



**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE  
STATE OF CALIFORNIA**

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In The Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for Authority to Lease Certain Fiber Optic Cables to CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS under the Master Dark Fiber Lease Agreement Pursuant to Public Utilities Code Section 851.

A1702001

Application No. 17-02-\_\_\_\_

**APPLICATION OF SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) FOR  
AUTHORITY TO LEASE CERTAIN FIBER OPTIC CABLES TO CELLCO  
PARTNERSHIP D/B/A VERIZON WIRELESS UNDER THE MASTER DARK FIBER  
LEASE AGREEMENT PURSUANT TO PUBLIC UTILITIES CODE SECTION 851**

**(PUBLIC VERSION)**

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Dated: **February 3, 2017**

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STATE OF CALIFORNIA**

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**(PUBLIC VERSION)**

**I.**

**INTRODUCTION**

Southern California Edison Company (“SCE”) respectfully requests an Order from the California Public Utilities Commission (“Commission” or “CPUC”) pursuant to Section 851 of the Public Utilities Code authorizing SCE to lease to the Cellco Partnership D/B/A Verizon Wireless (“Verizon Wireless”) certain optical fibers along existing routes and additional routes that are being constructed in Southern California pursuant to the terms and conditions of the “Master Dark Fiber Lease Agreement between Southern California Edison Company and Cellco Partnership D/B/A Verizon Wireless” dated November 17, 2016 (“Agreement”). Pursuant to Decision No. 98-10-058, the Commission granted SCE a Certificate of Public Convenience and Necessity (CPCN) to provide telecommunication services as a competitive local exchange carrier

(CLC) in accordance with SCE's CPCN, such as the services SCE will be providing under the Agreement.

Verizon Wireless is authorized to operate in California and deemed to have a Wireless Identification Registration under Decision 94-10-031. Verizon Wireless will use the leased optical fibers as part of its telecommunications network.

**A. Compliance with Public Utilities Code Section 851**

Public Utilities Code Section 851 provides that a public utility, such as SCE, shall not sell, lease, assign, dispose of, encumber the whole or any part of its line, plant, system, or other property necessary or useful in the performance of its duties to the public without the Commission's approval. If the lease transaction is valued at over five million dollars, the public utility must seek Commission approval by filing an application. However, if the transaction is five million dollars or less, then the public utility may seek Commission approval by filing an advice letter in accordance with General Order 173.

As described in more detail below, under the terms and conditions of the Master Dark Fiber Lease Agreement, Verizon Wireless will lease from SCE certain optical fibers along various cable routes<sup>1</sup> within Southern California. During the term of the Agreement, Verizon will submit Lease Route Orders to SCE for SCE's review and approval. At this time, SCE does not know the specific routes that Verizon Wireless will request.<sup>2</sup>

Therefore, SCE is uncertain whether the collective leasing transactions under the Master Dark Fiber Lease Agreement will exceed the five million dollar threshold since the anticipated Lease Route Orders are not known at this time and will be submitted by Verizon Wireless to SCE over the duration of the Agreement. However, because SCE expects that the collective

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<sup>1</sup> Agreement, Article 2.

<sup>2</sup> Similarly, in Decision No. 02-12-024, the CPUC approved SCE's Master Agreement, which set the framework for leasing communication sites and antenna locations to Sprint PCS so that Sprint PCS could expand its wireless communications network pursuant to Standard Form Agreements which would be executed in the future. See also D. 02-12-023 where the CPUC approved a similar framework for SCE's proposed lease to Nextel.

value of the anticipated Lease Route Orders over the life of the Agreement could exceed five million dollars,<sup>3</sup> SCE believes that the most prudent course is to seek up front the Commission's authorization to lease the optic fiber to Verizon Wireless via an application and not an advice letter. That is, over the Agreement's five-year term,<sup>4</sup> SCE could receive numerous Lease Route Orders from Verizon Wireless. As an example, SCE could receive 100 to 200 Lease Route Orders from Verizon which individually could be valued at less than five million dollars, but which collectively would be valued at over the threshold. SCE seeks Commission authorization to lease the optical fibers to Verizon Wireless via this Application to comply with the five million dollar threshold in Public Utilities Code Section 851. Approval of this Application would also eliminate the need for SCE to file,<sup>5</sup> and the Commission to approve, numerous advice letters if SCE were to classify each Lease Route Order as a single transaction.

**B. Treatment of Costs and Revenues from the Lease**

As discussed in more detail below, this Agreement provides another example of SCE's on-going effort to pursue opportunities to fully utilize utility assets in ways that are compatible with electric utility operations, while also ensuring that ratepayers receive substantial benefits without incurring any additional risk. Utility service will not be affected as a result of Commission approval of this lease.

In D.99-09-070, the Commission adopted a settlement between SCE and the Office of Ratepayer Advocates (ORA), concerning SCE's application for a mechanism for sharing revenues resulting from non-tariffed products and services between shareholders and ratepayers.

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<sup>3</sup> Section 851 states, "The commission shall reject any advice letter that seeks to circumvent the five million dollar (\$5,000,000) threshold by dividing a single asset with a value of more than five million dollars (\$5,000,000), into component parts, each valued at less than five million dollars (\$5,000,000)."

<sup>4</sup> The term of the Agreements is five years, subject to an automated renewal for two year periods.

<sup>5</sup> See footnote 2. In D. 02-12-024, SCE indicated that using a Master Agreement and seeking advance approval to enter into future lease agreements would avoid the necessity of filing a new application each time SCE agreed to lease a specific new communications site or antenna attachment. The CPUC agreed and approved the lease arrangement between SCE and Sprint PCS.

(D.99-09-070 at 1).<sup>6</sup> In the settlement, SCE and ORA agreed to classify all existing non-tariffed products and services as either active or passive, and their agreement is memorialized in an attachment to the settlement agreement, which was adopted by the Commission in D.99-09-070.

The leasing of unused (or dark) fiber on SCE's fiber optic system was an existing non-tariffed product or service at the time the settlement agreement with ORA was executed. In the attachment to the settlement agreement at page A-2, SCE and ORA agreed that "Dark fiber on fiber optic system" would be classified as "Active."<sup>7</sup> SCE's lease with Verizon Wireless is a lease of "dark fiber" on SCE's "fiber optic system." SCE's participation in the lease is therefore classified as "active." Pursuant to D. 99-09-070, revenue from non-tariffed product and services go first to the ratepayers up to a \$16.7 million threshold and then are shared between shareholders and ratepayers using a 90/10 split pursuant to the revenue sharing mechanism adopted in D.99-09-070. Since SCE is seeking approval of the Master Dark Fiber Lease Agreement and not the individual Lease Route Orders (which are unknown at this time), approval of SCE's application will not affect rates.

**C. Protecting Confidential Information**

To prevent public disclosure of confidential information that could place Verizon Wireless at a competitive disadvantage, SCE is attaching a redacted copy of the Master Dark Fiber Lease Agreement to this Application as Appendix A. Concurrent with this application, SCE is filing a motion to file under seal a non-redacted copy of the Agreement which will be available to the Commission and its staff under Public Utilities Code Section 583 and General Order 66(c). Along with this motion, SCE is submitting a declaration in compliance with Decision No. 16-08-024 as Appendix B.

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<sup>6</sup> A copy of the Settlement Agreement between SCE and DRA is found in Attachment A to D.99-09-070.

<sup>7</sup> D.99-09-070, Settlement Agreement at A-2, "Use of Communications and Computing Systems".

**D. Commission approval required**

It is particularly important to note the following about this Application:

1. Verizon Wireless will not be entitled to use the fibers covered by the Agreement and submit any Lease Route Orders until the Commission approves this Application.<sup>8</sup>
2. Any construction of additional fiber optic cable contemplated under the Agreement will be performed only after the Commission approves this Application.<sup>9</sup>

**E. Summary of Request**

For the reasons set forth in this Application, SCE requests that the Commission issue an order authorizing SCE to lease certain fiber optic cables to Verizon Wireless under the Master Dark Fiber Lease Agreement pursuant to Public Utilities Code Section 851.

**II.**

**BACKGROUND**

**A. Summary of the Master Dark Fiber Lease Agreement**

As indicated above, Verizon Wireless contracted with SCE for the provision of certain optical fibers along various cable routes<sup>10</sup> within Southern California under the terms of the Master Dark Fiber Lease Agreement. During the term of the Agreement, Verizon may submit Lease Route Orders to SCE for SCE's review and approval. At this time, SCE does not know the specific routes that Verizon Wireless will request.

SCE will use existing fiber optic cables when excess capacity is available. For those portions of the routes that do not have existing capacity, SCE will install new fiber optic cable, perfect land use rights, and construct any necessary facilities at shareholders' expense.<sup>11</sup> SCE

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<sup>8</sup> Agreement, Section 2.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> Construction of the new fiber optic cables will take place in the various municipalities only after CPUC approval or the applicable Lease Route Order and securing all necessary local permits.

will own, operate, and maintain the entire fiber optic cable. Upon completion of the installation, SCE will assign certain fibers along each route to Verizon Wireless and will grant an exclusive lease for Verizon Wireless' use.<sup>12</sup>

Section 4.2 of the Agreement pertains to the acquisition of the real property rights and authorizations necessary to complete the fiber optic network route. A significant portion of the rights of way on which the fiber optics will be located may not include grants of a right to construct or lease facilities for use by a third party. SCE and Verizon Wireless will assess the rights and SCE will acquire additional rights as necessary. To the extent additional rights are secured by SCE, they will be shareholder funded.

The Agreement does not include the right to enter the property upon which the SCE fibers are located, except at Verizon Wireless facilities.<sup>13</sup> SCE is responsible for the construction and maintenance of the cable and its electronics, while Verizon Wireless shall pay for and arrange all connections of its facilities with the fibers Verizon Wireless leases under the Agreement.<sup>14</sup>

Verizon Wireless and SCE have negotiated an arrangement in which, under the Lease Route Orders, Verizon Wireless will make initial, non-refundable payments and monthly payments, beginning after the Commission approves this Application, subject to the following conditions: (i) SCE agrees to the applicable Lease Route Order, and (ii) Verizon Wireless has accepted the fiber.<sup>15</sup> Verizon Wireless is responsible for all taxes resulting from its installation activities and will keep SCE's facilities free from all liens and encumbrances.<sup>16</sup>

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<sup>12</sup> The exclusivity pertains only to the fibers leased to Verizon Wireless. SCE may at its discretion and subject to Commission approval lease any portion of the remaining fibers to other entities.

<sup>13</sup> Agreement, Article 5.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*, Article 3.

<sup>16</sup> *Id.*, Article 7.4.

**B. Benefits of the Agreement**

The Agreement is an example of SCE's on-going effort to pursue opportunities to generate additional revenues from the commercial use of SCE's temporarily available capacity, while also ensuring that ratepayers receive substantial benefits without risk. SCE has title to all of the fiber optic cable installed under the Agreement and will be free to find uses for the remaining fibers in the network routes, thereby expanding SCE's ability to utilize temporarily-available utility capacity. The Lease Route Orders under the Agreement will generate revenue.

Importantly, these benefits accrue with no risk to SCE or its ratepayers. The lease of such resources will have no impact on SCE's ability to serve its customers. To the extent that these facilities become necessary for electric utility operations, SCE will expand the existing capacity at no cost to ratepayers. And as noted above, all costs associated with the project will be paid by SCE's shareholders and not included in electric utility rates.

**C. Environmental Considerations**

The Commission has noted in Decision Nos. 93-04-019, 94-06-017, 95-05-039, and 96-11-058 (all involving SCE leases of temporarily-available conduit, duct or overhead cable, pole space, and optical fibers) that agreements involving the subject matter at issue in this Application do not pose environmental hazards, and thus do not require environmental review.<sup>17</sup> The Commission has affirmed this position in D.00-01-014, Pacific Gas & Electric's (PG&E) Section

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<sup>17</sup> D.93-04-019, 1993 Cal. PUC LEXIS 275 (agreement is exempt from provisions of California Environmental Quality Act "because it can be seen with a certainty that there is no possibility that the proposal may have a significant effect on the environment"); D.94-06-017, 1994 Cal. PUC LEXIS 458, \*(same); D.95-05-039, 1995 Cal. PUC LEXIS 557, \*6-7 (same). Also in a case involving MCI's use of some of PG&E's aboveground facilities and "dark fiber", the Commission likewise found the proposal to be exempt from CEQA's requirements. D.92-07-007, 1992 Cal. PUC LEXIS 599, \*22. Most recently, the Commission approved a dark fiber lease similar to this one between SCE and Clear Wireless, LLC, stating that the lease "qualifies for a categorical exemption as a minor alteration of existing utility structures involving negligible expansion of existing use . . . and because it can be seen with certainty that there is no possibility that the [lease] may have a significant effect on the environment." D.10-05-045, mimeo, at p. 5.

851 application to permit Electric Lightwave, Inc. to install and use fiber optic lines on certain PG&E transmission towers, substations, rights-of-way and other facilities.

SCE will utilize existing fiber optic cables and facilities when available. For those portions of the routes that do not have existing capacity, SCE will install new fiber optic cables, and construct any necessary facilities to support the cable. In compliance with its Mitigated Negative Declaration, located in Appendix D to CPUC Decision 98-12-083,<sup>18</sup> SCE will file the required construction reports listing all new construction pursuant to this Agreement in its quarterly Advice Letter.

**D. Relevant Precedent**

This application is the latest application by SCE seeking Commission approval to lease available optical fiber, underground conduit space, or aboveground cable space. For example, in Decision Nos. 93-04-019 and 94-06-017, the Commission approved agreements that involved the leasing of SCE-owned underground cable and conduit space to “competitive access providers.” Similarly, in Decision No. 95-05-039, the Commission approved a lease of SCE-owned aboveground cable space on poles, facilities and rights-of-way. The Commission further authorized the lease of optical fibers, underground conduit, and overhead cable space in Decision No. 96-11-058. And more recently, the Commission approved a lease of SCE-owned optical fiber to Clear Wireless, LLC in Decision No. 10-05-045, and a lease of SCE-owned optical fiber to the County of Los Angeles in Decision No. 11-03-038.

In evaluating the leasing arrangement between SCE and the County of Los Angeles for optical fiber, the Commission found in D. 11-03-038:

“[T]he agreement makes productive use of what is currently vacant conduit space. It makes eminent good sense for California’s energy utilities, with their extensive easements, rights of way, and underground conduits, to cooperate in this manner with the telecommunications utilities who are seeking to build the fiber optic network. Joint use of the utility facilities has obvious economic and environmental benefits. The public interest is served

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<sup>18</sup> D.98-12-083, 1998 Cal. PUC LEXIS 1010.

when utility property is used for other productive purposes without interfering with the utility's operation or affecting service to utility customers."<sup>19</sup>

Finally, the Commission approved similar Master Agreements involving SCE's leases to telecommunication carriers such as Sprint PCS and Nextel. In Decision No. 02-12-024, SCE requested approval of a Master Agreement, which set the framework for SCE to lease communication sites and antenna locations to Sprint PCS so that Sprint PCS could expand its wireless communications network. SCE and Sprint PCS agreed on Standard Form Agreements for leasing specific sites and antennae locations, which would be executed in the future, depending on the type of site selected, as required by the Master Agreement. In the decision, SCE indicated that it was seeking advance approval to enter into the future lease agreements using this process to avoid the necessity of filing a new application each time SCE and Sprint PCS agreed on a specific new communications site or antenna attachment, and the Commission agreed to the lease transaction. In Decision No. 02-12-023, the Commission approved a similar transaction involving a Master Agreement between SCE and Nextel. SCE's lease transaction with Verizon Wireless involving a Master Lease Agreement and Lease Route Orders is similarly structured to the lease transaction between SCE and Sprint PCS, as well as SCE and Nextel.

The principles relied upon by the Commission in these decisions apply with equal force to this Application.

### III.

#### **STATUTORY OR PROCEDURAL REQUIREMENTS**

##### **A. Statutory And Other Authority – Rule 2.1**

Rule 2.1 requires that all applications: (1) clearly and concisely state authority or relief sought; (2) cite the statutory or other authority under which that relief is sought; and, (3) be

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<sup>19</sup> Decision No.11-03-038, mimeo p. 6 (quoting from D.93-04-019, 1993 Cal. PUC LEXIS at \*3-5).

verified by the applicant. Rules 2.1(a), 2.1(b), and 2.1(c) set forth further requirements that are addressed separately below.

The relief being sought in this application is an order from the Commission authorizing SCE to lease certain fiber optic cables to Verizon Wireless under the terms and conditions of the Master Dark Fiber Lease Agreement pursuant to Public Utilities Code Section 851.

The statutory and other authority under which this application is made include California Public Utilities Code Sections 851, 701, *et al.*, the Commission's Rules of Practice and Procedure, and prior decisions, orders, and resolutions of this Commission. This application has been verified by an SCE officer as required by Rules 1.11 and 2.1.

**B. Signatures And Verification – Rules 3.6, 1.8, 2.1, 1.11**

As required by Rules 3.6 and 1.8, this application has been signed by SCE.

