

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Telecommunications Division

RESOLUTION T-15950**
December 9, 1996

R E S O L U T I O N

RESOLUTION T-15950. GTE CALIFORNIA, INCORPORATED.
(U-1002-C). REQUEST FOR APPROVAL OF ITS CALIFORNIA COST
ALLOCATION MANUAL.

BY ADVICE LETTER NO. 7825, FILED ON SEPTEMBER 15, 1995.

SUMMARY

GTE California, Incorporated (GTEC) is ordered to supplement its Advice Letter No. 7825 to make effective the uncontested affiliate transaction issues discussed herein.

BACKGROUND

GTEC filed Advice Letter No. 7825 on September 15, 1995, seeking Commission approval to adopt its proposed non-structural safeguards to be applied upon the merger or integration of the operations of GTEC and its wholly owned subsidiary GTEL. GTEL was a separate corporate entity that sold only unregulated customer premises equipment (CPE). Although the Commission is preempted by the Federal Communications Commission (FCC) from requiring structural separation for the sale of unregulated CPE, it is not preempted from imposing non-structural safeguards for such. The Commission's rules for cost allocation and affiliate transactions deviate from the FCC rules, and the Commission has required Pacific Bell and GTEC to maintain California cost allocation manuals (CCAMs) that reflect the policies of the Commission (D.91-07-056, 41 CPUC 2d 89, 129 (O.P. 2h)).

NOTICE/PROTESTS

Notice of Advice Letter No. 7825 was published in the Commission Daily Calendar of September 22, 1995. A protest was filed by the Division of Ratepayer Advocates (DRA, now the Office of Ratepayer Advocates) on October 5, 1995. GTEC responded to DRA's protest on October 13, 1995. DRA's protest and GTEC's response are discussed below.

DISCUSSION

DRA's protest focuses on the area of affiliate transactions. DRA's review of GTEC Advice Letter No. 7825 claims that GTEC has failed to comply with existing Commission rules and regulations regarding affiliate transactions with respect to pricing of services provided by GTEC to other affiliates.

In discussions with GTEC, DRA reports that GTEC has stated that many of the Commission's affiliate transactions rules do not apply to GTEC. DRA argues that the Commission's affiliate transactions rules (D.86-01-026 and D.87-12-067) do pertain to GTEC, and are summarized and affirmed in D.92-07-072. DRA states that the Commission's NRF Phase II decision rejected GTEC's argument that it should be treated separately from Pacific Bell, and that the Commission has adopted a single regulatory framework for GTEC and Pacific Bell (D.89-10-031). DRA believes that if GTEC wants exemption from the Commission's affiliate transaction rules, it must do so through separate application.

DRA believes that GTEC's CCAM is deficient under the Commission's affiliate transaction rules and raises the following nine issues:

- 1) GTEC should receive from an affiliate 25% of any transferred employee's first year base annual compensation as a transfer fee for affiliate's avoided cost.
- 2) Fully loaded or fully allocated costs should be determined in three steps, starting with the highest priority: Directly assigned, Allocation by cause or beneficiary, and Allocation of remaining indirect costs (including Corporate headquarter costs to subsidiaries).
- 3) To determine the market price, market studies need to be performed for assets, goods or services over \$100,000.
- 4) Assets should include real, personal, and intangible (copyrights, patents, others as defined by the Commission, etc.) assets.
- 5) Intangible property may require a royalty, benchmark payments, or other compensation, to be determined on a case by case basis.
- 6) Receipt of goods and services from affiliates should be priced at the lower of either fair market value or fully allocated cost.
- 7) Referrals to affiliates should be priced at 13% of affiliate's first month recurring and nonrecurring revenue resulting from the referral.

- 8) Services provided from the utility to an affiliate should be limited only to critical or essential service. Subsidiaries (where feasible) should:
 - a. Acquire, maintain, and operate their own facilities and equipment.
 - b. Retain their own administration staffs.
 - c. Provide for their own financial needs.
- 9) Critical or essential services are defined as services that the affiliate must have in order to operate in the manner authorized; it excludes services that the affiliate could provide using its current or additional in-house personnel or could obtain through a third-party vendor without potentially disclosing proprietary information despite reasonable precautions.

DRA recommends that the Commission direct GTEC to file a supplemental advice letter reflecting full compliance with the Commission's affiliate transaction rules.

