.

Mr. Johnson stated that he would like to keep this item number open for the time being, to allow him to do further research on the issue.

This item is to remain open at this time.

The last assigned item to this agenda is **Item 1462: Section 7.12 OT Costs/disaster replacements**. Mr. Chow reported earlier that he has received the internal data he requested from his organization, however, has not compiled the data yet.

There were no items on miscellaneous items.

Review of Action Items:

- Deadline for submission of authorized costs is July 1, 2008
- DWP to research item 1457: disposal of a topped pole
- Item 1450 added to Routine Revision agenda

The ad hoc meeting adjourned at 12:45 p.m. The next meeting is scheduled for July 16, 2008.

Jennie Corella, Manager of Operations

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July 17, 2008

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 11:40 a.m., at the Committee office. Those in attendance were:

Mr. Dennis Walls	City of LA -DWP
Mr. Robert Wolfe	AT&T California
Ms. Sherri Goetz	Southern California Edison
Ms. Lupe Hernandez	AT&T Mobility
Mr. Steve Rodriguez	T-Mobile USA
Ms. Paula Haney	NextG Networks
Mr. Cory Autrey	Sprint-Nextel
Ms. Lynn Prescott	Verizon Wireless
Ms. Jennie Corella	Committee Staff
Ms. Jean Baccus	Committee Staff
Ms. Angela Pranata	Committee Staff

Mr. Walls opened the meeting at 9:00 am. He stated that he would like to note that at the last meeting, Mr. Johnson stated that, “ DWP does NOT take into account the cost of a hand dig when submitting their pole prices.” Mr. Walls added that this is a disclaimer, and that he would like it noted that currently, DWP does INCLUDE hand dig when submitting their pole prices, however, if agreed by the ad hoc could easily remove this element from their costs. Please take note of the incorrect statement by Mr. Art Johnson at the June 10, 2008 authorized costs elements ad hoc meeting.

Mr. Walls then moved on to the first item on the agenda is **Item 1450: Review of Section 14.9 Hand Dig**. It was agreed that this item number is now closed, since the Board has approved the revisions to this section, and the associated authorized cost. This item is now formally closed.

The next issue on the agenda is **Item 1454: 2009 Authorized Costs**. Ms. Hernandez suggested addressing the other items on the agenda prior to addressing the proposed authorized costs, since this discussion would be lengthy.

The third issue on the agenda is **Item 1457: Disposal of a Topped Pole**. Ms. Goetz reported that Mr. Chow is currently addressing this issue, and that she did not have any information to share with the ad hoc at this time.

Mr. Walls stated that he noted from the previous ad hoc, that DWP was to provide their costs for disposing of topped poles. He added that after

researching within his organization, the result is a cost of .06 cents per pound.

Ms. Hernandez added that the City of Pasadena quoted \$60.00 per ton. She further stated that Mr. Chow was concerned with the pole top of approximately 25 feet. She added that in her opinion, this situation does not occur often enough to warrant creating an authorized cost. She then stated that since it is an infrequent occurrence, perhaps it could be handled via a special agreement.

This issue was brought to table by SCE, and it was noted that from the previous ad hoc meeting, Mr. Chow has agreed to close this issue. Mr. Johnson requested this item to remain open to allow him the time to become familiar with the issue. However, Mr. Walls proposed closing the item number at this time. This item is now formally closed.

The last assigned item to this agenda is **Item 1462: Section 7.12 OT Costs/disaster replacements**. Ms. Hernandez reported that Mr. Allen originally stated that since DWP maintains a 24-hour disaster crew, he would not support an OT cost for disaster replacements.

Section 7.12 is a new section addressing disaster replacement, and has been approved by the Board. The issue is creating an authorized cost for the expenditure of premium pay.

Ms. Hernandez stated that the objective is to arrive at a cost for OT. She added that there is the concern of identifying the overtime for working on joint poles in disaster situations, and differentiating this from purely SCE OT work. She added that the majority of members are not in favor of an authorized cost to cover premium pay.

