

DARK FIBER LICENSING SERVICES

UTILITY RATE SCHEDULE EDF-1

A. APPLICABILITY:

This rate schedule applies to customer accounts established prior to September 18, 2006, unless the customer elects to apply the EDF-3 rate to the entire customer account. This rate applies to Fiber Optic services from the City of Palo Alto Utilities (CPAU) pertaining to the City's network (Backbone and associated connections).

B. TERRITORY:

Within the incorporated limits of the City of Palo Alto and land owned or leased by the City.

C. FEES:

1. DARK FIBER BACKBONE LICENSE FEES:

The values or ranges for each of these price components are shown below:

(1) Fiber Price.....	\$299.22/FM/month
(2) Quantity discount	\$0 to \$59.84/FM/month
(3) Buffer tube discount.....	\$0 to \$59.84/FM/month
(4) Route length discount.....	\$0 to \$77.80/FM/month
(5) Ring topology discount.....	\$0 to \$23.94/FM/month
(6) Length of term discount.....	\$0 to \$46.80/FM/month

(7) Per Project Minimum Annual Backbone License Fee.....\$425/month

Project Minimum Backbone Fees apply to any project proposal signed after September 18, 2006 in which the project connects with the Backbone.

Description for Discounts:

Quantity discount: based on an array of discounts for quantities of fiber licensed on a specific path.

Buffer tube discount: discount for numbers of full buffer tubes licensed on a specific path.

Route length discount: based on the route length licensed on a specific project.

Ring topology discount: The ring topology discount for customers contracting for complete rings.

Term discount: based on an array of discounts for contracts greater than one and less than ten years.

2. DARK FIBER LATERAL CONNECTION FEES:

Customer responsibilities and fees for drop and custom cable construction are described in the CPAU Rules and Regulations, Rate Schedule EDF-2, project proposals and other associated documents. In all cases, the Licensee shall pay an annual Drop/Custom Cable Management Fee based on the follow per foot fees:

(1) Drop Cable Management Fees (for the first 12-Fibers)	\$0.02-\$0.06/ft/month
(2) Custom Cable Management Fees (for the first 12-Fibers).....	\$0.29/ft/month
(3) Fees for additional Drop or Custom Cable fibers (each additional set of 12-Fibers)	\$0.06/ft/month
(4) Per Project Minimum Drop or Custom Cable Management Fees.....	\$210/month

Project Minimum Drop Cable Management Fees apply to any project proposal signed after September 18, 2006.

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3. EARLY TERMINATION FEES:

If the Licensee chooses to terminate for convenience the License Agreement or the term of any project under the License Agreement, then the Licensee shall pay the applicable termination payment as specified in this schedule or in the License Agreement, as provided below.

Unless otherwise provided in the License Agreement, the Licensee shall pay a termination fee in one of the following amounts, whichever is less:

- Annual fee of the contract year that the Licensee chooses to terminates in full without term discounts, or
- Remaining fees of the project term as indicated in the License Agreement.

D. SPECIAL NOTES:

1. All fees must be paid to the City according to the specifics in the Dark Fiber License Agreement, the customer's project proposals and all the applicable Utilities Rates, Rules, and Regulations.
2. All fees are subject to consumer price index (CPI) adjustments, to be applied at the City's discretion but not more frequently than an annual basis.

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