GTEC in its response states that DRA has misinterpreted Decision Nos. 87-12-067 and 92-07-072. GTEC states that most, if not all, of the affiliate transaction rules adopted in D.87-12-067 are meant to apply solely to Pacific Bell. GTEC claims that the alleged deficiencies in its CCAM pointed out by DRA are based on guidelines adopted by the Commission for Pacific Bell in D.87-12-067 and D.92-07-072, and are not applicable to GTEC.

In further discussion with staff from the Telecommunications Division (previously the Commission Advisory and Compliance Division - CACD), GTEC says that it has no objection to concurring with issues 2 through 5 identified by the DRA. GTEC is adamant, however, that the DRA is incorrect regarding issues 1, 6, 7, 8, and 9.

The issue of GTEC's affiliate transaction rules has been raised before, and indeed amicably settled in a context cited by neither GTEC or DRA. An accord was reached, incorporated in a workshop report and adopted in a Commission decision. During the monitoring workshop portion of I.87-11-033, the Commission's investigation into alternative regulatory frameworks for telecommunications carriers, the Commission adopted certain affiliate transaction rules for GTEC. In D.91-07-056, OP 1, these rules were to be used as monitoring tools for the regulatory goal of Avoidance of Cross-Subsidy and Anti-Competitive Behavior in the area of affiliate transactions. The rules were recommended by CACD on page 48 and in Appendix E to its Workshop II report.

In the report CACD recommended that the Commission adopt GTEC's proposal for measurement tools, modified to incorporate suggestions from DRA that required GTEC to: a) not to transfer rights to its properties to its unregulated affiliates at less than fair value, as independently appraised, and b) that GTEC

provide the Commission with its guidelines for release of proprietary information and/or intellectual properties to unregulated affiliates. We have attached page 48 of the CACD Monitoring Workshop II Report, the so called DRA/GTEC accord, and the relevant portion of D.88-08-061 referred to in the accord to this Resolution as Attachment A to set forth the current affiliate transaction rules adopted for GTEC by this Commission. We will order GTEC to modify its California Cost Allocation Manual (CCAM) to fully reflect the affiliate transaction rules contained in the accord and all other applicable rules that have been adopted by the Commission for GTEC.

The Commission is surprised that there were disagreements between DRA and GTEC as to the applicable GTEC affiliate transaction rules, seeing as the Commission adopted these two parties affiliate transaction rule proposals. Taken with the recent changes to telecommunications regulation at the federal level resulting from the Telecommunications Act of 1996, we believe that it may soon be appropriate to revisit GTEC's affiliate transactions to determine whether the existing rules are appropriate given today's telecommunications environment. We note that this issue may be productively considered at the next reexamination of the NRF regulatory framework. We further note that, in preparation for that review, DRA is conducting a general audit of Pacific Bell and GTEC, which may provide facts and evidence to guide deliberations concerning the appropriate structure of affiliate relations.

Considering GTEC's concurrence with issues 2 through 5, we agree that these affiliate transaction rules are appropriately included in the GTEC CCAM. Following is an explanation as to the treatment we will afford issues 1, 6, 7, 8, and 9.

Regarding the 25% employee transfer fee, item e of the accord requires GTEC to provide an annual report to the Commission identifying those employees transferred to and from its nonregulated telecommunications affiliates. There was no employee transfer fee requirement assessed on these transfers. Therefore, the recommendation for a 25% transfer fee is rejected at this time. We will maintain the requirement in the accord that GTEC provide an annual report to the Commission identifying those employees transferred from its nonregulated telecommunications affiliates, and order GTEC to provide to the ORA Investigation & Research Branch and the Telecommunications Division a copy of each report beginning with the year 1992 through 1995, and annually thereafter in conformance with the NRF monitoring program until further directed by the Commission.

Regarding issue 6, the pricing goods and services received from an affiliate, the recommendation that GTEC be charged the lower of either fair market value or fully allocated cost for services received from an affiliate is consistent with item d of the DRA/GTEC accord. Item d refers to FCC Docket 86-111, which in summary, requires that assets transferred from the utility to an affiliate are valued at the higher of market value or net book value, and assets transferred to the utility by an affiliate are

value at the lower of net book value or fair market value. We will require GTEC to modify its CCAM to reflect this rule.

