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Southern California Edison's

Electric Rule 20 Guidebook

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ELECTRIC RULE 20 GUIDEBOOK

Introduction

In response to local government interest in enhancing the aesthetics of their communities, the California Public Utilities Commission (CPUC) in 1967 established electric tariff Rule 20 (Rule 20 or Tariff). Under Rule 20, there are three programs that apply to all utilities and a fourth program specific to SDG&E's Rule 20 tariff. The common Rule 20 programs are Rule 20A, Rule 20B and Rule 20C.

While those communities that have undergone significant growth and development in the past 50 years are likely to be familiar with the undergrounding process, others with overhead utility lines may be less familiar with these programs. The Tariff itself uses language that may be foreign to those unfamiliar with the utility world. Southern California Edison (SCE) has prepared this Electric Rule 20 Guidebook (Guidebook) as a tool for Rule 20 applicants and interested parties that may be considering the conversion of existing overhead utility lines to underground.

This Guidebook explains how undergrounding is funded (i.e., who is responsible for the cost), pursuant to each of the three programs of Rule 20. It will also identify and illustrate models used for planning a conversion program, and suggest how utilities, city and county governments, developers and even residents and businesses can work together to implement undergrounding of overhead utility lines. SCE's overhead electrical facilities under CPUC jurisdiction are considered eligible for Rule 20 treatment. That includes distribution facilities 33kV and lower, and sub-transmission facilities 66kV and 115kV.

This Guidebook is intended to help Rule 20 applicants and interested parties understand not only the language and procedures of the tariff Rule 20, but also the operational complexities of undergrounding. This Guidebook is not intended to serve as legal advice, however, and local governments should rely upon their own counsel – and could consult with the CPUC's Energy Division – as they proceed. Importantly, though the Tariff language is extremely similar for all of the CPUC-jurisdictional electric utilities, each utility may have differing implementation practices, differing labor structures, and other important differences that mean one utility's approach to Rule 20 may not be exactly the same as those of the others.

The CPUC places limits on the amount of money electric utilities may spend on utility ratepayer-funded underground conversions in the General Rate Case (GRC) process.¹ An appropriate amount is authorized by the CPUC in order to balance the public's interest in this primarily aesthetic program against the expenditures that may become an undue burden on utility customers. Under Rule 20A, all customers ultimately pay for the cost of undergrounding through SCE's rates, regardless of the level of participation by each community. Therefore, the CPUC has taken steps to

¹ GRCs are proceedings used to address the costs of operating and maintaining the utility system and the allocation of those costs among customer classes. The GRC is how Southern California Edison gets funding for its operations.

ensure that the utility companies' Rules include provisions for communities to accelerate or expand their conversion programs using other funding sources. Many of those sources are identified in this Guidebook.

Undergrounding Other Utility Lines

Rule 20 is a tariff that governs the state of California's CPUC jurisdictional electric utilities. The CPUC jurisdictional communications providers have their own tariffs governing undergrounding. The communications tariff rules generally set out the same criteria for undergrounding as do the electric tariff. In practice, the communications providers "follow the electric utility into the trench." Cable television providers on the other hand do not have such a CPUC approved tariff. Cable television providers are also required to comply with the Underground Utility District and Resolution to remove overhead facilities and generally do so according to the terms of their franchise or other agreements with the cities and counties in which they provide service. SCE's Joint Pole Agreements will also help define the role and participation of the communications providers in undergrounding.

Rule 20 Programs at SCE

The rules established by the CPUC for electric utility companies are collectively known as Rule 20. These include Rules 20A, 20B, and 20C.

Each category of Rule 20 addresses different funding mechanisms and qualifications for undergrounding existing overhead utility lines.

Rules	Description of Funding
Rule 20A	Conversion projects under this section are funded by all of SCE's ratepayers throughout the service area using Rule 20A work credits but only for projects deemed to create a general public benefit by satisfying at least one qualifying criterion.
Rule 20B	Conversion projects under this section are funded partially by general ratepayers and partially by those requesting the underground conversion (property owners, municipalities, counties, developers, etc.). This program provides limited ratepayer subsidies for undergrounding utility lines in areas that do not qualify under Rule 20A, or in cases where there are not enough Rule 20A work credits to cover the costs of the project.
Rule 20C	Conversion projects under this section are funded almost entirely, minus net salvage value and depreciation, by those requesting the underground conversion. This program enables property owners to pay for the cost of undergrounding utility lines which do not qualify under Rule 20A or 20B.

Rule 20A

This section of the Guidebook outlines the underground conversion process and highlights many of the issues that cities and counties must consider when embarking on an underground conversion project. Below is a summary which includes many of the steps found detailed in this Guidebook.

- **Work Credits:** Each year SCE establishes an annual allocation of “work credits”. These work credits are allocated to cities and counties using the formula found in Section A of Rule 20. Cities and counties are notified by letter each year of their work credit balance.
- **Conversion Master Plan (optional):** This is an approach cities and counties may use to identify conversion priorities, potential conversion projects, and build consensus among city or county leaders.
- **Utilities Conversion Plan (optional):** The Conversion Planning Committee of a city or county begins to plan specific conversion projects, including rough budgets and timelines.
- **Using Work Credits:** SCE determines the city or county’s available work credits and, where requested, will estimate the cost of a potential Rule 20A underground project.
- **Ordinance/Resolution:** City or county passes an ordinance and/or resolution for a specific undergrounding project, and the boundaries of the project are described within these documents.
- **Engineering:** Completion of all documents and construction drawings necessary to construct a new underground electrical system. May include the replacement of streetlights, undergrounding of services on private property, and the modification of customer’s service panels to accept underground service. Rights-of-way may need to be secured for which SCE will prepare the necessary documents and contact the affected property owners.
- **Construction:** Includes but is not necessarily limited to trenching, backfill, trench restoration, pulling cable, service conversions, energizing underground system and removal of overhead electrical facilities (poles/wires).
- **Close Project:** SCE determines the final project costs and reports to the city or county and to the CPUC.

Undergrounding is generally undertaken for primarily aesthetic reasons and is only one of the electric utility's many capital improvements projects. Like most utility infrastructure investments, the cost of undergrounding for a Rule 20A conversion is borne by all ratepayers. If undergrounding existing overhead electrical lines and facilities are a priority for a local government, it is critical to begin working with the utility companies on planning a city or county's underground conversion well in advance. Once a city or county has accumulated enough Rule 20A work credits, the project may be scheduled as part of the utilities' capital improvement plan.

Qualifying Criteria

Rule 20A underground conversion projects are funded by all of SCE's ratepayers, not just those in the affected area, and are intended to underground existing distribution and sub-transmission voltage lines and poles under CPUC jurisdiction in areas that benefit the "public interest" as defined in criteria set by the CPUC.

To underground utility lines under this Rule, the governing body of the city or county in which the lines are located has:

1. Determined, after consultation with SCE and after holding public hearings on the subject, that such undergrounding is in the general public interest for the following reasons, at least one of which must be met:
 - a. Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead lines. This is defined as poles that serve circuits in addition to a single primary and secondary circuit.
 - b. The street, road, or right-of-way serves as a major thoroughfare for the general public and carries a heavy volume of pedestrian, bicycle, rail, vehicular, or other traffic. Heavy traffic volume means a minimum of 5,000 average trips per day among all personal and public transportation forms collectively.
 - c. Wheelchair access is limited or impeded by existing above ground electric and/or telecommunications infrastructure including pad-mounted facilities on sidewalks or in other areas in the pedestrian right-of-way that is otherwise not compliant with the Americans with Disabilities Act.
 - d. The street, road or right-of-way adjoins or passes through a civic area or public recreation area or an area of significant scenic, cultural, and/or historic interest to the general public; or
 - e. The street, or road, or right-of-way is considered an arterial street or major collector as defined by the California Department of Transportation's California Road System functional classification system.²
2. The undergrounding extends for a minimum distance of one block or 600 feet, whichever is the lesser.