As required by Rules 2.1 and 1.11, this application has been verified by an SCE officer, Stuart R. Hemphill, SCE's Senior Vice President-Customer and Operational Services.

**C. Legal Name And Correspondence – Rules 2.1(a) And 2.1(b)**

Pursuant to Rules 2.1(a) and 2.1(b),<sup>20</sup> SCE is a public utility organized and existing under the laws of the State of California. The location of SCE's principal place of business is: 2244 Walnut Grove Avenue, Rosemead, California.

Correspondence or communications regarding this application should be addressed to representatives of SCE at the following addresses:

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<sup>20</sup> Rule 2.1(a) requires the application to state the exact legal name of the applicant and location of its principal place of business, and, if a corporation, the state under the laws of which the applicant was organized. Rule 2.1(b) requires the application to state the name, title, address, telephone number, facsimile transmission number, and e-mail address of the person to whom correspondence or communications in regard to the application are to be addressed.

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**D. Proposed Categorization, Need For Hearings, Issues To Be Considered, Proposed Schedule – Rule 2.1(c)**

Rule 2.1(c) requires that all applications shall state “the proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule.”<sup>21</sup> SCE proposes this application be designated a “ratesetting” proceeding, as defined in California Public Utilities Code §1701.1(c)(3) and Rule 1.3(e), even though approval of SCE’s application will result in no impact to SCE’s revenue requirement.<sup>22</sup> The issue to be considered is as

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<sup>21</sup> TITLE 20 CAL. CODE REGS. Div. 1, Art. 2, §2.1.

<sup>22</sup> “Ratesetting cases, for purposes of this article, are cases in which rates are established for a specific company, including, but not limited to, general rate cases, performance-based ratemaking, and other ratesetting mechanisms.” CAL. PUB. UTIL. CODE §1701.1(c)(3). “‘Ratesetting’ proceedings are proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities), or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities).” TITLE 20 CAL. CODE REGS. §1.3(e).

follows: Is the proposed lease of certain optical fibers along existing routes and additional routes being constructed in Southern California adverse to the public interest? SCE does not believe that there is any relevant safety considerations, as SCE will comply with any CPUC safety regulations that would affect this lease transaction.<sup>23</sup>

SCE does not believe hearings will be necessary. With that assumption, SCE’s proposed procedural schedule is shown below.

	<b>Event</b>	<b>Day</b>	<b>Date</b>
1.	Application Filed	0	Friday, February 03, 2017
2.	Application Appears on CPUC Calendar	3	Monday, February 06, 2017
3.	Responses/Protests to Application	37	Monday, March 13, 2017
4.	Reply to Responses/Protests	48	Thursday, March 23, 2017
5.	Prehearing Conference (if needed)	59	Monday, April 03, 2017
6.	Scoping Memo	93	Monday, May 08, 2017
7.	ALJ Proposed Decision	124	Wednesday, June 07, 2017
8.	Comments on ALJ Proposed Decision	145	Wednesday, June 28, 2017
9.	Replies to Comments on Proposed Decision	152	Wednesday, July 05, 2017
10.	Final Commission Decision	160	Thursday, July 13, 2017

**E. Appendices To This Application**

The following are appended to this application:

- Appendix A – Master Dark Fiber Lease Agreement (Confidential)
- Appendix B – Confidentiality Declaration
- Appendix C – Financial Statements, including Balance Sheet and Statement of Income

**F. Organization And Qualification To Transact Business – Rule 2.2**

In compliance with Rule 2.2, a copy of SCE’s Certificate of Restated Articles of Incorporation, effective on March 6, 2006, and presently in effect, certified by the California

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<sup>23</sup> Decision No. 16-01-017, issued by the Commission on January 14, 2016, amends CPUC Rule 2 such that parties must now identify the issues to be considered, including relevant safety consideration.

Secretary of State, was filed with the Commission on March 14, 2006, in connection with Application No. 06-03-020, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series D Preference Stock filed with the California Secretary of State on March 7, 2011, and presently in effect, certified by the California Secretary of State, was filed with the Commission on April 1, 2011, in connection with Application No. 11-04-001, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series E Preference Stock filed with the California Secretary of State on January 12, 2012, and a copy of SCE's Certificate of Increase of Authorized Shares of the Series E Preference Stock filed with the California Secretary of State on January 31, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 5, 2012, in connection with Application No. 12-03-004, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series F Preference Stock filed with the California Secretary of State on May 5, 2012, and presently in effect, certified by the California Secretary of State, was filed with the Commission on June 29, 2012, in connection with Application No. 12-06-017, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series G Preference Stock filed with the California Secretary of State on January 24, 2013, and presently in effect, certified by the California Secretary of State, was filed with the Commission on January 31, 2013, in connection with Application No. 13-01-016, and is by reference made a part hereof.

A copy of SCE's Certificate of Determination of Preferences of the Series H Preference Stock filed with the California Secretary of State on February 28, 2014, and presently in effect, certified by the California Secretary of State, was filed with the Commission on March 24, 2014, in connection with Application No. 14-03-013, and is by reference made a part hereof.

Certain classes and series of SCE's capital stock are listed on a "national securities exchange" as defined in the Securities Exchange Act of 1934 and copies of SCE's latest Annual Report to Shareholders and its latest proxy statement sent to its stockholders has been filed with

the Commission with a letter of transmittal dated March 18, 2016, pursuant to General Order Nos. 65-A and 104-A of the Commission.

**G. Financial Statements, including Balance Sheet And Income Statement – Rule 2.3(h) and Rule 3.6(e)**

Appendix C to this application contains copies of SCE's financial statements, including its balance sheet as of September 30, 2016, and income statement for the period ended September 30, 2016, the most recent period available.

**H. CEQA Compliance – Rule 2.4**

See Section II.C of this Application.

**I. Other Compliance – Rule 3.6**

In compliance with Rule 3.6(a), SCE provides the following information. SCE is engaged in the business of generating, transmitting, and distributing electric energy in portions of central and southern California. In addition to its properties in California, SCE owns, jointly with others, a facility located in Arizona that produces electric energy for use by SCE customers in California. SCE's service territory is located throughout central and southern California, and includes approximately 200 incorporated communities as well as outlying rural territories.

In compliance with Rule 3.6(b), please see section II.A of this application for a summary of the transaction. There is no known book cost and original costs of the property involved, as explained in Section II.A. In compliance with Rule 3.6(c), please see sections I.B, II.A, and II.B of this Application. Regarding Rule 3.6(d), there is no purchase price for the Master Dark Fiber Lease Agreement since at this time, SCE does not know the specific routes that Verizon Wireless will request as explained in section II.A of this application.

In compliance with Rule 3.6(f), a copy of the Master Dark Fiber Lease Agreement is found in Appendix A.

**J. Notice**

Commission approval of this application would not lead to a change in SCE's rates, and therefore no notice is required under Public Utilities Code § 454.

**K. Service**

A copy of this Application, including appendices, is being served on the Commission's Communications Division and Office of Ratepayer Advocates.

**L. Request For Expedited And Ex Parte Treatment**

SCE believes that this Application contains all of the information that is required to support the requested relief. However, SCE is prepared to provide such other information as the Commission may require to act on this Application. SCE further believes that this Application does not raise any material issues of fact.

The relief requested by this Application is similar to that previously granted by the Commission for SCE's license/lease of temporarily available excess capacity for underground conduit space in D. 93-04-019 (agreement with Metropolitan Fiber Systems of California, Inc.) and D.94-06-017 (agreement with Access Transmission Services, Inc.), D.95-05-039 (agreement with Linkatel Pacific, L.P.), D.10-05-045 (agreement with Clear Wireless, LLC), D.11-03-038 (agreement with County of Los Angeles), and D. 02-12-024 (Master Agreement with Sprint PCS), and D. 02-12-023 (Master Agreement with Nextel). This request is also similar in some respects to that granted by the Commission to PG&E in Decision 92-07-007 (Application No. 92-04-011) approving an arrangement in which fiber optic cable belonging to MCI Telecommunications Corporation was allowed to be placed on transmission towers belonging to PG&E.

SCE requests expedited treatment of this Application in order to proceed with the implementation of the lease and the resulting generation of revenue for SCE's ratepayers, at the earliest possible date. The transaction is consistent with the public interest and the preservation

of resources through the joint use of temporarily available capacity in SCE's existing underground conduit space and aboveground poles, facilities and rights of way. The lease to Verizon Wireless would have no impact on SCE's ability to serve its electric customers. Pursuant to the terms of the Agreement between SCE and Verizon Wireless, no other parties are affected by this transaction, and the amount of resources involved is de minimis.

#### IV.

#### **CONCLUSION**

SCE respectfully requests that the Commission issue an expedited order authorizing SCE to enter into the lease with Verizon Wireless described herein.

Respectfully submitted,

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*/s/ Jesús G. Román*

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February 3, 2017

**VERIFICATION**

I am an officer of the applicant corporation herein, and am authorized to make this verification on its behalf. I am informed and believe that the matters stated in the foregoing document are true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on January 31, 2017, at Rosemead, California.

*/s/ Stuart R. Hemphill*

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Stuart R. Hemphill  
Senior Vice President  
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**Appendix A**

**Master Dark Fiber Lease Between Southern California Edison Company and  
Cellco Partnership D/B/A Verizon Wireless**

**MASTER DARK FIBER  
LEASE AGREEMENT**

**Between**

**SOUTHERN CALIFORNIA EDISON COMPANY**

**And**

**CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS**

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## **MASTER DARK FIBER LEASE AGREEMENT**

THIS MASTER DARK FIBER LEASE AGREEMENT (this “Agreement” or “Lease Agreement”) is made as of the date of the last signature hereto (the “Effective Date”) by and between Southern California Edison Company, a California corporation, having its principal office at 2244 Walnut Grove Avenue, Rosemead, CA 91770 (“Supplier”), and Cellco Partnership d/b/a Verizon Wireless, a Delaware general partnership, having its principal office at One Verizon Way, Basking Ridge, New Jersey 07920 (“Cellco”) on behalf of itself and for the benefit of its Verizon Wireless Affiliates (hereinafter defined).

### **BACKGROUND:**

WHEREAS, Supplier, through ownership or other arrangements, has or will have obtained rights to use a fiber optic communication system (the “Supplier Network”); and

WHEREAS, Cellco and its Verizon Wireless Affiliates, as lessee, desire to lease from Supplier, and Supplier, as lessor, desires to exclusively lease to Cellco and its Verizon Wireless Affiliates, certain optical fibers in various portions of the Supplier Network upon the terms and conditions set forth below and subject to the approval of the California Public Utilities Commission (the “CPUC”); and

WHEREAS, Cellco and its Verizon Wireless Affiliates desire to acquire from Supplier, and Supplier desires to provide to Cellco and its Verizon Wireless Affiliates, certain maintenance services in connection with use of such optical fibers; and

WHEREAS, Supplier and Cellco, or its Verizon Wireless Affiliates, may add optical fibers to this Agreement from time to time by executing orders substantially in the form of Exhibit A hereto, subject to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

### **ARTICLE I** **DEFINITIONS**

Capitalized terms and phrases used in this Agreement shall have the following meanings:

“Acceptance Date” means, with respect to a Lease Route Order, the date of Verizon Wireless’ acceptance or deemed acceptance of the Verizon Wireless Fibers under said Lease Route Order in accordance with Exhibit B (“Fiber Splicing, Testing, and Acceptance Standards and Procedures”).

“Acceptance Standards” means the standards set forth in Exhibit B (“Fiber Splicing, Testing, and Acceptance Standards and Procedures”) with respect to the testing and condition of the Verizon Wireless Fibers.

“Affiliates” means, as the context requires, with respect to Supplier, “Supplier Affiliates”; or, with respect to Cellco, “Verizon Wireless Affiliates.”

“Agreement” shall have the definition set forth in the first paragraph, above.

“Cable” means the fiber optic cable included in the System and Fibers contained therein that includes the Verizon Wireless Fibers and associated splicing connections, splice boxes and vaults, and Conduit.

“Circuit” means a unique point-to-point segment along a Route of the System that has a defined A location and a defined Z location, with an associated Non-Recurring Charge and Rent, as applicable, as set forth in a Lease Route Order.

“Claims” means the definition set forth in Section 13.1 (“Indemnification”).

“Conduit” means a pipe, tube or compartmentalized structure which can contain one or more Innerducts through which Cable may be placed.

“Control” (including the correlative meanings of the terms “Controlled by” and “under common Control with”) means, as used with respect to any entity, the possession directly or indirectly, of the power in fact or in law to direct or cause the direction of management policies of such entity, whether through ownership of voting securities, by contract or otherwise.

“Demarcation Point” or “Demarc” means a point at which operational control or ownership of facilities changes from Supplier to Verizon Wireless. The demarcation point is the interface point between Verizon Wireless and Supplier’s Network.

“Effective Date” shall have the definition set forth in the first paragraph of this Agreement.

“Fiber Acceptance Testing” means the fiber acceptance testing described in Exhibit B (“Fiber Splicing, Testing, and Acceptance Standards and Procedures”).

“Fibers” means any optical fibers contained in the System, including the Verizon Wireless Fibers, the fibers of Supplier and the fibers of any third party in the System, excluding, however, any fibers granted (whether through ownership or otherwise) to Government Authorities in exchange for use of streets, rights of way, or other property under the jurisdiction of such entity.

“Firm Order Commitment (“FOC”) Date” means the delivery date(s) set forth in a Lease Route Order for completion of Supplier’s Fiber Acceptance Testing and hand-over of Supplier’s test results for the Verizon Wireless Fibers subject to said Lease Route Order.

“Footprint” means space designated for colocation of Verizon Wireless Equipment at Supplier premises along the System

“Force Majeure Event” shall have the definition set forth in Article XX (“Force Majeure”).

“Government Authority” means any domestic federal, state, regional, county, town, municipal, territorial, or tribal government, or any department, agency, bureau, or other administrative, regulatory or judicial body of any such government.

“Handhole” means a buried box whose lid is even with the surface of the ground. It provides a space for splicing and terminating fiber cables.

“Indemnified Parties” shall have the definition set forth in Section 13.1 (“Indemnification”) and “Indemnified Party” means one of the Indemnified Parties.

“Indemnifying Party” shall have the definition set forth in Section 13.1 (“Indemnification”).

“Innerduct” means a single enclosed raceway or other type of duct (including inner, quad, divided or other duct) within a Conduit used to subdivide the Conduit, within which a Cable may be placed.

“IP Claim” shall have the definition set forth in Section 21.1 (“Intellectual Property”).

“Lease” means an exclusive right to use the specified property in accordance with the terms and conditions of this Agreement, but shall not include conveyance of title to, ownership of, or salvage in any real or personal property.

“Lease Initial Term” shall have the definition set forth in Section 8.1 (“Term”).

“Lease Route Order” means an order executed pursuant to this Agreement by and between Supplier and Verizon Wireless on the form set forth in Exhibit A (“Lease Route Order Form”).

“Liquidated Damages” shall have the definition set forth in Section 22.10 (“Liquidated Damages”).

“Manhole” means an underground vault with an access hole and cover that supports traffic.

“Non-Recurring Charges or NRC” means the initial installation and construction charges, if applicable, associated with the Verizon Wireless Fibers provided under a Lease Route Order.

“Outage” means any failure, interruption or impairment of the operation of the Verizon Wireless Fibers that is caused by physical damage to the Verizon Wireless Fibers, including, without limitation, partial and total cable cuts.

“Rent” means the recurring charges due under Article 3.

“Required Rights” shall have the definition set forth in Section 4.2 (“Acceptance Date Obligations”).

“Route” means, with respect to a Lease Route Order, the route, including spurs, described in such Lease Route Order and upon which the Verizon Wireless Fibers for such Lease Route Order are or will be installed.

“Services” means the maintenance, collocation and any other services provided under this Agreement.

“Supplier Affiliate” means, with respect to Supplier, an entity controlling, controlled by, or under common control with Supplier by means of direct or indirect majority equity ownership. For purposes of this Agreement, however, “Supplier Affiliate” shall not be construed to include a wireless service provider that is a direct competitor of any Verizon Wireless Affiliate.

“Supplier Network” shall have the meaning set forth in the Background section of this Agreement.

“System” means, collectively, those certain portions of the Supplier Network, consisting of the Routes, along which Supplier grants Verizon Wireless a Lease in Verizon Wireless Fibers pursuant to Lease Route Orders hereunder.

“Taking” shall have the definition set forth in Section 9.3 (“Eminent Domain”).

“Term” shall have the definition set forth in Section 8.1 (“Term”).

“Verizon Wireless” means, for purposes of construing a Lease Route Order in conjunction with this Agreement or, alternatively, of construing this Agreement in conjunction with a Lease Route Order, the Lease grantee under said Lease Route Order, whether such grantee be Cellco or a Verizon Wireless Affiliate, as the case may be.

“Verizon Wireless Affiliate” means an entity that Controls, is Controlled by or is under common Control with Cellco Partnership. For clarity, the term “Verizon Wireless Affiliate” shall include all direct and indirect parent, sibling and subsidiary entities to Cellco, including without limitation all such affiliated entities that provide wireline products and services to retail and wholesale customers.