Regarding issue 7, the 13% referral fee, item k of the accord refers to (D.)88-08-061. Ordering paragraph 6 of this decision requires GTEC to charge its affiliate GTEL the fully allocated cost plus 10%, and not 13% as recommended by DRA. Therefore, DRA's recommendation of 13% is rejected. However, GTEC continues to be obligated to follow the remaining requirements contained in item k of the DRA/GTEC accord.

Regarding issues 8 and 9, nowhere in the DRA/GTEC accord are there any limitations on the types of services GTEC can provide to its affiliates. Therefore, the DRA recommendations related to these two deficiencies is rejected.

FINDINGS

1. GTEC filed Advice Letter No. 7825 seeking Commission approval to adopt its proposed non-structural safeguards to be applied upon the merger or integration of the operations of GTEC and its wholly owned subsidiary GTEL.
2. DRA protested that GTEC has failed to comply with existing Commission rules and regulations regarding affiliate transactions with respect to pricing of services provided by GTEC to other affiliates.
3. GTEC responded that most, if not all, of the affiliate transaction rules adopted in D.87-12-067 and D.92-07-072 are not applicable to GTEC.
4. DRA identified 9 specific deficiencies in GTEC's CCAM.
5. GTEC concurs with DRA's deficiency items 2 through 5.
6. GTEC does not concur with DRA's deficiency items 1, 6, 7, 8, and 9.
7. We find that GTEC has not fully reflected the Commission's affiliate transaction rules in its CCAM, as required in D.91-07-056.
8. The accord reached between DRA and GTEC in the NRF monitoring workshops was adopted by the Commission in D.91-07-056 as the body of rules governing transactions between GTEC and its affiliates and serves as the basis for our findings regarding this advice letter.
9. We find that DRA deficiencies 1, 7, 8, and 9 are inconsistent with the Commission's affiliate transaction rules adopted for GTEC and are rejected.
10. We find that DRA deficiency #6 is consistent with Commission policy and the related recommendation is therefore adopted.

11. GTEC has been required to provide an annual report to the Commission identifying those employees transferred from its nonregulated telecommunications affiliates.

12. GTEC should modify within 30 days from the effective date of this Resolution its CCAM to fully reflect the affiliate transaction rules adopted by the Commission.

THEREFORE, IT IS ORDERED that:

1. GTE California, Incorporated (GTEC) is ordered to amend its California Cost Allocation Manual to fully reflect all of the affiliate transaction rules adopted by this Commission in decision 91-07-056 and the related accord reached between DRA and GTEC in the monitoring workshops and file the modified CCAM within 30 days from the effective date of this Resolution with the Commission.

2. Within 30 days from the effective date of this Resolution, GTEC shall file with the Office of Ratepayer Advocates (ORA, previously DRA) Monopoly Regulation Branch and the Telecommunications Division for the years 1992 through 1995, and continuing until further directed by the Commission, the reports regarding employee movement between GTEC and its telecommunications affiliates, as adopted by the Commission in D.91-07-056.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 9, 1996. The following Commissioners approved it:

Wesley Franklin

WESLEY M. FRANKLIN
Executive Director

P. GREGORY CONLON
President
DANIEL Wm. FESSLER
JESSIE J. KNIGHT, Jr.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners

Resolution T-15950

ATTACHMENT A

MONITORING WORKSHOP II REPORT
I.87-1.1-033
PHASE II

COMMISSION ADVISORY AND COMPLIANCE DIVISION

September 25, 1990

COMMISSION ADVISORY AND COMPLIANCE DIVISION

discover whether tracking to a more detailed level [is warranted]. For Category II services, as well as associated Category I monopoly services, we conclude that more detailed tracking is warranted in order to provide the tariff imputation reports recommended here. We note that, in D.88-09-059, in Phase I of these proceedings, cost tracking requirements in certain Category II services had already been imposed on GTEC, as well as Pacific.

This places new reporting requirements, if not the requirement for a specific report, on the LECs.

Issue 6. Affiliate company transactions, financials, and policy/procedural guidelines.

Issue 7. Intercompany personnel movements and organizational changes.

