

SOUTHERN CALIFORNIA JOINT POLE COMMITTEE

437 So. Cataract Ave. Unit 3

San Dimas, CA 91773

Phone (909) 592-4001

Fax (909) 592-4636

February 8, 2006

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 11:00 a.m., at the Committee office. Those in attendance were:

Ms. Velma Prouty	SBC-West
Mr. Robert Allen	City of Los Angeles
Mr. Larry Chow	Southern California Edison
Mr. Sheldon Cox	City of Pasadena
Ms. Paula Haney	Verizon California
Ms. Sue Thomas	Sprint PCS
Ms. Lupe Hernandez	Cingular Wireless
Ms. Lynn Prescott	Verizon Wireless
Ms. Jennie Corella	Committee Staff

Chairman, Mr. Allen called the meeting to order at 11:15 a.m., and opened discussion on **Item 1341: Storm Costs**. This item has been open since January 15, 2003, and was brought to the table by SCE. Mr. Allen briefed the members on this issue. It pertains to emergency situations, when SCE is called upon for immediate response. SCE is called to restore service to customers immediately in response to down poles resulting from a natural disaster. This requires SCE staff to work overtime, and on weekends. This results in premium pay scale wages/costs incurred by SCE. Therefore, SCE is proposing an authorized costs item to share the expense with the other joint pole owners, resulting from this type situation. Mr. Chow responded that he is unfamiliar with this issue at this time. He intends to research the matter, and return next month with the facts and information prompting this issue.

Item 1360: Crane Costs was next for discussion. This issue was brought to the table by SCE on January 7, 2004. Mr. Chow stated the intent is to create an authorized cost for the use of cranes, and helicopters. SCE would like to eliminate the use of invoices, and section 1.2 when dealing with the shared cost of cranes. Ms. Prouty remarked that AT&T California has encountered problems with SCE, and their use of cranes and helicopters. Her organization has received notices stating that a crane cost invoice is forthcoming, however, when the site is verified, they become aware that a crane was not utilized, and/or that a crane was not necessary. She is not

sure whether the cost is noted in the field, or when the JPA is sent to the office and is added at that time. Mr. Chow responded that, if from a planner's perspective, a crane/helicopter is necessary; it definitely must be necessary, because of the complex preliminary process required to utilize this equipment internally. Mr. Chow added that SCE could provide proof that a crane was used, and necessary. There are instances where the use of a crane may be cost effective as opposed to a hand-dig. Ms. Prouty stated that in her opinion, a field meet should be required when deciding to utilize a crane. She further stated that she would like to ensure that the costs were correct. Mr. Cox added that the costs should be reflected on the JPA. Ms. Prouty responded that many instances; the costs are not noted on the JPA. Mr. Cox stated in that scenario, a member should shut down construction, and request a field meet. Ms. Prouty responded that even with a field meet, the crane costs are charged on the JPA, when a crane was not utilized. Ms. Thomas added that there have been instances when the costs are lined out on the preliminary JPA, and when the final JPA is received, the costs are not removed. Ms. Prouty further added that it is extremely labor/cost intensive to attempt to have the charges reversed by SCE, which in many situations, can take up to four months. Ms. Hernandez added that unfortunately, SCE does not have a good reputation in regards to following the JPA process per the Routine Handbook. Ms. Haney stated that until SCE is able to resolve the aforementioned issues, she would not support approving an authorized cost for the use of cranes/helicopters. Ms. Prouty agreed.

Mr. Chow agreed, however, he stated that when setting a pole, and it necessitates utilizing a crane, all members should share the cost. He reiterated, that SCE would not utilize a crane unless there is no other alternative to setting the pole. He further stated that being new to SCE, he does not have all the particulars on this issue at this time. However, Mr. Chow added that upon his return next month, he would have information to share with the members.

The members then discussed **Item 1361: Removal of Ivy**. This item was brought to the table by SCE, and opened on January 7, 2004. Ms. Hernandez remarked that as with the previous proposed authorized cost, the members are hesitant to approve this authorized cost as well, for similar reasons. Mr. Allen remarked that the issues SCE is experiencing is a training issue. Ms. Thomas agreed. She further stated that in her opinion, items are added to JPAs not by engineers or planners, but by the clerical staff in the office. Mr. Chow stated that an audit is performed on every pole that is set by SCE. It may be during this audit process that JPAs are changed and/or items are added. Therefore, the JPA may appear changed after the preliminary approval. Ms. Prouty remarked that her office receives many correction of record JPAs. In her opinion, if SCE is handling their quality control audit correctly, there should be no need for correction of records. Ms. Chow responded that the audit process is new to SCE. It has been in existence for approximately six months. Ms. Haney stated that

Verizon California would not support this proposal, until there is assurance that SCE is handling the JPA process with a minimum of issues. Some members stated that this item may have been on the consent calendar at one point, and was rejected. It was agreed to review past administrative board minutes, to discover if, in fact, the board members rejected this item. This item will remain open at this time.

The last item on the agenda is **Item 1366: Review Anchor, overhead and Down guys**. This item was opened on April 21, 2004. The issue with this item is that anchors are not allowed depreciation, while poles are depreciated. The members reviewed documents, created earlier, to clarify this proposal. Mr. Allen stated that he continues to be of the opinion that anchors should not depreciate, in that steel does not deteriorate. Ms. Hernandez remarked that she could understand no depreciation, however, should anchors appreciate. Mr. Allen responded that anchors should appreciate, in that a member is purchasing anchors at today's price of steel, and not the historical price of steel. He added that the cost of steel continues to rise. The issue will remain open for further discussion.

The meeting adjourned at 12:15 p.m. The next meeting would be announced at the next Board meeting.