“Verizon Wireless Equipment” means optronic (opto-electrical), electronic, or optical equipment or materials, facilities or other equipment owned, possessed or utilized (other than the Supplier Network) by Verizon Wireless.

“Verizon Wireless Fibers” means those certain specific Fibers in which Verizon Wireless has been granted a Lease hereunder as set forth in Section 2.1 (Lease), Section 2.3 (Lease Route Orders) or Section 2.4 (Affiliate Orders).

“Verizon Wireless Lease” means a Lease that has been granted to Verizon Wireless hereunder as set forth in Section 2.1 (Lease), Section 2.3 (Lease Route Orders) or Section 2.4 (Affiliate Orders), and Section 2.5 (CPUC Jurisdiction and Approval).

## **ARTICLE II**

### **LEASE OF FIBERS**

2.1 **Lease.** Subject to the terms and conditions of this Lease Agreement and commencing upon the Acceptance Date for the applicable Lease Route Order, Supplier hereby exclusively leases to Verizon Wireless the Verizon Wireless Fiber(s) designated by Supplier in the Cable over the Route pursuant to said Lease Route Order. From time to time, Leases in additional Fibers on the Supplier Network may be leased from Supplier to Verizon Wireless by executing a Lease Route Order in the manner set forth in Section 2.3 or Section 2.4 below. The Parties intend this Lease to be a lease of personal property.

2.2 **Rights Not Conveyed.** Verizon Wireless agrees to accept said Verizon Wireless Lease and the rights and obligations pursuant thereto as set forth in this Agreement. Such Lease grant does not convey ownership of any real or personal property, including the Fibers, the

Cable, or the System. The Verizon Wireless Lease does not include any equipment used to transmit capacity over or “light” the Fibers.

**2.3 Lease Route Orders.** From time to time additional Verizon Wireless Leases and Verizon Wireless Fibers may be incorporated herein by execution of a Lease Route Order by Supplier and Verizon Wireless. Each Lease Route Order shall identify the Route and specify the individual Circuit(s) and number of Fibers in which Verizon Wireless is granted a Lease. Each Lease Route Order shall incorporate the terms and conditions of this Agreement. Notwithstanding anything to the contrary contained herein, Supplier shall not be obligated to accept or execute any Lease Route Order or other order forms submitted by Cellco or any Verizon Wireless Affiliate.

**2.4 Affiliate Orders.** A Verizon Wireless Affiliate that executes a Lease Route Order shall be bound by and may enforce the terms and conditions of this Agreement with respect to such Lease Route Order as though it were an original party and a direct signatory to this Agreement. Default by one Verizon Wireless Affiliate shall not affect any other Lease Route Order executed by any other Verizon Wireless Affiliate. Default by Supplier with respect to one Lease Route Order shall not affect any other Lease Route Order.

**2.5 CPUC Jurisdiction and Approval.** As soon as reasonably practicable after the Effective Date but prior to the execution of any Lease Route Order, Supplier will prepare an application to the CPUC requesting authorization to lease the Verizon Wireless Fibers (“Lease Approval”). After Verizon Wireless has had an opportunity to review and provide comments on the Lease Approval filing, Supplier will submit such filing to the CPUC. The parties agree that the Lease Approval filing will seek the approval of this Agreement and all future Lease Route Orders to be issued under this Agreement, so as to avoid, to the extent permitted by the CPUC, the requirement to seek the approval of the CPUC for each individual Lease Route Order. If the CPUC does not approve this Agreement, then this Agreement shall automatically terminate as of the date that the CPUC rejects the Agreement. However, if the CPUC declines to provide blanket approval for all future Lease Route Orders, the Agreement shall continue in full force and effect, and the Parties shall submit the appropriate Lease Approval filings for each subsequent Lease Route Order to the extent required by the CPUC. This Agreement and each Lease Route Order is subject to approval by the CPUC. Verizon Wireless acknowledges that it cannot use any Verizon Wireless Fibers and Supplier cannot begin construction of any new portion of any Route until the CPUC approves this Agreement and the applicable Lease Route Order, if required. Supplier shall exercise due diligence in seeking approval from the CPUC for this Agreement and for authorization to grant Verizon Wireless the Verizon Wireless Leases. Supplier has no control over the CPUC and makes no representation or warranty concerning its ability to secure said authorization from the CPUC or how long the CPUC may take in either approving or denying a Lease Approval.

**2.6 Establishment of FOC Date.** Verizon Wireless will propose a FOC Date to Supplier with respect to each Circuit to be included in a given Lease Route Order, it being understood that a Lease Route Order for multiple Circuits may have multiple FOC Dates specified therein. Upon acceptance by Supplier of each such FOC Date, the FOC Date for each Circuit will be set forth on the Lease Route Order that will be signed by both parties.

2.7 **Failure to Meet FOC Date.** The following remedies shall apply in the event Supplier fails to meet a FOC Date:

- 2.7.1 In the event that the Verizon Wireless Fibers are not available for Verizon Wireless' acceptance testing within fifteen (15) business Days of the respective FOC Date, Verizon Wireless shall receive Liquidated Damages for such delay as set forth in Exhibit I ("Remedies, Network Monitoring and Escalation Procedures").
- 2.7.2 In the event that the Verizon Wireless Fibers are not available for Verizon Wireless' acceptance testing thirty (30) business days after the FOC date, in addition to the Liquidated Damages that accrue as set forth in Section 2.7.1 above, Verizon Wireless may elect to cancel the Lease Route Order without further liability. To cancel a Lease Route Order pursuant to this Section, Verizon Wireless must submit a cancellation notification in writing to Supplier. In the event of any such cancellation, the Liquidated Damages plus all prepaid fees, including, but not limited to, any portion of the Non-Recurring Charge paid, shall be credited or paid to Verizon Wireless within sixty (60) Days of the cancellation date.
- 2.7.3 In the event that the Verizon Wireless Fibers are not accepted by Verizon Wireless in accordance with Article IV, then the remedies set forth in this Article 2.7 will apply.
- 2.7.4 To the extent a delay or failure of Supplier to meet the FOC Date was caused by the acts or omissions of Verizon Wireless, the remedies set forth in this Article 2.7 shall not apply.
- 2.7.5 In the event that the Lease Route Order is ready for acceptance prior to the FOC Date, Verizon Wireless may elect to accept such Lease Route Order, but shall not be required to accept the Lease Route Order in advance of the FOC Date.

2.8 Supplier agrees that as of the Acceptance Date for the Verizon Wireless Fibers: (a) unless otherwise set forth in the Lease Route Order, the Verizon Wireless Fibers for such Lease Route Order shall meet or exceed the applicable specifications set forth in Exhibit C (Fiber Specifications), as identified in the Lease Route Order and (b) except as otherwise stated herein or in the Lease Route Order, the Cable will be installed and constructed in accordance with the specifications set forth in Exhibit D (Cable Installation Specifications); provided, however, with respect to the portion(s) of the System that Supplier did not construct or supervise, that while the installation and construction of the Cable may not meet the specifications listed in Exhibit D, any deviation therefrom will not materially diminish the performance, reliability, or expected useful life of the Verizon Wireless Fibers, and such Cable was installed and constructed substantially in accordance with industry standards.

### **ARTICLE III**

### **MONTHLY LEASE PAYMENTS**

3.1 All Non-Recurring Charges, Rent and any other charges, including, collocation charges, if any, for the Verizon Wireless Fibers will be set forth in the Lease Route Order for said Fibers. Unless otherwise agreed by the parties and set forth in the Lease Route Order, Supplier will invoice Verizon Wireless for and Verizon Wireless shall pay Supplier the Non-Recurring Charge as follows:

(a) After execution of the Lease Route Order, Supplier will invoice Verizon Wireless for thirty-five percent (35%) of the Non-Recurring Charge for the applicable Circuit(s) as set forth in said Lease Route Order, and payment of such invoice shall be due sixty (60) calendar Days following receipt of the invoice.

(b) Following the Acceptance Date of a Circuit(s) for the Lease Route Order, Supplier will invoice Verizon Wireless for the remaining sixty-five percent (65%) of the Non-Recurring Charge for the applicable Circuit(s), and payment of such invoice shall be due sixty (60) calendar Days following receipt of the invoice.

Verizon Wireless will become obligated to pay Rent beginning on the Acceptance Date for the applicable Circuit(s). When the Acceptance Date occurs on a Day other than the first Day of the month or a Circuit terminates on a Day other than the last Day of the month, Rent for that month will be determined by pro-rating the monthly payment by the actual number of Days the Verizon Wireless Fibers were accepted in said month. For the purpose of clarification, Rent shall be inclusive of all maintenance service charges.

3.2 Supplier will invoice Verizon Wireless for monthly Rent and collocation charges, if any, each month. Each invoice shall reference this Agreement and the Acceptance Date. The invoices shall be itemized with details as to all charges, including taxes which are permitted to be billed to Verizon Wireless under Article 16. Payment of undisputed amounts shall be made within sixty (60) Days from the date of receipt of each invoice and shall be sent to the address specified on the invoice.

3.3 In the event of an Outage or in the event that Supplier is unable to restore a portion of the Verizon Wireless Fibers as required hereunder, then Supplier will provide Verizon Wireless with a Rent credit for the affected fibers for the Outages as set forth in Exhibit I. No credit shall apply to the extent such Outage was caused by the acts or omissions of Verizon Wireless, including its personnel, subcontractors, or agents.

3.4 Credits will appear on the next monthly invoice. If an Outage occurs after the fifteenth (15<sup>th</sup>) of the month, the credit may appear on the second month's invoice after the Outage. Credits for Outages occurring in the last month of a Lease Term are payable to Verizon Wireless within thirty (30) Days after termination of the Lease Route Order. Credit documentation in the monthly invoice shall include the date of Outage and the number of hours and/or minutes of the Outage.

#### **ARTICLE IV** **ACCEPTANCE**

4.1 **Fiber Acceptance Testing.** Prior to delivery, Supplier shall test the Verizon Wireless Fibers in accordance with procedures specified in Exhibit B ("Fiber Splicing, Testing,

and Acceptance Standards and Procedures”) to verify the Verizon Wireless Fibers are installed and operating in accordance with the specifications described in Exhibit C (“Fiber Specifications”) and Exhibit D (“Cable Installation Specifications”). Supplier shall provide Verizon Wireless at least fifteen (15) Days advance notice of the date and time of final end-to-end testing for each Circuit(s) specified in a Lease Route Order. Verizon Wireless shall have the opportunity to have a person or persons present to observe Supplier’s final end-to-end testing of each Circuit(s) specified in a Lease Route Order. Within fifteen (15) Days following the conclusion of final end-to-end Circuit testing, Supplier shall provide Verizon Wireless with certified test results as set forth in Exhibit B (“Fiber Splicing, Testing, and Acceptance Standards and Procedures”) for Fiber Acceptance Testing in accordance with the FOC Date(s) specified in the applicable Lease Route Order. Unless otherwise stated in the Lease Route Order, Exhibit B (“Fiber Splicing, Testing, and Acceptance Standards and Procedures”) hereto sets forth Fiber Acceptance Testing procedures and test deliverables that Supplier shall provide to Verizon Wireless, including procedures for determining the Acceptance Date for the Verizon Wireless Fibers.

**4.2 Acceptance Date Obligations.** As of the Acceptance Date(s) for the Lease Route Order, Supplier shall have obtained all rights, licenses, authorizations, easements, Leases, fee interests, or agreements that provide for the occupancy of the associated Route of real property or fixtures (such as conduit, bridges, river crossings, or transmission towers) on which a Route is located. In the event Supplier does not own a portion of the System, Supplier shall have obtained (by lease agreement or otherwise) the right to occupy the real property or fixtures along any portion of a Route it does not own. The rights Supplier is required to obtain pursuant to this Section 4.2 are referred to as “Required Rights.” Supplier shall maintain the Required Rights throughout the Lease Initial Term for the Verizon Wireless Fibers and any extension thereof.

**4.3 Provision of As-Built Drawings.** Unless otherwise stated in the Lease Route Order, within forty-five (45) Days after the Acceptance Date(s) for each Circuit as specified in the Lease Route Order, Supplier will provide Verizon Wireless with as-built drawings for the associated Route complying with the specifications for as-built drawings set forth in Exhibit E (“As-Built Drawing Specifications”). If there is a material change in the as-built drawings as a result of maintenance or relocation, Supplier shall deliver updated as-built drawings to Verizon Wireless with respect to the relevant Circuit, or portion of a Circuit within forty-five (45) calendar Days following the completion of such change.

## **ARTICLE V**

### **CONNECTION AND ACCESS TO THE SYSTEM AND SUPPLIER PROPERTY**

**5.1 Connections.** Subject to the provisions herein and in the applicable Lease Route Order, Verizon Wireless shall pay for and arrange all connections of its facilities with the Verizon Wireless Fibers. Verizon Wireless shall pay Supplier for any charges incurred as a result of making such connections as set forth in the applicable Lease Route Order.

**5.2 No Unauthorized Access to System.** Verizon Wireless shall not access any part of the System or Supplier property without the prior written consent of Supplier, and then only upon the terms and conditions specified by Supplier.

**ARTICLE VI**  
**COLOCATION AND MAINTENANCE**

6.1 **Planned Maintenance.** During the term of a Lease Route Order, Supplier shall perform all required maintenance and repair work that is specifically identified as Planned Maintenance in Exhibit G (“Maintenance Specifications”).

6.2 **Unplanned Maintenance.** Unplanned Maintenance is maintenance and repair work that Supplier is obligated to provide under this Agreement and Exhibit G (“Maintenance Specifications”) other than Planned Maintenance. The provisions of Section 9.2 (“Condemnation”) of this Agreement shall apply to any relocation resulting from Unplanned Maintenance.

6.3 **Maintenance of Verizon Wireless Equipment Excluded.** Supplier shall have no obligation under this Agreement to maintain, repair, or replace Verizon Wireless Equipment.

6.4 Collocation provisions may be added by mutual written agreement of the parties at a later date.

**ARTICLE VII**  
**USE OF THE SYSTEM**

7.1 **Verizon Wireless’ Rights Exclusive.** Verizon Wireless may use the Verizon Wireless Fibers for any lawful purpose. For clarity, subject to the foregoing, (i) any Verizon Wireless Fibers leased to Cellco may be used for any lawful purpose by Cellco or by any Verizon Wireless Affiliate without restriction, and (ii) any Verizon Wireless Fibers leased to a Verizon Wireless Affiliate may be used for any lawful purpose by Cellco or by any other Verizon Wireless Affiliate without restriction. Supplier shall have no right to use the Verizon Wireless Fibers during the term of the applicable Lease Route Order, except in the event of an uncured Verizon Wireless default with respect to such Lease Route Order as set forth in Article XII (“Default and Cure”). [REDACTED]

7.2 **Notice of Damage.** Verizon Wireless shall promptly notify Supplier of any matters pertaining to any damage or impending damage to or loss of the use of the System that are known to it and that could reasonably be expected to affect the System adversely. Supplier shall promptly notify Verizon Wireless of any matters pertaining to any damage or impending damage to or loss of the Verizon Wireless Fibers that are known to it and that could reasonably be expected to adversely affect the Verizon Wireless Fibers.

7.3 **Preventing Interference with Other Fibers.** Neither Verizon Wireless nor Supplier shall use equipment, technologies, or methods of operation that materially interfere with or adversely affect the System or the use of the System by the other party or third parties or their respective Fibers, equipment, or facilities associated therewith. Each party shall take commercially reasonable precautions to prevent damage to the System or to Fibers used or owned by the other party or third parties. Notwithstanding the above, the provisions of this Section shall not prevent a party from using commercially reasonable equipment, technologies, or methods of operation if the interference or adverse effect on the other party or a third party results primarily from such other party or third party’s use of equipment, technologies, or

methods of operation that are not commercially reasonable or that are not standard in the telecommunications industry.

7.4 **Liens.** Supplier shall cause or permit any of Verizon Wireless' rights under this Agreement to become subject to any mechanic's, materialmen's, vendor's or any similar lien, or to any tax lien (other than a lien for taxes which are not yet due and payable). Verizon Wireless acknowledges that it has no title to and cannot and shall not in any way encumber the Cable or any other property that is the subject of this Agreement that is not owned by Verizon Wireless (including, without limitation, rights-of-way and Supplier Fibers). If a party breaches its obligations under this Section, it shall promptly notify the other party in writing, shall use commercially reasonable efforts to cause such lien to be discharged and released of record without cost to the other party, and shall indemnify the other party against all costs and expenses (including reasonable attorneys' fees and court costs at trial and on appeal) incurred in discharging and releasing such lien.

## **ARTICLE VIII**

### **TERM AND TERMINATION**

8.1 **Term.** The term of this Agreement shall commence on the Effective Date and, except as otherwise provided in this Agreement, shall continue in effect for a period of five (5) years (the "Initial Term"). Thereafter, this Agreement shall be automatically renewed for successive two (2) year periods (each such period, an "Additional Term" and, together with the Initial Term, the "Term") unless and until terminated pursuant to Article XII hereof or by either party upon ninety (90) Days' written notice to the other party. Notwithstanding the expiration or termination of this Agreement, each of the terms and conditions of this Agreement shall continue to apply to each Lease Route Order executed by the Parties pursuant to this Agreement that extend beyond the Term of this Agreement.

