

SPECIALCONSTRUCTION

2. Regulations2.1 FilingofCharges

Allspecialconstructioncaseswillbefiledsubjecttotheregulationsspecifiedinthissection. Therates,charges,andliabilitiesforspecialconstructiontoprovidefacilitiesforuseforone monthormorearefiledinthefollowingsections, asappropriate.

Rates,charges,andliabilitiesfortheconstructionoffacilitiesforuseforlessthanonemonth arefiledinsupplementstothis tariff.

2.2 OwnershipofFacilities

TheTelephoneCompanyprovidingspeciallyconstructedfacilitiesundertheprovisionsofthis tariffretainsownershipofallsuchfacilities.

2.3 IntervaltoProvideFacilities

Basedonavailableinformationandthetypeofserviceordered, theTelephoneCompanywill establishacompletiondateforthespeciallyconstructedfacilities.Ifthescheduled completiondatecannotbemetduetocircumstances beyondthecontroloftheTelephone Company,anewcompletiondatewillbeestablished andthecustomerwillbenotified.

2.4 SpecialConstructionInvolvingBothInterstate andIntrastateFacilities

Whenspecialconstructioninvolvesfacilitiestobeusedtoprovidebothinterstateand intrastateservices,chargesfortheportionofthe constructionusedtoprovideinterstate serviceshallbeinaccordancewiththis tariff.C hargesfortheportionoftheconstruction usedtoprovideintrastateserviceshallbeinaccordancewiththeappropriateintrastatetariff.

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2. Regulations (Cont'd)2.5 PaymentsforSpecialConstruction2.5.1 PaymentsofCharges

Allbillsassociatedwithspecialconstructionchargesaredueinaccordancewiththe appropriateregulationsintheservicetariffunder whichserviceisbeingprovided.

2.5.2 Start/EndofBilling

Billingofrecurringchargesforspeciallyconstructedfacilitiesstartsonthedayafter thefacilitiesaremadeavailableforuse.Billing accruesthroughandincludesthe daythatthespeciallyconstructedfacilitiesared iscontinued.Recurringchargeswill bebilledinaccordancewiththeappropriateregulationsintheservicetariffunder whichserviceisbeingprovided.

2.5.3 CreditAllowanceforServiceInterruptions

Intheeventofaserviceinterruptioninvolvinga speciallyconstructedfacility,the customershallreceivearecurringmonthlychargec reditinaccordancewiththe creditallowanceprovisionsintheappropriateserv icetariffassociatedwiththe affectedservice.

Whenaninterruptioncontinuesduetothefailureo fthecustomertoauthorize the replacementoffacilitiessubjecttoaReplacement Charge,asspecifiedin2.6.4(A)(4) following,thecreditallowancewillbeterminated ontheseventhcalendardayafter theTelephoneCompanyhasprovidedthecustomerwit hwrittennotificationofthe needforreplacement.Thecreditallowancewillre sumeonthedayafterthe TelephoneCompanyreceiveswrittenauthorizationfo rthereplacementfromthe customer.

2.6 LiabilitiesandChargesforSpecialConstructio n2.6.1 General

Thissectiondescribesthevariouschargesandliab ilities that may apply whenthe TelephoneCompanyprovidesspecialconstructionof facilitiesinaccordancewithan orderforservice.Writtenapprovalofalliabili tiesandchargesmustbeprovidedto theTelephoneCompanypriortothestartofconstru ction.