Ms. Prescott stressed that the disaster referred to in this situation is for fire and storm disasters.

Ms. Hernandez stated that some members were using section 7. 6 – plant damage for fire disaster situations, since there is nothing in the Routine Handbook that alludes to fire/storm disasters. Therefore, it was agreed to create a section, and document a process to handle these disaster situations.

Mr. Walls stated in a disaster situation he would call out overtime, but added that it would be also impossible to track which pole was set on overtime, and which poles were set on straight time.

Ms. Prescott stated that overtime could be treated as a flat adder to the JPA, since it appears too difficult to track per pole.

It was agreed that this item remains open for further discussion. SCE would be providing their costs for premium pay.

Mr. Wolfe opened discussion on surface (concrete) restoration. He stated that he would like to know what members base their concrete restoration costs on? The response is that this is handled via special agreement.

Ms. Corella stated that it was agreed at the last ad hoc meeting that the committee would review the current pole price matrix prior to sending it out to the membership for completion.

The members reviewed the matrix and the associated definition of elements. The matrix title has been revised.

The members then proceeded to review and discuss all 12 elements in the elements definition sheet.

The pole length element was discussed and agreed to state members base their costs on a class-3 pole, for the purpose of the SCJPC weighted average. This element has been revised (see attachment I).

The members extensively discussed the loaded labor rate, and transport and handling, and agreed that the verbiage did not require revision on either element.

On digging and erecting, the members agreed that the hand dig issue required mention in this definition. Therefore, it was agreed to revise this definition (see attachment I).

The fifth definition is stating how the total labor is summed. Therefore, no need for revision.

The material cost (FOB) pole (wood) element definition was discussed next. The last sentence in the definition was deleted, and it was agreed to add a matrix worksheet for composite fiberglass, lightweight steel, and concrete (ct). The verbiage wood is to be removed from the element title.

There are no revisions to the supply expense and equipment expense element definitions.

The members discussed engineering and planning next. Ms. Prescott stated that she remembered the ad hoc agreeing that this column should be one direct loaded labor hour. Ms. Hernandez stated that she believes an hour is correct. The members discussed this element extensively, describing what in their respective opinions was a reasonable length of time required for planning and engineering. It was agreed to research back and review previous years definitions of elements to ascertain if and when the one-hour agreed upon time frame might have evolved.

Element 10 is general and administrative definition. The ad hoc members agreed with the definition of this element.

The total cost column is merely a summation of several columns to arrive at a total pole cost. This column has a row total formula, and does not require tallying by the party preparing the worksheet matrix

Last is the column reflecting the total number of poles set by the member, per the height of the poles. This element definition was revised (see attachment I).

The one issue of concern is the engineering and planning column. The ad hoc is to determine at what time was the one-hour eliminated. The pole price matrix would be discussed at the next ad hoc meeting.

The members then moved on to review the submitted authorized costs worksheet reflecting the costs of those members who have submitted their costs. Ms. Prescott stated that this is merely the start of the review process. The objective of the ad hoc is to review each line item individually to ensure that the costs are equitable and in line with how joint pole business is transacted today.

Ms. Corella reported that the City of Pasadena has requested using the same costs they submitted two years earlier. It was noted that Verizon California has not submitted their costs yet.

Ms. Hernandez noted some costs that reflected a great range difference in price.

Mr. Wolfe stated that contractors cost tend to reflect higher costs.

Ms. Prescott reiterated that the primary purpose of this exercise is to review the costs and question any costs that appear out of line.

After reviewing the submitted costs, it appears that some costs should be researched since they appear out of line.

It is agreed that the City of Pasadena's cost must be added to the worksheet, and those members who's costs are questionable would return to their respective offices and research.

The second draft would be reviewed at the next ad hoc meeting.

There were no items on miscellaneous items.

