

**A. POLICY AND PRIORITIES:**

CPAU will replace existing overhead electric distribution facilities and fiber optic facilities with underground facilities due to system operational considerations, or upon application of an individual or group of individuals, and/or at the direction of the City Council, subject to budgetary considerations, the primary schedule listed below, and minimum project size specified in the applicable section of this Rule.

The extent of CPAU's financial participation in a conversion project will depend on whether the locale of the project is designated by the City Council as an area of general public interest and benefit, or an area of primary local public benefit, or whether the area fails to qualify for either of the foregoing designations.

Underground conversion in areas of general and local public benefit will be considered in accordance with the following order of priorities.

1. First Priority will be given to overhead CPAU lines along streets, roads, or rights-of-way on which major new roadway construction, realignment or on roadways designated as high priority for re-pavement/overlay by the City's Public Works Department.
2. Second priority will be given to overhead CPAU lines along rights -of-way through the interior of blocks which have heavy tree foliage where poles have deteriorated to the point where replacement is necessary and undergrounding is an economic alternative to pole replacement.
3. Third priority will be given to overhead CPAU lines along streets, roads, or rights-of-way in areas zoned commercial, light industrial, and limited manufacturing where load growth requires major overhead reconstruction and undergrounding is an economical alternative.
4. Fourth priority will be given to overhead CPAU lines which are hidden or partially hidden by surrounding tree foliage along streets, roads, or rights-of-way where poles have deteriorated to the point where replacement is necessary and under-grounding is an economic alternative to pole replacement.

# CONVERSION TO UNDERGROUND

## RULE AND REGULATION 17

5. Fifth priority will be given to overhead utility lines which are constructed along a major arterial where poles have deteriorated to the point where replacement is necessary and undergrounding is an economic alternative to pole replacement.
6. Sixth priority will be given to overhead utility lines which are constructed along streets, roads, or rights-of-way in areas zoned residential.

The intent of the six priority schedule is to provide guidance when establishing or selecting areas for undergrounding overhead utility lines. However, any area where overhead utility lines are located in streets, roads, or rights-of-way may be included in an underground utility district for engineering, operating, or economic reasons.

### **B. IN AREAS OF GENERAL PUBLIC INTEREST AND BENEFIT:**

CPAU will replace its existing overhead distribution lines and fiber optic cables with underground distribution facilities at CPAU's expense along public streets and roads, on public lands, and on private property across which satisfactory easement or rights-of-way have been obtained or may be obtained without cost or condemnation by the City provided that:

1. The Project extends a minimum distance of two City blocks or 750 feet.
2. The City Council has:
  - (A) Determined that such under-grounding is in the general public interest. Included among the reasons for such determination may be:
    - (1) Such under-grounding will avoid or eliminate an unusually heavy concentration of overhead distribution and fiber optic facilities or the construction of an existing pole line to accommodate additional overhead circuits.
    - (2) Said street or road or right-of-way is extensively used by the general public and carries a heavy volume of vehicular traffic.
    - (3) Said street or road or right-of-way adjoins or passes through a civic or public recreation area or an area of scenic interest to the general public.

## CONVERSION TO UNDERGROUND

### RULE AND REGULATION 17

- (B) Adopted an ordinance creating an underground district in accordance with the applicable sections of Chapter 12.16, Underground Utilities, of the Palo Alto Municipal Code, which provides, among other things:
- (1) That all existing overhead communication and electric distribution facilities in such district shall be removed.
  - (2) That each property owner served from such overhead distribution and fiber optic facilities shall provide, within a period of time established by the City Council and at the property owner's expense and in accordance with CPAU applicable Rules and Regulations and schedule of charges for underground service connections, all electrical service facility construction and charges on his premises necessary to receive service from the underground distribution and fiber optic facilities after they are completed and in operation.
  - (3) CPAU is authorized to discontinue overhead services after the period of time established by City Council for reconnection to the underground distribution and fiber optic facilities has expired.

#### **C. IN AREAS PRIMARILY OF LOCAL PUBLIC BENEFIT:**

CPAU will replace its existing overhead distribution and fiber optic facilities with underground distribution and fiber optic facilities along public streets, roads, or other locations mutually agreed upon when requested by a group of Applicants or an authorized representative of a group of Applicants, provided that:

1. The project includes at least one block to 600 feet.
2. The City of Palo Alto City Council has:
  - (A) Determined that such undergrounding is in the general public interest, but primarily of local benefit.
  - (B) Adopted an ordinance creating an underground district in accordance with the applicable sections of Chapter 12.16, Underground Utilities, of the Palo Alto Municipal Code, which provides among other things:

## CONVERSION TO UNDERGROUND

### RULE AND REGULATION 17

- (1) That all existing overhead communication and electric distribution facilities in such district shall be removed.
  - (2) That each property owner served from such overhead distribution and fiber optic facilities shall provide, within a period of time established by the City Council and at the property owner's expense and in accordance with the CPAU applicable Rules and Regulations and schedule of charges for underground service connections, all electrical service facility construction and charges on his premises necessary to receive service from the underground distribution and fiber optic facilities after they are completed and in operations.
  - (3) That CPAU is authorized to discontinue overhead service after the period of time established by the City Council for reconnection to the underground distribution and fiber optic facilities has expired.
3. The Applicant or group of Applicants pays 50 percent of the total costs, exclusive of transformers and associated equipment, for the replacement of the overhead electric distribution lines with underground electric distribution facilities in the public right-of-way or easement. CPAU will pay 50 percent of said costs and will provide the transformers and associated equipment.

Where the street-lighting system in areas to be under-grounded is mounted on overhead poles to be removed, the street-lighting facilities shall be replaced in accordance with the standards and requirements of CPAU, and the cost shall be borne by the Applicant or group of Applicants.

The cost of undergrounding communication facilities shall be borne by the Applicant or group of Applicants as determined by applicable tariffs and rules of the servicing utility.

Where overhead fiber systems exist, 100 percent of the cost to place them underground will be borne by the Applicant or group of Applicants.

## CONVERSION TO UNDERGROUND

### RULE AND REGULATION 17

#### **D. IN AREAS OF INSUFFICIENT PUBLIC BENEFIT TO QUALIFY UNDER SECTION B OR SECTION C:**

When mutually agreed upon by the Director of Utilities and an Applicant, overhead distribution and fiber optic facilities may be replaced with underground distribution and fiber optic facilities provided that:

1. The Applicant requesting the change enters into an agreement with CPAU to pay, in advance, a non-refundable sum not less than 75 percent of the estimated total cost of the replacement of overhead electric distribution lines with underground electric distribution facilities, in the public right-of-way or easement, exclusive of transformers and associated equipment. The share borne by CPAU shall be determined by the Electrical Engineering Manager on his or her calculation of the benefit to CPAU.

Where the street-lighting system in areas to be under-grounded is mounted on overhead poles to be removed, the street-lighting facilities shall be replaced in accordance with the standards and requirements of CPAU, and the cost shall be borne by the Applicant or group of Applicants.

The cost of undergrounding communication facilities shall be borne by the Applicant or group of Applicants as determined by applicable tariffs and rules of the servicing utility.

Where overhead fiber systems exist, 100 percent of the cost to place them underground will be borne by the Applicant or group of Applicants.

2. Each property owner served from such overhead distribution and fiber optic facilities shall agree to provide at his or her own expense, within a period of time established by CPAU, all electrical and fiber optic service facility construction and changes on his or her premises necessary to receive service from the underground distribution and fiber optic facilities when they are completed and in operation.

*(END)*