Notwithstanding the foregoing, the term of a Lease Route Order shall begin on the Acceptance Date for such Lease Route Order, unless the Lease Route Order sets forth terms on a Circuit basis, in which case, each Circuit would have its own term, and shall, subject to earlier termination pursuant to Article XII ("Default and Cure"), expire at the end of the time period set forth in the applicable Lease Route Order as the initial term (the "Lease Initial Term"). At the end of the Lease Initial Term, the Lease Route Order or Circuit, as applicable, will continue on a month-to-month basis under the terms and conditions of this Agreement and in accordance with the terms and conditions of the Lease Route Order, including pricing (the "Extended Term"). During the Extended Term, Supplier may terminate such Lease Route Order or Circuit, as applicable, upon providing one hundred eighty (180) Days written notice to the Verizon Wireless and Verizon Wireless may terminate such Lease Route Order or Circuit, as applicable, upon providing thirty (30) Days written notice to Supplier. The terms of this Agreement shall continue to apply to each Lease Route Order, or Circuit, as applicable, pursuant to this Agreement that extend beyond the Term.

8.2 **Portability Option.** In the event Verizon Wireless terminates its Lease of any of the Verizon Wireless Fibers hereunder prior to the end of the Lease Initial Term (and such termination is not due to Supplier's breach or pursuant to Article XX), Verizon Wireless will not be required to pay early termination liability, as set forth below in Section 8.3, provided that

Verizon Wireless requests a new lease of fibers (“Replacement Lease Route Order(s)”) from Supplier of equal or greater Rent for an equal or greater term as the then-remaining term for the terminated Verizon Wireless Fibers within sixty (60) Days of the termination of such Verizon Wireless Fibers and has paid all incurred Rent and 100% of the Non-Recurring Charge. In such cases, if Supplier will incur costs in provisioning the Replacement Lease Route Order, subject to Verizon Wireless’ further written agreement, then such costs shall be set forth on the Replacement Lease Route Order. Verizon Wireless shall pay the reasonable costs Supplier actually incurred in the form of a Non-Recurring Charge that will appear on Verizon Wireless’ first invoice for the Replacement Lease Route Order.

### 8.3 Early Termination Liability.

(a) In the event Verizon Wireless terminates its Lease of any of the Verizon Wireless Fibers under this Agreement after the Acceptance Date and prior to the expiration of the Lease Initial Term (and such termination is not due to Supplier’s breach, pursuant to Article XX, or pursuant to Section 8.2 above), Verizon Wireless agrees to pay Supplier an early termination charge as follows based on the Lease Initial Term.

Lease Initial Term	Early Termination Liability
1 – 5 Years	(i) one hundred percent (100%) of all remaining Rent for the first year of the Lease Initial Term, plus (ii) fifty percent (50%) of all remaining Rent for the second year of the Lease Initial Term, plus (iii) twenty-five percent (25%) of all remaining Rent for the third and subsequent years of the Lease Initial Term.
Greater than 5 Years	(i) one hundred percent (100%) of all remaining Rent for the first year of the Lease Initial Term, plus (ii) fifty percent (50%) of all remaining Rent for years 2-4 of the Lease Initial Term, plus (iii) twenty-five percent (25%) of all remaining Rent for the fifth and subsequent years of the Lease Initial Term.

(b) In the event that Verizon Wireless cancels its Lease in any of the Verizon Wireless Fibers prior to the Acceptance Date(s) of such Verizon Wireless Fibers, Verizon Wireless shall be responsible to reimburse all reasonable out-of-pocket direct costs actually incurred by Supplier in constructing the Verizon Wireless Fibers up to the date of cancellation of

such Verizon Wireless Fibers. For purposes of implementing this reimbursement, the parties shall work in good faith to make any necessary payments between them, either in the form of additional compensation by Verizon Wireless to Supplier if the actual and reasonable out-of-pocket direct costs incurred in construction as of the date of cancellation exceeded the amount of the Non-Recurring Charge that had been paid to Supplier as of such date, or, alternatively, a refund of monies by Supplier if the amount of the Non-Recurring Charge that had been paid to Supplier as of such date exceeded the actual and reasonable direct costs incurred in construction.

**8.4 Effect of Termination.** No termination of this Agreement shall affect the rights or obligations of any party hereto:

- (a) with respect to any payment hereunder for services rendered prior to the date of termination; or
- (b) pursuant to the respective obligations of the parties under this Agreement that by their nature would continue beyond the termination, including but not limited to obligations under Article X (“Audit Rights”), -Article XIII (“Indemnification”), Article XIV (“Limitation of Liability”), Article XV (“Insurance”) to the extent set forth in Section 15.2, Article XVI (“Taxes and Governmental Fees”), Article XVIII (“Non-Disclosure; Publicity and Advertising”), Article XXI (“Intellectual Property”) and Article XXII (“Rules of Construction”).

**8.5 Removal of Verizon Wireless Equipment.** Verizon Wireless shall, within thirty (30) Days of any expiration or termination of a Verizon Wireless Lease subject to this Agreement, at its sole cost and expense, disconnect the Verizon Wireless Equipment (and any other Verizon Wireless facilities on Verizon Wireless’ side of the Demarcation Point in the event that Verizon Wireless has collocated any facilities within a Supplier facility) from the Verizon Wireless Fibers and remove all Verizon Wireless Equipment used in connection with the Verizon Wireless Fibers from the System. Verizon Wireless shall accomplish such removal in a manner that does not damage the System.

**8.6** Except as set forth in Article XII, termination of this Agreement shall not affect any fully-executed Lease Route Order placed prior to the date of termination unless otherwise stated.

## **ARTICLE IX**

### **RELOCATION; CONDEMNATION; EMINENT DOMAIN**

**9.1 Relocation Procedures.** If Supplier determines in its reasonable business judgment, or is required by a third party with legal authority to do so, to relocate all or any portion of the System or any of the facilities used in the provision of any Verizon Wireless Lease, Supplier shall provide Verizon Wireless sixty (60) calendar Days’ prior written notice of any such relocation, if possible, and shall proceed with such relocation. Supplier shall have the

right to direct such relocation, including the right to determine the extent of, the timing of, and methods to be used for such relocation, provided that any such relocation:

- (a) shall be constructed and tested in accordance with then-current industry standards;
- (b) shall not result in an adverse change to the operations, performance, Connecting Points or end points of a Circuit or db/km loss; and
- (c) shall not unreasonably interrupt service on the System.

Supplier shall utilize commercially reasonable efforts, in coordination and cooperation with Verizon Wireless, to accomplish the relocation.

9.2 **Condemnation.** In the event that any portion of the Verizon Wireless Fibers of a Lease Route Order becomes the subject of a proceeding which is not dismissed within thirty (30) Days after the date of commencement of said proceeding and which could reasonably be expected to result in a Taking (as defined in this Article IX) by any governmental agency or other party having the power of eminent domain for public purpose or use, both parties to such Lease Route Order shall be entitled, to the extent permitted by law, to participate in such condemnation proceeding for compensation by either joint or separate awards for the economic value of their respective interests in the Verizon Wireless Fibers of such Lease Route Order that are subject to the condemnation proceeding.

9.3 **Eminent Domain.** Should any portion of the System or any other interest belonging to Supplier be acquired by eminent domain, nationalization, or expropriation (each of which, a "Taking") by any authority or entity possessing such power, then each party shall be excused from performance of its obligations to the extent provided in Article XX (Force Majeure). In the proceeding for any such Taking or an involuntary discontinuance of the use of a portion of the System in anticipation of a Taking, the interests of Verizon Wireless and Supplier in the affected portion shall be severed. Any awards resulting from the proceeding or otherwise provided shall be allocated between Verizon Wireless and Supplier in accordance with such interests. In addition, Verizon Wireless and Supplier shall each be entitled to claim and receive the portion of the total award attributable to its interest in the System and may claim damages payable on account of relocation or re-routing expenses relating to the System. Except to the extent set forth in this Section 9.3, the provisions of Sections 9.1 (Relocation Procedures) shall apply to any relocation resulting from a Taking.

## **ARTICLE X**

### **AUDIT RIGHTS**

Supplier shall keep such books and records (which shall be maintained on a consistent basis and substantially in accordance with generally accepted accounting principles) reflecting, and shall readily disclose, the basis for any charges (except charges fixed in advance by this Agreement or by separate agreement of the parties) or credits, ordinary or extraordinary, billed or due to Verizon Wireless under this Agreement and shall make them available for examination,

audit, and reproduction by Verizon Wireless and its duly authorized agents or representatives for a period of three (3) years after such charge or credit is billed or due.

**ARTICLE XI**  
**WARRANTIES**

11.1 [REDACTED]

11.2 **Warranties Relating to Agreement Validity.** In addition to any other representations and warranties contained in this Agreement, Supplier and Verizon Wireless each represents and warrants to the other party that:

- (a) it has the full right and authority, and has taken all necessary corporate or similar action, to enter into, execute, deliver, and perform its obligations under this Agreement and its Lease Route Order(s);
- (b) its execution of and performance under this Agreement and its Lease Route Order(s) shall not violate any applicable existing regulations, rules, statutes, or court orders of any local, state, or federal government agency, court, or body; and
- (c) the performances contemplated under this Agreement are not inconsistent with any underlying third-party Lease agreements.

11.3 **Warranties Relating to Cables.** Supplier represents and warrants that as of the Acceptance Date for the Verizon Wireless Fibers:

- (a) at the time of delivery of Verizon Wireless Fibers and thereafter, Supplier will take no action to impair the capability of any service provided by Verizon Wireless under this Agreement to be “CALEA Compliant” within the meaning of the Communications Assistance for Law Enforcement Act (of Pub. L. 103-414, Title 1, October 25, 1994, 108 Stat. 4279, as amended), as well as any regulations or industry standards implementing the provisions of the law; and
- (b) All goods provided and services performed by Supplier under this Agreement and all grants of Leases under this Agreement do not and will not give rise to or result in any infringement or misappropriation of any patent, copyright, trade secret, or any violation of any other intellectual property right of any third party.

11.3 **Pass Through of Applicable Third-Party Warranties.** To the extent Supplier is permitted to do so pursuant to the terms of any applicable third party warranty relating to any portion of the Verizon Wireless Fibers, Supplier agrees to “pass through” to Verizon Wireless the benefit of Supplier’s rights with respect to such warranty and to reasonably cooperate in connection with Verizon Wireless’ enforcement thereof.

**ARTICLE XII**  
**DEFAULT AND CURE**

12.1 Either Party will be in default under this Agreement if it becomes insolvent, liquidates, is adjudicated as bankrupt, makes an assignment for the benefit of creditors, invokes any provision of law for the relief of debtors or initiates any proceeding seeking protection from its creditors.

12.2 In the event of a material default under this Agreement, and subject to a thirty-Day (30) right to cure (unless otherwise subject to a different cure period expressly set forth in this Agreement), provided, however, that if such material default cannot reasonably be cured within such thirty-day (30) period and if the first party is proceeding promptly and with due diligence in curing the same, the time for curing such default shall be extended for a period of time, not to exceed ninety (90) days, as may be necessary to complete such curing, the non-defaulting Party shall have the right, at its option, to:

- 12.2.1 Suspend its performance or payment obligations with respect to the affected Verizon Wireless Fibers; and/or
- 12.2.2 Terminate the affected Lease Route Order(s) without further liability upon providing written notice of such termination to the defaulting Party; and/or
- 12.2.3 Terminate this Agreement without further liability upon providing written notice of such termination to the defaulting Party.

12.3 **Disputed Amounts.** Notwithstanding any provision to the contrary in Section 12.1 or 12.2, either party shall have the right to dispute any amount due under this Agreement, provided that (i) the disputing party provides written notice of such dispute to the other party by the date that any such amount is due; (ii) the disputing party presents a written statement of any billing discrepancies to the other party in reasonable detail together with supporting documentation and evidence within fifteen (15) Days after the date that any such amount is due; and (iii) the disputing party negotiates in good faith with the other party to resolve any such dispute within ninety (90) calendar Days of the date any such amount is due. Verizon Wireless shall pay disputed amounts mutually agreed upon and in favor of Supplier within sixty (60) Days of the resolution of such dispute. Supplier shall credit disputed amounts mutually agreed upon and in favor of Verizon Wireless on Verizon Wireless' next invoice.

**ARTICLE XIII**  
**INDEMNIFICATION**

13.1

[REDACTED]

[REDACTED]

13.2 [REDACTED]

[REDACTED]

13.3 The foregoing indemnification shall apply whether the Indemnifying Party or an Indemnified Party defends such Claim and whether the Claim arises or is alleged to arise out of the sole acts or omissions of the Indemnifying Party or out of the concurrent acts or omissions of the Indemnifying Party and any Indemnified Parties. Each Party further agrees to bind its subcontractors, if any, to similarly indemnify, hold harmless, and defend the Indemnified Parties.

13.4 The Indemnified Party will provide the Indemnifying Party with prompt, written notice of any written Claim covered by this indemnification; provided that any failure of the Indemnified Party to provide any such notice, or to provide it promptly, shall not relieve the Indemnifying Party from its indemnification obligations in respect of such Claim, except to the extent the Indemnifying Party can establish actual prejudice and direct damages as a result thereof. The Indemnified Party will cooperate appropriately with the Indemnifying Party in connection with the Indemnifying Party's evaluation of such Claim. The Indemnifying Party shall defend any Indemnified Party, at the Indemnified Party's request, against any Claim. Promptly after receipt of such request, the Indemnifying Party shall assume the defense of such Claim with counsel reasonably satisfactory to the Indemnified Party. The Indemnifying Party shall not settle or compromise any such Claim or consent to the entry of any judgment without the prior written consent of each Indemnified Party and without an unconditional release of all claims by each claimant or plaintiff in favor of each Indemnified Party.

**ARTICLE XIV**  
**LIMITATION OF LIABILITY**

14.1 [REDACTED]

[REDACTED]

[REDACTED]

14.2 [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**ARTICLE XV**  
**INSURANCE**

15.1 Supplier shall maintain, during the term and each renewal or extension of this Agreement, at its own expense, the following insurance:

- 15.1.1 Worker’s Compensation and related insurance as prescribed by the law of the state in which the work is performed;
- 15.1.2 Employer’s liability insurance with limits of at least \$1,000,000 each occurrence;
- 15.1.3 Comprehensive general liability insurance (including products liability insurance and independent contractors) and, if the use of automobiles is required, comprehensive automobile liability insurance, each with limits of at least \$2,000,000 for combined single limit for bodily injury, including death, and/or property damage;
- 15.1.4 Professional Liability (Errors and Omissions) with limits of not less than \$3,000,000 per claim; and
- 15.1.5 Excess liability insurance with a combined single limit of \$5,000,000.

15.2 The insuring carriers shall be rated at least A- by AM Best and the form of the insurance policies shall be subject to approval by Verizon Wireless. Such policies shall be primary and non-contributory by Verizon Wireless and include a waiver of subrogation in favor of Verizon Wireless. Verizon Wireless shall be named as an additional insured on the general and automobile liability insurance policies. Supplier shall furnish to Verizon Wireless certificates of such insurance within ten (10) Days of the execution of this Agreement and with each renewal. The insurer or the insured’s representative shall provide at least ten (10) Days prior written notice of policy cancellation to Verizon Wireless. The fulfillment of the obligations hereunder in no way modifies Supplier’s obligations to indemnify Verizon Wireless.

15.3 Supplier shall also require Supplier’s subcontractors, if any, who may enter upon Verizon Wireless’ premises to maintain insurance policies with the same coverage and limits as those listed in Article 15.1.1/15.1.2/15.1.3 above, and to agree to furnish Verizon Wireless, if requested, certificates or adequate proof of such insurance. The insurer or the insured’s representative shall provide at least ten (10) Days prior written notice of policy cancellation to Verizon Wireless.

15.4 [REDACTED]

**ARTICLE XVI**  
**TAXES AND GOVERNMENTAL FEES**

16.1 **Verizon Wireless Obligations.** Subject to Section 16.2, if Supplier is required by law to collect any federal, state or local sales, excise or other similar transfer tax from Verizon Wireless with respect to an amount to be paid by Verizon Wireless to Supplier under this Agreement, then (i) Supplier shall bill such tax to Verizon Wireless in the manner and for the amount required by law, (ii) Verizon Wireless shall pay such billed amount of tax to Supplier, and (iii) Supplier shall remit such billed amount of tax to the appropriate tax authorities as required by law. Except as provided in this Section 16.1 and in Section 16.3, Supplier shall bear the costs of all taxes and other governmental charges and fees of whatever nature that are assessed against or are otherwise the legal responsibility of Supplier with respect to itself, with respect to the System, or with respect to any service furnished by or on behalf of Supplier to Verizon Wireless under this Agreement.

