

**AGREEMENT FOR REPLACEMENT OF OVERHEAD
WITH UNDERGROUND ELECTRICAL FACILITIES**

THIS AGREEMENT, made this 18th day of May 2010 between SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, hereinafter called "SCE" and City of Manhattan Beach, a municipality hereinafter referred to as "City."

WITNESSETH:

WHEREAS, City has requested SCE to replace SCE's existing overhead (66kV transmission/12kV distribution/telecommunication) line(s) and appurtenant facilities (hereinafter referred to as Electrical Facilities) with underground facilities to accommodate the development of Rosecrans Boulevard; said facilities to be placed underground along Rosecrans Boulevard, and adjacent private property, in the City of Manhattan Beach, County of Los Angeles, State of California, as shown on the Base Map/Work Order map attached hereto and made a part hereof; hereinafter referred to as Project Area; and

WHEREAS, SCE is the holder of certain easement(s) and or fee right of way for its existing line(s) and appurtenant facilities; and

WHEREAS, City has requested SCE to furnish and install the pads and vaults for transformers and associated equipment, conduits, ducts, boxes, and to perform other work related to structures and substructures including breaking pavement, trenching, backfilling, and repaving required in connection with installation of the underground system; and

WHEREAS, City has agreed to pay SCE the sum hereinafter set forth to relocate, underground, all (transmission/distribution/telecommunication) facilities within the Project Area; said costs having been determined by SCE's standard accounting practices and in accordance with CPUC Rule 20B;

NOW, THEREFORE, it is mutually agreed by and between SCE and City as follows, viz.:

1. RELOCATION OF ELECTRICAL FACILITIES.

SCE shall relocate and underground said Electrical Facilities within the Project Area in accordance with the schedule herein.

2. WORK TO BE PERFORMED BY SCE.

- a) SCE shall procure and install all materials, ducts and substructures, and provide all engineering and work related to the relocation of said Electrical Facilities.
- b) SCE shall remove its overhead Electrical Facilities after the underground facilities have been installed, energized, and placed into permanent service.
- c) SCE shall prepare the Easement(s) and all other documents for replacement rights and clearance of encumbrance matters which could prevent or interfere with SCE's use of the easement area to be granted.

- d) Said underground Electrical Facilities will be and will remain the property of SCE, who will be responsible for all further modifications and/or maintenance.
- e) SCE shall obtain, if required, California Public Utility Commission Permits.
- f) SCE shall secure necessary State Highway Crossing Agreements.

3. WORK TO BE PERFORMED BY CITY.

- a) City, at no cost to SCE, but with SCE's cooperation, shall provide SCE with any required street improvement or site plans reflecting the location of all existing and proposed underground/over head structures and/or facilities.
- b) City, at no cost to SCE, but with SCE's cooperation, shall comply with the requirements of the California Environmental Quality Act (CEQA) and shall prepare any and all Environmental Impact Reports which may be required by any Agency having jurisdiction by Law.
- c) City shall assume all costs for preparation of documents as defined in item 2c, above.
- d) City, at no cost to SCE, shall grant/secure all replacement rights and other documents required by SCE and in a form acceptable to SCE to effect the relocation of its facilities and to clear all encumbrance matters.
- e) City will pay to SCE, concurrently with the execution of this agreement, the nonrefundable estimated cost of furnishing and installing the underground structures and substructures, including breaking of pavement, trenching, backfilling, and paving required in connection with installation of the 66kV transmission, 12kV distribution and telecommunication underground system, and the excess, if any, of the estimated costs, exclusive of transformers, meters and services, of completing the underground system over building a new equivalent overhead system. There is no credit for salvage.
- f) City to pay for cost and installation by SCE of one specially designed steel pole to existing transmission vault, west of Redondo Avenue.

4. COST OF DESIGN, ENGINEERING AND TOTAL COST ESTIMATES.

SCE hereby acknowledges receipt of \$1,967,759.00, which shall be credited to those costs SCE has incurred and will incur in the future for the work of design, engineering, cost estimates and material for the relocation of Electrical Facilities and the cost of construction, which includes the amount set forth in Item 5 of this Agreement.