Jennie Corella, Office Manager

SOUTHERN CALIFORNIA JOINT POLE COMMITTEE

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March 16, 2006

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 12:00 p.m., at the Committee office. Those in attendance were:

Ms. Velma Prouty	SBC-West
Mr. Thomas Dailey	City of Los Angeles
Mr. Ernie Solorzano	Southern California Edison
Mr. Larry Chow	Southern California Edison
Ms. Paula Haney	Verizon California
Ms. Lupe Hernandez	Cingular Wireless
Ms. Lynn Prescott	Verizon Wireless
Ms. Jennie Corella	Committee Staff

Chairman, Mr. Dailey called the meeting to order at 12:05 p.m., and opened discussion on **Item 1341: Storm Costs**. Ms. Hernandez stated that the issue was brought to the table by SCE. This issue pertains to a shared cost for the expense of paying premium pay (OT), to a crew that has been called out due to storm damage. Mr. Solorzano reported that the only reimbursement SCE receives, in regards to restoring service, is the purchase of interest into the pole. SCE is proposing an authorized cost of \$2,078.00 (see attachment). Mr. Dailey responded by stating that in his opinion, there should not be reimbursement for overtime, due to acts of nature because of the potential FEMA reimbursement. Therefore, he is proposing to table this issue at this time, until the return of Mr. Allen. In being that Mr. Dailey is the alternate, he stated that he is unfamiliar with the complete background of this issue. Mr. Allen would be better equipped to report on this issue. Mr. Dailey further added that in situations as this, the City of Los Angeles petitions FEMA for reimbursement, however, he would need to inquire within his budgetary department to gain any details. Mr. Solorzano stated that since the City of Los Angeles is a municipality, they might have a different set of criteria for FEMA and/or the state emergency funds, than SCE, a regulated utility. Mr. Dailey further added that DWP maintains 24/7 personnel to be called out on all situations. Ms. Prouty remarked that according to her recollection, SBC was not in favor of overtime reimbursement. She stated she would obtain the information explaining the reasoning behind SBC not agreeing to reimburse to SCE for overtime costs. Ms. Dailey added that, because a utility does not maintain 24/7 personnel,

other members should not necessarily reimburse for another members overtime expenses. The members discussed situations pertaining to this issue. This item would remain open.

Item 1360: Crane Costs was next on the agenda. It was not discussed at this meeting; however, it would remain open at this time.

The members then discussed **Item 1361: Removal of Ivy**. Mr. Solorzano opened discussion on this issue. He stated that one suggestion pertaining to this item is that a photograph of the pole in question would be attached to the removal of ivy JPA. Mr. Chow inquired as to what prompted AT&T California to require a photograph of the pole in question. Ms. Prouty responded that AT&T has received an ivy removal JPA, and upon site verification, the ivy is merely removed around the power space and up, and not down to communications and below. Other instances, upon verification, it is discovered that there is not, and has never been any ivy pole obstruction. Ms. Haney stated that she has viewed photos provided by SCE, and in her opinion, the obstructions did not support the proposed costs. Therefore, Verizon's position on this issue is that this situation should continue to be handled via special agreement Item 1.2. Ms. Prouty inquired how many such poles does SCE anticipate having the need of ivy removal for the current year. Mr. Solorzano responded approximately 100 such poles are expected to require ivy removal. He further stated that this is not CPUC mandated, however, in order to climb the pole, the ivy must be removed. The members stated that since the anticipated number of poles for this situation is 100, it should continue to be handled via section 1.2. Mr. Solorzano's concern is if Section 1.2 were utilized, the transaction would not be billed. The members discussed this issue, and the major issue with creating authorized costs, is SCE's clerical staff bills for items that were not approved. Ms. Hernandez, Ms. Haney, and Ms. Prouty added that the problem is, that it is near to impossible to get the charges reversed by SCE. Therefore, if an item remains via special agreement, the members have better control over having items charged.

The members shared their individual experiences with SCE in regards to the erroneous billing charges. Mr. Solorzano responded that he would like to be notified of these situations, in order to handle it internally. He further stated that SCE is attempting to work with members to rectify any problems. SCE is continuing to meet with both AT&T California, and Verizon California on a monthly basis, and is of the opinion that progress is being achieved.

In regards to this proposal, Ms. Prescott suggested accepting the authorized costs for removal of ivy, however, specifying that a field meet is required. The members agreed that if one of their respective staff notifies them that they were unable to schedule a field meet with the other joint member, then, the member would contact the supervisor of the uncooperative staff member. This should aid in eliminating internal problems within each respective utility.

The last item on the agenda is **Item 1366: Review Anchor, overhead and Down guys**. This item was opened on April 21, 2004. The issue's primary concern is the depreciation of anchors. Ms. Hernandez reported that Mr. Allen's position on this issue is that anchors do not depreciate. The communication side is of the opinion, that anchors should depreciate as poles do. Today, incoming members purchasing interest in a pole are paying a greater cost for the anchor, than the pole. They agree that an anchor does not depreciate, however, an anchor should not appreciate. Ms. Corella stated that Mr. Allen is of the opinion that steel does not depreciate, but appreciates. An incoming member today, is purchasing steel at today's price of steel. Mr. Solorzano stated that when replacing an anchor, SCE does not charge joint members for the anchor. Ms. Prouty responded that SCE does charge for anchor replacement. Ms. Greene was called into the meeting, to which she confirmed Ms. Prouty's statement; that members do charge for anchor replacements. Ms. Prescott stated that there was discussion at prior meetings of having anchors appreciate by an agreed upon percentage. After discussion on this issue, the agreement is that this item remains open at this time.

The meeting adjourned at 1:15 p.m. The next meeting would be announced at the next Board meeting.

Jennie Corella, Office Manager

ATTACHMENT

Section 2.1 – Reference last two paragraphs.....

Proposal-Reimbursement for overtime on call out to replace poles.....\$2078
(Do not use for car hit pole/claim work OR costs recoverable via CEMA funds)

The cost was arrived at as follows.....

15.4 total hours for handling/transporting, digging, erecting, plng/eng, with an addl hour to assemble the crew. The hours were based on SCE's submittal for a 45' pole, multiplied by the loaded labor rate.

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April 12, 2006

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 11:00 a.m., at the Committee office. Those in attendance were:

Ms. Velma Prouty	SBC-West
Mr. Sheldon Cox	City of Pasadena
Mr. Arnel Ganzon	Comcast Cable Communications
Mr. Larry Chow	Southern California Edison
Ms. Paula Haney	Verizon California
Ms. Lupe Hernandez	Cingular Wireless
Ms. Lynn Prescott	Verizon Wireless
Ms. Sue Thomas	Sprint PCS
Ms. Jennie Corella	Committee Staff

In the absence of the committee chair, City of Los Angeles, Mr. Chow called the meeting to order at 11:20 a.m., and opened discussion on **Item 1341: Storm Costs**. Mr. Chow reiterated that this issue was brought to the table by SCE. This issue pertains to a shared cost for the expense of premium pay (overtime) on call outs due to storm damage. Ms. Prouty reported that AT&T California would not support this proposal. Ms. Haney added that Verizon California would not support this proposal as well. In that the City of Los Angeles was not present to share their thoughts on this issue, Mr. Chow stated that this item would be tabled for the next ad hoc meeting. Ms. Thomas, and Ms. Hernandez added that in their opinion, and due to the comments made by Mr. Thomas at the prior ad hoc, they do not feel that DWP would support this proposal. The City of Los Angeles maintains a 24/7 emergency maintenance crew for this type situation, and the labor costs are at straight time. This item would remain open.