DISCUSSION

DRA and the LECs came to accord on these issues and the other parties assented. The agreement, as it pertained to Pacific, was that Pacific would continue to comply with ordering paragraphs 24, 25, 28, 29, 30, 31, and 34 of D. 87-12-067. As it pertained to GTEC, the agreement was that GTEC would provide information similar to that required of Pacific. Specific requirements of GTEC were recorded in a document prepared by GTEC and shared with DRA. A copy of that document was included in DRA's workshop comments and is included in Appendix E. In its workshop comments, however, DRA made changes to the document, requiring that GTEC not transfer rights to its properties to its unregulated affiliates at less than fair value, as independently appraised, and that GTEC provide the Commission with its guidelines for release of proprietary information and/or intellectual properties to unregulated affiliates. GTEC does not object to the revisions made by DRA.

RECOMMENDATION

CACD recommends the adoption of the accord between DRA and the LECs, together the modifications recommended by DRA for the GTEC document.

This will place new reporting requirements on GTEC.

APPENDIX E

GTEC'S PROPOSAL FOR

MEASUREMENT TOOLS F.6 AND F.7

GTEC's proposal for measurement tools F.6 and F.7

F. Avoidance of Cross-Subsidies and Anti-Competitive Behavior

6. Affiliate Company Transactions, Financials, and Policy/
Procedural Guidelines

GTEC's affiliate transactions were reviewed as part of its 1988 rate case (A.87-01-002) which established the requirements for monitoring transactions between the company and its nonregulated subsidiary, GTEL. The transactions specifically dealt with referrals and the billing of on demand services (Ordering paragraphs 4, 5 and 6).

In addition to continuing to comply with the requirements of the 1988 rate case decision (D.88-08-051), DRA has proposed that ordering paragraphs 29, 31 and 34 from Pacific Bell's 1986 rate case be imposed on GTEC. GTEC objects to a blanket application of those paragraphs to the extent that they are specific to Pacific or to the extent they impose obligations on management which do not involve monitoring. GTEC has reviewed the paragraphs and would agree to the following in addition to its rate case order.

- a. GTEC shall report to the Commission, at least 30 days prior to its occurrence, the pending transfer of any asset with a fair market value of \$100,000 to an affiliate or subsidiary. (Pacific o.p. 29 and 34d)
- b. GTEC shall continue to comply with the Public Utilities Code, section 701.5 - Prohibition against pledge of utility assets or credit on behalf of subsidiary or affiliate. (Pacific o.p. 31)
- c. GTEC shall continue to inform the Commission of its organizational changes. (Pacific o.p. 34a)
- d. GTEC shall continue to comply with FCC Docket 96-111 regarding the transfer of property rights to unregulated affiliates. (Pacific o.p. 34c)
- e. GTEC shall provide an annual report to the Commission identifying those employees transferred to and from its nonregulated telecommunications affiliates. (Pacific's o.p. 34e, 34f, 34g, and 34o) (This also satisfies monitoring tool F.7)
- f. GTEC shall provide the Commission with its guidelines, and as amended, regarding affiliate transactions and relationships. (Pacific's o.p. 34h)
- g. GTEC shall continue to maintain its current accounting system which identifies affiliate transactions and includes the appropriate audit trail. (Pacific's o.p. 34i, 34j, and 34s).

- h. GTEC shall maintain a company practice regarding the retention of company records. (Pacific's o.p. 34n and 34t)
- i. GTEC shall continue to comply with the GTE Consent Decree, which established guidelines for the release and disclosure of proprietary information. (Pacific o.p. 34p)
- j. GTEC shall provide to the Commission copies of all its filings with the FCC, Department of Justice (DOJ), and Judge Greene, and copies of all opinions, orders, and rulings issued in regard to these filings. (Pacific o.p. 34r)
- k. GTEC shall continue to abide by ordering paragraphs 4, 5, and 6 in 0.88-09-061 which established guidelines for its affiliate transactions regarding referrals and the billing of on demand services. (Pacific's o.p. 34b, 34k, 34l, 34m, 34q and 34u)

CALIFORNIA PUBLIC UTILITIES COMMISSION — 29 CPUC 2d

SERVICE, § 449 — Telephone — Information and special service — Data transmission.

[CAL.] An interexchange telephone carrier was authorized to initiate switched digital service for data transmissions, subject to the restrictions that the service be provided on an interLATA basis only and that it not exceed 56,000 bits per second.