Review of Action Items:

- The City of Pasadena's cost would be added to the worksheet second draft.
- Ms. Prescott would contact ATT-TCG contractors to verify their submitted costs.
- Ms. Hernandez would contact LAC and PBM contractors to verify their submitted costs.
- Mr. Autrey would contact SPR contractors to verify their submitted costs.
- Ms. Prescott would re-submit ATC costs.
- Ms. Corella to research element definition column 9 – Engineering and Planning to determine if 1-hour was ad hoc agreed.
- Ad hoc members to review authorized costs draft II.
- Ms. Corella to send revised “Definition of Elements” and revised “pole price matrix” files to ad hoc members for their review.

The ad hoc meeting adjourned at 12:05 p.m. The next meeting is scheduled for August 12, 2008.

Jennie Corella, Manager of Operations

Attachment I

DEFINITIONS OF ELEMENTS

1. **Pole Length** - Pole price elements are based upon the length and class of pole. For the purposes of the SCJPC weighted average use a Class 3 pole. ~~45' to 50' pole is used as the predominate joint owned pole class/length used in a majority (estimated between 65% to 80%) of jointly owned poles replaced.~~
2. **Direct Labor (Loaded)** – The AVERAGE non-premium hourly rate of field workmen (shown in US dollars) that includes cost of associated benefits (i.e., medical, dental, vision, vacation, sick leave, etc.). The average non-premium hourly rate is the average between the high and the low hourly rate of the labor classification (or title) directly involved in setting the pole.
3. **Transport and Handling** – The AVERAGE amount of time (in hours and/or quarter-hour increments) directly related to the workmen who load a pole onto a pole dolly, transport to the job site and return to the yard.
4. **Digging and Erecting** – The AVERAGE amount of man-hours of an average-sized crew to excavate the pole hole, erect the pole, plumb the pole, backfill and compaction tamp the pole in place. The average total man-hours include setup and take down of the work operation. ~~Excludes hand-digging cost.~~
5. **Total Direct Labor (Loaded)** – This is calculated by multiplying direct labor (loaded) rate in column #2 times the hours in column #3 and column #4 on the Pole Price Matrix Worksheet. The total direct labor (loaded) is calculated by then summing or adding the results of these calculations together.
6. **Material Cost (F.O.B.) Pole (Wood)** – The AVERAGE material expense (in US dollars including sales tax and transportation costs from supplier) of a pole delivered to the first destination point (usually a purchaser's construction yard). ~~The cost of fiberglass composite, steel and concrete poles shared between SCJPC members shall be negotiated on a case-by-case basis.~~
7. **Supply Expense** – The average expense for storing the pole prior to use (shown in US dollars), i.e., cost of storage (inventory expense). This is usually derived or calculated as a percentage of material cost of the pole. If the Supply Expense is already included within another defined expense on the Pole Price Matrix expense categories (i.e., Direct Labor (Loaded) or General & Administrative), use the appropriate designator provided in the “NOTES” of the Pole Price Matrix Worksheet to show under which pricing element these costs are already included.
8. **Equipment Expense** – The expense (shown in US dollars) of the equipment directly used in the placement or replacement of a jointly owned pole. The expenses should include fuel, oil, and average maintenance costs. For example, a combination digger/derrick vehicle, aerial personnel lift and direct supervision pickup truck is commonly associated with the pole replacement activity. If the Equipment Expense is already included within another defined expense on the Pole Price Matrix expense categories (i.e., Direct Labor (Loaded) or General & Administrative), use the appropriate designator provided in the “NOTES” of the Pole Price Matrix Worksheet to show under which pricing element these costs are already included.
9. **Engineering and Planning** – The average expense (shown in US dollars) for site survey, pole loading calculation and JPA document preparation for set/replacement of a jointly owned pole. This is calculated by labor hours for engineering and planning for the defined work steps multiplied by average direct (loaded) non-premium labor rate of the labor class (or title) doing the engineering and planning

work. (That portion of work that is directly related to the joint pole replacement. This should not include work that is for the sole benefit of any member on record).