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2. Regulations (Cont'd)2.6 Liabilities and Charges for Special Construction (Cont'd)2.6.2 Conditions Requiring Special Construction

Special construction is required when 1) facilities are not available to meet an order for service, and 2) the Telephone Company constructs facilities, and 3) one or more of the following conditions exist:

- The Telephone Company has no other requirement for the facilities requested.
- It is requested that service be furnished using a type of facility, or via a route, other than that which the Telephone Company would normally utilize in furnishing the requested service.
- More facilities are requested than would normally be required to satisfy an order.
- It is requested that construction be expedited, resulting in added cost to the Telephone Company.
- The Telephone Company determines that alternative facilities must be used because the safety of customers or Telephone Company employees would be in jeopardy if standard facilities were replaced, or if potential damage to both Telephone Company and customer-provided equipment could occur. If a high voltage or electrical hazard exists, standard conductive facilities will not be used, and special non-conductive facilities must be placed. For example, dangerous conditions would exist when providing standard copper facilities to high voltage transmission power towers where potential "Ground Potential Rise" hazard exists, or where voltage could be conducted away from the tower.

2.6.3 Development of Liabilities and Charges

Special construction charges and liabilities will be developed based on estimated costs, except when actual costs are requested in writing prior to the start of special construction.

In order to meet a scheduled service date when actual costs are requested, an initial special construction filing may be made based on estimated costs. Such a filing will be revised when actual costs are available.

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2. Regulations (Cont'd)2.6 LiabilitiesandChargesforSpecialConstruction (Cont'd)2.6.3 DevelopmentofLiabilitiesandCharges (Cont'd)

Wheresuitablefiberopticalfacilitiesarenotavailablefortheinstallationofa FiberConnectServiceunderanOptionalPaymentPlan (OPP)arrangementasset forthinSection5.6.1(F)oftheTelephoneCompany'sTariffF.C.C.No.5customers mayrequesttheTelephoneCompanytospeciallyconstructsuchfacilitiesin accordancewiththistariff.However,wherespecialconstructionisnecessaryfor FiberConnectServiceOPParrangement,specialconstructionchargeswillnotapply forthefirst\$15,000.00inspecialconstructioncostsincurredbytheTelephone Companyonapercustomer,perspecificlocationbasis.Notwithstandingthe immediatelyprecedingsentence,ifaserviceorder withwhichspecialconstructionis associatediscancelledpriortothestartofservice,cancellationchargesshallapply inaccordancewithSection2.6.4(F)following.

2.6.4 TypesofLiabilitiesandCharges

Dependingonthespecificsassociatedwitheachindividualcase,oneormoreofthe followingspecialconstructionchargesand/orliabilitiesmaybeapplicable:

(A) NonrecurringCharge

Anonrecurringchargealwaysappliesandincludesoneormoreofthe followingcomponents:

(1) CasePreparationCharge

Anonrecurringchargealwaysincludesacasepreparationcharge componenttocovertheadministrativeexpensesassociatedwith preparingaspecialconstructioncaseandtheassociatedtariffiling.

(2) ExpeditingCharge

Anonrecurringchargemayincludeanexpeditingchargewhenitis requestedthatspecialconstructionbecompletedonanexpedited basis.Thechargeequalsthedifferenceinestimatedcostbetween expeditedandnonexpeditedconstruction.

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2. Regulations (Cont'd)2.6 LiabilitiesandChargesforSpecialConstructio n(Cont'd)2.6.4 TypesofLiabilitiesandCharges (Cont'd)(A) NonrecurringCharge (Cont'd)(3) OptionalPayment

An optional payment charge may be included in the nonrecurring charge in association with a type of facility or route other than that which the Telephone Company would normally use in furnishing the requested service if lower recurring monthly charges are desired for the specially constructed facilities. This charge is equal to the excess installed cost or the total nonrecoverable cost, whichever is less. This selection must be made in writing before special construction starts. If this selection is coupled with the actual cost option, the optional payment charge will reflect the actual cost of the specially constructed facilities.

(4) ReplacementCharge

If any portion of specially constructed facilities for which an optional payment charge has been paid requires replacement involving capital investment, a replacement charge will apply. This charge will be the same ratio to the total replacement cost as the initial optional payment charge was to the installed cost of the original specially constructed facilities. If any portion of the facilities subject to the replacement charge fails, service will not be restored until notification is provided in writing that replacement is required and such replacement is ordered.