3. Adopted an ordinance and/or resolution creating an underground district in the area of the existing overhead lines and where the new underground lines will be located. The new district must require that:
 - a. All existing overhead communication and electric distribution lines in such district shall be removed,
 - b. Each property served from such electric/communication overhead lines shall have installed, in accordance with the utility company's rules for underground service, all electrical/communication line changes on the premises necessary to receive service from underground facilities as soon as it is available, and
 - c. Utility companies are authorized to discontinue and remove their overhead service by mutually agreed date.

Funding and Work Credits

Rule 20A funding is authorized by the CPUC through the utility's GRC. These budget amounts are recovered from customers through electricity rates.

The utility allocates work credits to the various cities and counties in its service area in which it provides electric service. SCE does so utilizing the allocation formula in Section A.2. of our Rule 20 Tariff, which generally tracks the ratio of electric meters (customers) in that jurisdiction to the total number of meters in its entire system. Therefore, larger cities and counties with more customers receive a greater annual allocation of work credits than smaller cities with fewer customers.

Although Rule 20A uses the word "funds" to describe the "work credits", they are not actual dollars. They are not deposited into bank accounts for each city and county, and they do not earn interest. Rather, in order to fund construction of a Rule 20A conversion project, SCE recovers costs through the General Rate Case process which authorizes SCE to collect revenues related to, among other things, adopted amounts for Rule 20A projects. SCE is only authorized to allocate these revenues to Rule 20A projects. Any differences between the adopted expenditures and actual recorded expenditures are updated through actual recorded dollars in the next GRC. The costs are recovered through customer rates over the life of the assets installed.

When allocated work credits are "unspent" in any year, the work credits roll over to the next year to create an available work credit balance. Local governments may accrue allocations until they have enough to pay for a project.

[CPUC's Decision \(D.\)21-06-013](#), issued on June 3, 2021, in the Rule 20 Order Instituting Rule Making (OIR), required **SCE to discontinue allocating new Rule 20A work credits after December 31, 2022.**² SCE's last allocation of work credits will, therefore, be a 2022 allocation added to city and county balances in January of 2022. After SCE's last annual allocation of work credits, cities and counties will

² Phase 1 Decision Revising Electric Rule 20 and Enhancing Program Oversight, D.21-06-013, Ordering Paragraph 2 at p. 40 *available at* <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M387/K099/387099230.PDF>

continue to be able to complete Rule 20A projects within their available work credit balances.

Advanced Borrowing of Rule 20A Work Credits

Some cities and counties wait several years in order to accumulate enough work credits for a specific undergrounding project. Other cities and counties elect to borrow or “mortgage” future Rule 20A allocations to fund projects more quickly. Rule 20A allows communities to mortgage up to a maximum of five years of future allocated work credits with SCE’s approval.

Since the CPUC in D.21-06-013 ordered SCE to discontinue authorization of new Rule 20A work credits beyond December 31, 2022, all projects completed in 2023 and beyond must be completed within available work credit balances. SCE does not have the discretion to allow communities to borrow work credits from future allocations beyond any 2022 allocation.

Work Credit Reallocation

Uncommitted work credits are those not earmarked for a specific future conversion project as established by a city or county’s Utilities Conversion Plan. When work credits are not committed to future Rule 20A projects, they may be subject to reallocation by SCE to cities and counties with active undergrounding programs.

Cities and counties could maintain active underground programs to avoid reallocation of Rule 20A work credits. To qualify as a community with an active underground program, the governing body must have adopted an ordinance creating an underground district that meets the criteria in [CPUC Resolution E-4971](#).³

1. Formally adopted an underground district ordinance, which expires at the completion of work within the district boundary; or
2. Has started or completed construction of an underground conversion project within the last 8 years, defined as 2011 or later; or
3. Has received Rule 20A allocations from SCE for only 5 years or fewer due to recent incorporation.

Work credits that have been allocated to a city or county that are not earmarked for a specific or future Rule 20 project can be reallocated to cities and counties with active undergrounding programs. SCE will notify the city or county with uncommitted work credits prior to reallocation of work credits.

Pursuant to D.21-06-013, **unauthorized work credit trading between cities and counties is not permitted effective June 3, 2021**, except for: (1) intra-county donations of work credits from county government to cities and towns within the

³ Resolution E-4971 *available at* <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M285/K711/285711160.PDF>

county or from a city or town to its county government, and (2) pooling of work credits amongst two or more adjoining municipalities for projects with community benefit for the adjoining municipalities. SCE is prohibited from facilitating unauthorized trades of work credits between communities that are executed after June 3, 2021, the effective date of D.21-06-013.

Other Funding Sources

Some cities and counties use Rule 20A work credits in conjunction with non- utility funding and various combinations of Rules 20B and 20C.

Cities and counties can generate local, non-utility funding for the Rule 20B or Rule 20C portion of the conversion projects with many of the same tools used to fund other local improvements. These include:

- Assessment Districts
- Developer Contributions
- Development Fees
- Other city or county funds

In addition, individual property owners can be required, by ordinance, to pay certain costs of converting utility lines on private property.

Using Allocated Work Credits

Once the city or county has decided on a project location, they should meet with SCE to determine whether the plan qualifies as a Rule 20A project, and that there are enough work credit allocations to cover the projected cost. SCE will assign a Rule 20A Project Manager⁴ to be the city or county's primary point of contact. The Project Manager will conduct a walk-through to review the proposed Rule 20A project in the field, determine its eligibility under Rule 20A qualifying tariff criteria, and prepare a rough order of magnitude estimate for SCE's scope of work to design and construct a new underground electrical system and remove SCE's existing overhead facilities.

Consultation, Public Hearings and General Enabling Ordinance

In order to initiate/formalize an underground conversion, a city or county must do the following things:

- Consult with SCE and call public hearings to determine whether the removal of poles, overhead wires, and associated overhead structures within a proposed underground utilities district is justified by the general public's interest.
- Adopt an ordinance designating the Underground Utility District (UUD)

⁴ See Appendix E for contact information for Rule 20A Project Managers.

requiring that all existing overhead electrical and communications facilities be removed, and any new future facilities be placed underground.

- Require property owners in the UUD to install in accordance with SCE's rules for underground service, all electrical facility changes necessary to receive service from the new underground system as soon as it is available.
- Authorize SCE to discontinue its overhead service

Creating Underground Utility Districts

Once a city or county has adopted a General Enabling Ordinance, it can proceed with the creation of individual underground utility districts through passage of a resolution. This generally consists of the following steps:

1. City or county to work with utility to develop a project boundary and proposed timeline.
2. The area to be converted is clearly defined by a boundary map.
3. SCE to verify the availability of project work credits.
4. City or county to distribute notices to affected property owners and hold a public hearing.
5. City or County to inform the affected property owners of their responsibilities and how their service conversions will be paid.

The city or county adopts a resolution creating the underground utility district, including setting the date by which property owners must be ready to receive underground utility service and specifying whether it will use Rule 20A work credits to cover the installation of service laterals and any panel conversion work on private property.

Prior to the city or county adopting a resolution, they should work together with participating utilities to develop a project timeline and adopt a resolution two to five years prior to the desired project start date. This should give participating utility companies enough lead time to budget, coordinate, and schedule their work.

Assessment Districts

Pursuant to the 1911 Street Improvement Act, assessment districts may be created by the city or county to pay for city or county costs, such as a city or county-owned street lighting system to be installed in conjunction with a Rule 20A project.

RULE 20A PROJECT MANAGEMENT & CONSTRUCTION

Notifying Participating Utility Companies

A project “kick-off” meeting is recommended to be scheduled by the sponsoring city or county to notify all affected utilities of the proposed undergrounding project and to solicit input that may impact the proposed project’s scope and schedule.

Undergrounding projects take a minimum of two to seven years to complete or longer should unanticipated delays be encountered. Prior to the community adopting a resolution, the community and participating utilities should work together to develop a project timeline. The sponsoring city or county can then prepare and adopt a resolution with the desired completion date. This should provide participating utilities enough lead time to budget, coordinate, and schedule their work. Once the conversion project has cleared the public hearing process and has received formal approval by the city or county, the participating utility companies will again need to be notified. The utilities will need a signed approved copy of the resolution and boundary map and other documents as specified by each individual utility. The project will then enter the electric utility’s queue for Rule 20A projects.