10. **General and Administrative** – The average expense for additional labor (shown in US dollars) for direct clerical support, direct supervision of the field crew and indirect supervision of the crew placing the pole. This is usually derived or calculated as a percentage of Direct Labor Rate.
11. **Total Cost** – The total cost to set/replace a jointly owned pole (shown in US dollars). The Total Cost is calculated by summing or adding together the dollar values shown in columns #5, #6, #7, #8, #9, and #10 of the Pole Price Matrix Worksheet.
12. **Total Number of Joint Poles Set** – This is the number of jointly owned poles set by a member utility in the previous **calendar** year. The SCJPC provides the total number. ~~The number set may change year to year. For the purposes of the Pole Price Matrix the time period is defined as from July of the previous year to July of the current year the SCJPC Authorized Costs Price Committee begins the annual pole price setting discussions.~~

SOUTHERN CALIFORNIA JOINT POLE COMMITTEE

437 So. Cataract Ave. Unit 3

San Dimas, CA 91773

Phone (909) 592-4001

Fax (909) 592-4636

August 12, 2008

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 1:50 p.m., at the Committee office. Those in attendance were:

Mr. Dennis Walls	City of LA -DWP
Mr. Robert Wolfe	AT&T California
Ms. Sherri Goetz	Southern California Edison
Ms. Lupe Hernandez	AT&T Mobility
Ms. Shawn Henderson	AT&T Mobility
Mr. Steve Rodriguez	T-Mobile USA
Ms. Paula Haney	NextG Networks
Mr. Cory Autrey	Sprint-Nextel
Ms. Lynn Prescott	Verizon Wireless (teleconference)
Ms. Jennie Corella	Committee Staff
Ms. Jean Baccus	Committee Staff
Ms. Angela Pranata	Committee Staff

Mr. Walls opened the meeting at 2:00 pm. The first issue on the agenda is **Item 1454: 2009 Authorized Costs**. Ms. Corella inquired if the members had a copy of the authorized costs matrix draft 3. She added that after sending draft 2 to the members, Mr. Cashmer requested that the costs he submitted two years earlier be added to the current matrix. Therefore, draft 3 now contains the Verizon California costs.

Mr. Autrey commented that he was given an action item to review the Sprint-Nextel submitted costs, due to relatively high costs. He added that this might be due to the inclusion of travel time. The consensus among the members is that travel time is not inclusive. He stated that he would research the costs, and re-submit the Sprint-Nextel costs.

Mr. Wolfe added that his organization does not calculate travel time in any of AT&T California's submitted costs. He added that his costs are normally based on a 3-man crew.

Mr. Walls inquired as to how the ad hoc approaches reviewing the submitted costs.

Ms. Corella responded that in her tenure the practice had been to increase the costs by a specific percentage on all costs. She added that at the previous review period, the ad hoc members agreed that the method of increasing all costs by a specified percentage is not a valid method of evaluating the authorized costs. Therefore, the matrix was created and agreed that the costs would be based on a simple average. The process includes reviewing all costs to ensure that they are in line with business today.

Mr. Walls then proceeded by addressing the first item. Ms. Hernandez stated that what appears questionable is the SCE cost, since there is a great range between the SCE costs and the other submitted costs.

Mr. Wolfe responded that what he surmises in regards to the SCE costs, is a larger crew with a supervisor and possibly some trainees. He added that corporate crews tend to be larger than those of municipalities. He further added that this could explain the range in costs.

Mr. Autrey inquired if the ad hoc has discussed and agreed what is a reasonable length of time to perform any specific tasks.

Mr. Wolfe stated that by eliminating the high and low costs of an item, and averaging the remaining cost(s) might result in a greater equitable authorized cost.

Ms. Goetz questioned how many submitted costs were costs from the previous review. Ms. Corella responded that the City of Pasadena, and Verizon California requested that their previous costs be applied to the matrix.