(5) RearrangementCharge

If the Telephone Company is requested to rearrange existing specially constructed facilities, a nonrecurring charge equal to the cost of any additional special construction will apply.

(6) SpecialConstructionofFacilitiesforUsefor LessthanOneMonth

When the Telephone Company is requested to construct facilities to provide service for less than one month, a nonrecurring charge only applies. In addition to the case preparation charge component, this nonrecurring charge recovers all elements of cost, including engineering, shipping of equipment, equipment installation, line-up, equipment leasing, spacerental, equipment removal, and any other costs associated with the construction of the facilities.

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2. Regulations (Cont'd)2.6 LiabilitiesandChargesforSpecialConstructio n(Cont'd)2.6.4 TypesofLiabilitiesandCharges (Cont'd)(B) MaximumTerminationLiabilityandTerminationC harge

A Maximum Termination Liability is equal to the non recoverable costs associated with specially constructed facilities and the maximum amount which could be applied as a Termination Charge if a specially constructed facilities were discontinued before the Maximum Termination Liability expires.

The liability period is equal to the average life of the account associated with the specially constructed facilities. The liability period is generally expressed in terms of an effective and expiration date.

The Maximum Termination Liability is filed with the initial tariff filing in decreasing amounts at ten-year intervals over the average account life of the facilities. In the event that the average account life of the facilities is not an even multiple of ten, the last increment will reflect the appropriate number of years remaining.

Example Illustrating a 27-Year Average Account Life

<u>Maximum Termination Liability</u>	<u>Effective Date</u>	<u>Expiration Date</u>
\$10,000	6/1/84	6/1/94
7,000	6/1/94	6/1/04
3,000	6/1/04	6/1/11

Prior to the expiration of each liability period, the customer has the option to (A) terminate the special construction case and pay the appropriate charges or (B) extend the use of the specially constructed facilities for the new liability period.

The Telephone Company will notify the customer six months in advance of the expiration date of each ten-year liability period. The customer must provide the Telephone Company with written notification at least 30 days prior to the expiration of the liability period if termination is selected. Failure to do so will result in an automatic extension of the special construction case to the next liability period at the filed Maximum Termination Liability amount.

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2. Regulations (Cont'd)2.6 LiabilitiesandChargesforSpecialConstructio n(Cont'd)2.6.4 TypesofLiabilitiesandCharges (Cont'd)(B) MaximumTerminationLiabilityandTerminationC harge(Cont'd)

ATerminationChargemayapplywhenallservicesus ingspeciallyconstructed facilitieswhichhaveatariffedMaximumTerminatio nLiabilityarediscontinued priortotheexpirationoftheliabilityperiod.Thechargerefectsthe unamortizedportionofthenonrecoverablecostsat thetimeoftermination, adjustedfornetsalvageandpossiblereuse.Admin istrativecostsassociated withthespecificcaseofspecialconstructionand anycostforrestoringa locationtoitsoriginalconditionarealsoinclude d.ATerminationChargemay neverexceedthefiledMaximumTerminationLiabilit y.

Apartialterminationofspecialyconstructedfaci litieswillbeprovided,atthe electionofthecustomer.TheamountoftheTermin ationChargeassociated withsuchpartialterminationisdeterminedbymult iplyingthetermination chargewhichwouldresultifallservicesusingthe speciallyconstructed facilitieswerediscontinued,atthetimepartial t erminationiselected,bythe percentageofspecialyconstructedfacilitiestob eapartiallyterminated.Atariff filingwillbemadefollowingapartialtermination tolistremainingMaximum TerminationLiabilityamountsandthenumberofspe ciallyconstructed facilitiessthecustomerwillremainliablefor.

