

NETWORK AND EXCHANGE SERVICES

A2. GENERAL REGULATIONS

2.1 RULES (Cont'd)

2.1.32 RULE NO. 32 - FACILITIES TO PROVIDE REPLACEMENT OF AERIAL WITH UNDERGROUND FACILITIES

A. REPLACEMENT OF AERIAL WITH UNDERGROUND FACILITIES

1. In Areas Affected By General Public Interest.

The Company will, at its expense, replace its existing aerial facilities (T) with underground 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 (T) condemnation, by the Company, provided that the governing body of the (T) city or county in which such facilities are located has:

a. Determined after consultation with the Company and after holding public (T) hearings on the subject, that undergrounding is in the general public interest in a specified area for one or more of the following reasons:

(1) Such undergrounding will avoid or eliminate an unusually heavy concentration of aerial facilities;

(2) Said street, or road or right-of-way is in an area extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic;

(3) Said street, 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 requiring, among other things:

(1) That all existing and future electric and communication distribution facilities will be placed underground, and

(2) That each property owner will provide and maintain the underground supporting structure needed on their property to furnish service to them from the underground facilities of the Company when such are (T) available, except as provided in A.1.c following.

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2.1.32 RULE NO. 32 - FACILITIES TO PROVIDE REPLACEMENT OF AERIAL WITH UNDERGROUND FACILITIES (Cont'd)

A. REPLACEMENT OF AERIAL WITH UNDERGROUND FACILITIES (Cont'd)

1. In Areas Affected By General Public Interest (Cont'd)

- c. Upon request of the governing body the Company will pay for the installation of no more than 100 feet of each customer's underground service connection facility 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 service, or the total amount to be expended on consumer services in a particular project. The Company will pay for the installation of each customer's underground service connection facility at the time and only to the extent that the electric utility pays for the customer's underground electric service lateral. (T)
- d. The Company will replace its aerial facilities at the time and only to the extent that the overhead electric distribution facilities are replaced. (T)

2. At the Request of Governmental Agencies or Groups of Applicants.

In circumstances other than those covered by 1. preceding, the Company will replace its aerial facilities located in a specified area with underground 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 upon request by a responsible party representing a governmental agency or group of applicants where all of the following conditions are met: (T)

- a. All property owners served by the aerial facilities to be replaced within a specific area designated by the governmental agency or group of applicants first agree in writing or are required by suitable legislation to pay the cost or to provide and to transfer ownership to the Company of the underground supporting structure along the public way and other Company rights-of-way in the area¹, and (T)
- b. All property owners in the area are required by ordinance or other legislation, or all agree in writing, to provide and maintain the underground supporting structure on their property, and (T)

NOTE 1: Includes Income Tax gross-up amount, as listed in ScheduleCal.P.U.C. No. A2.1.3,D.

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A2. GENERAL REGULATIONS

2.1 RULES (Cont'd)

2.1.32 RULE NO. 32 - FACILITIES TO PROVIDE REPLACEMENT OF AERIAL WITH UNDERGROUND FACILITIES (Cont'd)

A. REPLACEMENT OF AERIAL WITH UNDERGROUND FACILITIES (Cont'd)

2. At the Request of Governmental Agencies or Groups of Applicants. (Cont'd)

c. The area to be undergrounded includes both sides of a street for at least one block, and

D. ARRANGEMENTS ARE MADE FOR THE CONCURRENT REMOVAL OF ALL ELECTRIC AND COMMUNICATION AERIAL DISTRIBUTION FACILITIES IN THE AREA.

3. At the Request of Individual Applicants.

In circumstances other than those covered by 1. or 2. preceding, where mutually agreed upon by the Company and an applicant, aerial facilities may be replaced with underground facilities, provided the applicant requesting the change pays, in advance, a nonrefundable sum equal to the estimated cost of construction less the estimated net salvage value of the replaced aerial facilities¹. (T)

4. At Company Initiative. (T)

The Company may from time to time replace sections of its aerial facilities with underground facilities at Company expense for structural design considerations or its operating convenience. (T)

NOTE 1: Includes Income Tax gross-up amount, as listed in Schedule Cal.P.U.C. No. A2.1.3,D.

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A2. GENERAL REGULATIONS

2.1 RULES (Cont'd)

2.1.32 RULE NO. 32 - FACILITIES TO PROVIDE REPLACEMENT OF AERIAL WITH
UNDERGROUND FACILITIES (Cont'd)

A. REPLACEMENT OF AERIAL WITH UNDERGROUND FACILITIES (Cont'd)

5. San Diego Underground Surcharge

a. Description

In Decision No. 06-12-039, the California Public Utilities Commission authorized AT&T California to establish a surcharge to recover the cost of moving overhead utility lines underground in accordance with the City of San Diego's Underground Utilities Procedural Ordinance. Complete details of the surcharge are contained in the cited decision.

b. Applicability

Ordering Paragraph 2 of D.06-12-039 states that the surcharge applies as follows:

"All local telephone service provided over SBC lines in San Diego shall be subject to the Surcharge, including SBC customers that take service pursuant to Local Wholesale Complete, Individual Case Basis, Express, and Government contracts. Local telephone customers that receive service from competitive local exchange carriers over SBC lines are also subject to the Surcharge. Lifeline customers of any provider are exempt from the Surcharge."

c. Rate

Ordering Paragraph 5 of D.06-12-039 states that the surcharge "shall be assessed as a fixed amount per line...[and] shall be recalculated annually via advice letter filing."

Initial surcharge, effective July 1, 2007: \$0.77 per line.
Surcharge modified effective April 15, 2009: \$1.46 (I) per line. (N)