Project Lead

Cities or counties contemplating establishing an undergrounding program, even one limited to Rule 20A electric projects where the costs of the utilities’ work are ultimately borne by ratepayers, should understand that this is ultimately a project sponsored by the city or county. It will require the support of public works and other city or county staff to manage these projects.

While the project sponsor of a Rule 20A project is the city or county, SCE is typically the “lead utility,” meaning SCE will complete its design of a new underground electric system first. This is necessary for SCE to establish an acceptable trench path in the public right-of-way with suitable locations for its larger vaults and manholes needed to house electrical equipment. Once SCE has completed a preliminary design, SCE will forward an electronic copy of its design to the other utilities for each to begin their own designs, using the identified trench path as a joint trench to the extent feasible.

Each utility will be responsible for system design and installation of its own cables, wires, and pad-mounted fixtures for the new underground system. SCE has no authority or contractual arrangement with the affected utilities, as each utility is either governed under its own undergrounding tariff or franchise agreement with the sponsoring city or county. SCE will assist in coordinating the work with the affected utilities but will look to the sponsoring city or county to provide overall direction and coordination of all involved utilities.

Project Phases

Rule 20 underground projects typically have five distinct phases. Projects will vary in duration depending on many factors including size, location, scope of work, complexity, and third-party participation. Projects will take a minimum of two to seven years to complete excluding any project delays. The five phases along with a brief description of activities included within each are provided below:

Planning Phase: (3 to 12 months)

- The Planning Phase includes all activities necessary to deliver a city or county approved project to the affected utilities. Included are the initial qualification and Rough Order of Magnitude (ROM) estimate prepared by the SCE Rule 20 Project Manager, consultation with the affected utilities, formation of the Underground Utility District, and preparation and approval of the Underground Ordinance and/or Resolution.

Design Phase: (6 to 18 months)

- The Design Phase includes all engineering and design work necessary to construct a new underground system and remove existing overhead facilities. Included for SCE are construction drawings for SCE's distribution and telecommunication facilities, as well as sub-transmission facilities if included in the UUD.

Pre-Construction Phase: (6 to 24 months)

- Also called the "Requirements Phase," the Pre-construction phase includes all activities necessary to prepare for the start of construction. Included are SCE obtaining any necessary easements, permits such as those required from the California Department of Transportation, railroads, and local government agencies, as well as any environmental clearances. Also included is a coordinated joint bid process for the civil work (underground duct and structures) to a single contractor for all affected utilities.

Construction Phase: (3 to 18 months)

- The Construction phase includes all construction activities necessary to install a new underground electrical system and place in-service. Included are the civil construction for the installation of underground ducts and structures, electrical construction for the installation of underground cable and all necessary electrical equipment, service laterals on private property including all necessary wiring, and panel conversion work to accept underground service at each electrical meter/panel.

Closing Phase: (6 to 12 months)

- The Closing Phase includes activities necessary to complete and close-out the project. Included are the removal of the existing overhead facilities, updating of SCE's mapping and inventory systems,

determination of final costs and updating of work credit balances, and administrative close-out of SCE's work orders and accounting.

Service Laterals and Panel Conversions

Service Laterals

Service laterals extend from the point of connection on SCE's distribution facilities in the public right-of-way to the service delivery point on each customer's premises. The undergrounding of overhead service laterals is handled under the provisions of the electric utilities' and telephone utilities' tariffs. The Rule 20A tariff allows the city or county to use Rule 20A work credits for the installation of no more than 100 feet of each customer's underground electric service lateral occasioned by the undergrounding.⁵ If this option is chosen by the city or county, it must be stated as part of the resolution or ordinance for the project. SCE's Rule 20 funds will be used to install all necessary wiring from the customer's service panel to SCE's connection point in public right-of-way.

If the city or county does not choose to include service laterals under its work credit funding, the property owner is responsible for the trench and installation of the service conduit from the service panel to the property line.

SCE will restore private property to the condition prior to construction to match existing improvements, including both hardscape and landscape. Any concrete or hardscape removed to accomplish the work shall be replaced to match existing and be restored to existing joints or limits.

Panel Conversions

The city or county may choose to use Rule 20A work credit allocations to replace or modify a customer's electric panel to accept service from the new underground electric system. SCE recommends the city and county sponsoring the project exercise this option to help ensure prompt conversion of each customer's meter panel to accept underground service so that all customers can be energized from the new underground electrical system.

Any modifications required by the city or county in order to clear violations of codes or ordinances are the responsibility of the property owner and will not be paid for from Rule 20A work credit allocations. This includes upgrades from 2-wire to 3-wire service and panel relocations for safety, access, or other purposes.

Encroachment Permits and Rights-of-Way

Undergrounding projects under Rule 20A are not utility-initiated projects. They are initiated by cities or counties. Therefore, the CPUC has opined that while cities and

⁵ See SCE's Rule 20 Tariff available at https://library.sce.com/content/dam/sce-doclib/public/regulatory/tariff/electric/rules/ELECTRIC_RULES_20.pdf

counties may require excavation permits and may require that streets be restored following the conversion work, cities and counties may not charge a fee for such public improvement work nor may the city or county charge inspection or other administrative costs against Rule 20A work credits.

The acquisition of rights that are satisfactory to the utility is a condition of any undergrounding project. Utility franchises, such as those granted pursuant to the Franchise Act of 1937, California Public Utilities Code Sections 6201, et seq. grant utilities the right to install facilities in, along, and under the public right-of-way, i.e., streets, alleys, ways and other public places.

For public interest conversion projects completed under the provisions of Rule 20A, and because the work is requested by the city or county and funded by all ratepayers across SCE's service area, the city or county must provide the encroachment permits and inspections without fee. This is consistent with the CPUC's intent of utility-funded underground conversion (i.e., that each of the parties deriving benefit from underground conversion shares in the costs of that conversion). Cities and counties must also waive any street cut moratoriums and paving restoration that would obligate SCE to do more by way of post-project street repair than simply restoring the project trench or agree to schedule the project after the moratorium has expired. Rule 20A funds may not be used to subsidize public street improvements such as pavement restoration and slurry seal beyond the project trench.

Where utility facilities must be installed, and the public right-of-way is not available, joint utility rights-of-way must be obtained. SCE will prepare the necessary legal documentation including plans and legal descriptions needed to acquire an easement for any facilities on private property and will contact and meet with the affected customers to secure the easement. Should a customer fail to sign the easement documents, SCE will notify the governing agency or jurisdiction for their assistance. In some cases, it will be necessary for SCE to gain the rights-of-way to the "ultimate plan line" of a street from the city or county. This becomes extremely important if the city or county is planning to widen the street.

Although electric utilities cannot pay compensation to property owners for rights-of-way, they may modify construction slightly in order to allay legitimate concerns of property owners. Such modifications commonly include retaining walls surrounding the equipment, or the selection of alternate standard equipment. Additionally, SCE cannot exercise its right of eminent domain to obtain an easement across private property to facilitate a Rule 20 project because this is a city or county, not a utility project, and the customer is already being provided electric service.

Streetlights

SCE will replace its existing SCE owned overhead fed streetlights on wood poles with new concrete "marbelite" streetlights with underground service on its Rule 20A projects. Should the city or county request additional streetlights or choose

ornamental or decorative streetlights, the costs will be invoiced to and paid for by the requesting city or county.

Paving and Restoration Standards

SCE will utilize its paving and restoration standards (Typically a 1 foot “T” grind beyond the excavation limits) necessary for construction of the project. SCE and joint trench participants will replace paving, landscaping, sidewalks, etc. that are removed during construction. Rule 20A funding may not be used for additional restoration costs or street improvements beyond that necessitated by the project.

Whole-lane or gutter-to-gutter repaving, or even lesser techniques such as a grind-and-overlay or slurry seal are not acceptable. This is because the program funding for Rule 20A comes from all utility ratepayers and is not intended to supplement public works projects. SCE guarantees its work and will make any trench or pavement repairs as needed.

To the extent that cities and counties may find even a trench restored to applicable standards aesthetically unappealing, they are encouraged to hold regular utility coordination meetings, in order to better plan repaving projects. These enable the utilities to share with local governments all their project plans for an area, not just Rule 20, and enable the city or county to schedule its own street paving program so that this paving is done after all utility trenching projects have been completed.