Mr. Walls stated that in regards to the submitted costs, they are the expenses that it takes each respective entity to transact any particular task. He added that he does not choose to question the members the length of time it takes an organization to handle any specific task.

The consensus is to review the costs, and if any one particular costs appear questionable, then the ad hoc would request information at how that member arrived at the costs.

Mr. Autrey questioned if the ad hoc members could research within their organizations to determine if some of the items are no longer utilized, or no longer apply.

The members replied that their programs have no way of tracking transactions.

Mr. Walls stated that the ad hoc would review the items, and if there were a concern then the item number would be addressed further.

Ms. Hernandez stated that she has a concern with the Sprint-Nextel costs, but Mr. Autrey is planning on re-submitting costs.

Item one, three, four, and five are accepted, item two is on hold. Item number six-b, and six-c is questionable since Pasadena's cost is very low. Ms. Corella would contact Pasadena to inquire about item six.

Ms. Hernandez stated that she has a concern with item 19 – A-C-Pole in same hole. She added that this was a concern at the previous costs review, because SCE includes PTD charges and other costs that should not be considered. This cost should only be the difference.

Ms. Hernandez questioned the cost submitted by DWP for item 14 – Failure to Final JPA Admin Cost. She stated that earlier, Mr. Walls quoted \$500.00 per JPA. Mr. Walls responded that \$500.00 was a rough quote. After further research, the amount on the matrix is correct.

Ms. Haney stated that in her opinion, a cost per pole versus per JPA would appear more equitable. After brief discussion, a cost per JPA appears just as equitable.

Mr. Walls proposed continuing the review of the costs at the next meeting when members have submitted their revised costs. The members would review the next draft at the September ad hoc meeting.

The next assigned item to this agenda is **Item 1462: Section 7.12 OT Costs/disaster replacements**. Ms. Hernandez reported that SCE would provide their respective premium pay costs, samples, and history taken from the last fire disaster. This item is to be discussed further at the next meeting.

Lastly, the members discussed **Item 1468: 2009 Pole Prices/matrix**. The primary concern with the pole price matrix is the engineering and planning column. The consensus is to table this item for the next meeting.

There were no items on miscellaneous items.

Review of Action Items:

- Sprint-Nextel to review and re-submit costs.
- Ms. Corella to contact Pasadena on costs in question.
- NextG to work with Sprint-Nextel on NextG costs.
- Contact Mr. Wolfe in regards to his submitted hand dig cost (Item 9) of \$102.00.

The ad hoc meeting adjourned at 2:25 p.m. The next meeting is scheduled for September 9, 2008.

Jennie Corella, Manager of Operations

SOUTHERN CALIFORNIA JOINT POLE COMMITTEE

437 So. Cataract Ave. Unit 3

San Dimas, CA 91773

Phone (909) 592-4001

Fax (909) 592-4636

September 9, 2008

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 1:00 p.m., at the Committee office. Those in attendance were:

Mr. Dennis Walls	City of LA -DWP
Mr. Robert Wolfe	AT&T California
Ms. Sherri Goetz	Southern California Edison
Mr. Larry Chow	Southern California Edison
Ms. Lupe Hernandez	AT&T Mobility
Ms. Shawn Henderson	AT&T Mobility
Mr. Steve Rodriguez	T-Mobile USA
Ms. Paula Haney	NextG Networks
Ms. Sue Thomas	Sprint-Nextel
Ms. Lynn Prescott	Verizon Wireless (teleconference)
Ms. Jennie Corella	Committee Staff
Ms. Jean Baccus	Committee Staff
Ms. Angela Pranata	Committee Staff

Mr. Walls opened the meeting at 1:10 pm. The first issue on the agenda is **Item 1454: 2009 Authorized Costs**. He stated from the last meeting there were several costs that were questionable. The City of Pasadena, and AT&T California had questionable costs, but the corrected costs are now reflected in the current draft. The ad hoc members proceeded viewing the item costs individually.

