

Rule No. 20

REPLACEMENT OF OVERHEAD WITH UNDERGROUND ELECTRIC FACILITIES

- A. The Company will, at its expense, replace its existing overhead electric facilities with underground electric facilities along public streets and roads, and on public lands and private property across which rights-of-way satisfactory to the Company have been obtained, or may be obtained without cost or condemnation, by the Company, provided that:
1. The governing body of the city or county in which such electric facilities are and will be located has:
 - a. Determined, after consultation with the Company and after holding public hearings on the subject, that such undergrounding is in the general public interest for one or more of the following reasons:
 - i. Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities.
 - ii. The street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic; and
 - iii. The street or road or right-of-way adjoins or passes through a civic area or public recreation area or an area of unusual scenic interest to the general public.
 - b. Adopted an ordinance creating an underground district in the area in which both the existing and new facilities are and will be located requiring, among other things (1) that all existing overhead communication and electric distribution facilities in such district shall be removed, (2) that each property served from such electric overhead facilities shall have installed in accordance with the Company's rules for underground service, all electrical facility changes on the premises necessary to receive service from the underground facilities of the Company as soon as it is available, and (3) authorizing the Company to discontinue its overhead service.

(Continued)

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Title

Rule No. 20 (Continued)

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- A. 2. The Company's total annual budgeted amount for undergrounding shall be one-half of one percent of the Company's total electric operating revenues in California. Except as provided in Section A.2.b., the allocation for undergrounding use the amount actually allocated to the city or county in 1990 as the base.
 - a. Changes from the 1990 level in the Company's total annual budgeted amount for undergrounding shall be allocated to individual cities and counties as follows:
 - i. Fifty percent of the change from the 1990 total budgeted amount shall be allocated in the same ratio that the number of overhead meters in any city or unincorporated area of any county bears to the total system overhead meters.
 - ii. Fifty percent of the change from the 1990 total budgeted amount shall be allocated in the same ratio that the total number of meters in any city or the unincorporated area of any county bears to the total system meters.
 - b. When a city incorporates, resulting in a transfer of utility meters from the unincorporated area of a county to the city, there shall be a permanent transfer of a pro rata portion of the county's 1990 allocation base. The amount transferred shall be determined by:
 - i. Fifty percent based on the ratio that the number of overhead meters in the city bears to the total system overhead meters; and
 - ii. Fifty percent based on the ratio that the total number of meters in the city bears to the total system meters.

When territory is annexed to an existing city, it shall be the responsibility of the city and county affected, in consultation with the utility serving the territory, to agree upon an amount of the 1990 allocation base that will be transferred from the county to the city, and thereafter to jointly notify the Company in writing.

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A. 2. c. The amounts allocated in accordance with Section A.2.a. or A.2.b. may be exceeded where the Company establishes that additional participation on a project is warranted. Amounts in excess of allocations shall not exceed five years of a community's annual allocation. Allocated amounts may be carried over for a reasonable period of time in communities with active undergrounding programs. In order to qualify as a community with an active undergrounding program the governing body must have adopted an ordinance or ordinances creating an underground district and/or districts as set forth in Section A.1.b. of this Rule. Where there is a carry-over, the Company has the right to set, as determined by its capability, reasonable limits on the rate of performance of the work to be financed by the funds carried over. When amounts are not expended for the community to which they are initially allocated they shall be assigned when additional participation on a project is warranted, or said amounts may be reallocated to communities with active undergrounding programs subject to assignment by the community with the unexpended allocation.

A. 3. The undergrounding extends for a minimum distance of one block or 600 feet, whichever is the lesser.

Upon request of the governing body, the Company will pay for no more than 100 feet of each Customer's underground electric service lateral occasioned by the undergrounding. The governing body may establish a smaller footage allowance, or may limit the amount of money to be expended on a single Customer's electric service, or the total amount to be expended on all electric service installations in a particular project.

B. In circumstances other than those covered by A above, the Company will replace its existing overhead electric facilities with underground electric facilities along public streets and roads or other locations mutually agreed upon when requested by an Applicant or Applicants when all of the following conditions are met:

1. a. All property owners served from the overhead facilities to be removed first agree in writing to have the wiring changes made on their premises so that service may be furnished from the underground distribution system in accordance with the Company's rules and that the Company may discontinue its overhead service upon completion of the underground facilities; or

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- B. 1. b. Suitable legislation is in effect requiring such necessary wiring changes to be made and authorizing the Company to discontinue its overhead service.
2. The Applicant has:
- a. Furnished and installed the pads and vaults for transformers and associated equipment, conduits, ducts, boxes, pole bases and performed other work related to structures and substructures including breaking of pavement, trenching, backfilling, and repaving required in connection with the installation of the underground system, all in accordance with the Company's specifications, or, in lieu thereof, paid the Company to do so;
- b. Transferred ownership of such facilities, in good condition, to the Company; and
- c. Paid a nonrefundable sum equal to the excess, if any, of the estimated costs, exclusive of transformers, meters, and services, of completing the underground system and building a new equivalent overhead system.
3. The area to be undergrounded includes both sides of a street for at least one block or 600 feet, whichever is the lesser, and all existing overhead communication and electric distribution facilities within the area will be removed.
- C. In circumstances other than those covered by B.2.a or B.2.b above, when mutually agreed upon by the Company and Applicant, overhead electric facilities may be replaced with underground electric facilities, provided the Applicant requesting the change pays, in advance, a nonrefundable sum equal to the estimated cost of the underground facilities less the estimated net salvage value and depreciation of the replaced overhead facilities. Underground service will be installed and maintained as provided in the Company's rules applicable thereto.
- D. The term "underground electric system" means an electric system with all wires installed underground, except those wires in surface mounted equipment enclosures.

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