UTILITY RATE SCHEDULE EDF-1

A. APPLICABILITY:

This <u>R</u>rate <u>S</u>schedule applies to <u>C</u>eustomer <u>A</u>accounts established prior to September 18, 2006, unless the <u>C</u>eustomer elects to apply the EDF-3 rate to the entire <u>C</u>eustomer <u>A</u>account. This <u>R</u>rate <u>S</u>chedule applies to Fiber Optic <u>Services Service</u> from the City of Palo Alto Utilities (CPAU) pertaining to the City's <u>network Dark Fiber Infrastructure</u> and Fiber Optic (Backbone, and associated connections).

B. TERRITORY:

All territory wWithin 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	\$432.32453.50/FMfiber
mile/month	
(2) Quantity discount	\$0 to \$59.84/ <u>fiber</u>
mile FM/month	
(3) Buffer tube discount	\$0 to \$59.84/ <u>fiber</u>
mile FM/month	
(4) Route length discount	\$0 to \$77.80/ <u>fiber</u>
mile FM/month	
(5) Ring topology discount	\$0 to \$23.94/ <u>fiber</u>
mile FM/month	
(6) Length of term discount	\$0 to \$46.80/ <u>fiber</u>
mile FM/month	

Minimum Backbone License Fee \$685.90653.86/month

Project Minimum Backbone <u>License</u> Fees apply to any project proposal signed after September 18, 2006 in which the project connects with the <u>Fiber Optic</u> 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 <u>eustomers Customers</u> contracting for complete rings.

Term discount: based on an array of discounts for <u>contracts-Dark Optical Fiber Backbone License</u>

Agreement greater than one and less than ten years.

2. DARK FIBER LATERAL CONNECTION FEES:

CITY OF PALO ALTO UTILITIES



UTILITY RATE SCHEDULE EDF-1

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	0.03-		
\$0.0 <u>9</u> 8/ft/month			
(2) Custom Cable Management Fees (for the first 12-Fibers)	\$0.4 <u>4</u> 2/ft/month		
(3) Fees for additional Drop or Custom Cable fibers (each additional set of 12-Fibers) .	\$0.0 <u>9</u> 8/ft/month		
Minimum Duon on Custom Cohla Managament Face	9 01222 09/m anth		
Minimum Drop or Custom Cable Management Fees			

CITY OF PALO ALTO UTILITIES



UTILITY RATE SCHEDULE EDF-1

3. EARLY TERMINATION FEES:

If the Licensee chooses to terminate for convenience the <u>Dark Fiber Licensinge</u> Agreement (<u>License Agreement</u>) 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 in accordance with the terms of the Dark Fiber Licensinge Agreement, the eCustomer's project proposals and all the applicable Utilities Rates, Rules, and Regulations.
- 2. All fees and minimum charges are subject to Consumer Price Index (CPI) adjustments, to be applied annually, except as defined by Section D.3 of this Rate Schedule. Discounts will not be modified by changes to CPI.
- 3. The CPI adjustment will be based on the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-San Jose Hayward MSA, published by the U.S. Department of Labor, Bureau of Labor Statistics. The adjustment is calculated by dividing the most recent calendar year's December CPI by the December CPI in the year rates last changed. In the event that the change between December CPI's indicates an adjustment of less than 1% is required, a change to rate schedulechanges may not be made for the upcoming year. Future rate changes will take the last year of change as the new base year for purposes of calculation.

{End}

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DARK FIBER SERVICE CONNECTION FEES

UTILITY RATE SCHEDULE EDF-2

A. APPLICABILITY:

This <u>Rate S</u>schedule applies to all connections, expansions, and upgrades to the City's Dark Fiber <u>Infrastructure and network (Fiber Optic Backbone)</u>.

B. TERRITORY:

All territory within the incorporated limits of the City of Palo Alto and land owned or leased by the City.

C. FEES:

1. ADVANCE ENGINEERING FEES:

Advance engineering (AER) fees must be paid to start the engineering process and are non-refundable. The fees will be credited against the estimated project cost prior to the collection of the project construction fees.

(1) Commercial/Industrial AER minimum fee \$108332.00 (2) Special conditions (requiring expert assessment) By Estimate

2. ESTIMATED SERVICE CONNECTION AND RECONFIGURATION FEES

All estimated <u>Service</u> connection and reconfiguration fees must be paid prior to the scheduling of any construction or reconnections to the City's Dark Fiber <u>Infrastructure and Fiber Optic Backbonenetwork.</u>

(1) Service connection (Interconnection) feeBy Estimate(2) Reconfiguration FeesBy Estimate

Labor rates are subject to change as stated in the Utility Rate Schedule C-1.

D. NOTES:

- 1. The Customer is responsible for the installation and maintenance of all ducts and pathways from the facility to the property line in compliance with City of Palo Alto Utilities Rules and Regulations and contract agreements.
- 2. The City shall not be held liable for delays or interruptions in service, but will make reasonable efforts to provide timely continuous Service.
- 3.—All fees are subject to Consumer Price Index (CPI) adjustments, to be applied annually. The CPI adjustment will be based on the Consumer Price Index for All Urban Consumers (CPI-U) for the San Francisco-Oakland-San JoseHayward MSA, published by the U.S. Department of Labor, Bureau of Labor Statistics. The adjustment is calculated by dividing the most recent calendar year's December CPI by the December CPI in the year rates last changed. In the event that the change between December CPI's indicates an adjustment of less than 1% is required, a rate change to rate schedules may not be made for the upcoming year. Future rate changes will take the last year of change as the new base year for purposes of calculation.
- **3.** {*End*}

CITY OF PALO ALTO UTILITIES



UTILITY RATE SCHEDULE EDF-3

A. APPLICABILITY:

This Reate Sechedule applies to all Ceustomer Accounts created after September 18, 2006 and also may be elected at any time by Ceustomers with Dark Optical Fiber Backbone Licenseing Agreements in effect existing prior to that date September 18, 2006. This Reate Sechedule applies to Fiber Optic Services from the City of Palo Alto Utilities (CPAU) pertaining to the City's Dark Fiber Infrastructure and Fiber Optic network (Backbone and associated connections).

B. TERRITORY:

All territory wWithin 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) Price for first fiber on public agency project routes may range between..... \$213-\$362/<u>fiber</u> mile/month
- (2) Price for first fiber on non-public agency project routes may range between....—\$250-\$425/<u>fiber</u> mile/month

2. DROP AND CUSTOM CABLE MANAGEMENT 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 also pay the applicable Drop or Custom Cable Management Fees based on the following:

- (2) Drop Cable Management Fees for non-public agencies (per 12 fiber drop)..... $$210-$250/\underline{\text{fiber}}$$ mile/month
- (4) Custom Cable Management Fees (per additional 12 fiber cable on a project route)...... \$0.05/ft/month

D. SPECIAL NOTES:

1. All fees must be paid to the City according to the <u>terms of specifies in the Dark Optical Fiber Backbone</u>
License Agreement, the <u>C</u>eustomer's project proposals and all the applicable Utilities Rates, Rules, and Regulations.

CITY OF PALO ALTO UTILITIES



UTILITY RATE SCHEDULE EDF-3

2. All fees are subject to change by the City of Palo Alto Council.

{End}

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