Item 1360: Crane Costs was next on the agenda. Mr. Chow stated that he would like to combine helicopter sets with this item. Mr. Chow added that he would like to schedule a meeting with the construction companies, and member utility construction departments. The meeting could cover discussion of situations when crane and helicopter costs would apply. This would be a starting point to identify hours, and applicable costs. Ms. Thomas added that everyone agrees that there are situations when a crane or helicopter is absolutely necessary. The question is who would determine the necessity of either equipment. Ms. Prouty added that perhaps

SCE could bring to the meeting, examples of when this type equipment has been utilized. Ms. Hernandez interjected that; previously, SCE had stated that they would present a video on cranes, and helicopters to the members. Ms. Chow responded Mr. Adolph Gonzales worked with the construction staff to create a video of this type, however, it has not been completed. This item would remain open at this time.

The members then discussed **Item 1361: Removal of Ivy**. Mr. Chow stated that from the previous ad hoc, the members discussed if they should continue to pursue this issue. However, he would like to investigate this proposal further. He is of the opinion to identify ivy only, could eliminate other vegetation (ex: Italian Cyprus etc). Ms. Hernandez reported that at the previous ad hoc, it was suggested to assign an authorized cost for this item, however, require a field meet. The purpose of creating an authorized cost is to move away from field meets. Ms. Prescott stated that if a cost is created, and agreed upon, but it requires a field meet, this type of authorized cost requirement would be setting a precedent, since no other costs require a field meet. Mr. Chow would like to research this issue further within his organization. This item would remain open at this time.

The last item on the agenda is **Item 1366: Review Anchor, overhead and Down guys**. This issue pertains to the depreciation of anchors. The members briefed Mr. Chow that Mr. Robert Allen's stand on the anchor situation is that anchors do not depreciate. The members responded that they could agree that anchors do not depreciate, however, they should not appreciate. It was agreed that discussion on this issue would be deferred to the next meeting. The members briefed Mr. Chow in that they proposed to depreciate anchors by a percentage. This item would be discussed further at the next ad hoc meeting.

Under **Miscellaneous** items, Mr. Chow opened discussion of the need of reviewing the authorized costs every two years. It came to the attention of the attending members that the ad hoc neglected to review the costs last year. The proposal is to maintain the 2005 authorized costs into 2006, and start reviewing the costs this year for 2007. The consensus is to place the proposal of maintaining the 2005 costs for 2006 on the Discussion calendar of the April 2006 Board meeting for approval. The following items have been assigned to this ad hoc, **Item 1414: 2006 Authorized Costs**, and **Item 1415: 2007 Authorized Costs**.

The meeting adjourned at 12:15 p.m. The next meeting would be announced at the next Board meeting.

Jennie Corella, Office Manager

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June 20, 2006

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:

Ms. Velma Prouty	SBC-West
Mr. Robert Allen	City of Los Angeles
Mr. Larry Chow	Southern California Edison
Ms. Lupe Hernandez	Cingular Wireless
Ms. Lynn Prescott	Verizon Wireless
Ms. Sue Thomas	Sprint PCS
Ms. Jennie Corella	Committee Staff

Mr. Allen called the meeting to order at 9:20 a.m., and opened discussion on **Item 1341: Storm Costs.**

Mr. Chow stated that when there is an emergency, crews work extra emergency hours, then add normal weekly maintenance hours to their time, and labor hour wages result in time and a half and/or double time. SCE would like aid in recouping overtime labor hour expenses.

Ms. Prescott inquired how the City of Los Angeles handles emergency situations. Mr. Allen reiterated that DWP does not replace the poles in emergency situations, but attempts to restore service to customers. These crews are not on premium time. A maintenance crew is then sent to the site to replace the pole. He added that perhaps in these type situations, a special agreement should be reached between utilities on a case-by-case situation.

Ms. Haney stated that when Verizon crews work along side power organizations, in emergency situations, Verizon absorbs the additional expense as a cost of doing business. In her opinion, it is not plausible that one member should expect other members to share in a cost of doing business.

Mr. Chow responded that this proposed authorized costs is not merely to benefit SCE, but to benefit all members in this type situation who are the first to arrive at the emergency site.

Ms. Haney responded that she is aware that authorized costs are to benefit all members, however, in her opinion this could get out of control if a member would like to recover a great percentage of their costs. She added that emergency situations are a part of doing business, because no one can control natural disasters. Therefore, in her opinion, there is no need to change how members have been conducting these type situations.

The members read how SCE arrived at the proposed authorized costs of \$2,078.00. The cost was arrived at as follows: 15.4 total hours for handling/transporting, digging, erecting, planning/engineering, with an additional hour to assemble the crew. The hours were based on SCE's submittal for a 45' pole, multiplied by the loaded labor rate.

Ms. Prescott questioned how SCE would identify which poles created the overtime expenses.

Mr. Chow responded that poles could be identified via the work order attached to the JPA.

Ms. Prescott stated that in her opinion, tracking the overtime poles would be questionable, and difficult.

Mr. Chow responded that he would obtain more information from Mr. Solorzano for the next meeting. He added that all members have additional costs in emergency situations, however, realistically, the power utilities are the first at the emergency sites, and at replacing the poles. As all other members, SCE would like to recoup some costs in these situations.

Ms. Prescott stated that perhaps there should be an emergency authorized cost, but one not based on overtime labor. She added that criteria could be established to define an emergency that would support the authorized cost.

Mr. Allen remarked that in situations where DWP crews work on Saturday, they are paid time and one half, and the cost is absorbed as a routine workday. He added that emergency situations are not routine, and fall under special event circumstances. In his opinion the member that responds and sets the pole, should be compensated. However, this could be handled via a special agreement.

The consensus is to discuss this item further at the next meeting.

The next issue on the agenda is **Item 1360: Crane Costs.** Mr. Chow stated that it was discussed to take a different approach with this item. He is in the process of scheduling a meeting with the construction department to discuss this topic. Mr. Allen added that DWP anticipates the need of a helicopter at a job site, and would like to share the cost with member utilities if acceptable. This item is to remain open at this time.