16.2 **Exception.** Supplier shall not bill to or otherwise attempt to collect from Verizon Wireless any tax with respect to which Verizon Wireless has provided Supplier with a valid exemption certificate (in a form reasonably acceptable to Supplier or as required by law) a direct pay number, or other reasonable basis for relieving Supplier of its responsibility to collect such tax from Verizon Wireless; provided, however, that, as between Supplier and Verizon Wireless, Verizon Wireless shall be liable for tax, and for interest and penalty imposed directly with respect thereto, that Supplier fails to collect from Verizon Wireless by reason of the immediately preceding provision, if a tax authority determines, in a proceeding in which Verizon Wireless has been afforded the opportunity to meaningfully participate, that such tax should have been collected by Supplier from Verizon Wireless.

16.3 **Reimbursement of Taxes Paid on Verizon Wireless' Behalf.** Supplier shall timely report and pay any and all ad valorem taxes attributable to the System, including the Verizon Wireless Fibers if permitted under applicable law, to the local ad valorem taxing authority regardless of whom such taxing authority may assess and Verizon Wireless shall promptly reimburse Supplier for its Pro-Rata Share (i.e., a proportion equal to a fraction, the numerator of which is the number of Verizon Wireless Fibers in the affected portion of the System and the denominator of which is the total number of Fibers in the cable on the affected portion of the System) of such taxes after receipt by Verizon Wireless of an invoice for such amount.



with a copy to:

Southern California Edison  
 Attn: Law Department – Telecommunications  
 Section  
 2244 Walnut Grove Ave.  
 Rosemead, CA 91770

17.2 **Notice and Delivery.** Unless otherwise provided herein, notices shall be hand delivered, sent by registered or certified U.S. Mail, postage prepaid, or by commercial overnight delivery service, or transmitted by facsimile, and shall be deemed served or delivered to the addressee or its office when received at the address for notice specified above when hand delivered, upon confirmation of sending when sent by facsimile, or on the Day after being sent when sent by overnight delivery service. A notice that is sent by facsimile shall also be sent by one of the other means set out by this Section 17.2.

**ARTICLE XVIII**  
**NON-DISCLOSURE; PUBLICITY AND ADVERTISING**

18.1 **Non-Disclosure.** The non-disclosure provisions set forth as Exhibit F (Non-Disclosure) shall apply to this Agreement and all Lease Route Orders hereunder.

18.2 **Publicity and Advertising.** Each Party Supplier agrees to submit to the other Party's corporate communications department for written approval all advertising, sales promotion, press releases and other publicity matters relating to a product furnished or used and/or the services performed pursuant to this Agreement, when the other Party's name or mark (or the name or mark of any of its Affiliates) is mentioned or language from which the connection of said name or mark may be inferred or implied. Such requests shall be sent to:

Vice President – Corporate Communications  
 Verizon Wireless  
 One Verizon Way, Mailstop VC43E062  
 Basking Ridge, New Jersey 07920

Or

Vice President –Corporate Communications  
 Southern California Edison Company  
 2244 Walnut Grove Avenue  
 Rosemead, California 91770

**ARTICLE XIX**  
**RELATIONSHIP OF THE PARTIES**

Supplier, in performing any of its obligations hereunder, is acting solely as an independent contractor and not as an agent of Cellco or any Verizon Wireless Affiliate. Persons furnished by Supplier shall be solely the employees or agents of Supplier and shall be under the

sole and exclusive direction and control of such party. They shall not be considered employees of Verizon Wireless for any purpose. Supplier shall comply with all applicable federal, state and local laws, government regulations and orders, including, without limitation, laws, government regulations and orders with respect to employment. In addition, Supplier shall not discriminate against any employee or applicant for employment because of race, color, religion, disability, sex, national origin, age, physical or mental disability, veteran status, or any other unlawful criterion, and it shall comply with all applicable laws against discrimination and all applicable rules, regulations and orders issued thereunder or in implementation thereof. Verizon Wireless is a federal contractor. As a result, but only if applicable, the Equal Opportunity Clauses set forth in 41 C.F.R. §§ 60-1.4(a) and the employee notice found at 29 C.F.R. Part 471, Appendix A to Subpart A are incorporated by reference herein. Finally, but also only if applicable, **Supplier shall abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.** Supplier shall also be responsible for payment of taxes, including federal, state, and municipal taxes, chargeable or assessed with respect to its employees or agents, such as social security, unemployment, worker's compensation, disability insurance and federal and state income tax withholding. Neither party undertakes by this Agreement or otherwise to perform or discharge any liability or obligation of the other party, whether regulatory or contractual, or to assume any responsibility whatsoever for the conduct of the business or operations of the other party. Nothing contained in this Agreement is intended to give rise to a partnership or joint venture between the parties or to impose upon the parties any of the duties or responsibilities of partners or joint venturers.

## **ARTICLE XX**

### **FORCE MAJEURE**

Neither party shall be in default under this Agreement or a Lease Route Order with respect to any failure or delay in performing its obligations hereunder to the extent that such failure or delay is caused by reason of acts of God, wars, revolution, civil commotion, acts of public enemy, embargo, acts of government in its sovereign capacity, labor difficulties, including without limitation, strikes, slowdowns, picketing or boycotts, or any other circumstances beyond the reasonable control and not involving any fault or negligence of the party that is delayed or unable to perform (each a "Force Majeure Event"). If any such Force Majeure Event occurs, such party, upon giving prompt notice to the other party, shall be excused from such performance or non-performance, as the case may be, under the Agreement or the impacted Lease Route Order on a day-to-day basis during the continuance of such Force Majeure Event (and the other party shall likewise be excused from performance of its obligations on a day-to-day basis during the same period); provided, however, that the party that is delayed or unable to perform shall use its commercially reasonable efforts to avoid or remove such Force Majeure Event, and both parties shall proceed immediately with the performance of their obligations under this Agreement or the impacted Lease Route Order whenever such causes are removed or cease. Notwithstanding the foregoing, Verizon Wireless may terminate any portion or all of the

affected Lease Route Order without further liability if a Force Majeure Event continues for thirty (30) Days.

## **ARTICLE XXI**

### **INTELLECTUAL PROPERTY**

21.1 Supplier shall indemnify, defend and hold harmless the Indemnified Parties from and against any Claims arising from or relating to any actual or alleged infringement or misappropriation of any patent, trademark, copyright or trade secret or any actual or alleged violation of any other intellectual property or proprietary rights arising from or in connection with any Lease Route Order or the permitted use thereof by Verizon Wireless (an “IP Claim”). Notwithstanding anything to the contrary contained in this Agreement (including, but not limited to, Article XIII (Indemnification)), the provisions of this Article XXI shall govern the rights of Indemnified Parties with respect to indemnification for IP Claims.

21.2 The procedures set forth in Article XIII (Indemnification) shall apply in the case of IP Claims hereunder.

21.3 Without limitation of Sections 21.1 and 21.2, if any Verizon Wireless Fibers or Lease Route Order become subject to an IP Claim, Supplier shall, at Verizon Wireless’ option and Supplier’s expense:

- (a) Procure for Verizon Wireless the right to use the Verizon Wireless Fibers under the Lease Route Order (including related products furnished hereunder);
- (b) Replace the Verizon Wireless Fibers and/or the Lease Route Order (including related products furnished hereunder) with equivalent, non-infringing fibers; or
- (c) Modify the Verizon Wireless Fibers and/or the Lease Route Order (including related products furnished hereunder) so the fibers become non-infringing.

In the event Supplier has exercised commercially reasonable efforts to implement options (a)-(c) above and such efforts are unsuccessful, then, at Verizon Wireless’ option, Verizon Wireless may terminate the affected Lease Route Order and cause Supplier, at Supplier’s expense, to remove any Verizon Wireless Equipment from Supplier’s associated premises and return such Verizon Wireless Equipment to Verizon Wireless, cease providing any services under this Agreement with respect to such Lease Route Order and refund to Verizon Wireless the cost of any prepaid but unused services with respect to such Lease Route Order (including but not limited to a pro rata portion of the associated Non-Recurring Charge; for example, if this remedy is invoked during the 11th year of a 20-year Lease Initial Term, the portion of the Non-Recurring Charge to be refunded hereunder is 9/20<sup>th</sup>).

## **ARTICLE XXII**

### **RULES OF CONSTRUCTION**

22.1 **Interpretation.** The captions or headings in this Agreement are strictly for convenience and shall not be considered in interpreting this Agreement or as amplifying or limiting any of its content. Words in this Agreement that import the singular connotation shall

be interpreted as plural, and words that import the plural connotation shall be interpreted as singular, as the identity of the parties or objects referred to may require. The word “including” means “including, but not limited to.” “Days” refers to calendar days, except that references to “business Days” exclude Saturdays, Sundays and nationally recognized holidays. Unless expressly defined herein, words having well-known technical or trade meanings shall be so construed.

**22.2 Cumulative Remedies; Insurance.** Except as set forth to the contrary herein, any right or remedy of Supplier or Verizon Wireless shall be cumulative and without prejudice to any other right or remedy, whether contained herein or not. The provisions of Article XV (Insurance) shall not be construed as limiting any party’s indemnification obligations pursuant to Article XIII (Indemnification) or other provisions of this Agreement.

22.3 [REDACTED]

**22.4 Agreement Fully Negotiated.** This Agreement has been fully negotiated between and jointly drafted by Supplier and Verizon Wireless.

**22.5 Document Precedence.** In the event of a conflict between the provisions of this Agreement and those of any Exhibit, the provisions of this Agreement shall prevail and such Exhibits shall be corrected accordingly. In the event of a conflict between the provisions of this Agreement and those of a Lease Route Order, the provisions of this Agreement shall prevail and the Lease Route Order shall be corrected accordingly. In the event of a conflict between the provisions of a Lease Route Order and those of any Exhibit to this Agreement, the provisions of the Exhibit shall prevail and the Lease Route Order shall be corrected accordingly. For the avoidance of doubt, to the extent a Lease Route Order includes provisions differing from this Agreement and/or its Exhibits pursuant to the terms of this Agreement expressly permitting a Lease Route Order to provide “otherwise,” such difference shall not be deemed a “conflict” for purposes of this Section. In the event of a conflict between the provisions of an Exhibit and those of any other Exhibit, the provisions of the first Exhibit listed in the following list shall prevail: Exhibit F (Non-Disclosure), Exhibit B (Fiber Splicing, Testing, and Acceptance Standards and Procedures), Exhibit D (Cable Installation Specifications), Exhibit E (As-Built Drawing Specifications), Exhibit C (Fiber Specifications).

**22.6 Cross References.** Except as the context otherwise indicates, all references to Exhibits, Articles, Sections, Subsections, Clauses, and Paragraphs refer to provisions of this Agreement.

**22.7 Limited Effect of Waiver.** The failure of either Supplier or Verizon Wireless to enforce any of the provisions of this Agreement, or the waiver thereof in any instance, shall not be construed as a general waiver or relinquishment on its part of any such provision, but the same shall nevertheless be and remain in full force and effect.

**22.8 Applicable Law.** The domestic laws of the State of New York, without reference to its choice of law principles, shall govern this Agreement and all Lease Route Orders and they shall be construed accordingly. Any suit brought by either party against the other party

for claims arising out of this Agreement shall be brought in the federal or state courts in California. The application of the UN Convention on Contracts for the International Sale of Goods is specifically excluded from this Agreement.

**22.9 Severability.** If any term or provision of this Agreement shall, to any extent, be determined to be invalid or unenforceable by a court or body of competent jurisdiction, then (i) both parties shall be relieved of all obligations arising under such provision and this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it valid and enforceable while preserving its intent to the maximum extent possible, and (ii) the remainder of this Agreement shall be valid and enforceable.

**22.10 Liquidated Damages.** Each party hereby acknowledges and agrees that actual damages resulting from the failure to meet a FOC Date or from an Outage are difficult to ascertain and that the credits and refunds as set forth in this Agreement are intended to constitute an estimate of damages (“Liquidated Damages”). Each party hereby agrees that the Liquidated Damages set forth in this Agreement are reasonable in light of the anticipated harm caused by the related service disruption, and that the Liquidated Damages do not constitute a penalty.

### **ARTICLE XXIII** **ASSIGNMENT**

**23.1 Right to Assign.** Neither party shall assign any right or interest under this Agreement without the prior written consent of the other party, except as provided hereinafter. Such consent may not be unreasonably withheld. Any attempted assignment in contravention of this provision shall be void and ineffective. Unless otherwise expressly agreed by the consenting party, any assignment (with consent) of monies owed or owing shall be void and ineffective to the extent that such assignment attempts to impose upon either party obligations to the other party additional to the payment of such monies, or to preclude either party from dealing solely and directly with the other party in all matters pertaining to this Agreement including the negotiation of amendments or settlements of charges due. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns. The foregoing notwithstanding, Supplier shall have the right at any time, without the prior consent of Verizon Wireless, to mortgage, pledge or grant a security interest in its interest in this Agreement and/or any of Supplier’s System in connection with any borrowing or financing activity of Supplier, and the rights of Verizon Wireless granted under this Agreement and/or the Lease Route Orders shall be subject and subordinate to the lien of any such mortgage, pledge or security interest now in place or hereafter granted by Supplier; provided, however, that in such event Supplier will make commercially reasonable efforts to ensure that Verizon Wireless’ rights under this Agreement and the Lease Route Orders to use the Verizon Wireless Fibers and obtain the services described in the this Agreement will not be materially impeded; and further provided, however, that in such event and at the request of Verizon Wireless, Supplier will use commercially reasonable efforts to obtain from any such interest holder a written non-disturbance agreement substantially to the effect that such interest holder acknowledges Verizon Wireless’ rights and interests under this Agreement and the Lease Route Orders and agrees not to disturb such rights and interests. In the event any of Verizon Wireless’ rights under this Agreement and its Lease Route Orders are so compromised by the activities of a lienholder as

described above and Supplier ceases performing its obligations under this Agreement, then Verizon Wireless may terminate the affected Lease Route Order(s) with respect to this Agreement and, in the event of such termination, Supplier shall refund to Verizon Wireless the pro-rata monthly portion of any prepaid but unused services with respect to such Lease Route Order(s) (including but not limited to the unused portion of the associated Rent).

**23.2 Right to Subcontract.** Supplier may subcontract for testing, maintenance, repair, restoration, relocation, or other operational and technical services it is obligated to provide hereunder or may have the underlying facility owner or its contractor perform such obligations, but Supplier in any event shall remain fully and directly liable to Verizon Wireless for the performance of such services and obligations. Notwithstanding the foregoing, Supplier shall remove, at Verizon Wireless' request, any subcontractor furnished by Supplier who, in Verizon Wireless' opinion, is incapable, uncooperative or otherwise unacceptable in the execution of the services to be provided under this Agreement. Furthermore, Supplier shall bind its subcontractors, if any, to ensure that such subcontractors agree to comply with all applicable federal, state and local laws, government regulations and orders, including laws, government regulations and orders with respect to employment. In addition, such subcontractors shall agree not to discriminate against any employee or applicant for employment because of race, color, religion, disability, sex, national origin, age, physical or mental disability, veteran status, or any other unlawful criterion, and such subcontractors shall agree to comply with all applicable laws against discrimination and all applicable rules, regulations and orders issued thereunder or in implementation thereof. Verizon Wireless is a federal contractor. As a result, but only if applicable, the Equal Opportunity Clauses set forth in 41 C.F.R. §§ 60-1.4(a) and the employee notice found at 29 C.F.R. Part 471, Appendix A to Subpart A shall be incorporated by reference in the relevant subcontract. Finally, but also only if applicable, **Supplier shall bind its subcontractors to abide by the requirements of 41 CFR §§ 60-300.5(a) and 60-741.5(a). These regulations prohibit discrimination against qualified individuals on the basis of protected veteran status or disability, and require affirmative action by covered Prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.**

**23.3 Verizon Wireless Affiliate Assignment.** Notwithstanding the prohibitions set forth in Section 23.1 above, Cellco may assign this Agreement or Verizon Wireless may assign any of its Lease Route Orders to another Verizon Wireless Affiliate

#### ARTICLE XXIV

#### **ENTIRE AGREEMENT; AMENDMENT; EXECUTION**

**24.1 Integration; Exhibits.** This Agreement constitutes the entire and final agreement and understanding between Supplier and Verizon Wireless with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits referred to herein are integral parts hereof and are made a part of this Agreement by reference.

**24.2 Amendment.** This Agreement may only be amended, modified, or supplemented by an instrument in writing executed by duly authorized representatives of

Supplier and Cellco, and any such amendment shall be effective with respect to all Lease Route Orders, unless otherwise provided by such amendment.

24.3 **Counterparts.** This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument.

24.4 **Electronic Delivery.** This Agreement may be duly executed and delivered by a party by execution and electronic delivery (such as via email or facsimile transmission) of the signature page of a counterpart to the other party.

**ARTICLE XXV**  
**FOREIGN-BASED SERVICES**

Supplier represents, warrants, and covenants that no service performed by Supplier pursuant to this Agreement shall be provided, directed, controlled, supervised, or managed, and no data relating to any such service shall be stored, at, in, or through a site located outside of the United States.