Mr. Wolfe commented on the spread in costs for trenching a pole. Ms. Haney remarked that from discussion with the contractors pertaining to this cost, she discovered that they are including the cost of travel. Mr. Wolfe remarked that in his opinion, this task is not exceptionally labor and/or cost intensive. However, he is aware that the costs are reflective of contractors costs.

In reference to items 1 and 2, the members stated that their organizations do not trench poles often. Mr. Walls stated that at the previous meeting, the members discussed if some costs are antiquated, and should be eliminated. However, the consensus is to leave the items in the Routine rather than deleting them, for those rare instances when the costs might be required.

Mr. Wolfe suggested utilizing the methodology where the high and the low costs would be deleted. Ms. Haney inquired if the method for arriving at costs were revised, would it become effective for the current costs or for the next costs review? After discussion it was agreed that the high/low method would not be implemented at this time.

The ad hoc continued reviewing each individual authorized cost. They discussed each item extensively.

It was agreed those costs where the majority of submitted responses were by SPECIAL AGREEMENT to revise the cost to special agreement.

Item 14 has not been approved by the ad hoc. This item number is to remain open for discussion to ensure the cost truly represents the administrative work required when finalizing another members JPA work.

The cost submitted by the City of Pasadena for item 129-B is questionable. Mr. Cox is to be contacted to determine if the submitted cost is correct.

The ad hoc has completed the review of the submitted costs. There are only two questionable items. The members will discuss Item 14 at the next ad hoc meeting.

The next assigned item to this agenda is **Item 1462: Section 7.12 OT Costs/disaster replacements**. It was agreed to table this item at this time.

Lastly, the members discussed **Item 1468: 2009 Pole Prices/matrix**. The primary concern with the pole price matrix is the engineering and planning column. Since it is late in the year, it was agreed to send out the current pole price matrix to the members, and have them submit their 2009 pole costs for review by this ad hoc. The element in question is to be discussed at a later ad hoc meeting.

There were no items on miscellaneous items.

Review of Action Items:

- Contact City of Pasadena in regards to Item 129-B.
- Send out 2009 pole price matrix to members

The ad hoc meeting adjourned at 2.55 p.m. The next meeting is scheduled for October 2008.

Jennie Corella, Manager of Operations

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San Dimas, CA 91773

Phone (909) 592-4001

Fax (909) 592-4636

October 8, 2008

An **unofficial** meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date

The members who attended the Routine Revision meeting of the same date gathered and discussed issues pertaining to the 2009 Authorized Costs matrix (please refer to the attendance roster of the Routine Revision meeting of the above date for attendees).

The following bullet points are some issues discussed:

- Should travel time be included in costs.
- Members reviewed every item costs to determine if travel time should be included.
- Installation costs should include travel time – Transfer costs should not include travel costs
- Final consensus to have those members who have submitted their costs, and have included travel time – resubmit costs with deleted travel time.
- Ad hoc is to determine, item by item, if travel should be included and how many labor hours are equitable and reasonable per specific item cost.

Jennie Corella, Manager of Operations

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437 So. Cataract Ave. Unit 3

San Dimas, CA 91773

Phone (909) 592-4001

Fax (909) 592-4636

November 5, 2008

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 9:00 a.m., at the Committee office. Those in attendance were:

Mr. Dennis Walls	City of LA -DWP
Ms. Sherri Goetz	Southern California Edison
Ms. Maryam Farajzahed	City of Vernon
Ms. Lupe Hernandez	AT&T Mobility
Ms. Paula Haney	NextG Networks
Mr. Cory Autrey	Sprint-Nextel
Ms. Lynn Prescott	Verizon Wireless
Ms. Jennie Corella	Committee Staff
Ms. Angela Pranata	Committee Staff

Mr. Walls opened the meeting at 9:10 pm. The first issue on the agenda is **Item 1454: 2009 Authorized Costs**. He reported that he did not attend the last meeting, but from the minutes he stated that AC item 14 was slated for discussion. He added that the objective is to arrive at an equitable price per pole. Ms. Hernandez stated that this issue was not discussed at the last meeting, and should now be discussed. The consensus is that any utility that finalizes another member's JPA may bill item 14 per pole on the any specific JPA. The members revised their costs for item 14, and taking these submitted costs on an average, the final proposed cost per pole is \$125.00.