The members then discussed **Item 1361: Removal of Ivy.** Mr. Allen remarked that vegetation normally is found in communication space. Mr. Sanders stated that removing vegetation, and other type obstructions, is labor intensive, and it is the power utilities that clear vegetation from poles.

Ms. Prouty stated that the members do not have a problem with paying for the vegetation removal; however, the members are requiring a photo of the pole prior to removal, and after removal. She added that historically, it has been a bad experience in dealing with this situation. AT&T California is of the opinion that this item should remain a special agreement. Ms. Haney agreed with Ms. Prouty, and stated that AC item 13.B is by special agreement. Mr. Allen stated that normally a utility benefits

when a cost is by special agreement, however, getting to that agreement can be difficult and timely.

Mr. Chow stated that SCE is attempting to create authorized costs for day-to-day routine situations. This item is common for power utilities. Section 1.2 is difficult, and timely. A pre-agreed upon authorized costs would expedite the process.

Ms. Thomas stated from experience, that when a fielder gets to the site the obstruction has been removed, and there is no possibility of verification of the obstruction.

Mr. Chow responded that vegetation management works independently of the joint pole management office. He added that a pole might be cleared prior to originating a JPA, thus, joint members may not have the opportunity to verify obstruction. The members responded to SCE that clearing the obstruction prior to originating a JPA is the issue. Mr. Chow reiterated that vegetation management works independently of joint pole management. Ms. Thomas responded that this process does not allow joint members to verify obstructions.

Ms. Hernandez interjected that, unfortunately, SCE's reputation of issuing Form 48's prior to work completion adds to this problem. In most instances, upon verification by joint members, the work has not been completed. She added that everyone is aware that SCE is working on this problem; however, it remains a problem at this time.

Mr. Allen stated that actions that are routine, should be considered for authorized costs. He added that DWP's vegetation management also acts independently of joint pole use at this time, since joint use has not been coordinating with vegetation management. In his opinion, this issue is valid.

Ms. Haney remarked that it is not valid if the work was not performed. Joint owners verify work performed, and discover the JPA is incorrect. The JPA is returned with corrections to SCE. In Ms. Haney's opinion, other members are performing SCE work, by verification and correction. This is labor intensive, and utilizing other member's resources.

Mr. Allen stated that when a pole is cleared, that pole should not require clearing for five to ten years. Mr. Chow responded that the SRA program is performed annually. The members added that they have no problem with the SRA program. They added that the problem is lack of validation.

Ms. Prescott stated that SCE should require pictures from their contractors and/or employees. Mr. Chow added that all contractors must report to a SCE quality assurance employee to ensure that SCE is gaining what they are paying. Therefore, contractors do not need to provide proof. Ms. Prescott responded that assures SCE that the contractor is doing his job; however, fellow members are of the opinion that they would like proof and assurance. Mr. Allen added that what members would like is a reasonable definition of the obstruction as well.

It was agreed to change the item title from, "Removal of Ivy" to, "Removal of Vegetation".

Mr. Allen stated that how would the members validate the costs, since the primary concern is validation. He added that a process is required, that is not too cumbersome to either party that would satisfy the validation issue. This item will remain open for further discussion.

The next item on the agenda is **Item 1366: Review Anchor, overhead and Down guys**. Ms. Hernandez briefed the members. This issue pertains to the depreciation of anchors. She added that incoming members are purchasing anchors at a greater cost than poles. Mr. Allen's opinion is that anchors do not depreciate, therefore, a depreciation factor should not be assigned to anchors. Ms. Thomas added that all agree that anchors do not depreciate at the rate of poles; however, they should not appreciate. Mr. Allen responded that if anchors would not appreciate, a record of when the anchor was originally placed would be required. Ms. Thomas added that by viewing the history of a pole would reflect an approximate time of placement.

The members reviewed an authorized costs structure prepared by Mr. Dennis Walls of DWP. Mr. Sanders will review and rework Mr. Wall's proposal, and bring it to the next ad hoc. Mr. Allen reported that DWP would have their response on this item by the next ad hoc meeting. This item will remain open at this time.

The last issue on the agenda is **Item 1415: 2007 Authorized Costs**. The members agreed that each cost would be reviewed individually. Each ad hoc member, as homework, would review the costs to ensure that they reflect correctly how business is transacted today. Upon their return, the ad hoc members would discuss those authorized costs that require re-addressing.

The members agreed that this ad hoc would meet regularly every second Wednesday of the month.

The meeting adjourned at 11:30 a.m. The next meeting would be July 12, 2006 at 9:00 am.

Jean Baccus, Assistant Office Manager

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July 12, 2006

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 10:15 a.m., at the Committee office. Those in attendance were:

Mr. Robert Allen	City of Los Angeles
Ms. Velma Prouty	AT&T California
Mr. Larry Chow	Southern California Edison
Ms. Lupe Hernandez	Cingular Wireless
Ms. Lynn Prescott	Verizon Wireless
Ms. Sue Thomas	Sprint PCS
Ms. Jennie Corella	Committee Staff

Mr. Allen called the meeting to order at 10:20 a.m., and opened discussion on **Item 1341: Storm Costs.**

Ms. Corella briefed Mr. Allen on the prior meeting, where he stated that this type situation is not a routine occurrence; therefore, this should be by special agreement. Mr. Allen referred to this situation as a special event circumstance.

Mr. Chow requested that this issue be tabled at this time, until a meeting within the SCE heavy equipment department, and the JPO department is held internally.

Mr. Allen agreed that this item, **Item 1360: Crane Costs**, and **Item 1361: Removal of Vegetation** could be tabled pending the internal meeting at SCE.

Item 1366: Review, anchor, overhead and down guys is tabled for the next meeting.

Ms. Hernandez inquired into **Item 1360: Crane Costs**. She questioned Mr. Chow if there would be a construction presentation as planned. Mr. Chow responded that he intends on following through with the presentation.