Example

AcustomerwithafiledMaximumTerminationLiabili tyof\$100,000for 3600speciallyconstructedfacilitiesrequestsapar tialterminationof 900facilities.TheTerminationChargeforallfac ilities,atthetimeof election,is\$60,000.Thepartialterminationchar ge,inthisexample, is\$60,000X900/3600,or\$15,000.

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2. Regulations (Cont'd)2.6 LiabilitiesandChargesforSpecialConstructio n(Cont'd)2.6.4 TypesofLiabilitiesandCharges (Cont'd)(C) AnnualUnderutilizationLiabilityandUnderutil izationCharge

Priortothestartofspecialconstruction,thel ephoneCompanyandthe
customerwillagreeon(1)thequantityoffaciliti estobeprovided,and(2)the
lengthoftheplanningperiodduringwhichthecust omerexpectstoplacethe
facilitiesinservice.Theplanningperiodishere inafterreferredtoastheInitial
LiabilityPeriod(ILP).TheILPislistedinthe ariffwithaneffectiveand
expirationdate.

Underutilizationoccursonlyif,attheexpiration dateoftheILPandannually
thereafter,lessthan70percentofthespeciall y constructedfacilitiesarein
serviceatfiledtariffservicerates.

Anannualunderutilizationliabilityamountisfile donaperunitbasis(e.g.,per
cablepair)foreachcaseofspecialconstruction. Thisamountisequaltothe
annualperunitcostandincludesdepreciation,mai ntenance,administration,
returntaxes,andanyothercostsidentifiedinthe supportingdocumentation
providedatthetimethespecialconstructioncase isfiled.

UpontheexpirationoftheILP,thenumberofunder utilizedfacilities,ifany,are
multipliedbytheannualunderutilizationliability amount.Thisproductisthen
multipliedbythenumberofyears(includinganyfr actionthereof)intheILPto
determinetheunderutilizationcharge.

Annuallythereafter,thenumberofunderutilizedfa cilities,ifany,existingon
theanniversaryoftheILPexpirationdatewillbe multipliedbytheannual
underutilizationliabilityamounttodeterminethe underutilizationchargeforthe
preceding12monthperiod.

Example

Acustomerorders100servicesandthespecialcons tructionofa600
pairbuildingrisercableisagreedto,basedonth ecustomer's5year
facilityrequirements.TheILP,inthisexample,w ouldbefiledat5
years.Theannualunderutilizationliabilityisfi ledat\$2.00perpair.If
400pairsareinserviceattheendoftheILP,th erewouldbean
underutilizationof20pairs,i.e.,420(70%of600)-400=20.The
totalunderutilizationchargeforthefirst5years wouldbe\$200.00,or
\$2.00perpairx20pairsx5years.

If420pairsareinserviceattheendofthe6thy ear,thereisno
underutilization,i.e.,420-420=0.

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2. Regulations (Cont'd)2.6 Liabilities and Charges for Special Construction (Cont'd)2.6.4 Types of Liabilities and Charges (Cont'd)(D) Recurring Monthly Charges(1) Charge for Route or Type other than Normal

When special construction is requested using a route or type of facility other than that which the Telephone Company would normally use, a recurring monthly charge, in addition to the monthly rates for service, is applicable. The charge is equal to the difference between the recurring costs of the specially constructed facilities and the recurring costs of the facilities the Telephone Company would have normally used.

(a) When an Optional Payment Charge as set forth in 2.6.4(A)(3) preceding has been elected, the recurring monthly charge will be reduced to include specially constructed facility operating expenses only.

(b) If the actual cost option as set forth in 2.6.3 preceding has been elected, the recurring charge will be adjusted to reflect the actual cost of the new construction when the costs have been determined. This adjusted recurring charge is applicable from the start of service.

(E) Lease Charge

This charge applies when the Telephone Company leases equipment in order to meet service requirements. The amount of the charge is equal to the net added cost to the Telephone Company caused by the lease.