Item 129-B has been a questionable item. The City of Pasadena has submitted a cost below the current cost. Mr. Walls stated that this is an item that is rarely utilized within his organization. He added that since Pasadena utilizes this type construction, and the City of Los Angeles does not, he is of the opinion to accept the cost submitted by the City of Pasadena. The consensus is to maintain the cost submitted by Pasadena.

The next two items called to attention are Items 160-C, and 164-E. Ms. Baccus questioned that these two items currently have no charges associated to them, however; some members have submitted costs. Her question is do the members desire to impose an authorized cost to these items. Those members that submitted costs requested to remove their costs, and the consensus is that both items continue to state, "No Charge".

Next, the members discussed the issue of travel time included in costs. It was agreed that some items should have travel time included. The members addressed each item number to determine if the item number should have travel time included. Ms. Hernandez quoted the item numbers that were previously noted to require the inclusion of travel costs. They are

items 1, 2, 3, 4, 6, 17, 18, 89, 91,94, 96, 115, 120, 121-A, 123, 124, 125, 128,131, 132, 160, 164, and 171.

The method the members discussed for implementing travel time is that the ad hoc, when reviewing the costs bi-annually, would determine the reasonable hours of travel time per item costs.

Mr. Walls stated that if some costs have travel time imbedded, and a JPA has several of these costs with imbedded travel time, then a member is paying for travel time on every item on the JPA when it might be only one trip to the site.

Ms. Hernandez stated that she was of the opinion that travel time would be a separate authorized cost to add to the JPA. The one travel time adder would be applied to the entire JPA regardless if it applied to one or all actions on the JPA.

Mr. Walls stated that some jobs take several days travel to the site. Ms. Goetz responded that after identifying the item that required travel time; multiply the travel cost by the number of days traveled to the site. He added that in his opinion, travel time was never an issue historically when addressing authorized costs, and questioned if travel time should be included in today's costs.

Ms. Prescott proposed not addressing travel time in this years cost, but to commit to review and discuss travel time for authorized costs moving forward. It was agreed to continue discussing travel time in authorized cost within this ad hoc in the incoming year. **Item 1477: Review AC for Travel Time** has been assigned to this ad hoc committee.

The authorized costs matrix will be on the discussion calendar of the next Administrative Board meeting.

The next assigned item to this agenda is **Item 1462: Section 7.12 OT Costs/disaster replacements**. It was agreed to table this item at this time until SCE is able to provide the costs data from the last fire disaster (Santiago Fire).

The fourth issue for discussion is **Item 1468: 2009 Pole Prices/matrix**. The members reviewed the first draft of pole prices submitted. Mr. Walls inquired if any members had any questions or concerns with the submitted pole prices. The members responded that the costs appeared reasonable, and there were no questions. The consensus is to place this item on the discussion calendar of the next board meeting.

The last issue on the agenda is **Item 1469: Salvage Value and depreciation for other than wood poles**. Ms. Baccus brought this issue to the table. It was agreed that those members that submitted other than wood pole prices must provide their respective salvage costs. Mr. Walls reported that according to the manufacturers of the poles utilized by his organization the life expectancy of fiberglass is 40 years, steel is 60 years and concrete is 80 years. He added that this item would remain open for further discussion at the next ad hoc meeting.

There were no items on miscellaneous items.

Review of Action Items:

- SCE to review and/or revise items 18 and 19, and special notations. Authorized Costs draft slated for Board discussion.
- 2009 Poles Prices draft I is slated for the discussion calendar of the next

The ad hoc meeting adjourned at 10.50 a.m. The next meeting will be scheduled for January 2009.

Jennie Corella, Manager of Operations