Soil Contamination

Soil contamination may be present in any location, although the probability is greater in older, established commercial or industrial areas, redevelopment areas or along major urban thoroughfares. Various types of contaminants may be found, the most prevalent being hydrocarbons perhaps from former or existing gas station sites.

For purposes of a utility undergrounding project, there are only two types of contaminated soil – known and unknown. While both types are problematic, known contamination is far easier to contend with because, as described below, it may be addressed during the project planning phase with no delay or additional cost during later construction.

Addressing soil contamination during the planning phase maximizes the options available and increases the potential for completing the project without undue delay. Some examples of options that would allow the project to proceed include:

- Establish proper precautions for workers and public safety, using the contaminated soil as the trench backfill material.
- Redesign the project to avoid the contaminated area.
- Remediate the contamination prior to the start of construction⁶,

⁶ Remediation is the responsibility of the local government

remediation may be the responsibility of the sponsoring community, the underlying property owner or responsible party.

When contaminated soil is discovered during actual construction, the need to assure worker and public safety may require that the site be closed, and the area tested to determine the nature of the contamination. Even where the contamination proves to be benign (e.g., ethylene from a former gas station site), the resulting delays will increase project costs. More importantly, the prolonged presence of idle construction equipment and trench barricades will disrupt traffic and may cause substantial losses to neighborhood businesses.

Should the project be in an area of known or probable contamination, SCE will perform soil testing along the trench route to rule out any potential contaminated soils prior to the start of construction. By identifying the nature and location of soil contamination sites in advance of construction, a redesign can be considered, and the city or county can plan appropriate actions to protect worker and public safety during construction and possibly use the trench spoil (native soil) as backfill material on the project.

According to the U.S. Environmental Protection Agency, a public utility that temporarily relocates soil within an area of contamination and then re-deposits the soil in the same trench will not be subject to the requirements of the Resource Conservation and Recovery Act, under Title 40 of the Code of Federal Regulations (CFR) parts 239 through 299.

In this scenario, the project will not incur additional costs for remediation and property owners will not suffer additional disruption and loss of business resulting from avoidable delays.

It is important to remember that improvements to public lands or infrastructure, such as activity associated with soil contamination remediation, cannot be funded under CPUC-regulated tariffs. Rule 20A provides that allocated conversion funding be used only for the undergrounding of overhead utility lines. However, this does not preclude the use of such funding to design a project to avoid an area of contamination – even if this means that the underground lines are extended, and the project costs increased.

This caution regarding identifying the nature and location of soil contamination is especially important in the case of a Rule 20B project where conversion costs are often financed with local assessment district bonds. The discovery of contamination well into the project could bring about substantial additional costs along with the inconvenience of trying to arrange for additional financing.

Subsurface Transformer Installations

The pad mount (above-ground) transformer is the electric utility's design standard in California in both residential and non-residential applications. A transformer serving

multiple customers is normally located within the public right-of-way or a utility easement. If a separate transformer installation is required to serve an individual customer, the customer is obligated to provide space on the customer's premises at no cost to the project.

Local public authorities essentially have a choice as to whether SCE can use above-ground equipment on public property or in the public right-of-way provided it is technically feasible to do so. If a public authority requests SCE to install underground equipment on public property or in the public right-of-way and it is technically feasible for SCE to install "standard" above-ground equipment the installations will be considered "other than standard facilities" or Added Facilities. Rule 2 Section H details Added Facilities which allows for the installation of facilities that are in addition to, or in substitution for the standard facilities SCE would normally install, provided the requesting customer bears the incremental cost of such facilities. SCE will invoice the customer for the differential installation and maintenance costs associated with these installations via a one-time added facilities charge.

When a property owner or other applicant requests the installation of a subsurface transformer where a pad mount installation is feasible, the additional costs of the subsurface installation (special facilities) must be borne by the applicant and Rule 20A credits cannot be used (this restriction may not apply with all utilities).

If the pad mount installation is not feasible, due either to space limitations or for engineering reasons, Rule 20A work credits may be used for the subsurface installation.

Charges, where applicable, for the installation of a subsurface transformer include:

- The installed-cost difference between the standard pad mount transformer and the requested subsurface installation
- A one-time cost-of-ownership charge

Environmental Concerns

As with soil contamination issues, environmental issues such as protected and endangered species must be identified as early as possible. It is the responsibility of the city or county to identify these concerns and work with SCE to plan the project to mitigate any environmental consequences. It may be decided that an undergrounding project is not suitable for an area due to these site-specific environmental concerns.

Cultural Resources

Any cultural resource findings in connection with the undergrounding project must be managed and paid for by the city or county. Rule 20A funding and allocations may not be used to fund the excavation, recovery, removal or relocation of cultural, archeological or paleontological resources.

Project Completion

Following completion of a Rule 20A Project, SCE will provide the city or county with a letter of completion including the work credit expenditures for the project and the communities remaining work credit balance. When all work orders associated with the project have been closed, SCE will include the project in its Annual Report of Rule 20 Conversions filed with the CPUC by April 1 of each year. A public version of annual reports will be listed on the SCE Rule 20 website beginning with the 2021 reporting year. Additionally, by April 1 each year, SCE will send a Rule 20 Annual Update to each local government in its service area also beginning with the 2021 reporting year.

Rule 20A work credit balances are charged for SCE's actual expenditures to design and construct a new underground electrical system as well as remove SCE's existing overhead facilities. SCE may use both in-house and contract resources to design and construct the new underground system. In addition to the direct costs of designing and constructing a new underground electrical system, SCE charges other actual indirect costs to the project as an overhead. These overheads include things such as SCE's Administrative and General expenses, Pensions and Benefits associated with SCE's labor, management and supervision, and other support groups that do not charge directly to SCE's projects. These actual overhead costs are "allocated" or distributed to a broader base of SCE's capital and operations and maintenance (O&M) work monthly. Overhead charges may vary between projects completed at different times of the year dependent upon the base of work that is active at that time. In this manner, SCE recovers its actual overhead costs by allocating them to all capital and O&M work, including Rule 20 projects. More detail around SCE's actual overhead allocations can be provided should a customer request project documentation. Local governments or ratepayer advocates may request copies of project related documentation, referenced in D.21-06-013, by completing the Nondisclosure Agreement found in Appendix B.

Project Cost

Rule 20A project costs can vary significantly depending upon the size and length of the project and the number of customers and services included in the project that must be converted to underground service, In addition to the overall scope of the project, the location of the project, soil type and condition, permit conditions and work hour restrictions can also have an impact on the project schedule and costs.

Based on a review of completed Rule 20A projects over the past several years, Rule 20A project costs have ranged from \$600,000 for a small project of just over 1,000 feet, to \$8,500,000 for a larger project of almost 11,000 feet.

While project costs will vary depending upon the amount of available work credit balance and the scope of the project, statistically speaking, the average cost of a Rule 20A project completed in the past several years was \$2,300,000.

Rule 20B

This program enables limited ratepayer subsidies for undergrounding utility lines for projects that do not qualify under Rule 20A and are a minimum of 600 feet or one city block in length. Underground conversion projects carried out under the provision of Rule 20B are funded by both SCE's ratepayers and the applicant requesting the undergrounding. Rule 20B applicants are most frequently developers, but can also be cities and counties, groups of property owners, or individual property owners or customers.

As noted above, Rule 20B projects are partly subsidized by SCE's ratepayers. SCE ratepayers pay for the cost of removing the existing overhead electrical system and constructing an "equivalent" overhead system, which results in a credit against the cost of undergrounding. The equivalent overhead credit is calculated as the estimated cost of designing and constructing a new overhead electrical system. The maximum credit available is not to exceed the cost of the new underground system.

Applicants typically pay SCE an Engineering advance to design the project and estimate the cost to underground. Should the applicant decide to move forward with construction, the applicant pays SCE's invoice for the cost to underground in advance. The advances paid to SCE are non-refundable, and if applicable, may include a tax component called the Federal Income Tax Component of Contribution (ITCC). The ITCC may be waived in cases where the project is paid for by a local government and will require the local government to sign SCE's letter of indemnification.