5. TERMS AND METHOD OF PAYMENT.

City shall pay to SCE the additional estimated sum of \$170,000.00 upon execution of this Agreement, which sum shall be credited to those costs and expenses SCE has incurred since the original cost estimate and will incur in the future for the design, engineering and construction required to relocate and underground its Electrical Facilities. Upon completion of all relocation work by SCE, City shall be presented with final accounting as determined by SCE's standard accounting practices and in accordance with CPUC Rule 20B procedures. Should the sum of SCE'S costs and expenses exceed the estimated sum paid by City as provided by herein, City shall pay to SCE the difference between said

sums. Should the estimated sum paid by City to SCE, as provided herein, exceed the sum of SCE's costs and expenses, SCE shall refund to City the difference between said sums.

6. ADDITIONAL WORK.

If SCE is required to relocate any facilities other than the work to be performed as set forth in Section 2, such additional work shall be performed on a completed cost basis at City sole expense.

7. REPLACEMENT RIGHT OF WAY.

City agrees to furnish or cause to be furnished all necessary replacement rights comparable to SCE's existing rights at no cost to SCE and all necessary access for SCE's permanently relocated Electrical Facilities. SCE will not begin construction until all required replacement rights have been executed and/or committed to, in writing, and presented to SCE.

8. SCHEDULE OF WORK.

SCE proposes to have the relocated Electrical Facilities in operation by City contingent upon mutually acceptable schedules, the timely obtaining of permits, licenses and other documents, outages or other key items and not being delayed by those uncontrollable forces described in Item 2 herein.

9. FACILITIES TO REMAIN PROPERTY OF SCE.

All Electrical Facilities and appurtenances thereto installed by SCE under this Agreement shall at all times be and remain the property of SCE.

10. INDEMNIFICATION CLAUSE.

City agrees, for itself, and for its and their agents, contractors, and employees, to save harmless and indemnify SCE, its officers, agents and employees, and its successors and assigns, from and against all claims, loss, damage, actions, causes of actions, expense and/or liability arising from or growing out of loss or damage to property, including SCE's own personal property, or injury to or death of persons, including employees of SCE resulting in any manner whatsoever, directly or indirectly, by reason of this agreement for replacement of overhead with underground Electrical Facilities or the use of or occupancy of said Project Area by City, its agents, and employees, invitees, successors and assigns.

SCE agrees, for itself, and for its and their agents, contractors and employees, to save harmless and indemnify City, its officers, agents, and employees, from and against all Claims, including City's own personal property, or injury to or death of persons, including employees of City resulting in any manner whatsoever, directly or indirectly, by reason of SCE's negligence or willful misconduct with regard to this agreement for replacement of overhead with underground Electrical Facilities or the use of or occupancy of said Project Area by SCE, its agents, and employees, invitees, successors and assigns.

11. DELAY DUE TO UNCONTROLLABLE FORCES.

SCE shall not be responsible for any delay in their performance hereunder, including, but not limited to, SCE's relocation of Electrical Facilities and related work under this Agreement resulting from shortage of labor or materials, delivery delays, major equipment breakdown, load management, strikes, labor disturbances, war, riot, insurrection, civil disturbance, weather conditions, epidemic, quarantine restriction, sabotage, act of public enemy, earthquake, governmental rule, regulation or order, including orders or judgments of any court or commission, requirement of additional or separate Environmental Impact Reports requested by the California Public Utilities Commission (CPUC),

delay in receiving a Certificate of Public Convenience and Necessity from the CPUC, delay in obtaining necessary rights of way, act of God or any cause or conditions beyond the control of SCE or City.

12. PERMITS, CODES AND STATUTES.

SCE's relocation of Electrical Facilities shall comply with the various applicable statutes, codes, regulations and ordinances and specifically in accordance with CPUC Rule 20B.