Re General Telephone Company
of California

Decision 83-03-061
Application 87-01-002
1. 87-02-025

California Public Utilities Commission
August 24, 1988

INTERIM opinion requiring a local exchange telephone carrier to reduce rates by \$330.5 million, but retaining its presently authorized rate of return on equity of 12.75%.

1. INTERCORPORATE RELATIONS, § 14.2
— Intercorporate payments — Royalties.

[CAL.] A telecommunications affiliate was not required to make royalty payments to its parent telephone company for the unquantifiable benefits accruing to the affiliate as a result of name recognition of its parent.
p. 88.

2. EXPENSES, § 95 — Employee compensation — Factors — Management versus non-management positions.

[CAL.] Employee compensation levels should be derived independently for management and nonmanagement positions, with consideration given to market inflation levels, the propriety of bonuses, the reasonableness of wage negotiation processes, and productivity factors; in the instant case, an inflation factor of

42% and a productivity factor of 5% were used, with any savings from efficiency beyond that 5% level being shared equally between a local exchange telephone carrier and its ratepayers, but not with employees.
p. 92.

3. VALUATION, § 212 — Property included or excluded — Excess capacity formerly used — Reclassification.

[CAL.] Although it was evident that a local exchange telephone carrier had excess capacity by virtue of plant constructed especially for the 1984 Olympic Games now being idle, the carrier was not required to retire all such plant but instead was allowed to reclassify certain equipment that could easily be reactivated.
p. 98.

4. EXPENSES, § 81 — Office expense — Relocation costs of headquarters and employees.

[CAL.] Costs incurred by a local exchange telephone carrier in relocating employees as part of a move in headquarters were allowed as an offset to capital gains enjoyed in the sale of the old headquarters, but the relocation costs were not permitted to be part of a cost trending analysis.
p. 99.

5. EXPENSES, § 20 — Accidents and damages — Cleanup of toxic leaks.

[CAL.] Although it was found that a local exchange telephone carrier had not been as careful in monitoring underground storage tanks as it should have been, it was given a budget for cleanup of toxic leaks from the tanks, as such cleanup was mandated by federal and state law,
p. 101.

6. EXPENSES, § 52 — Nonutility businesses — Employee stores — Losses.

[CAL.] Losses incurred by a local exchange telephone carrier in operating an employee store were reflected in rates through a reduction in revenue equal to the store's inventory; such treatment was deemed appropriate as

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fault the results of the study.

46. The productivity gains indicated by DRA's total factor productivity study are excessively high.

47. D.85-06-113 dated June 12, 1985 directs AT&T-C to flow through any reduction in its access expense stemming from reductions in local exchange utilities' access charges to its customers.

48. It is reasonable to move the rate center, coordinate for General's Etiwanda exchange so that the route between the Ontario exchange and the Etiwanda exchange becomes a local route; establish a route between the Etiwanda exchange and the Rialto exchange with Pacific which become a nine-mile route with the movement of the rate center of the Etiwanda exchange as a ZUM 2 route; and revise General's billing system to reflect the necessary route revisions provided we impose a 90-day implementation period and require Pacific and General to provide written notice to those customers who will be impacted by the changes within 30 days prior to the implementation of such changes.

Conclusions of Law

1. The Commission concludes that an incremental revenue reduction of \$218,304 million in addition to the \$112,190 million reduction ordered by D.87-12-070 for a total of \$330,494 million is appropriate.

2. The revenue reductions authorized in Appendix A [omitted herein] are just and reasonable.

2a. General should be required to conduct a competitive analysis by March 31, 1989 of its directory service contract.

3. A competitive analysis to ascertain whether GTEDS is the appropriate party to perform General's data processing and information services should be performed by General prior to its next rate case filing and the results of the analysis and supporting work papers should be included in the filing.

4. General should be required to establish referral guidelines to track successful and unsuccessful referrals to GTEL and perform a study to be completed within six months of the effective date of the decision, to determine the

cost plus 10% markup for each referral made to GTEL.

5. General should be required to conduct a market-based pricing study to determine market rates for services it provides to GTEL.

6. Savings in excess of a 5% attrition year labor-factor adjustment should be shared equally by ratepayers and General.

7. Since the actual productivity factor will not be known until after the end of the attrition year, General should be required to implement the productivity savings on or before January 31 of the year following the attrition year.

8. In future rate cases General should present cost/benefit analyses to justify advertising campaign expenses for ratemaking purposes.