Under Rule 20B, SCE will replace its existing overhead lines with underground lines along public streets and roads or other locations mutually agreed upon when requested. However, the following conditions must be 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 SCE's rules and that SCE may discontinue its overhead service upon completion of the underground facilities, or
b) Suitable legislation is in effect requiring such necessary wiring changes to be made and authorizing SCE to discontinue its overhead service.
2. The Applicant (city, county, property owners, developer) 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 SCE's specifications, or, in lieu thereof, paid SCE to do so;

- b) Transferred ownership of such facilities, in good condition, to SCE; and
 - c) Paid a nonrefundable sum equal to the excess, if any, of the estimated costs, including transformers, meters, and services, of completing the underground system and building a new equivalent overhead system. The cost of removal of the overhead poles, lines, and facilities are the responsibility of SCE and will be paid by SCE. Such payments shall not operate to reduce Rule 20.A allocations.
3. The area to be undergrounded includes both sides of the street for at least one block or 600 feet, whichever is the lesser.
 4. All existing overhead communication and electric distribution lines within the area will be removed.

Projects Initiated or Managed by a City or County

Local governments typically collect Rule 20B funding from the municipality's general fund or through the formation of a local assessment district. Additionally, certain cities or counties may have programs to collect Rule 20B funding from developers that construct improvements adjacent to the conversion project or within the jurisdiction.

The Rule 20B Program can also be used to complete conversion projects that qualify as eligible under Rule 20A when the city or county does not have adequate work credits to fund the project under Rule 20A. Local governments can also utilize Rule 20B to complete undergrounding projects in neighborhoods that do not qualify for ratepayer funding under the Rule 20A Program. A city or county may wish to convert an area using a combination of Rule 20A and Rule 20B funds to apply to contiguous project areas. Rule 20B funds are normally acquired from the city or county's general fund, through the formation of a local assessment district or from a developer improving property adjacent to the conversion project.

Projects Initiated and Managed by Property Owners

Property owners can initiate Rule 20B projects within their neighborhoods. Rule 20B projects initiated by property owners must meet the same eligibility criteria as conversion projects managed by municipalities. Property owners served by the overhead facilities to be converted can either form an assessment district or enter into agreements with the involved utilities to fund the Rule 20B project.

Rule 20B Conversion by Assessment District

Most underground utility assessment districts are formed at the request of local property owners. Assessment districts can be used to fund Rule 20B conversion projects. California law provides for the use of assessment districts to convert existing overhead electric and communication facilities to underground. Formation of an assessment district adds to the costs for affected property owners but may be necessary if there is no unanimous agreement for the project among affected property owners.

Conversions Required by Public Agencies

Governmental/public agencies can require undergrounding as a condition of granting permits, such as in subdivisions, building or development permits. Some local governments require underground construction of new facilities or the installation of conduit to ultimately install underground facilities from SCE's distribution system to the customer's service delivery point.

Developer Contributions

In most cities and counties, the development of private property triggers some form of contribution from the developer for related street improvements.

In cities and counties that experience high rates of growth, Rule 20A work credits may not be adequate to keep pace with construction activity. In this situation, some cities or counties have required the developer to contribute a substantial portion of the actual conversion costs or pay for the undergrounding of existing overhead facilities as a condition of the development, even when the overhead utility lines are located on the street side opposite the development.

Development Fees

Some cities and counties have adopted underground conversion fees that apply to new developments in much the same manner as park fees and street improvement fees. Keep in mind that a fee-supported plan should include:

- The manner in which conversion fees are to be collected
- The purpose for which fees may be used by the city or county

The creation of a revolving fund is generally an integral part of any conversion fee program to provide a funding pool into which fees can be deposited and conversion project costs withdrawn.

The adoption of a conversion fee program often raises sensitive issues that can only be addressed at the local level. For instance, the community will need to decide whether the collection of conversion fees is triggered solely by new construction or includes the rehabilitation or expansion of existing properties.

Schedule

The schedule for a typical Rule 20B project is generally shorter than a Rule 20A project due primarily to a smaller scope of work. While a new tract may approach a small to medium Rule 20A project in terms of scope and size, the typical developer driven Rule 20B is smaller in size and scope, and therefore a lesser schedule duration. Most Rule 20B projects can be completed in less than two years with the exception of larger Assessment District projects that involve an Engineering Assessment phase as well as a vote by the affected property owners.

There are two major differences in design and construction of a Rule 20B project that can also impact the schedule duration. The first is the customer's decision and approval to move forward with the project. Customers typically use SCE's "bid price" after design has been completed to determine the projects economic viability. Changes in the economy can also impact a customer's decision to move forward, with projects sometimes being deferred for several years until economic conditions improve before SCE is notified to move forward. A second difference is the customer's option to perform the trenching, duct and structure installations and provide those facilities to SCE. Both of these differences give the customer control of the schedule and can impact the overall project timeline.

Project Cost

Rule 20B project costs can also vary significantly depending upon the size and length of the project and the number of customers and services included in the project that must be converted to underground service, In addition to the overall scope of the project, the location of the project, soil type and condition, permit conditions and work hour restrictions can also have an impact on the project schedule and costs.

Based on a review of completed Rule 20B projects over the past several years, costs range from \$250,000 to \$1,700,000, with the average Rule 20B project completed for approximately \$570,000. These costs do not include the service laterals on private property and any modifications needed to meter panels to accept underground service as this work is performed by others. Costs will be considerably higher for an Assessment District project that may contain several hundred customers and properties.

RULE 20C

This underground conversion program includes any conversion of existing overhead facilities with underground facilities requested by an applicant, that does not fulfill the requirements of either a 20A or 20B. The cost for a rule 20C conversion is borne solely by the applicant.

Under Rule 20C, SCE will replace its existing overhead lines with underground lines along public streets and roads or other locations mutually agreed upon when requested. SCE is responsible to provide the design which includes all engineering and design work necessary to construct a new underground system and remove existing overhead facilities.

1. The Applicant (property owners, developer) shall:
 - a) Furnish 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 SCE's specifications, or, in lieu thereof, paid SCE to do so;
 - b) Transferred ownership of such facilities, in good condition, to SCE; and the applicant(s) provides advance, nonrefundable payment for the estimated cost of the conversion project, minus a ratepayer-funded credit for the estimated net salvage value and depreciation of the overhead facilities to be replaced. Underground services will be installed and maintained as provided in SCE's applicable rules.

Schedule

The schedule for a typical Rule 20C project is generally shorter than a Rule 20B project due to a smaller scope of work. Most Rule 20C projects can be completed in less than 12 months. The customer's decision to move forward with a Rule 20C project after design has been completed and contracts drawn can also impact the overall schedule.

Project Cost

Rule 20C project costs can also vary depending upon the size and length of the project. Based on a review of completed Rule 20C projects over the past several years, costs range from \$25,000 to over \$1,000,000 with the average Rule 20C project completed for approximately \$250,000.

Appendix A: SCE General Conditions Policy



Rule20A General Conditions

General Conditions:

SCE will, at its expense, replace its existing overhead electric facilities with underground electric facilities as outlined in the Rule 20 Tariff. To ensure the success of this program, this policy document further defines the responsibilities of SCE and the sponsoring governmental agency (applicant) as follows:

Responsibilities of SCE:

1. Provide initial project assessment including qualification under Rule 20A, suggestions as to cost-effective use of 20A allocations and possible exemptions for poles that are not cost-effective to underground.
2. Provide a Rough Order of Magnitude (ROM) estimate for the undergrounding of SCE's facilities and a preliminary schedule based on an analysis of available allocations.
3. Provide consultation to the Applicant to establish or modify the project boundary map for SCE's operational benefits and if necessary to improve wheelchair access adjacent to SCE's facilities, and to facilitate approval of the project resolution or ordinance.
4. After approval and formation of the Underground Utility District (UUD) and, as requested by the Applicant, meet at least once every other month with the Applicant to discuss project status and progress.
5. Initiate and complete SCE's preliminary design identifying SCE's trench route and location of structures.
6. Provide an electronic copy (CADD) of SCE's preliminary design to the Applicant for distribution to the joint utilities.
7. Identify locations that require an easement for the placement of SCE's facilities on private property.
8. Prepare necessary easement documents, make initial contact with affected property owners, and make reasonable efforts to secure the necessary easements. If SCE cannot obtain easements, SCE will solicit the Applicant's assistance to do so.
9. Replace existing SCE-owned overhead fed streetlights with new underground fed marbelite streetlights within the UUD.
10. Provide approved Storm Water Pollution Prevention Plans (SWPPP) where required.
11. Provide temporary traffic control consistent with the California Joint Utility Traffic Control Manual.