Ms. Thomas remarked that she received an SCE JPA. Later, following receipt of the SCE JPA, she received a Form 7 stating to add crane costs of seven hours. This is upsetting to Ms. Thomas in that the work is not completed, and seven hours are estimated. Using a Form 7 to add these costs is difficult, in that a response is expected in 15 days. Normally, by the time the Form 7 is received in her office, she stated that she has less than 15

days response time. It appears that SCE is under the assumption that her client would approve the additional crane costs. She added that a better method of processing crane costs should be considered. Ms. Hernandez stated that currently, crane costs are handled via section 1.2, therefore, a signature is required on the JPA. Ms. Thomas agreed, but she added that she would prefer an estimated cost, as opposed to estimated hours. Mr. Chow responded that SCE engages several crane vendors, and SCE enters into a non-disclosure costs agreement with these vendors. Therefore, SCE is unable to disclose the costs to other entities. Ms. Thomas responded that she would be unable to ascertain which vendor SCE utilized for any given job. She added an approximate quote would suffice. The members agreed that this issue requires additional discussion.

The fourth issue on the agenda is **Item 1366: Review Anchor, Overhead and down Guys**. It was agreed to table this issue at this time.

The members then discussed **Item 1415: 2007 Authorized Costs**. The ad hoc members are to review the authorized costs, and submit any proposed revisions they find require a change. Mr. Allen stated that he reviewed the authorized costs, and arrived at some proposed revisions. Mr. Chow reported that he contacted those parties that work with SCE, to inquire if the costs appeared reasonable. They noted that the last time costs were reviewed for SCE was in 1997. He added that he would not have any input on costs for about three to four weeks.

Mr. Allen added that he was curious as to what some of the authorized costs items were, and if they continue to be practiced today. He inquired if anyone was aware of when a squirrel cage is required. The members did not respond. Mr. Allen added that some items may be out of practice today, therefore, they may require deletion.

Mr. Allen distributed copies of proposals from the City of Los Angeles. The exercise here is to take all submitted proposed authorized costs, use the weighted average, and arrive at an agreed upon new cost.

Mr. Allen commented on moving, and trenching with or without supply. He added that the cost for DWP remains the same, with or without supply, since the pole requires moving. He added that many organizations use contractors, so costs are handled differently today.

Mr. Allen discussed fiberglass wrapped poles. Ms. Thomas noted that there is no change to that cost. Mr. Allen stated that he believes, this method is not practiced much today. Mr. Chow added that SCE is continuing this practice today.

The members moved on to anchors. Mr. Allen inquired about the term PISA, and what it meant. He stated it could possibly mean power installed screw anchor. Ms. Hernandez remarked that she would prefer to list anchors by rod size (3/4 inch, 1 inch). The anchors are identified on JPAs by rod size. Ms. Hernandez added that the anchors were identified under 111, with (a) representing 5/8 inch, (b) 3/4 inch, etc. She added that engineers note on JPAs, "purchasing 1 inch anchor going south", not

expanding plate (hand dig or truck access). Ms. Thomas added that in most situations, the engineers do not know what type of anchor is required. Ms. Hernandez stated that she uses authorized cost item 111 (b) on all questionable JPAs, since she is not certain of the anchor.

Ms. Thomas stated that this relates discussion relates to the issue of purchasing into a 50 year-old anchor at today's prices. Incoming members are purchasing anchors at the current item 111 (b) cost. She added that she is aware that the year anchor's are set is not tracked, however, if you read the history of a pole, you can obtain the date the anchor was set. She added that this is true only if the pole is a joint pole, and not a solely owned pole.

Ms. Prouty added that incoming members should not purchase anchors at today's prices, since it appears that the joint member is making a profit on anchors.

Ms. Allen questioned if the members know of any asset that can be purchased today at its original cost. Mr. Allen added that, although, an incoming member is purchasing an older anchor, that incoming member is gaining the benefit of that anchor today.

Ms. Prouty and Ms. Hernandez stated that incoming members are paying more for the anchor, than the pole. Mr. Chow interjected that poles are different than hardware, as in the case of anchors. It is common knowledge that a wood-pole deteriorates, therefore, is depreciated. However, anchors do not decrease in value, therefore, do not depreciate. Mr. Allen added that he has not reviewed the book that the City of Los Angeles utilizes to define what items are capital, assets, or expenses. This book is used by all utility companies, which include the Telco's as well. He stated that he would research the book for a definition of anchors. He would return with his findings. He added that all pole work must be paid at today's costs.

Mr. Chow added that if the integrity of the anchor is intact, then today's costs should be paid. Ms. Thomas responded that there is no way of determining the integrity of the anchor. Mr. Chow stated that the cost is reflective of the current market value-rate, which means, what would it cost an incoming member to place the anchor at today's labor and material costs.

Ms. Prescott stated that perhaps an agreed upon discount rate and/or formula, could address this issue. Since there is no way of determining the age or integrity of an anchor, a percentage of the current rate could be utilized. Ms. Prouty stated that previously, Mr. Dennis Walls, of DWP, had arrived at a formula for purchasing into anchors. The members agreed this issue requires further discussion.

Ms. Prescott noted that under Item 111, there is a paragraph in parenthesis that reads, ("The SCJPS recommends using a standard 1 ³/₄ " anchor in all instances). She is of the opinion that this sentence is not necessary. This will be discussed further.

Mr. Allen asked the members to review Item 32 to determine if a cost should be established.

Ms. Hernandez questioned Items 37 and 38, which Mr. Allen had remarked that there is new technology. She questioned Mr. Allen's

proposals for these items. He responded that the power utilities should meet and discuss these items.

Since the City of Los Angeles, is the only ad hoc member that has submitted their proposed authorized costs, it was decided to send out another reminder to the members to submit their proposed costs. The ad hoc members would be compiling their costs, and have them ready by the next meeting.

The meeting adjourned at 11:15 a.m. The next meeting would be Tuesday, August 9, 2006 at 9:00 am.

Jennie Corella, Office Manager

SOUTHERN CALIFORNIA JOINT POLE COMMITTEE

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August 9, 2006

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 9:15 a.m., at the Committee office. Those in attendance were:

Mr. Robert Allen	City of Los Angeles
Ms. Velma Prouty	AT&T California
Mr. Larry Chow	Southern California Edison
Ms. Lupe Hernandez	Cingular Wireless
Mr. Sheldon Cox	City of Pasadena
Ms. Sue Thomas	Sprint PCS
Ms. Jennie Corella	Committee Staff

Mr. Allen called the meeting to order at 9:20 a.m. The members discussed a related GO 95 issue. The issue is the placement of antennas on the top of poles. The concern is the placement and relocation of risers, and who would incur the riser replacement costs, since the riser would be a distance away from the pole. Mr. Sheldon stated that he would raise this issue at the next GO 95 meeting.