13. JURISDICTION OF PUBLIC UTILITIES COMMISSION.

This Agreement shall at all times be subject to such changes or modifications as the California Public Utilities Commission may, from time to time, direct in the exercise of its jurisdiction pursuant to the authority conferred upon it by Law.

14. CHANGES.

Any changes to this Agreement shall be made by supplement thereto and shall be executed on behalf of SCE by the Transmission Project Manager, or his designee, and on behalf of City by the (President or Vice President /City Council/Mayor/Supervisor).

15. NOTICES.

Any notices provided in this Agreement to be given by either party hereto to the other shall be deemed to have been duly given when made in writing and deposited in the United States mail, registered or certified and postage prepaid, addressed as follows:

To: Southern California Edison
800 W. Cienega Avenue
San Dimas, CA 91773

Attention: Ms. Judi Grissmeyer

To: City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

Attention: Mr. Steve Finton

16. TERMINATION.

City shall have the right to terminate this Agreement on sixty (60) days prior written notice to SCE for whatever reason.

Except as otherwise provided, in the event of termination of this Agreement by City, SCE shall be entitled to payment for all costs and expenses for material, services, labor, overhead, etc., incurred by SCE to and including the date the notice of termination is received by SCE and all costs and expenses required to effect the termination of this Agreement, including, but not limited to, all costs and expenses pertaining to the restoration or removal of SCE's Electrical Facilities, equipment and/or materials as well as cancellation of contracts, purchase orders, etc., between SCE and all parties furnishing labor, materials and services made prior to the termination of this Agreement.

At the option of SCE, all materials paid for by City and procured by SCE to effect said relocation may, upon termination of this Agreement, either be used by SCE for other projects or be sold by SCE as salvage. The net proceeds from the transfer of the materials to other SCE projects or sale of the materials as salvage shall be deducted from the costs and expenses to be paid by City after deducting

SCE's applicable administrative costs, material, transportation and conversion costs, taxes and other outlays or charges, associated with such a transfer or sale. Should the sum of SCE's costs and expenses exceed the sum of the amounts paid by City as provided by items City herein, City shall pay to SCE the difference between said sums upon submission of a final invoice. Should the sum of the amounts paid by City to SCE as provided by items City exceed the sum of SCE's costs and expense, SCE shall refund to City the difference between said sums upon submission of a final invoice.

If City is in default of any of the terms, provisions, conditions, limitations and covenants of this Agreement, SCE may give City written notice of default. If within thirty (30) days of receipt of such notice City does not cure such default, SCE has the right, if it so desires, to terminate this Agreement upon thirty (30) days prior written notice to City. Except as otherwise provided, should such right of termination by SCE be exercised, SCE shall be entitled to payment for all costs and expenses for materials, services, labor, overhead, etc., incurred by SCE to and including the date of termination and all costs and expenses required to effect the termination of this Agreement, including but not limited to all costs and expenses pertaining to the restoration or removal of SCE's Electrical Facilities, equipment and/or materials as well as cancellation of contracts, purchase orders, etc., between SCE and all parties furnishing materials and services, made prior to the termination of this Agreement.

17. PREVIOUS COMMUNICATIONS.

This Agreement contains the entire agreement and understanding between SCE and City as to the subject matter of this Agreement and merges and supersedes all prior agreements, commitments, representations, and discussions between SCE and City. Any agreement between persons employed by SCE and City which is not incorporated into this Agreement by an amendment shall not be a contractual provision of this Agreement.

Please Note: This paragraph 17 does not supersede the Transmission Project Management Actual Cost Estimate letter provided concurrently with this Rule 20B Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

Southern California Edison
By Judi Grissmeyer
Judi Grissmeyer
Transmission Project Management

City of Manhattan Beach
By [Signature]
Signature
Jim Aquat / PWO
please print name / title

JAG
TPM.4.6.09

APPROVED AS TO FORM:

By [Signature]
City Attorney