**ARTICLE XXVI**



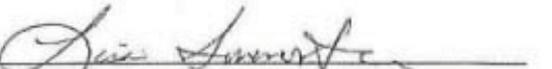
**ARTICLE XXVII**  
**SIGNATURES**

IN WITNESS WHEREOF and in confirmation of their consent to the terms and conditions contained in this Agreement and intending to be legally bound hereby, Supplier and Verizon Wireless have executed this Agreement on the dates set forth below.

**CELLCO PARTNERSHIP**  
**D/B/A VERIZON WIRELESS**

**SOUTHERN CALIFORNIA EDISON**

By:   
Print Name: Brian Mecum  
Title: BP Network  
Date: 11/17/16

By:   
Print Name: LISA SWENERTON  
Title: DIRECTOR & GENERAL MANAGER  
Date: 11-2-16

**EXHIBIT A**  
**LEASE ROUTE ORDER FORM**  
**LEASE ROUTE ORDER NO. \_\_\_\_**  
**VZW CONTRACT # XXXXXXXXXXXX**  
**PURSUANT TO THE MASTER DARK FIBER LEASE AGREEMENT**  
**(#MSA\_000000110\_2015)**

This Lease Route Order is entered into between Southern California Edison (“Supplier”) and [Verizon Wireless Entity placing the Order] d/b/a Verizon Wireless (“Verizon Wireless”) as of the date of the last signature hereto and incorporates the terms and provisions set forth in the Master Dark Fiber Lease Agreement (MSA\_000000110\_2015) (the “Lease Agreement”) entered by and between Cellco Partnership d/b/a Verizon Wireless and Supplier and dated as of \_\_\_\_\_, 20[xx]. Capitalized terms used but not defined herein shall have the meaning set forth in the Lease Agreement. **[NOTE: Include the following language only when the VZW legal entity for an Order is other than Cellco Partnership]** [Verizon Wireless Entity(ies) placing the Order] [each] represents and warrants to [Supplier Entity Name] that it is a Verizon Wireless Affiliate, and agrees to be bound by and may enforce the terms and conditions of the Lease Agreement with respect to this Lease Route Order as if it was an original party and direct signatory to said agreement.

**I. CONTACT INFORMATION**

<b>SUPPLIER NOTICE ADDRESS (LOCAL)</b>		<b>VERIZON WIRELESS NOTICE ADDRESS (LOCAL)</b>	
Supplier address address		[VZW Entity Name placing Order] d/b/a Verizon Wireless address address	
<b>CONTACT:</b> [name]	<b>PHONE:</b> (xxx) xxx-xxxx	<b>CONTACT:</b> [name]	<b>PHONE:</b> (xxx) xxx-xxxx
<b>PAYMENT ADDRESS</b>		<b>INVOICE ADDRESS</b>	
Supplier address address		[Entity Name] d/b/a Verizon Wireless address address	
<b>ATTN:</b> Supplier Communications	<b>PH:</b> (xxx) xxx-xxxx	<b>ATTN:</b> [name]	<b>PH:</b> (xxx) xxx-xxxx

**II. DESCRIPTION OF ROUTE**

<b>FOC Date</b> for entire Lease Route Order mm/dd/yyyy  If FOC Dates are on a per Circuit basis, the FOC Date Schedule is located on Schedule 3.	<b>Initial Lease Term</b> xx Months	<b>Collocation:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No (Check applicable box)
<b>Attached Schedules</b>		
Schedule 1 – Route Map and/or Network Diagram Schedule 2 – Route Description	Schedule 3 – Route Pricing Schedule 4 – Lease Route Specifications	

**III. GRANT**

Upon the Acceptance Date(s) of this Lease Route Order and subject to the terms and conditions of the Lease Agreement, Supplier hereby grants and conveys to Verizon Wireless an exclusive Lease to use the specific number of strands stated in Schedule 3 (“Route Pricing”) in the Cable over the Route depicted in Schedule 1 (“Dark Fiber Route Map”) and further described in Schedule 2 (“Route Description”) and Schedule 4 (“Lease Route Specifications”).

**SOUTHERN CALIFORNIA EDISON**

**[Verizon Wireless Entity Name]  
d/b/a VERIZON WIRELESS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule 1  
Route Map / Network Diagram**

**Map:**

***[Insert Route Map and/or Network Diagram here]***

**Legend:**

*[By way of example:]*

Blue: New Construction needed for contracted Route under this Lease Route Order  
Red: Existing Supplier Network, not contracted for under this Lease Route Order

## Schedule 2 Route Description

**Route Description:** *[Insert detailed Path Description here]*

*[by way of example:]* Supplier shall install underground high-density polyethylene conduit and fiber optic cable from the Verizon Wireless site at *[Address Location A]* to a splice point located at *[Address Location Z]*. The total Route distance is approximately *[Number of miles]* mile(s). Supplier shall use all commercially reasonable efforts to place the Cable along the Routes set forth in Schedule 1 (“Dark Fiber Route Map”) or such Routes that will include all of the locations specified in Schedule 1 or such alternative locations as may be mutually agreed upon by the parties. Supplier shall provide any resulting Schedule 1 changes to Verizon Wireless as a replacement document to Schedule 1.

**Scope of Work:** *[Insert SOW here]*

*[by way of example:]* Supplier shall install underground high-density polyethylene conduit and a twenty-four (24)-count fiber optic cable along the route depicted in Schedule 1 and described in Schedule 2. Supplier shall terminate *[Number of fibers]* Verizon Wireless Fibers at an existing Fiber Distribution Panel (FDP) in *[Address Location A]* and install a splice case and splice *[Number of fibers]* Verizon Wireless Fibers at *[Address Location Z]*. Verizon Wireless shall provide Supplier with access to building entrance conduit at *[Address Location A]*. **[Note, the following considerations should be included in the SOW when a specified Route is a ring path: (i) Fiber ring should physically pass through each VZW designated (MSC / POI) where possible; (ii) Dual entrances should be established with a minimum recommended separation of twenty (20) feet; (iii) Fiber ring extensions to VZW MSC/POI’s should be provisioned over physically diverse paths; (iv) Deployment of “Maintenance Fibers” by Supplier to monitor entire fiber ring.]**

**Demarcation Points:** *[Insert Description of Demarcation Locations here]*

- (1) [By way of example: Fiber Distribution Panel located inside Verizon Wireless MSC located at (address, city, state).]
- (2) [By way of example: Splice point located at (address, city, state).]

**Schedule 3  
Route Pricing**

<b>Leased Dark Fiber Route(s) Circuit-by-Circuit Detail</b>					
<b>Circuit Number</b>	<b>Circuit Description</b>	<b>FOC Date</b>	<b>Number of Fibers</b>	<b>Non-Recurring Charges (NRCs)</b>	<b>Monthly Rent</b>
<i><b>TOTAL ROUTES</b></i>			<i><b>XX</b></i>	<i><b>\$XXX,XXX.XX</b></i>	<i><b>\$X,XXX.XX</b></i>

**Payment Schedule:** *[Process note: The Verizon Wireless Lease Route Order Matter Number (#XXXXXXXXXX) must appear on all invoices and correspondence.] Insert detail as to when the Non-Recurring Charges will be paid -- for example, 35% on execution of the Lease Route Order and the remaining 65% on Acceptance of the Lease Route Order in accordance with Section 3.1 of the Agreement.*

In accordance with Section 3.1 of the Lease Agreement (MSA\_0000000110\_2015) and this Schedule 3 (“Route Pricing”), Verizon Wireless shall pay Supplier the Non-Recurring Charge as follows:

- (a) After execution of the Lease Route Order, Supplier will invoice Verizon Wireless for thirty-five percent (35%) of the Non-Recurring Charge for the applicable Circuit(s) as set forth in said Lease Route Order, and payment of such invoice shall be due sixty (60) calendar Days following receipt of the invoice.

- (b) Following the Acceptance Date of a Circuit(s) for the Lease Route Order, Supplier will invoice Verizon Wireless for the remaining sixty-five percent (65%) of the Non-Recurring Charge for the applicable Circuit(s), and payment of such invoice shall be due sixty (60) calendar Days following receipt of the invoice.

Verizon Wireless will become obligated to pay Rent beginning on the Acceptance Date for the applicable circuit(s). When the Acceptance Date occurs on a Day other than the first Day of the month or a Circuit terminates on a Day other than the last Day of the month, Rent for that month will be determined by pro-rating the monthly payment by the actual number of Days the Verizon Wireless Fibers were accepted in said month. For the purpose of clarification, Rent shall be inclusive of all maintenance service charges.

**[\*\*\*\* When collocation is ordered, include the following Table and populate with appropriate Collocation / Transmission information and pricing \*\*\*\*]**

Collocation Site Address	Collocation Space Requirements			DC Power Requirements			Glass Through / Jumper Charges
	# of Footprints	NRC	MRC	Amps	NRC	MRC	NRC
<b>Totals</b>							

Total Collocation NRCs: \_\_\_\_\_

Total Collocation MRCs: \_\_\_\_\_

[Provide any additional references or details here as needed.]

**Schedule 4  
Lease Route Specifications**

**A. Cable Parameters**

Cable parameters for the Verizon Wireless Fibers hereunder will be as set forth in Exhibit C (“Fiber Specifications”) of the Lease Agreement unless otherwise stated herein. [spell out] Cable parameters if different from those set forth in Exhibit C.]

**B. Cable Installation**

Cable installation will be as set forth in Exhibit D (“Cable Installation Specifications”) of the Lease Agreement unless otherwise stated herein. [spell out] Cable Installation Specifications if different from Exhibit D.]

**C. Fiber Splicing, Testing, and Acceptance**

Splicing, testing and acceptances of the Verizon Wireless Fibers will be as set forth in Exhibit B (“Fiber Splicing, Testing, and Acceptance Standards and Procedures”) of the Lease Agreement unless otherwise stated herein. [spell out] Fiber Splicing, Testing, and Acceptance Standards and Procedures if different from Exhibit B.]

**D. As-Built Drawings**

As-Built drawings will be provided to Verizon Wireless for each Route in accordance with the Lease Agreement forty-five Days (45) after the Acceptance Date of such Route, unless otherwise stated herein: [spell out] (##) Days after the Acceptance Date of the Route if different than forty-five (45) Days.]

**E. Verizon Wireless Contact(s)**

<u>Primary</u>	<u>Alternate</u>
Name: nnnnnnnnnnnnnnnnnnnnnnn	nnnnnnnnnnnnnnnnnnnnnnnn
Title: ttttttttttttttttttttttttttt	tttttttttttttttttttttttttt
Office: nnn-nnn-nnnn	nnn-nnn-nnnn
Cell: nnn-nnn-nnnn	nnn-nnn-nnnn
E-mail: <a href="mailto:first.last@VerizonWireless.com">first.last@VerizonWireless.com</a>	<a href="mailto:first.last@VerizonWireless.com">first.last@VerizonWireless.com</a>

**Verizon Wireless Network Operations Center**

East: (800) 852-2671  
West: (800) 264-6620

**F. Interruptions**

Credits for service interruptions shall be as set forth in Exhibit I (“Remedies, Network Monitoring and Escalation Procedures”) of the Lease Agreement.

## EXHIBIT B

### FIBER SPLICING, TESTING, AND ACCEPTANCE STANDARDS AND PROCEDURES

#### 1. End-To-End Testing

- A. After Supplier has established end-to-end connectivity on the fibers for a Route, it shall:
- perform bi-directional optical time domain reflectometer (“OTDR”) end-to-end tests to record splice loss measurements,
  - test continuity to confirm that no fibers have been “frogged” or crossed at any splice points, and
  - record loss measurements using a light source and a power meter.

Verizon Wireless shall have the right, but not the obligation, to have an individual present to observe such testing and Supplier shall provide Verizon Wireless at least fifteen (15) Days’ prior notice of its testing schedule. Within fifteen (15) Days after Supplier’s conclusion of the fiber acceptance testing for a Route, Supplier shall provide Verizon Wireless with a certified copy of the test deliverables for such Route.

- B. All splices shall be fusion splices except for endpoints where pigtail connectors may be used. When a fiber has been spliced, the objective for each splice is a loss of 0.15 dB or less in any one direction, with a .30 dB bi-directional averaged loss. If, after two additional attempts, a value of less than <0.15 dB is not achievable, then the splice will be marked as out-of-spec (“OOS”) on the data sheet. Each splicing attempt shall be documented on the data sheet. At fiber termination points, the pigtail splice loss shall be less than <1.0 dB, and the reflection level at such termination points shall be less than <-50 dB.
- C. Supplier shall perform bi-directional OTDR end-to-end testing at both 1310 nm and 1550 nm, provided that 1310 nm OTDR tests are not required (i) for spans longer than 64 kilometers or (ii) where the fiber being tested is not manufactured to support 1310 nm optical signals. The results of such tests for any given span shall not be deemed within specification unless showing loss measurements between fiber distribution panels at each end of such span in accordance with the loss specifications set forth by the cable manufacturers specifications for dB per kilometer loss as shown in the fiber specifications set forth in the applicable Lease Route Order. Supplier shall measure and verify losses for each splice point in both directions and average the loss values. Supplier shall mark any splice points as OOS that have an average loss value, based on bi-directional OTDR testing, in excess of 0.3 dB. Any such splice points shall be subject to Section 2, below.

## 2. Out-of-Spec Splices

OOS splices shall be noted, but shall not preclude Acceptance of a Fiber if the OOS condition does not affect transmission capability (based on use of then-prevailing telecommunications industry standards applicable to equipment generally used with the relevant type of fiber) or create a significant possibility of an outage. In the event Verizon Wireless is later able to reasonably establish that the OOS splice in existence prior to the Acceptance of a Fiber affects service, Supplier shall take necessary action to bring the splice into compliance at Supplier's cost and expense with the applicable specifications under Section 1 ("End-to-End Testing") of this Exhibit.

## 3. OTDR Equipment and Settings

Supplier shall use OTDR equipment and settings that are, in its reasonable opinion, suitable for performing accurate measurements of the fiber installed. Such equipment and settings shall include, without limitation, the Laser Precision CMA4000 models or compatible models for OTDR testing.

## 4. Acceptance Test Deliverables

Supplier shall provide computer media (CD-ROM) and or hard copies containing the following information for the relevant fibers and cable segments:

- A. Verification of end-to-end fiber continuity with power level readings for each fiber taken with a stable light source and power meter.
- B. Verification that the loss at each splice point is either (i) in accordance with Subsection 1.B above or (ii) in accordance with the requirements of Section 2 of this Exhibit.
- C. The final bi-directional OTDR test data, with distances.
- D. Cable manufacturer, cable type (buffer/ribbon), fiber type, cable reel number, number of fibers, number of fibers per tube, and distance of each section of cable between splice points.
- E. As-built alignment sheets depicting the location of the fiber.

## 5. General Testing Procedures And Acceptance

- A. As soon as Supplier determines that the Verizon Wireless Fibers for the Route meet the Acceptance Standards such that there is fiber connectivity between all fiber distribution panels (FDPs) along such Route or connectivity to Verizon Wireless requested spliced off-net location, it shall provide the deliverables set

forth in Section 4 of this Exhibit. Verizon Wireless shall have fifteen (15) business Days after receipt of test deliverables for the Route to provide Supplier written notice of any bona fide determination that the Verizon Wireless Fibers on such Route do not meet the Acceptance Standards. Such notice shall identify the specific data that indicate a failure to meet the Acceptance Standards.

- B. Upon receiving written notice pursuant to Subsection 5.A of this Exhibit, Supplier shall either:
- (i) expeditiously take such action as shall be reasonably necessary to cause such portion of the Verizon Wireless Fibers to meet the Acceptance Standards and then re-test the Verizon Wireless Fibers in accordance with the provisions of this Exhibit; or
  - (ii) provide Verizon Wireless written notice that Supplier disputes Verizon Wireless' determination that the Verizon Wireless Fibers do not meet the Acceptance Standards.

After taking corrective actions and re-testing the Verizon Wireless Fibers, Supplier shall provide Verizon Wireless with a copy of the new test deliverables and Verizon Wireless shall again have all rights provided in this Article with respect to such new test deliverables. The cycle described above of testing, taking corrective action and re-testing shall take place until the Verizon Wireless Fibers meet the Acceptance Standards.

- C. If Supplier provides notice to Verizon Wireless pursuant to Subsection 5.B(ii), Verizon Wireless shall within five (5) Days of such notice designate by written notice to Supplier the names and addresses of three reputable and independent fiber optic testing companies. Supplier shall designate one of such companies to conduct an independent re-test of the Verizon Wireless Fibers for the relevant Route. If, after such re-testing, the testing company determines that the Verizon Wireless Fibers
- (i) meet the Acceptance Standards, then Verizon Wireless shall pay the testing company's charges for performing the testing and the Acceptance Date for the relevant Route shall be ten (10) Days after Supplier provided its test deliverables.
  - (ii) do not meet the Acceptance Standards, then Supplier shall pay the testing company's charges for performing the testing and shall perform the corrective action and re-testing set forth in Subsection 5.B(i).
- D. Unless Verizon Wireless provides a written objection pursuant to Subsection 5.A, the Acceptance Date of the Route shall occur on the twenty-first (21<sup>st</sup>) Day after Supplier provides the test deliverables for that Route, or, if earlier, the date

Verizon Wireless provides written acceptance of such Route. Verizon Wireless' acceptance (pursuant to this Subsection or Subsection 5.C) shall constitute "Acceptance" of the Verizon Wireless Fibers for such Route.