12. Provide overall coordination of the bid process for the civil portion of the project (underground ducts and structures) for affected joint utilities. After installation and completion of the ducts and structures, each utility is solely responsible for its cabling and overhead removal.
13. Upon request of the Applicant, SCE may use Rule 20 allocations for the installation of no more than 100 feet of each customer's underground electric service lateral and for the conversion of electric service panels to accept underground service, excluding permit fees.
14. Provide necessary materials and construction to complete the new underground electrical system.
15. Provide proper notification to affected customers when electrical outages are necessary to complete conversion to the new underground electrical system and when access is needed to private property.
16. Upon completion of SCE's underground system, remove SCE's existing overhead electrical facilities within the UUD in accordance with the Joint Pole Agreement.
17. Provide the Applicant with an updated schedule when the project is anticipated to experience a delay of three or more months.
18. Provide the Applicant with a revised project estimate when costs are anticipated to exceed the estimate by 10% or more.
19. Provide the Applicant with a "Letter of Completion" after removal of SCE's overhead facilities to document completion of the new underground system and to report on the estimated cost at completion.

Responsibilities of the Applicant:

1. Consult with SCE to confirm the requirements and location of the project.
2. Once the project's boundary has been determined, identify and notify all utilities within the proposed project's boundary.
3. Provide an approved resolution or ordinance forming a UUD and a boundary map as required by SCE's Tariff Rule 20.
4. Notify each property owner and affected utility in writing of the conversion with a copy of the adopted resolution/ordinance and boundary map.
5. Provide any studies or information if available regarding known environmental, biological, geological and or cultural areas within the approved UUD, including recent pot holing/core samplings and soils/paving information from recently completed projects.
6. Provide overall coordination of all utilities involved in the project, including project scheduling and status meetings and ensure each utility performs its required agreed-upon scope of work.
7. The applicant may provide SCE with the locations of all known utilities within the project boundary including : boundary, roads, future road improvements, sidewalks, curbs, property lines, buildings, existing water and sewer, easements, and any other known utilities or obstacles. The Applicant may also opt to provide SCE with complete base maps including all utilities. If no base map information is provided, SCE will perform its own research and lookups and complete the necessary basemaps.
8. Although SCE will prepare all necessary easement documents and meet with the affected property owners in person to secure easements, the applicant will assist in the process as needed and meet with the property owners to help secure the easements.

9. Review, comment upon, and approve SCE's design plans, street light authorization form, and traffic control plans within 30 days of receipt from SCE.
10. Manage and pay all costs associated with the remediation of contaminated soils and cultural resource findings. Rule 20A funding may not be used for environmental remediation costs.
11. Stake and survey for any associated future grade changes.
12. If available, provide SCE or SCE's contractor with an acceptable construction yard for material and equipment laydown.
13. Limit the paving and restoration requirements to SCE's standard excavation and restoration (APWA Standard 133-2) necessary for construction of the project. SCE and joint trench participants will replace paving, landscaping, sidewalks, etc. that are removed during construction. Rule 20A funding may not be used for additional restoration costs or street improvements beyond that necessitated by the project.
14. Waive pavement moratorium requirements or pay for additional costs above SCE's standard for pavement and restoration.
15. Should applicant require any additional traffic control planning beyond that which SCE provides (per California Joint Utility Traffic Control Manual), Applicant will prepare or pay to prepare such a plan.
16. Pay for the installation of any additional streetlights or decorative streetlights requested by the Applicant in accordance with SCE's Street Light Agreement.
17. Remove Applicant-owned streetlights attached to utility poles and located within the UUD at Applicant expense.
18. Minimize work hour restrictions for construction, including holiday and/or special construction limitations.
19. Waive all permit fees and other incidental project specific costs, including, but not limited to, inspection, parking charges, rental cost of Applicant properties and lost revenues.
20. Guarantee to authorize SCE to proceed with the conversion of a minimum 600 feet of existing continuous overhead electrical facilities to underground facilities within the area of the approved UUD. This is the minimum length of undergrounding that can be constructed and capitalized under SCE's Rule 20A tariff, allowing SCE to recover its investment from its ratepayers. Once approved by SCE, a Rule 20A project may not be cancelled by the applicant.

Appendix B: Nondisclosure Agreement

{SCE Note (to be deleted prior to Agreement execution): if Documents associated with a Rule 20 Project includes personally identifiable information, NERC CIP data, critical energy infrastructure information or other highly sensitive information, as determined by SCE, Recipient must be processed through SCE's cyber and information governance review prior to submitting its Rule 20 Project Request, and SCE's Rule 20 Nondisclosure Agreement will be revised to include the appropriate terms and conditions}

RULE 20 NONDISCLOSURE AGREEMENT

This Rule 20 Nondisclosure Agreement ("Agreement") dated as of _____, (the "Effective Date") is entered into between Southern California Edison Company, a California corporation ("SCE"), _____, a _____, and _____ ("Recipient"). SCE and Recipient are sometimes referred to herein individually as a "Party" and collectively as the "Parties."

RECITALS

- A. SCE Tariff Rule 20, Replacement of Overhead with Underground Electric Facilities ("Rule 20"), sets forth requirements for certain projects ("Rule 20 Projects").
- B. California Public Utilities Commission ("Commission" or "CPUC") D.21-06-013, Ordering Paragraph ("OP") 16, requires SCE to provide any local government or ratepayer advocate, within thirty (30) days of a written request that encloses a signed Rule 20 Nondisclosure Agreement, the Documents related to such Rule 20 Project(s) identified by such entity in its written request.
- C. Pursuant to D.21-06-013, OP 16, Recipient would like to obtain Documents from SCE regarding the following Rule 20 Project(s), located at _____ ("Rule 20 Project Request").
- D. SCE desires that any Confidential Information (as defined below) that may be provided by it or on its behalf to Recipient or its respective Authorized Parties (as defined below) will be kept confidential by Recipient and its Authorized Parties. NOW, THEREFORE, in consideration of these recitals and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Certain Defined Terms. For purposes of this Agreement, the following terms shall have the following meanings:

a) "Authorized Parties" means the officers, directors, employees, legal counsel, or accountants, of Recipient.

b) "Confidential Information" means all Documents associated with a Rule 20 Project, all written or recorded or oral information, data, analyses, documents, and materials furnished or made available by SCE or its Representatives to the Recipient or its Authorized Parties in connection with this Agreement, and any and all analyses, compilations, studies, documents, or other material prepared by the Recipient or its Authorized Parties to the extent containing or based upon SCE's Confidential Information. Confidential Information does not include information, data, analyses, documents, or materials that (i) are when furnished, or thereafter become, available to the public other than as a result of a disclosure by Recipient or its Authorized Parties, or (ii) are already in the possession of or become available to Recipient or its Authorized Parties on a nonconfidential basis from a source other than SCE or its Representatives, provided that, to the best knowledge of Recipient or its Authorized Parties, as the case may be, such source is not and was not bound by an obligation of confidentiality to SCE or its Authorized Parties, or (iii) Recipient or its Authorized Parties can demonstrate has been independently developed without a violation of this Agreement.

c) "Documents" mean, with respect to a Rule 20 Project, only the following information: (1) project bids, (2) purchase orders, (3) contracts, (4) invoices, (5) payments, and (6) calculations of overhead costs and any other charges for SCE's work on such Rule 20 Project by line item.

d) "Representatives" means the officers, directors, employees, legal counsel, accountants, advisors, or other agents of a Party, or any of a Party's affiliates.