The members then discussed the fifth issue on the agenda, **Item 1415: 2007 Authorized Costs**. Mr. Allen inquired how many costs proposals the JPC office had received at this time. Ms. Corella responded that Cingular Wireless, Verizon Wireless, City of Los Angeles, and AT&T Communications have submitted their costs. Ms. Prouty reported that AT&T California would have their costs submitted by August 10th. Ms. Thomas reported that Sprint PCS would submit their costs by August 11th, and Mr. Chow stated that SCE should complete their costs by September 30th.

Ms. Hernandez stated that the ad hoc should decide on the methodology of arriving at fair and reasonable costs. Mr. Allen remarked that perhaps the pole price methodology could be applied. Ms. Corella responded that with the pole costs, the weighted average method is applied. The weight is based on the number of poles set in a given period. She added that she could not obtain the data required to arrive at a weighted average for the individual costs.

It was then agreed that the simple average method be applied. Ms. Corella inquired if those costs pertaining to communications, and the costs pertaining to power should be treated separately. The members decided each individual item would be reviewed, and if it applies to communications,

then the submitted communications costs only would be included in the simple average, and the same applied to costs pertaining to power.

The members then decided on September 15, 2006 as the cut-off date for having costs to the JPC office.

Mr. Cox inquired what the difference is between trenching and moving a pole. Mr. Chow stated that his internal staff questioned if the two above-mentioned items could be separated, in that they entail two different processes. Trenching is creating a trench, and dragging the pole along the trench a few feet. Moving is when the pole is physically lifted out of the ground, and placed elsewhere, which changes the conductor tension, thus resulting in greater labor. The members reviewed the charts and costs related to trenching and moving, and agreed they were in line.

Mr. Allen stated that he is experiencing a conflict of meetings. Rather than meeting the second Wednesday of each month, he would like to change the ad hoc meetings to the second Tuesday of each month. However, for September, and October the ad hoc would meet on the 14th and the 3rd respectively.

It was agreed that an email message is to be sent to members reminding them that the cut-off date for the authorized costs, and the pole prices is September 15, 2006, stressing that if their costs are not in by the deadline, their costs would not be included.

Mr. Allen questioned the asterisks in items 1 and 2 on page AC 1. The notation is on the following page, and he questioned if the members are clear on the explanation. The members responded that the notation is clear.

The members then discussed **Item: 1341: Storm Costs, and Item 1360: Crane Costs.** Mr. Chow reported on Item 1360, he stated that the SCE transportation department is ready with their presentation. He added that he would like to schedule the meeting with the members, and the SCE construction personnel. However, he stated that the meeting would require a larger room than the JPC conference room. Mr. Chow stated that he would procure a larger SCE meeting room. He further stated that with all the other issues that must be completed by the end of this year, he is proposing that the presentation not transpire until the first part of next year.

Mr. Allen then discussed **Item 1361: Removal of Vegetation, and Item 1419: Vegetation Management Program.** He added that he would merge these items, and stated that he has contacted the DWP vegetation management department about a presentation. He stated that this program presentation would also transpire the first part of next year.

The next issue is Item **1366: Review Anchor, Overhead and Down Guy.** Ms. Allen stated that he discussed this issue with his assistant, Mr. Rick Freyre, who is his successor. Mr. Allen will work with Mr. Freyre in addressing this issue.

Mr. Allen addressed **Item 1341: Storm Costs**, and added that Storm Costs might be a misnomer for this item, in light of the recent outages in southern California. Perhaps the item title should be changed. Mr. Cox stated that storms and outages are a part of the business, and does not pertain to joint costs. Mr. Allen agreed. Ms. Prouty added that this item refers to overtime pay costs, and the issues of reimbursing other members for overtime pay. The members discussed the issue of joint pole work, and the overtime pay. Mr. Chow stated that getting a crew out for storm and/or outage scenarios is for joint pole work. Ms. Prouty stated that AT&T California would stand firm, and not approve this proposal. Mr. Cox added that when a pole is down due to being hit by a car, the automobile insurance company should reimburse the utility(s) the entire cost. This item will remain open at this time.

Mr. Allen noted that this item has been on the authorized costs agenda since January 2003. He questioned if there is a time limit on agenda items. Ms. Corella responded that she is unaware of any item number time limit. Ms. Hernandez remarked, that in her opinion, there should be a time limit for open items. Mr. Allen agreed, and stated that a new item may be issued if any member wishes to re-address the issue.

Item 1421: 2007 Pole Prices, has been assigned to this ad hoc for approval of the coming year pole prices. **Item 1422: Time Limits on Agenda Items**, to address the issue of old dated items has been assigned to the Operating committee.

The meeting adjourned at 10:20 a.m. The next meeting would be Thursday, September 14, 2006 at 9:00 am.

Jennie Corella, Office Manager

SOUTHERN CALIFORNIA JOINT POLE COMMITTEE

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September 14, 2006

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 11:00 a.m., at the Committee office. Those in attendance were:

Mr. Robert Allen	City of Los Angeles
Ms. Velma Prouty	AT&T California
Ms. Lynn Prescott	Verizon Wireless
Mr. Larry Chow	Southern California Edison
Ms. Lupe Hernandez	Cingular Wireless
Mr. Steve Rodriguez	T-Mobile USA
Mr. Viset Ong	City of Riverside
Ms. Sue Thomas	Sprint PCS
Ms. Jennie Corella	Committee Staff

Mr. Allen called the meeting to order at 11:00 a.m. and addressed **Item 1421: 2007 Pole Prices**. Ms. Corella reported that she has received poles costs from AT&T Communications, Sprint, Verizon California, Verizon Wireless, T-Mobile, City of Pasadena, AT&T California, and Cingular Wireless. She added that the cut-off date for submitting pole costs is September 15, 2006. Mr. Allen stated that since the cut-off date is officially September 15th, there is nothing that could be done at this time. The ad hoc has scheduled a meeting for October 3, 2006, and it is at that meeting that the members could open discussion, and arrive at agreed upon costs to present to the Board for approval at the October or November Board meeting.