**EXHIBIT C**















**EXHIBIT E**  
**AS-BUILT DRAWING SPECIFICATIONS**

As-Built drawings will contain a minimum of the following:

1. Information showing the location of running line, relative to permanent landmarks, including but not limited to, railroad mileposts, boundary crossings and utility crossings.
2. Splice locations.
3. The identity, by numbers, of the Fibers which have been assigned to Verizon Wireless.
4. Manhole/Handhole locations.
5. Conduit information (type, length, expansion joints, etc.).
6. Cable information (manufacturer, type of Cable, reel numbers, at all Handholes/Manholes, amount of Cable slack, etc.).
7. Notation of all deviations from specifications (depth, etc.).
8. Right-of-way detail (type, centerline distances, boundaries, waterways, road crossings, known utilities and obstacles, etc.).
9. Cable marker locations and stationing.
10. Construction of facilities will be documented on the sitework/facility As-builts and maintained on file at the facility (if applicable).
11. The scale of As-Built Alignment Sheets shall not exceed 1" = 200' in metropolitan areas (areas where there is either extensive development and improvement or rapid growth (new building construction)) or 1" = 500' in non-metropolitan areas.
12. As-Builts will be provided in both hard copy and electronic format (Auto-CAD ReLease 13.0 or later).

**EXHIBIT F**  
**NON-DISCLOSURE**

1. To facilitate discussions, meetings and the conduct of business between the parties with respect to the matter of mutual interest which is the subject of this Agreement, it may be necessary for one party to disclose to the other technical, customer, personnel and/or business information in written, graphic, oral or other tangible or intangible form including, but not limited to, specifications, records, data, computer programs, drawings, schematics, know-how, notes, models, reports and samples , whether or not marked as “Confidential” ("Confidential Information"). Confidential Information may include proprietary material, as well as material subject to and protected by laws regarding secrecy of communications or trade secrets.
2. The obligations with respect to Confidential Information shall extend for a period of five (5) years following the date of initial disclosure of that Confidential Information or five (5) years beyond completion of the termination or expiration of the Agreement, whichever is greater; except, however, that Verizon Wireless customer information shall remain confidential forever.
3. Each party acknowledges and agrees as follows:
  - a. All Confidential Information acquired by either party from the other shall be and shall remain the exclusive property of the source;
  - b. To use care to limit the amount of Confidential Information provided to the other Party to only that information that is necessary or useful for the purposes of this Agreement and to inform the receiving party, in advance of any disclosure of Confidential Information to the receiving party, in non-confidential and non-proprietary terms, of the nature of the proposed disclosure, and to afford the receiving party the option of declining to receive the Confidential Information;
  - c. Information which is disclosed orally shall not be considered Confidential Information unless it is reduced to writing or to a written summary which identifies the specific information to be considered as Confidential Information, and such writing is provided to the receiving party at the time of disclosure or within thirty (30) Days;
  - d. To receive in confidence any Confidential Information; to use such Confidential Information only for purposes of work, services or analysis related to the matter of mutual interest described above and for other purposes only upon such terms as may be agreed upon between the parties in writing;
  - e. To limit access to such Confidential Information to a party’s employees, contractors, and agents who (i) have a need to know the Confidential Information

in order for such party to participate in the matter of mutual interest described above; and

- f. At the disclosing party's request, to return promptly to the disclosing party or to destroy any copies of such Confidential Information that is in written, graphic or other tangible or intangible form, and provide to the disclosing party a list of all such material destroyed.
4. These obligations do not apply to Confidential Information which:
- a. As shown by reasonably documented proof, was in the other's possession prior to receipt from the disclosing party; or
  - b. As shown by reasonably documented proof, was received by one party in good faith from a third party not subject to a confidential obligation to the other party; or
  - c. Now is or later becomes publicly known through no breach of confidential obligation by the receiving party; or
  - d. Is disclosed to a third party by the source without a similar nondisclosure restriction; or
  - e. Was developed by the receiving party without the developing person(s) having access to any of the Confidential Information received from the other party; or
  - f. Is authorized in writing by the disclosing party to be released or is designated in writing by that party as no longer being confidential or proprietary.

- 6. The parties agree to provide the other party with prompt notice of any actual or potential requirement of any court or agency to disclose Confidential Information. The party receiving the request for the information shall notify the source party and, to the extent practicable, shall give that party an opportunity to participate in objecting to production of the Confidential Information.
- 7. It is agreed that a violation of any of the provisions of this Agreement will cause irreparable harm and injury to the non-violating party and that party shall be entitled, in addition to any other rights and remedies it may have at law or in equity, to an injunction

enjoining and restraining the violating party from doing or continuing to do any such act and any other violations or threatened violations of this Agreement.

**EXHIBIT G**  
**MAINTENANCE SPECIFICATIONS**

**1. Planned Maintenance.**

Supplier shall perform the work and provide the services set forth in the following paragraphs A through E below as Planned Maintenance:

A. NCC Functions. Supplier shall operate a manned Network Control Center (“NCC”) twenty-four (24) hours a Day, seven (7) Days a week that monitors the System by means of remote surveillance equipment and dispatches maintenance and repair personnel to handle and repair problems detected by the NCC or reported by Verizon Wireless or other parties. Supplier shall provide Verizon Wireless a toll-free telephone number to report problems to the NCC.

B. Cable Maintenance. Supplier shall perform appropriate routine maintenance on the Cable in accordance with Supplier’s then-current preventative maintenance procedures. Supplier’s preventative maintenance procedures shall not substantially deviate from industry practice.

C. Transmission Site Maintenance. Supplier shall perform appropriate routine maintenance on regenerator, optical amplifier, and junction buildings, including the DC power plant, HVAC equipment, and basic building safety equipment including alarms and emergency generators in accordance with Supplier’s then-current preventative maintenance procedures. Supplier’s maintenance procedures shall not substantially deviate from industry practice.

D. Route Patrol. Supplier shall patrol the System route on a reasonable, routine basis and shall perform all required Cable locates. Supplier shall belong to a state or regional one-call (call-before-you-dig) center when available.

E. Spare Cable. Supplier shall maintain an inventory of spare cable at strategic locations to facilitate timely restoration.

**2. Planned Network Maintenance Activity**

A. Timing. Supplier shall avoid performing maintenance between 0600-2200 local time, Monday through Friday, inclusive, that will have a disruptive impact on the continuity or performance level of the Verizon Wireless Fibers. However, the preceding sentence does not apply to restoration of continuity to a severed or partially severed fiber optic cable, restoration of dysfunctional power and ancillary support equipment, or correction of any potential jeopardy conditions.

B. Notice. Supplier shall provide Verizon Wireless with telephone, facsimile, or written notice of all non-emergency planned network maintenance (a) no later than three (3) business Days prior to performing maintenance that, in its reasonable opinion, has a substantial likelihood of affecting Verizon Wireless’ traffic for up to fifty (50) milliseconds, and (b) no later than seven (7) business Days prior to performing maintenance that, in its reasonable opinion, has a substantial likelihood of affecting Verizon Wireless’ traffic for more than fifty (50)

milliseconds. If Supplier's planned activity is canceled or delayed, Supplier shall promptly notify Verizon Wireless and shall comply with the provisions of the previous sentence to reschedule any delayed activity.

### **3. Unplanned Maintenance**

A. Emergency Repair. Supplier shall correct or repair Cable discontinuity or damage. Supplier shall use commercially reasonable efforts to repair Cable traffic discontinuity within the following objectives:

- Dispatch of personnel to problem area –within two hours of learning of discontinuity
- Arrival of first maintenance employee on site – within two (2) hours of dispatch
- Restoration of Cable continuity – continuity of at least one (1) Fiber shall be established within four (4) hours of restoration personnel arriving on site; restoration shall continue until all in-service Fibers are restored
- Upon Verizon Wireless' request, for all Supplier maintained Routes, Supplier shall establish a customer bridge line to provide updates on the emergency repair work being performed
- When applicable, for Routes not maintained by Supplier, Supplier shall dispatch route technicians and offer assistance to the maintenance provider responsible for the emergency repair work. Additionally, upon Verizon Wireless' request, Supplier shall establish a bridge line or provide regular status updates on the emergency repair work being performed

B. Permanent Repair. Within twenty-four (24) hours after completion of an emergency repair, Supplier shall commence its planning for permanent repair, shall notify Verizon Wireless of such plans, and shall implement such permanent repair within an appropriate time thereafter.

C. Splicing Specifications. Supplier shall comply with the Cable splicing specifications as provided in Attachment B ("Fiber Splicing, Testing, and Acceptance Standards and Procedures"). Supplier shall provide to Verizon Wireless any modifications to these specifications for Verizon Wireless' approval, which shall not be unreasonably withheld or delayed, so long as the modifications do not substantially deviate from industry standards.

### **4. Miscellaneous**

A. Full-Time Dispatch Capability. Supplier's maintenance employees shall be available for dispatch twenty-four (24) hours a Day, seven (7) Days a week. Supplier shall use commercially reasonable efforts to have its first maintenance employee at the site requiring an emergency maintenance activity within two (2) hours from the time of alarm identification by Supplier's NCC or notification by Verizon Wireless, whichever occurs first. Emergency maintenance is defined as any service-affecting situations requiring an immediate response.

B. Standard of Care; Cooperation. In performing its services hereunder, Supplier shall take workmanlike care to prevent impairment to the signal continuity and performance of the System. In addition, Supplier shall reasonably cooperate with Verizon Wireless in sharing information and analyzing the disturbances regarding the Cable and/or Fiber facilities.

C. Verizon Wireless Equipment. Nothing contained herein shall make Supplier responsible for Verizon Wireless Equipment.

D. Escalation List. Supplier shall, at Verizon Wireless' request, provide Verizon Wireless an operations escalation list for use in reporting and seeking redress of exceptions noted in Supplier's performance of Planned and Unplanned Maintenance.

**EXHIBIT H**  
**COLLOCATION PROVISIONS**

***Reserved for addition at a future date***









**Appendix B**

**Declaration of Verizon Wireless Regarding Confidentiality of Information in the Master Dark  
Fiber Lease Agreement Between Southern California Edison Company and Cellco  
Partnership d/b/a Verizon Wireless**

**DECLARATION OF VERIZON WIRELESS REGARDING  
CONFIDENTIALITY OF INFORMATION  
IN THE MASTER DARK FIBER LEASE AGREEMENT  
BETWEEN SOUTHERN CALIFORNIA EDISON COMPANY AND  
CELLCO PARTNERSHIP D/B/A VERIZON WIRELESS**

I, Jesús G. Román, declare as follows:

On November 17, 2016, Cellco Partnership D/B/A Verizon Wireless (“Verizon Wireless”) executed a Dark Fiber Lease Agreement between Southern California Edison Company and Cellco Partnership d/b/a Verizon Wireless (“Agreement”). This Agreement was the product of confidential negotiations and certain portions of the Agreement include information that Verizon Wireless is seeking to protect as confidential proprietary information and trade secrets under long-established California precedents. Accordingly, Verizon Wireless has requested Southern California Edison (“SCE”) to ensure that the portions of the Agreement that contain confidential information not be disclosed publicly and, to the extent SCE is required to provide the California Public Utilities Commission (the “Commission”) a version of the Agreement for disclosure to the public, that SCE provide a redacted copy.

The redacted information contained in the Agreement is competitively sensitive, confidential, proprietary and constitutes a trade secret of Verizon. Specifically, the confidential information falls into three categories:

**Template terms and conditions.** In its negotiation of commercial contracts with third parties, such as SCE, Verizon Wireless typically starts with a template form of agreement. That template agreement, standing alone, is considered confidential information of Verizon Wireless and is the product of years of effort by internal business clients and attorneys that support the network organization. Indeed, it is standard practice that Verizon Wireless will not disclose its template agreement to any third party unless that third party has first signed a confidentiality agreement. The template incorporates Verizon’s “going-in” position on numerous commercial and technical issues that, at any point in time, reflects Verizon’s current view on an acceptable risk allocation between the vendor and Verizon. The template also reflects Verizon’s real world experience as a wireless service provider in negotiating and addressing issues that have arisen in connection with both lit or dark fiber projects throughout the United States. The templates have been modified to take account of issues that have arisen and been resolved between Verizon and other third party vendors. As such, the template reflects the sum total of that experience, and constitutes intellectual property of Verizon that would be of high value to any wireless carrier seeking to compete against Verizon. Verizon has taken care to only redact those terms from the template that could be used to its competitive disadvantage.

**Negotiated Positions.** Verizon is also concerned about language in the document that has been negotiated with SCE, a public utility company, and that reflects a decision by Verizon to alter the risk allocation from the standard found in its templates in some respect. These changes need to be evaluated in their entirety. Verizon may have been able to accept certain

changes to a particular provision based upon other changes that are made elsewhere in the document or based upon some unique aspect of the SCE market that may not apply to other markets or vendors. To allow third parties to see the negotiated agreement would open the possibility that in future negotiations against Verizon, those vendors would seek to cherry-pick provisions to their favor and to make the argument that they are entitled to the same provisions as SCE. The point is that SCE is a different party, operating in a different market, with different resources and concerns. Verizon is placed at a distinct disadvantage in negotiations with third party vendors if its negotiated agreements become public, and Verizon seeks to avoid that result.

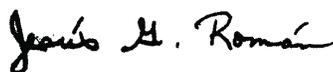
**Technical Information.** The Agreement contains exhibits that include technical specifications of the fiber and the service that Verizon is purchasing, as well as technical details regarding the installation of the fiber or service. There is clearly, in this day of real work and cyber terrorism, a heightened concern regarding security of telecommunications infrastructure, and the technical details of the Verizon network should therefore not be made public.

In summation, provisions that have been redacted for the public version of the document includes information that, if disclosed publicly, would (1) provide value to Verizon's competitors; (2) create additional difficulties for Verizon in negotiating future commercial agreements with third party vendors; and (3) potentially constitute a security risk given the technical nature of certain of the information regarding network infrastructure. Therefore, the document would place Verizon at an "unfair business disadvantage" if released to the public and is thus also protected from disclosure by General Order 66-C, § 2.2(b) and California Public Utilities Code § 583. In addition, California Government Code, Section 6254.15 of the California Public Records Act, provides that nothing in the Act "shall be construed to require the disclosure of records that are any of the following: corporate financial records, corporate proprietary information including trade secrets . . . ."

Accordingly, for the reasons cited, the Commission should not require or permit the disclosure to the public any of the redacted information in the Agreement.

I declare on information and belief that the information provided herein is true and correct and on that basis so affirm. I have been designated by Verizon Wireless officer Brian Mecum to submit this declaration.

Executed this 11<sup>th</sup> day of January 2017 at Simi Valley, California.



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Jesús G. Román

**Appendix C**

**SCE's Financial Statements, Including Balance Sheet and Statement of Income**

SOUTHERN CALIFORNIA EDISON COMPANY  
"FINANCIAL STATEMENT" AS DEFINED BY RULE 2.3, OF THE  
RULES OF PROCEDURE GOVERNING FORMAL PROCEEDINGS BEFORE THE  
PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

September 30, 2016

**(a) Amount and kinds of stock authorized by articles of incorporation and amount outstanding.**

	Number of Shares	Par Value Per Share
Amount and kinds of stock authorized:		
\$25 Cumulative preferred	24,000,000	\$25
\$100 Cumulative preferred	12,000,000	\$100
Preference	50,000,000	None
Common	560,000,000	None
	Number of Shares	Amount Outstanding (in millions)
Amounts and kinds of stock issued and outstanding:		
\$25 Cumulative preferred:		
4.08% Series	650,000	\$ 16
4.24% Series	1,200,000	30
4.32% Series	1,653,429	41
4.78% Series	1,296,769	33
\$1,000 liquidation value, cumulative preference:		
Series E	350,000	350
\$2,500 liquidation value, cumulative preference:		
Series F*	190,004	475
\$2,500 liquidation value, cumulative preference:		
Series G*	160,004	400
\$2,500 liquidation value, cumulative preference:		
Series H*	110,004	275
\$2,500 liquidation value, cumulative preference:		
Series J*	130,004	325
\$2,500 liquidation value, cumulative preference:		
Series K*	120,004	300
Common Stock, no par value	434,888,104	2,168
Total		\$ 4,413

\* Issued to an SCE Trust in guarantee of an issue of Trust Preference Securities.