ARTICLE 2

CONFIDENTIALITY

Section 2.1 Confidentiality Obligations. Except as otherwise expressly agreed in writing by SCE, and except as otherwise agreed in Section 2.2 below, Recipient shall, and shall cause its Authorized Parties to, for a period of four (5) years from receipt of the Confidential Information, (A) keep strictly confidential and take necessary precautions and implement all requisite procedures and practices to protect against the disclosure of all Confidential Information, and (B) use all Confidential Information solely for the purposes of evaluating the Project and not for any other purpose. Notwithstanding anything contained herein to the contrary, Recipient may disclose Confidential Information to those of its Authorized Parties who have a strict need to know the information for the purposes of directly evaluating the Rule 20 Project if, prior to being given access to Confidential Information, those Authorized Parties are informed of the information's confidential nature and the requirements of this Agreement, and are directed to comply with the requirements of this Agreement, and Recipient uses reasonable efforts to prevent or limit the disclosure of Confidential Information by such Authorized Representative. Recipient and its Authorized Representatives who receive Confidential Information in accordance with this Section (Recipient together with such Authorized Representative, the "Receiving Party") shall each hold Confidential Information in confidence with at least the same degree of care with which it protects its own confidential and proprietary information. Recipient will be responsible for any breach of the Agreement by its Authorized Parties.

Section 2.2 Legal Compulsion; Duty to Seek Protection. If the Receiving Party is required by law or regulatory authority or otherwise becomes legally compelled (by oral questions, interrogatories, discovery or data requests, subpoena, or similar legal process) to disclose Confidential Information, the Receiving Party will provide SCE with prompt notice so that SCE may seek (with the Receiving Party's reasonable cooperation, if requested by SCE) a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained, or that SCE waives compliance with the provisions of this Section 2.2, the Receiving Party will furnish only that portion of the Confidential Information which is legally required and will exercise its reasonable efforts to obtain assurance that Confidential Information will be treated as confidential. Notwithstanding the foregoing, if Recipient is a public entity subject to the California Public Records Act (California Government Code Section 6250 et seq.) ("CPRA"), Recipient acknowledges that SCE may submit information to Recipient that SCE considers confidential, proprietary, or trade secret information pursuant the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the CPRA, and: (1) Recipient shall provide Notice to SCE of any disclosures required in accordance with the CPRA, (2) Recipient shall redact all Confidential Information, that is protected from disclosure pursuant to an exemption to the CPRA, contained within any disclosed documents prior to any such disclosure, and (3) Recipient shall afford SCE a reasonable opportunity to review such redactions and propose additional redactions.

Section 2.3 Ownership and Return of Information. All Confidential Information shall be and remain the property of SCE. Nothing in this Agreement shall be construed as granting any rights in or to Confidential Information to the Receiving Party, except the right of review and use in accordance with the terms of this Agreement. Upon written request by SCE, the Receiving Party shall destroy or return to SCE all of SCE's Confidential Information; except the Receiving Party shall be entitled to keep anything that may be stored in back up media or other electronic data storage systems, latent data and metadata. The return, destruction or permitted retention of any Confidential Information shall not release the Receiving Party from its obligations under this Agreement.

Section 2.4 No Representation or Warranty. SCE makes no representation nor any warranty as to the accuracy or completeness of any Confidential Information in connection with this Agreement, except as otherwise agreed to in writing. SCE nor its Representatives shall have any liability relating to or arising from the Receiving Party's use of or reliance upon Confidential Information in connection with this Agreement.

ARTICLE 3 **MISCELLANEOUS**

Section 3.1 Enforcement. The Parties agree that irreparable damage would occur if this Agreement were not performed in accordance with its terms or were otherwise breached. Accordingly, SCE may be entitled to seek an injunction or injunctions to prevent breaches, potential breaches, or threatened breaches of this

Agreement and to enforce specifically its provisions in any court of competent jurisdiction, in addition to any other remedy to which SCE may be entitled by law or equity, without posting of bond or other security and without proof of damages. The failure of SCE to enforce at any time any of the provisions of the Agreement or to require at any time performance by Recipient of any of such provisions, shall in no way be construed as a waiver of such provision or a relinquishment of the right thereafter to enforce such provision.

Section 3.2 Entire Agreement. This Agreement constitutes the entire understanding of the Parties with respect to the subject matter hereof.

Section 3.3 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, the remaining provisions shall remain in full force and effect so long as the economic and legal substance of this Agreement are not affected in a manner materially adverse to either Party.

Section 3.4 Headings and Interpretation. Descriptive headings are for convenience only and will not control or affect the meaning or construction of any provision of this Agreement. This Agreement shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties hereto. This Agreement shall be construed as if each Party was its author and each Party hereby adopts the language of this Agreement as if it were its own.

Section 3.5 Counterparts and Electronic Signatures. This Agreement may be executed in one (1) or more counterparts, each such executed counterpart being an original instrument but together constituting one (1) agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission or by other electronic means shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or by other electronic means shall be deemed to be their original signatures for all purposes.

Section 3.6 Notices. Any communications required or permitted pursuant to this Agreement shall be deemed to have been given (a) on the second business day after being deposited in the U.S. mail, registered or certified and with proper postage prepaid, (b) on the first business day after being deposited with FedEx or other recognized overnight courier service with proper fees prepaid, or (c) on the business day on which it is sent by confirmed facsimile or electronic mail with a copy sent by another means specified in this Section:

if to SCE:

Southern California Edison
Company 2244 Walnut Grove
Avenue Rosemead, California
91770 Attention:
Email:

if to Recipient:

[Recipient INFORMATION FOR NOTICES]

or to such other address or fax number as either Party may, from time to time, designate in a written notice given in a like manner.

Section 3.7 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and assigns. Rights and obligations under this Agreement shall not be assignable by either Party or their successors or assigns without the prior written consent of the other Party. This Agreement is not intended to confer any rights or remedies upon any other Persons other than the Parties.

Section 3.8 Governing Law and Venue. This Agreement will be governed by and construed and enforced in accordance with the internal laws of the State of California, without giving effect to the conflict of law principles thereof. The Parties agree to submit all disputes arising out of or relating to this Agreement to the state or federal courts located in Los Angeles, California, and waive any and all objections to the right of such courts to grant such relief, including without limitation objections of improper jurisdiction or venue or forum non conveniens.

Section 3.9 Amendment and Waiver. This Agreement may only be amended by a writing signed by both Parties. Any waiver of the requirements and provisions of this Agreement must be in a writing signed by the Party waiving its rights hereunder. The failure of either Party to enforce at any time any of the provisions of this Agreement or to require at any time performance by the other Party of any of such provisions shall in no way be construed as a waiver of such provision or a relinquishment of the right to enforce such provision thereafter.

Section 3.10 No Waiver of Privileges. Nothing in this Agreement is intended to waive any attorney-client, work-product, or other privilege applicable to any statement, document, communication or other material of a Party or the Parties.

Section 3.11 Term. This Agreement is effective as of the Effective Date. Either Party may terminate this Agreement for any reason or no reason, with or without cause, by providing thirty (30) days prior written notice to the other of its intention to terminate; provided, however, that the terms of this Agreement remain applicable to any Confidential Information for the term set forth in Section 2.1 and, notwithstanding expiration of the term set forth in Section 2.1, neither Party may use the other Party's name for marketing purposes without the other Party's prior written consent.

Section 3.12 No Agency. Nothing in this Agreement shall be construed to render either Party an agent, employee, representative, joint venturer or partner of the other Party.

Section 3.13 Complete Agreement. This Agreement fully expresses the Parties' agreement concerning the subject matter hereof and supersedes any prior agreements or understandings regarding the same subject matter.

Section 3.14 Authority. The signatories hereto represent that they have been duly authorized to enter into this Agreement on behalf of the Party for whom they sign.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective duly authorized representative as of the Effective Date.

[RECIPIENT NAME],
a [formation]

**SOUTHERN CALIFORNIA EDISON
COMPANY,**
a California corporation.

By:

By:

Name

Name

: Title:

:

Title:

Date:

Date:

Appendix C: Planning Tips for Cities and Counties

This Appendix defines recommended means for cities and counties to plan for underground conversion projects. This includes a Conversion Master Plan, Conversion Planning Committee, and a Utilities Conversion Plan.

