

Appendix A

Verizon Rule 40

General Telephone Company of California Santa Monica, California An Equal Opportunity Employer SCHEDULE Cal. P.U.C. No. D&R 4th Revised Sheet 71 Cancelling 3rd Revised Sheet 71

RULE NO. 40

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 Utility will, at its expense, replace its existing aerial facilities with underground facilities along public streets and roads, and on public lands and private property across which rights-of-way satisfactory, to the Utility have been obtained, or may be obtained without cost or condemnation, by the Utility, provided that:

- a. The governing body of the city or county in which such facilities are located has
 - (1) Determined, after consultation with the Utility and after holding public hearings on the subject, that undergrounding is in the general public interest in a specified area for one or more of the following reasons:
 - (a) Such undergrounding will avoid or eliminate an unusually heavy concentration of aerial facilities;
 - 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;
 - (c) 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.
 - (2) Adopted an ordinance creating an underground district in the area requiring, among other things,
 - (a) That all existing and future electric and communication distribution facilities will be placed underground, and
 - (b) That each property owner will provide and maintain the underground supporting structure needed on his property to furnish service to him from the underground facilities of the Utility when such are available, except as provided In Paragraph A.1.b. below.

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Continued

Advice Letter No. 4887

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Vice President -

Revenue Requirements

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RULE NO. 40

FACILITIES TO PROVIDE REPLACEMENT OF AERIAL WITH UNDERGROUND FACILITIES - Continued

A. 1. - Continued

b. Upon request of the governing body, The Utility 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 consumer services in a particular project. The Utility 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.

(N)

(N)

c. The Utility will replace its aerial facilities at the time and only to the extent that the overhead electric distribution facilities are replaced.

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

In circumstances other than those covered by 1. above, the Utility 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 Utility have been obtained, or may be obtained without cost or condemnation, by the Utility upon request by a responsible party representing a governmental agency or group of applicants where all of the following conditions are met:

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 Utility, of the underground supporting structure along the public way and other utility rights-of-way in the area, and

Material omitted now shown on 4th Revised Sheet 4.

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SCHEDULE Cal. P.U.C. No. D&R 5th Revised Sheet 73 Cancelling 4th Revised Sheet 73

RULE NO. 40

FACILITIES TO PROVIDE REPLACEMENT OF AERIAL WITH UNDERGROUND FACILITIES - Continued

A. 2. - Continued

- 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
- 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. above , where mutually agreed upon by the Utility 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 facilities.#

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4. At Utility Initiative

The utility may, from time to time, replace sections of its aerial facilities with underground facilities at Utility expense for structural design considerations or its operating convenience.

Includes Income Tax Component as listed in Rule No. 2 Schedule Cal. P.U.C. No. D&R (Definitions & Rules).

(N)

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