

From: Prestidge, Myra J.
Sent: 2/27/2013 1:55:32 PM
To: [Redacted]

Cc:

Bcc:

Subject: RE: Application of PG&E for Approval of Restated License Agreement (A. 13-01-001)

[Redacted] Thank you. Yes, I believe I have everything I need. However, I am out of the office for about 1 month or so as of last week. If you need assistance during my absence, you may call the ALJ Div. secretary, Elvie Niz, at 4125/703-1321 and she will direct your call to the appropriate person.
Thanks

From: [Redacted]
Sent: Wednesday, February 27, 2013 8:26 AM
To: Prestidge, Myra J.; [Redacted]
Subject: RE: Application of PG&E for Approval of Restated License Agreement (A. 13-01-001)

Dear Judge Prestidge,

I just wanted to follow up to make sure you have everything you need. Might I ask whether you have an estimated date when you plan to have a PD prepared? If the PD grants the relief requested, we would of course be willing to waive the comment period.

Thank you again.

Respectfully,

[Redacted]

PG&E Law Department

[Redacted]

From: [Redacted]

Sent: Tuesday, February 12, 2013 4:51 PM

To: 'Prestidge, Myra J.'; [Redacted]

Subject: RE: Application of PG&E for Approval of Restated License Agreement (A. 13-01-001)

Dear Judge Prestidge,

Inserted below are PG&E's responses to your questions. I've also attached a copy of the restated license agreement "redlined" against the original IPN agreement. The agreement (and therefore the redline) is confidential and submitted pursuant to Public Utilities Code Section 583 and General Order 66-C.

Please let me know if you have any further questions.

Respectfully,

[Redacted]

PG&E Law Department

[Redacted]

1. Protecting the health and safety of utility employees, ratepayers, and the public is a top concern for the Commission. Does approval of this lease raise any issues potentially affecting the health and safety of utility employees, ratepayers, and the public? If so, what steps do PG&E and the lessee plan to take to lessen any health and safety risks?

Answer: No, approval of the proposed lease does not raise any issue potentially affecting the health and safety of utility employees, ratepayers, or the public. As indicated in PG&E's application (at p. 3), PG&E has agreed to make certain changes to the existing IPN Agreements in order, among other things, to conform to Level 3's organizational structure and operational requirements, but the basic arrangement agreed to by PG&E and IPN and previously approved by the Commission remains unchanged.

2. Is the restated license agreement for which PG&E requests approval essentially the same document as previously approved in D. 02-07-026 with some changes, or has the agreement

been entirely rewritten? If it is the same language as the earlier agreement with some changes, could PG&E please provide me with a redlined version of the original agreement, which shows the changes made? That would be very helpful in my review.

Answer: Please see attached. The substance and intent of the original IPN agreement have not changed. Changes have been made to several sections of the restated license agreement for which PG&E requests approval, primarily in the pricing and workflow sections, although as indicated in response to Question 1 above, the basic arrangement remains unchanged, including:

- The form of the agreement remains an IRU (indefeasible right of use)
- IPN has the right to attach fiber to PG&E towers, poles and conduits, and work is performed under PG&E supervision at IPN's expense
- PG&E maintains and provides emergency restoration of the fiber
- PG&E retains up to 24 fibers to use for internal communications and control, enhancing service to our customers
- PG&E continues to receive at a minimum the same revenues, which are shared with customers and shareholders, with the potential for growth

Additional benefits of the new agreement include the following:

- PG&E receives up to 1800 miles of dark fiber on Level 3's other fiber networks, thereby reducing operating costs and improving service
- IPN reimburses PG&E for all past due invoices

From: Redacted
Sent: Thursday, February 07, 2013 11:14 AM
To: 'Prestidge, Myra J.'; Redacted
Subject: RE: Application of PG&E for Approval of Restated License Agreement (A. 13-01-001)

Dear Judge Prestidge,

My apologies for the delay in responding. I have been out of the office due to illness. I will work with my clients to get you a response as soon as possible, probably very early next week. Thank you for your understanding, and please do not hesitate to call or email with any additional questions.

Redacted

PG&E Law Department

Redacted

From: Prestidge, Myra J. [mailto:myra.prestidge@cpuc.ca.gov]

Sent: Monday, February 04, 2013 5:16 PM

To: Redacted

Subject: Application of PG&E for Approval of Restated License Agreement (A. 13-01-001)

Dear Redacted and Mr. Grinberg:

I am the assigned Administrative Law Judge for Application (A.) 13-01-001, in which PG&E requests approval pursuant to Public Utilities Code Section 851 of a restated license agreement with IP Networks, Inc. and Level 3 Communications, Inc.

I understand that this application is requesting approval of a modifications to the license agreement previously approved by the Commission in Decision (D.) 02-07-026.

I have a few questions before going further with processing this application, as follows:

1. Protecting the health and safety of utility employees, ratepayers, and the public is a top concern for the Commission. Does approval of this lease raise any issues potentially affecting the health and safety of utility employees, ratepayers, and the public? If so, what steps do PG&E and the lessee plan to take to lessen any health and safety risks?
2. Is the restated license agreement for which PG&E requests approval essentially the same document as previously approved in D. 02-07-026 with some changes, or has the agreement been entirely rewritten? If it is the same language as the earlier agreement with some changes, could PG&E please provide me with a redlined version of the original agreement, which shows the changes made? That would be very helpful in my review.

Thank you and please let me know if you have questions.

Myra J. Prestidge
Administrative Law Judge
California Public Utilities Commission
Telephone: (415) 703-2629

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