The undergrounding of all the overhead lines in a city or county will take many years to complete. During this time, the utility companies need to be active partners with the city or county.

Utilities can sometimes take steps to reduce future conversion costs by making alternative arrangements for the reinforcement of overhead lines in areas earmarked for underground conversion or by performing the undergrounding work in conjunction with some other city or county infrastructure project. To take maximum advantage of these opportunities, each city or county should consider establishing a Conversion Planning Committee.

Conversion Master Plan

The Conversion Master Plan is used as means of laying out a long-term vision and building consensus among city or county leaders, business owners and citizens.

Many cities and counties use a developer fee program to support underground conversion activities. (See Government Code Sections 66000, et seq.) In such cases a Conversion Master Plan would normally be considered a prerequisite to the adoption of such a program.

A Conversion Master Plan should include:

- A statement of objectives
- The way priorities are to be set for conversion projects
- A map showing all currently proposed conversion projects (updated regularly)
- A ranking of project priorities
- Basic information about each project, including the purpose of each project

Project-specific information should include such basics as:

- The measured length of the project
- The approximate project costs based on periodically updated unit costs for

- a similar, recently completed project
- The extent to which the project would include portions of intersecting streets

The Master Plan will not be realistic if it attempts to precisely define the timetable for each conversion project. This should be included in the “Utilities Conversion Plan” detailed later in this section. However, sharing the city or county’s basic project information with the utility companies will help facilitate the exchange of critical planning information between the utilities and city or county planners.

Conversion Planning Committee

This Committee is comprised of representatives from the city or county and the utility companies. Its primary function is to identify and prioritize projects in the Utilities Conversion Plan (next section). The Committee also plays an important role in identifying projects that qualify for funding under the utility companies’ tariffs.

The Committee’s first task would be to develop the Conversion Master Plan which identifies and prioritizes potential projects for underground conversion. These conversion projects would be within a program that incorporates the availability of funds and the utility companies’ capability to perform their necessary tasks. A well-rounded conversion planning committee should include:

- City or county staff (e.g., planners, engineers, finance department, economic development representatives)
- Elected and/or appointed officials (e.g., council members, planning commissioners, design review)
- Utility representatives, including electric, telephone, and cable company representatives

The utility representative on the Conversion Planning Committee can play an important role in helping to identify projects that qualify for utility funding and the current status of such funding. Moreover, the utility companies periodically revise their labor and material costs, and the utility representatives would play an important role in helping the committee update the Conversion Master Plan.

Utilities Conversion Plan

To begin a Rule 20 conversion process, every city or county is encouraged to develop a “Utilities Conversion Plan” covering at least a five-year period.

This is a short-range plan for use in assigning conversion priorities, cost estimates, and project schedules based on a cities or county’s current planning assumptions.

The Conversion Planning Committee should be tasked with directing a city or county’s Utilities Conversion Plan and recommending flexible project timetables.

Over time, a well-functioning Committee will help to assure the logical progression of conversion projects and be instrumental in minimizing construction delays and maximize the use of conversion funds.

A Utilities Conversion Plan should include a set of objectives, project priorities, and rough cost information, flexible for each project and based on sound planning assumptions. Since utility conversions are often triggered by other improvement activities (such as street widening or storm drain replacement), a Utilities Conversion Plan will be extremely useful to a city or county when trying to accurately budget the total costs of an improvement project which includes underground conversion. Such a plan is best developed through the collaborative efforts of a Conversion Planning Committee.

Appendix D: Project Prioritization and Coordination

This section describes the management and coordination of a specific conversion project.

- Establishing a Project Coordinating Committee
- Project Walk-Through
- Contacting Property Owners
- Neighborhood Meetings

Well managed conversion projects reflect a high degree of interaction and involvement among the key participants. Because project delays are costly, participants should be able to quickly address issues as they arise.

The Project Coordinating Committee

A local conversion program can benefit from the guidance and oversight of a Project Coordinating Committee. This Committee is the core group representing individual project participants who are responsible for planning and managing a specific conversion project. At minimum, the committee should be made up of:

- A representative of each of the participating utilities (electric, telecommunications, cable television)
- The city or county's engineering, planning, and inspection staff
- The engineer and contractor for any developers responsible for project-related improvements

Some Project Coordinating Committee members may also be members of the Conversion Planning Committee referenced earlier. However, that Committee is responsible for a broader role – focusing on budgeting and prioritizing a variety of conversion projects. The Project Coordinating Committee is tasked with the specific conversion project at hand.

Often, a city or county will designate a staff member from the planning department to serve as secretary to the Project Coordinating Committee. The secretary will mobilize the committee, as necessary, and assure the adequacy of its staffing. Successful projects benefit from input provided by all members of the Project Coordinating Committee.

Project Walk-Through

Once the Project Coordinating Committee has reached consensus on the areas to be converted, there should be a detailed walk-through for the purpose of:

- Ensuring that the project qualifies as a Rule 20 project
- Establishing boundaries for the proposed underground utilities district
- Identifying suitable utility “riser pole” locations (the points at which the new underground systems connect to the utilities’ overhead systems)
- Discussing proposed and existing public improvements and their impacts
- Identifying right-of-way requirements
- Exploring alternative joint trench alignments
- Considering the impact of using Rule 20A funds for the installation of underground service lateral conversions and electric panel conversions
- Project funding alternatives

Early Contact with Property Owners

The importance of establishing an early dialogue with property owners and tenants affected by a proposed conversion project cannot be overstated. Both the Project Coordinating Committee and the city or county must anticipate that there will be property owners and tenants who will resist, perhaps vigorously, a conversion project for one or more of the following reasons:

- Paying for any share of the costs of converting overhead service facilities to underground
- Disturbances to landscaping or other private property due to the installation of underground utilities
- Temporary disruption of utility service during project construction
- Granting rights-of-way or having property encumbered by pad-mounted transformers or other equipment

Therefore, to lay a foundation for a conversion project, it is important to make certain that the city or county’s General Plan includes provisions for the underground conversion of overhead lines.

It’s also important that the project be identified in the city or county’s Utilities Conversion Plan (and the Conversion Master Plan if one exists) and that elected and appointed officials are represented on the Conversion Planning Committee. This will help the city or county’s governing body understand the underground conversion policy, the proposed project, and any possible neighborhood or business objections.

Neighborhood Meetings

Neighborhood information meetings, held by members of the Project Coordinating Committee, will help inform property owners and address their concerns. This should be done well in advance of the city or county being requested to formally create an underground utilities district. At a neighborhood information meeting, representatives of the participating utility companies and city or county officials can provide information and answer questions regarding:

- The scope and benefits of the proposed project
- The anticipated construction schedules
- The roles of the utility companies and the city or county
- Property owner impacts, including a range of costs
- City or county policy and regulations regarding conversion projects

The meeting should be held at a convenient time and location. Sufficient notice should be given to encourage attendance.

Prior to holding the neighborhood meeting, the committee should determine the extent to which the city or county proposes to designate the use of Rule 20A funds for the installation of underground service and be prepared to share this information with the property owners.

Appendix E: Electric Rule 20 Contact Information

Contact Information for Rule 20A Sub-Program and *Rule 20B Assessment Districts*****

If you are planning a project that requires undergrounding of overhead power lines and the project qualifies as a Rule 20A project, use the link below to find the applicable Project Manager's contact information.

Link to Project Manager Contact List: [Rule 20A Project Manager Contacts](#)

Contact Information for 20B & C Sub-Programs

If you are planning a project that requires undergrounding of overhead power lines and the project qualifies as a Rule 20B or Rule 20C project, use the link below to SCE's Electrical Services Requirements document to find the applicable Service Planning Office.

Link to Electrical Service Requirements: [Electrical Service Requirements \(ESR\)](#)

⁷To identify the Service Center Planning Office associated with each city use Table 1-2, the Service Center Planning Directory. Once the Service Center Planning Office is identified, see Table 1-1 for the Service Planning Office's location and telephone numbers.

Appendix F: Links to Electric Rule 20 Webpages

Website Owner	Webpage
Southern California Edison	SCE Rule 20 UG Conversions
California Public Utilities Commission(CPUC)	CPUC Undergrounding Programs Description