Mr. Chow opened discussion on fiberglass wrap. He stated that in the process of reviewing the authorized costs, the issue of fiberglass wrap came to the attention of the SCE reviewing staff. Mr. Chow reported that normally, a six-foot wrap is used for poles, however, some situations based on the area of deterioration, and the height of the pole, additional footage is required. The issue is recovering the cost of the additional footage. He added that invoicing is processed after the work has been performed; therefore, SCE would like to address the issue of invoicing the actual cost of the fiberglass work performed. Ms. Thomas inquired if currently, SCE wraps for nine feet, but is charging the standard six foot cost. Mr. Chow responded that today, this is true. Ms. Thomas inquired if SCE is proposing billing in one-foot increments. She added that she would accept this type billing; however, would need to be aware of the cost prior to final billing. Mr. Chow

agreed, and added that the one-foot increment billing would be for steel stubbing. The fiberglass wrap would be the standard cost, plus one-foot increment costs. Mr. Chow added that he is merely proposing this type authorized costs, or to bill actual invoice cost. Mr. Allen questioned as to how often fiberglass wrap is utilized by SCE. He added that DWP is eliminating this option, and is utilizing the option of changing out a pole. Ms. Prouty questioned that when this authorized cost was created, what factors determined the cost. She added that this issue pertains primarily to the power utilities. She questioned Mr. Chow what is the average cost of fiberglass wrap for the period of one year. Mr. Allen added that SCE could take the average cost for one year and use the results as a standard cost. Ms. Prouty added in many instances, AT&T California has received charges for fiberglass wrap after the work has been performed; therefore, not allowing other utilities to voice any other option. Mr. Allen stated that this proposal is valid, and would require additional discussion. The two issues for discussion would be (1) the addition of incremental per-foot costs to the standard cost of fiberglass wrap, and (2) the incremental per-foot cost of different pole sizes for steel stubbing.

All other items on the agenda would remain open for discussion at future meetings.

The meeting adjourned at 11:35 a.m. The next meeting would be Tuesday, October 3, 2006 at 9:00 am.

Jennie Corella, Manager of Operations

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October 3, 2006

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. Robert Allen	City of Los Angeles
Ms. Velma Prouty	AT&T California
Ms. Lynn Prescott	Verizon Wireless
Mr. Larry Chow	Southern California Edison
Ms. Lupe Hernandez	Cingular Wireless
Ms. Brandi Coonce	Cingular Wireless
Ms. Sue Thomas	Sprint PCS
Ms. Jennie Corella	Committee Staff

Mr. Allen called the meeting to order at 9:10 a.m. and first addressed **Item 1341: Storm Costs**. Mr. Chow reported that this item might be closed at year-end. Upon returning to his office, he intends to research this issue to ensure that it continues to be an issue today. If it is not longer an issue with SCE, then, the item would be closed.

The next issue on the agenda is **Item 1360: Crane Costs**. Mr. Chow reported that is item would remain open. SCE intends on facilitating a presentation the first quarter of next year to address this issue. Ms Hernandez inquired if this presentation coordinated with the presentation scheduled for October 17, 2006. Mr. Chow responded that the presentation scheduled for October 17th is dealing with attachments on lightweight steel poles. It would address those issues that members should be cognition when attaching to steel poles.

Third issue on the agenda is **Item 1361: Removal of Vegetation**. Mr. Allen stated that this issue would carry over into the incoming year. Mr. Chow agreed that this issue should be carried into the next year. Both utilities would be better prepared to address this issue.

The next topic for discussion on the agenda is **Item 1366: Review Anchor, Overhead and Down Guys**. It was agreed that this item remain open at this time to carry over into next year.

Item 1415: 2007 Authorized Costs is next on the agenda. Ms Corella stated that in the past, the costs have been adjusted by a certain

percentage. She inquired as to how the ad hoc would like to approach this project. It is agreed that a spreadsheet would be created listing members submitted costs. This would allow the ad hoc a tool to work with in agreeing on proposed authorized costs. It was agreed that the power utilities would schedule a meeting among themselves to discuss power costs, and communication would follow suit to discuss communication costs.

Sixth issue on the agenda is **Item 1419: Vegetation Management Program**. Mr. Allen reported that he should have all the necessary data for the presentation by January, or February 2007.

Item 1421: 2007 Pole Prices was discussed next. Ms. Corella reported that she is waiting for the costs from SCE. Mr. Chow reported that he would be submitting his pole costs along with his proposed authorized costs. Mr. Chow inquired at what point in time did the committee decide to allow members to submit their individual costs. Ms. Corella responded that the issue of individual costs was prompted by SCE. Ms. Prouty added that the weighted average was not equitable to SCE. Mr. Allen stated that SCE was not being made whole. Ms. Hernandez questioned the term, "being made whole"; she added that certainly SCE does not expect to recoup the entire pole set expense. Mr. Chow responded that the term, "being made whole", is a misnomer. He added that SCE would like to recoup an equitable cost, which would result in making SCE whole, however, SCE does not expect to recoup the entire cost of setting a pole. Mr. Allen stated that in reviewing costs, it appears that the power utilities costs are higher than those of communication utilities. Ms. Prouty added that when SCE was included in the weighted average with the communication costs, the result was a cost that proved inequitable for SCE. Mr. Allen added that it is the power utilities that set the majority of poles, therefore, in all fairness, they should be reasonably compensated. Ms. Hernandez stated that she is in agreement, however, perhaps the power utilities are not being as cost effective in regards to setting poles, than they could be. Therefore, the communications utilities should not be expected to partake in an unwise business decision. She added that she has witnessed SCE crews that appear to be non-productive.

Mr. Chow responded that their standard distribution crew is a four-man crew, and transmission is an eight-man crew. He added that due to safety requirements, and OSHA, they are now required to add one man to all crews as an observer, which at times may appear that this individual is non-productive.

Ms. Thomas inquired if SCE is primarily working with contractors, as opposed to SCE staff. She added that hiring contractors normally should bring costs down. Mr. Chow responded that the contractors that SCE hires are union. Therefore, they are paid union wages, as SCE staff is paid, and in many instances the costs for contractors is higher. Ms. Thomas then inquired as to why SCE does not use SCE crews in most instances. Mr. Chow replied there is a shortage of talent for this type work in the current

work force. SCE is in the process of training linemen, however, until they are at the capacity of journeyman, SCE must continue to outsource. He added that in today's world, young people are not interested in this type of technical work. Mr. Allen added that DWP is experiencing a similar situation with recruiting talent for his department.

Mr. Allen reported that DWP couples with the Los Angeles school district for recruitment. He added that by the time an apprentice is hired, until the completion of the apprentice program, the total number of apprentices that complete the program is 20%. Power utilities have no choice but to use contract labor.