9. DRA's total factor productivity study cannot be used for any interpretative purposes including the measurement of technical change.

10. General should make an advice letter filing on or before October 1, 1988, setting forth an appropriate operational attrition allowance for the year 1989, and has filed an application for 1989 financial attrition on July 15, 1988, in accordance with D.88-06-024.

11. General is now well into the 1988 test year and since the rate reductions are substantial, this order should be effective today.

12. The rate center coordinates for General's Etiwanda exchange should be moved so that the route between the Ontario exchange and the Etiwanda exchange becomes a local route.

13. General should establish a route between the Etiwanda exchange and the Rialto exchange with Pacific which will become a ZUM Zone 2 route.

14. General should revise its billing system to reflect the route revisions set forth in Conclusions of Law 12 and 13 and provide written notice to those customers who will be impacted by the changes within 30 days prior to the implementation of such changes.

SECOND INTERIM ORDER

IT IS ORDERED that:

1. Seven days after the effective date of this order, GTE California (General) shall file revised Schedule Cal. P.U.C. No. A-38 to

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reflect the revisions shown in Appendix A of this decision (omitted herein). Such filing shall comply with the General Order 96 series. The effective date of the revised schedules shall be September 6, 1988. Revised schedules shall apply only to service rendered on or after the effective date.

2. In accordance with D.88-06-024, on or before October 1, 1988, General shall make an advice letter filing setting forth an appropriate operational attrition allowance for the year 1989. In accordance with that same decision General has filed its application for 1989 financial attrition on July 15, 1988. General's operational attrition advice letter filing shall provide for savings resulting from productivity in excess of 5% to be shared equally between ratepayers and stockholders. Both filings shall be served on all parties to this proceeding.

2a. Consistent with the above discussion, findings, and conclusions, General shall conduct a competitive analysis of its directory service contract and serve it on the parties to this proceeding on or before March 31, 1989.

3. General shall conduct a competitive analysis prior to its next rate filing and include the work papers with the filing to support continued affiliated transactions relating to data processing and informational service between it and GTEDS.

4. Within 60 days of the effective date of this order, General shall establish referral guidelines to track successful and unsuccessful referrals to GTEL.

5. Within 6 months of the effective date of this order, General shall submit a study of the cost plus 10% markup for each referral made to GTEL and thereafter bill GTEL the cost plus 10% markup for all referrals near the market value of successful referrals.

6. Within 6 months of the effective date of this order, General shall submit a market-based pricing study determining the market rates for service it provides to GTEL. Until further CPUC action on the matter, General shall bill GTEL at its fully allocated cost including return on investment, plus a 10% investment.

7. In future rate proceedings, if General wants to recover advertising expense in connection with campaigns to promote usage or new

services, it shall present in its direct showing a cost/benefit analysis of such campaigns over the latest available 12-month recorded period as well as its pro forma analysis of proposed future campaigns. Likewise, if General seeks to recover marketing expense (Account 643), it shall present the same types of analysis as required above for advertising expenditures.

8. Within five days from the effective date of this decision, General shall establish a balancing account into which it shall book the difference between currently authorized rates and rates it would be collecting if it revised its accounting for refinancings to follow the net of tax method. The balancing account amounts shall be subject to refund, in whole or in part, following hearings to determine (1) whether General ought to be ordered permanently to revise its accounting of bond refinancing premiums, and unamortized discounts and expenses, and (2) what method General may use to do so. A Prehearing Conference will be held to set hearing dates and dates for submission of testimony in connection with this issue.

9. Consistent with the preceding discussion, within 90 days of the effective date of this decision General shall file with CACD a report describing its current and anticipated hazardous waste cleanup activities for 1988-1989.

10. Within 10 days after General makes its advice letter filing to reduce access charges in accordance with this decision, AT&T-C shall file an advice letter with this Commission under the terms of GO 96-A, which proposes a method for flowing through to its ratepayers the access charge reductions resulting from this decision. AT&T-C's advice letter filing shall contain a proposed effective date of no later than five working days following its submission to the Commission or September 19, 1988, whichever is earlier. For the several rates within each class of switched service, AT&T-C shall implement a uniform percentage reduction.

11. To be effective not less than 90 days after the effective date of this order, General and Pacific are authorized to:

a. Move the rate center coordinates for the Edwanda exchange in order that the route between the Ontario exchange and the