SOUTHERN CALIFORNIA EDISON COMPANY

**(b) Terms of preference and preferred stock, whether cumulative or participating, or on dividends or assets, or otherwise.**

Each share of Common Stock is entitled to one vote. Each share of Cumulative Preferred Stock, 4.08% Series, 4.24% Series, 4.32% Series and 4.78% Series, is entitled to six votes. Shares of Preference Stock are not entitled to vote. For terms of preference, etc., see Applicant's Restated Articles of Incorporation dated March 2, 2006 ("Articles"), filed March 14, 2006, with Application 06-03-020. The terms of the Cumulative Preferred Stock are set forth in the Articles. Terms of additional series of Preference Stock are set forth in Certificates of Determination of Preferences as follows: Series E Preference Stock and Increase in Authorized shares of Series E Preference Stock, filed March 5, 2012, with Application 12-03-004; Series F Preference Stock, filed June 29, 2012, with Application 12-06-017; Series G Preference Stock, filed January 31, 2013, with Application 13-01-016; Series H Preference Stock, filed March 24, 2014, with Application 14-03-013; Series J Preference Stock, filed October 2, 2015, with Application 12-06-017; and Series K Preference Stock, filed April 1, 2016, with Application 16-04-001. All shares of Series B Preference Stock, Series C Preference Stock, and Series D Preference Stock have been redeemed and are no longer outstanding.

SOUTHERN CALIFORNIA EDISON COMPANY

**(c) Brief description of each security agreement, mortgage and deed of trust upon applicant's property, showing date of execution, debtor and secured party, mortgagor and mortgagee, and trustor and beneficiary, amount of indebtedness authorized to be secured thereby, and amount of indebtedness actually secured, together with any sinking fund provisions.**

Trustor, Southern California Edison Company; Trustee, The Bank of New York Mellon Trust Company, N.A., successor in 2008 to The Bank of New York Trust Company, N.A., successor in 2005 to The Bank of New York, successor in 2000 to Harris Trust and Savings Bank, and Trustee, D.G. Donovan, successor in 1993 to R. G. Mason, successor in 1983 to Wells Fargo Bank, National Association, successor in 1970 to Security Pacific National Bank, successor by consolidation and merger in 1935 to Pacific-Southwest Trust and Savings Bank; bonds authorized and outstanding are as follows:

Series	Date of Issue	Due Date	Interest Rate	Principal Balance (in millions)
<b><u>Tax-Exempt Indebtedness</u><sup>1</sup>:</b>				
Palo Verde Pollution Control Bonds:				
Maricopa County, AZ 2000 Series A and B <sup>2</sup>	7/19/2000	6/1/2035	5.00%	\$ 144.400
Four Corners Pollution Control Bonds:				
City of Farmington, NM 2005 Series A and B <sup>2</sup>	3/23/2005	4/1/2029	1.875%	\$ 203.460
City of Farmington, NM 2011 Series <sup>2</sup>	5/19/2011	4/1/2029	1.875%	\$ 55.540
Mohave Pollution Control Bonds:				
Clark County, NV 2010 Series <sup>2</sup>	12/16/2010	6/1/2031	1.875%	\$ 75.000
SONGS Pollution Control:				
CPCFA 2011 Series <sup>2,3</sup>	9/1/2011	9/1/2031	Variable	\$ 30.000
CSCDA 2010 Series A <sup>2</sup>	9/21/2010	9/1/2029	4.50%	\$ 100.000
CSCDA 2006 Series A <sup>2</sup>	4/12/2006	4/1/2028	1.375%	\$ 157.500
CSCDA 2006 Series B <sup>2</sup>	4/12/2006	4/1/2028	1.90%	\$ 38.500
CSCDA 2006 Series C-D <sup>4</sup>	4/12/2006	11/1/2033	4.25%	\$ 135.000
<b><u>Taxable Indebtedness</u><sup>1</sup>:</b>				
Series 2004B	1/14/2004	1/15/2034	6.00%	525
Series 2004G	3/26/2004	4/1/2035	5.75%	350
Series 2005B	1/19/2005	1/15/2036	5.55%	250
Series 2005E	6/27/2005	7/15/2035	5.35%	350
Series 2006A	1/31/2006	2/1/2036	5.625%	350
Series 2006E	12/11/2006	1/15/2037	5.55%	400
Series 2008A	1/22/2008	2/1/2038	5.95%	600
Series 2008B	8/18/2008	8/15/2018	5.50%	400
Series 2009A	3/20/2009	3/15/2039	6.05%	500
Series 2010A	3/11/2010	3/15/2040	5.50%	500
Series 2010B	8/30/2010	9/1/2040	4.50%	500
Series 2011A	5/17/2011	6/1/2021	3.875%	500
Series 2011E	11/22/2011	12/1/2041	3.90%	250
Series 2012A	3/13/2012	3/15/2042	4.05%	400
Series 2013A	3/7/2013	3/15/2043	3.90%	400
Series 2013C	10/2/2013	10/1/2023	3.50%	600
Series 2013D	10/2/2013	10/1/2043	4.65%	800
Series 2014B	5/9/2014	5/1/2017	1.125%	400
Series 2014C	11/7/2014	11/1/2017	1.25%	100
Series 2015A	1/16/2015	2/1/2022	1.845%	432
Series 2015B	1/16/2015	2/1/2022	2.40%	325
Series 2015C	1/16/2015	2/1/2045	3.60%	425
				10,296

<sup>1</sup> None of SCE's debt obligations have sinking fund provisions.

<sup>2</sup> Secured by first and refunding mortgage bonds.

<sup>3</sup> Held by SCE.

<sup>4</sup> Secured by SCE's first and refunding mortgage bonds, but payment of interest and principal guaranteed by bond insurance.

SOUTHERN CALIFORNIA EDISON COMPANY

**(d) Amounts of bonds authorized and issued, giving name of the public utility which issued same, describing each class separately, and giving date of issue, par value, rate of interest, date of maturity and how secured, together with amount of interest paid thereon during the last fiscal year.**

For the 12 months ended December 31, 2015, interest in the amount of \$453 million was paid on all bonds issued and outstanding. For other data required by this subparagraph (d), see response to subparagraph (c).

**(e) Each note outstanding, giving date of issue, amount, date of maturity, rate of interest, in whose favor, together with amount of interest paid thereon during the last fiscal year.**

For the 12 months ended December 31, 2015, interest in the amount of \$20 million was paid on all notes issued and outstanding. For other data required by this subparagraph (e), see response to subparagraph (f).

SOUTHERN CALIFORNIA EDISON COMPANY

**(f) Other indebtedness, giving same by classes and describing security, if any, with a brief statement of the devolution or assumption of any portion of such indebtedness upon or by any person or corporation if the original liability has been transferred, together with amount of interest paid thereon during the last fiscal year.**

(1) <u>Other Long-Term Debt</u>	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Balance (in millions)</u>
Taxable Indebtedness (unsecured):				
1999 6.65% Notes	4/6/1999	4/1/2029	6.65%	\$ 300
5.06% Fort Irwin Acquisition Debt	8/1/2003	8/1/2053	5.06%	7
				<hr/>
				307 <hr/>

SOUTHERN CALIFORNIA EDISON COMPANY

(2) Current Liabilities:	(in millions)	
Short-term debt	\$ 239	
Current portion of long-term debt	479	
Accounts payable	1,172	
Accrued taxes	156	
Customer deposits	264	
Derivative liabilities	223	
Regulatory liabilities	1,030	
Other current liabilities	<u>675</u>	<u>\$ 4,238</u>
(3) Deferred Credits:		
Deferred income taxes and credits	9,765	
Derivative liabilities	1,069	
Pensions and benefits	1,293	
Asset retirement obligations	2,590	
Regulatory liabilities	6,020	
Other deferred credits and other long-term liabilities	<u>1,848</u>	<u>22,585</u>
Total		<u>\$ 26,823</u>

No security was given to cover above debts in items (2) and (3).  
Interest, if any, will be paid when paying principal.

SOUTHERN CALIFORNIA EDISON COMPANY

(g) Rate and amount of dividends paid during the five previous fiscal years, and the amount of capital stock on which dividends were paid each year.

**Year Ending December 31, 2011**

<b>Class of Stock</b>	<b>Number of Shares</b>		<b>Dividend Rate Per Annum</b>
	<b>Outstanding*</b>	<b>Dividends Paid</b>	
Cum. Pfd. 4.08%	650,000	\$663,000.49	4.08%
Cum. Pfd. 4.24%	1,200,000	\$1,272,000.54	4.24%
Cum. Pfd. 4.32%	1,653,429	\$1,785,703.32	4.32%
Cum. Pfd. 4.78%	1,296,769	\$1,549,641.93	4.78%
Preference Stock. Series A	4,000,000	\$23,100,000.00	Variable Rate
Preference Stock. Series B	2,000,000	\$12,250,000.00	6.125%
Preference Stock. Series C	2,000,000	\$12,000,000.00	6.000%
Preference Stock. Series D	1,250,000	\$5,890,625.00	6.500%

**Year Ending December 31, 2012**

<b>Class of Stock</b>	<b>Number of Shares</b>		<b>Dividend Rate Per Annum</b>
	<b>Outstanding*</b>	<b>Dividends Paid</b>	
Cum. Pfd. 4.08%	650,000	\$663,000.00	4.08%
Cum. Pfd. 4.24%	1,200,000	\$1,272,000.00	4.24%
Cum. Pfd. 4.32%	1,653,429	\$1,785,704.00	4.32%
Cum. Pfd. 4.78%	1,296,769	\$1,549,640.00	4.78%
Preference Stock. Series A	3,250,000	\$16,895,150.00	Variable Rate
Preference Stock. Series B	2,000,000	\$12,250,000.00	6.125%
Preference Stock. Series C	2,000,000	\$12,000,000.00	6.000%
Preference Stock. Series D	1,250,000	\$8,125,000.00	6.500%
\$1,000 Preference Stock. Series E	350,000	\$11,788,194.00	6.250%
\$2,500 Preference Stock. Series F	190,004	\$15,512,045.00	5.625%

\* Denotes maximum number of shares that were outstanding during the year.

SOUTHERN CALIFORNIA EDISON COMPANY

**Year Ending December 31, 2013**

<b>Class of Stock</b>	<b>Number of Shares Outstanding*</b>	<b>Dividends Paid</b>	<b>Dividend Rate Per Annum</b>
Cum. Pfd. 4.08%	650,000	\$663,000.44	4.08%
Cum. Pfd. 4.24%	1,200,000	\$1,272,000.51	4.24%
Cum. Pfd. 4.32%	1,653,429	\$1,785,703.32	4.32%
Cum. Pfd. 4.78%	1,296,769	\$1,549,641.60	4.78%
Preference Stock. Series A	3,250,000	\$14,933,750.00	Variable Rate
Preference Stock. Series B**	2,000,000	\$2,007,600.00	6.130%
Preference Stock. Series C**	2,000,000	\$3,933,400.00	6.000%
Preference Stock. Series D	1,250,000	\$8,125,000.00	6.500%
\$1,000 Preference Stock. Series E	350,000	\$21,875,000.00	6.250%
\$2,500 Preference Stock. Series F	190,004	\$26,719,312.52	5.630%
\$2,500 Preference Stock. Series G	160,004	\$17,907,114.39	5.100%

**Year Ending December 31, 2014**

<b>Class of Stock</b>	<b>Number of Shares Outstanding*</b>	<b>Dividends Paid</b>	<b>Dividend Rate Per Annum</b>
Cum. Pfd. 4.08%	650,000	\$663,000.44	4.08%
Cum. Pfd. 4.24%	1,200,000	\$1,272,000.46	4.24%
Cum. Pfd. 4.32%	1,653,429	\$1,785,703.32	4.32%
Cum. Pfd. 4.78%	1,296,769	\$1,549,641.46	4.78%
Preference Stock. Series A	3,250,000	\$16,030,625.00	Variable Rate
Preference Stock. Series D	1,250,000	\$8,125,000.00	6.500%
\$1,000 Preference Stock. Series E	350,000	\$21,875,000.00	6.250%
\$2,500 Preference Stock. Series F	190,004	\$26,719,312.52	5.630%
\$2,500 Preference Stock. Series G	160,004	\$20,400,510.00	5.100%
\$2,500 Preference Stock. Series H	110,004	\$12,255,133.13	5.750%

**Year Ending December 31, 2015**

<b>Class of Stock</b>	<b>Number of Shares</b>	<b>Dividends Paid</b>	<b>Dividend Rate</b>
Cum. Pfd. 4.08%	650,000	\$663,000.00	4.08%
Cum. Pfd. 4.24%	1,200,000	\$1,272,000.00	4.24%
Cum. Pfd. 4.32%	1,653,429	\$1,785,703.00	4.32%
Cum. Pfd. 4.78%	1,296,769	\$1,549,639.00	4.78%
Preference Stock. Series A	-	\$11,935,086.00	Variable Rate
Preference Stock. Series D	-	\$8,125,000.00	6.500%
\$1,000 Preference Stock. Series E	350,000	\$21,875,000.00	6.250%
\$2,500 Preference Stock. Series F	190,004	\$26,719,313.00	5.625%
\$2,500 Preference Stock. Series G	160,004	\$20,400,510.00	5.100%
\$2,500 Preference Stock. Series H	110,004	\$15,813,075.00	5.750%
\$2,500 Preference Stock. Series J	130,004	\$5,386,364.00	5.375%

\* Denotes maximum number of shares that were outstanding during the year.

\*\* Preference Stock Series B & C were redeemed by SCE on 02/28/2013.

SOUTHERN CALIFORNIA EDISON COMPANY

**(h) A balance sheet as of the latest available date, together with an income statement covering the period from close of last year for which an annual report has been filed with the Commission to the date of the balance sheet attached to the application.**

STATEMENT OF INCOME  
NINE MONTHS ENDED SEPTEMBER 30, 2016

(In millions)

OPERATING REVENUE	<u>\$ 8,956</u>
OPERATING EXPENSES:	
Purchase power and fuel	3,576
Other operation and maintenance	1,993
Depreciation, decommissioning and amortization	1,497
Property and other taxes	<u>268</u>
Total operating expenses	<u>7,334</u>
OPERATING INCOME	1,622
Interest and other income	97
Interest expense	(402)
Other expenses	<u>(26)</u>
INCOME BEFORE INCOME TAX	1,291
INCOME TAX	<u>162</u>
NET INCOME	1,129
Less: Preferred and preference stock dividend requirements	<u>92</u>
NET INCOME AVAILABLE FOR COMMON STOCK	<u>\$ 1,037</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET  
SEPTEMBER 30, 2016  
ASSETS  
(in millions)

UTILITY PLANT:

Utility plant, at original cost	\$ 41,954
Less- accumulated provision for depreciation and decommissioning	8,753
	<u>33,201</u>
Construction work in progress	2,738
Nuclear fuel, at amortized cost	125
	<u>36,064</u>

OTHER PROPERTY AND INVESTMENTS:

Nonutility property - less accumulated depreciation of \$78	76
Nuclear decommissioning trusts	4,376
Other investments	41
	<u>4,493</u>

CURRENT ASSETS:

Cash and equivalents	39
Receivables, less allowances of \$56 for uncollectible accounts	980
Accrued unbilled revenue	569
Inventory	251
Prepaid taxes	0
Derivative assets	60
Regulatory assets	321
Other current assets	223
	<u>2,443</u>

DEFERRED CHARGES:

Regulatory assets	7,844
Derivative assets	67
Other long-term assets	231
	<u>8,142</u>
	<u>\$ 51,142</u>

SOUTHERN CALIFORNIA EDISON COMPANY

BALANCE SHEET  
SEPTEMBER 30, 2016  
CAPITALIZATION AND LIABILITIES  
(in millions)

CAPITALIZATION:	
Common stock	\$ 2,168
Additional paid-in capital	658
Accumulated other comprehensive loss	(19)
Retained earnings	9,280
Common shareholder's equity	<u>12,087</u>
Preferred and preference stock	2,245
Long-term debt	9,987
Total capitalization	<u>24,319</u>
CURRENT LIABILITIES:	
Short-term debt	239
Current portion of long-term debt	479
Accounts payable	1,172
Accrued taxes	156
Accrued interest	0
Customer deposits	264
Derivative liabilities	223
Regulatory liabilities	1,030
Other current liabilities	675
	<u>4,238</u>
DEFERRED CREDITS:	
Deferred income taxes and credits	9,765
Deferred investment tax credits	0
Customer advances	0
Derivative liabilities	1,069
Pensions and benefits	1,293
Asset retirement obligations	2,590
Regulatory liabilities	6,020
Other deferred credits and other long-term liabilities	1,848
	<u>22,585</u>
NONCONTROLLING INTERESTS	0
	<u>\$ 51,142</u>

SOUTHERN CALIFORNIA EDISON COMPANY

DETAIL OF UTILITY PLANT AND ACCUMULATED PROVISION  
FOR DEPRECIATION BY CLASS  
September 30, 2016

UTILITY PLANT

(in millions)

CLASS

Production	\$	3,294
Transmission		12,338
Distribution		21,877
General		2,826
Intangible		1,585
Other utility plant		34
Total utility plant, at original cost less contributions	\$	<u>41,954</u>

ACCUMULATED PROVISION FOR DEPRECIATION

(in millions)

CLASS

Production	\$	1,031
Transmission		1,785
Distribution		4,785
General		1,056
Intangibles		781
Other utility plant		24
Retirement work in progress		(709)
Total accumulated provision for depreciation	\$	<u>8,753</u>