Ms. Prescott stated that since the majority of the pole setting utilities have opted to use their respective individual costs, perhaps the weighted average exercise should be discontinued. Ms. Corella reported that some communication utilities have opted for the weighted average. The members reviewed and discussed the pole costs submitted by the communications utilities that are included in the weighted average.

Mr. Chow stated that according to his recollection, the committee had discussed the issue of one trip to the pole concept. The members responded that this issue was assigned to the single trip to pole ad hoc committee. Mr. Chow is of the opinion that single trip to pole is a good concept. Ms. Prouty added that according to her memory, the problem with single trip was from concerns expressed by several labor unions.

The path moving forward is to review all pole costs at the next ad hoc meeting, and when the JPC office receives the SCE pole costs all costs would be sent to the ad hoc members.

The last issue for discussion is fiberglass wrap additional per-foot costs, and steel stub per foot costs. These issues were brought to the table by SCE. Mr. Chow reported that a standard wrap is six feet, and SCE is proposing an additional \$86.00 per foot cost for footage beyond the standard six feet. Mr. Allen stated that historically, when fiberglass wrapping a pole was considered, a field meet was required. Ms. Prouty added that in her opinion, this type transaction should continue to require a field meet. Mr. Chow is proposing to create authorized cost item 17 (d): Additional footage for over and above the standard 6 feet.....\$86.00. **Item 1425: Fiberglass wrap per foot cost** has been assigned to this ad hoc to address this issue.

Mr. Chow opened discussion on the next topic of steel stubbing. Currently, there are costs for 8, 10, and 12 ft. plates, and a single cost for additional trusses. SCE is proposing adding to authorized costs Item 6, the following: (e) 11 ft. plates, (f) 13 ft. plates, (g) 14 ½ ft. plates, and (h) 15 ½ ft plates. Each item would have an associated cost rather than one cost (\$148.00) for all other plates. Mr. Chow added that SCE does not place 8 or 10 ft. plates. Mr. Chow inquired if Item 6 refers to steel stubbing. Mr. Allen responded that in his opinion, Item 6 refers to wood poles. Mr. Chow stated that the stubbing he is referring to is for steel. He added that possibly when the authorized costs were originally created, the current sizes were all that

was available. Today, there are a variety of sizes available in the industry. The members discussed Item 6 (d), and agreed that it requires clarification. Mr. Chow stated that costs differ substantially in reference to plate sizes; therefore, one cost for all sizes is not equitable. It was agreed that Item 6 is for steel stubs. **Item 1426: Additional Wood/Steel Stub Sizes** has been assigned to this ad hoc committee to address this issue.

The meeting adjourned at 11:00 a.m. The next meeting would be scheduled at the October Board meeting.

Jennie Corella, Manager of Operations

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November 14, 2006

A meeting of the **ad hoc Committee on Authorized Cost Elements** took place on the above date, at 10:55 a.m., at the Committee office. Those in attendance were:

Mr. Robert Allen	City of Los Angeles
Ms. Velma Prouty	AT&T California
Ms. Lynn Prescott	Verizon Wireless
Mr. Larry Chow	Southern California Edison
Ms. Sherri Goetz	Southern California Edison
Ms. Lupe Hernandez	Cingular Wireless
Mr. Raymond Tyler	Verizon California
Mr. Justin Cashmer	Verizon California
Ms. Sue Thomas	Sprint PCS
Ms. Jennie Corella	Committee Staff

Mr. Allen called the meeting to order at 11:00 a.m. and allowed for introductions. It has been agreed that per **Item 1422: Annual review of open Items**, that the ad hoc committees would review open items to ensure that the items continue to remain an issue for discussion.

After some discussion, it was agreed that **Item 1341: Storm Costs** would remain open, and carry it over into the next year.

The next issue on the agenda is **Item 1360: Crane Costs**. Mr. Chow stated that SCE would facilitate a presentation the first quarter of the incoming year. This item would rollover into 2007.

Third issue on the agenda is **Item 1361: Removal of Vegetation**. Mr. Allen reported that this item would also carry over into the incoming year.

The next topic for discussion on the agenda is **Item 1366: Review Anchor, Overhead and Down Guys**. It was agreed that this item remains open at this time to carry over into next year.

The members agreed to also carry over **Item 1419: Vegetation Management Program**. Mr. Allen reported that he should have all the necessary data for the presentation by January, or February 2007.

Item 1415: 2007 Authorized Costs is next on the agenda. Ms. Corella opened discussion by stating that in her experience, the authorized costs would be increased by a percentage. However, this ad hoc has decided that it would benefit the members to review each line item individually. Therefore, she has created a worksheet for the members to use as a tool to determine proposed costs. She added that this worksheet is a work in progress, and she is open for suggestions on improving the worksheet. The members discussed extensively, the approach of arriving at a process. The members agreed that a standard process of evaluating authorized costs bi-annually should be identified. They reviewed items 1 through 20 and determined if the action pertains to power, communications or both. The consensus is that if an item is an action that a power utility normally handles, then only power utilities should be allowed to submit proposed costs. The communication costs would also be handled using this method. Those items that could be utilized by both power, and communication, could accept proposals from power and communication. A matrix would be created listing every authorized costs item number and description. Each line item would determine if it is a power, communications, or both cost. The matrix would be sent to all members for review and completion.

It was agreed to announce the implementation of the new AC matrix at the next Board meeting. Those members that have submitted AC costs would need to re-submit their costs using the new matrix.

Item 1421: 2007 Pole Prices was discussed next. Ms. Corella reported that she has compiled the worksheets of pole prices for those members who have submitted their pole costs. She questioned if the members had reviewed the costs, and if they have any concerns with the submitted costs. Ms. Hernandez questioned Mr. Ray Tyler, the reason why Verizon California had only submitted costs for 45 and 50-foot poles. Mr. Tyler responded that this is how it is handled in the north. He added that the committee would be setting a cost, and Verizon would agree to it. Ms. Hernandez informed Mr. Tyler that Verizon has the option of setting their individual costs. Ms. Corella added that if a member does not submit a pole cost, then that member defaults to the weighted average. Ms. Hernandez stated that it would benefit a member to opt for individual pole costs. Mr. Tyler stated that he would resubmit Verizon's pole cost.

The consensus is to extend the deadline for the AC matrix, and any members that would like to submit pole costs to December 15, 2006.

The meeting adjourned at 12:35 p.m. The next meeting would be scheduled at the next Board meeting.

Jennie Corella, Manager of Operations