(F) Cancellation Charge

If a service order with which special construction is associated is cancelled prior to the start of service, a cancellation charge will apply. The charge will include all nonrecoverable costs incurred by the Telephone Company in association with the special construction up to and including the time of cancellation.

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2. Regulations (Cont'd)2.7 Deferral of Start of Service

The Telephone Company may be requested to defer the start of service which will use specially constructed facilities subject to the provisions set forth in the service tariff under which service is being provided. Requests for special construction deferral must be in writing and are subject to the following regulations:

2.7.1 Construction Has Not Begun

If the Telephone Company has not incurred any installation costs before receiving a request for deferral, no charge applies.

2.7.2 Construction Has Begun

If the construction of facilities has begun before the Telephone Company receives a request for deferral, charges will vary as follows:

(A) All Services Are Deferred

When all services which will use specially constructed facilities are deferred, a charge based on the costs incurred by the Telephone Company during each month of the deferral will apply. Those costs include the recurring costs for that portion of the facilities already completed and any other costs associated with the deferral. The cost of any component of a non-recurring charge which have been completed at the time of deferral will also apply.

(B) Some Services Are Deferred

When some services which will use specially constructed facilities are deferred, the construction case will be completed and all special construction charges will apply.

2.7.3 Construction Complete

If the construction of facilities has been completed before the Telephone Company receives a request for deferral, all special construction charges will apply.

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2. Regulations (Cont'd)2.8 Definitions

ActualCost -Theterm"ActualCost"denotesallcostscharged againstaspecificcaseof specialconstruction,includinganyappropriatetaxes.

AnnualUnderutilizationLiability -Theterm"AnnualUnderutilizationLiability"denotesaper unitamountwhichmaybebilledannuallyiffewers ervicesareinuseutilizingspecially constructedfacilitiesatfiledтарiffratesthannw ereoriginallyspeciallyconstructed.

AverageAccountLife -Theterm"AverageAccountLife"denotesthedepreciationlife prescribedbytheFederalCommunicationsCommission foreachclassoftelephoneplant.

EstimatedCost -Theterm"EstimatedCost"denotesallestimated coststhatwillbeincurred inprovidingaspecificcaseofspecialconstruction,includinganyappropriatetaxes.

Facilities-Theterm"Facilities"denotesanycable,poles, conduit,microwaveorcarrier equipment,wirecenterdistributionframes,central officeswitchingequipment,etc.,utilizedto provideinterstateservicesofferedunderthetariff fsreferencedbythistariff.

InitialLiabilityPeriod -Theterm"InitialLiabilityPeriod"denotesthe initialplanningperiod duringwhichthecustomerexpectstoplacespecial lyconstructedfacilitiesinservice.

InstalledCost -Theterm"InstalledCost"denotesthetotalinvestment(estimatedoractual) requiredbytheTelephoneCompanytoprovidespecial lyconstructedfacilities.

MaximumTerminationLiability -Theterm"MaximumTerminationLiability"denotes the maximumamountwhichmaybebilledifallservices usingspeciallyconstructedfacilitiesare terminatedpriortotheexpirationoftheMaximumTerminationLiabilityPeriod.

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2. Regulations (Cont'd)2.8 Definitions (Cont'd)

MaximumTerminationLiabilityPeriod -Theterm"MaximumTerminationLiabilityPeriod"denotesthelengthoftimeduringwhichaterminat ionchargemayapplyifallservicesusing speciallyconstructedfacilitiesareterminated.T heliabilityperiodisequaltotheaverage accountlifeofthespeciallyconstructedfacilitie s.When theconstructioninvolvesmultiple classesofplantwithdifferinglives,theliabilit yperiodisequaltotheweightedaverageofthe accountlivesinvolvedinthespecialconstruction case,usingnonrecoverableinvestmentas thebasisforweighting.

Example

\$20,000,\$10,000and\$5,000nonrecoverableinvestme ntswithaverageaccount livesof8,18and25years,respectively,areinvo lvedinthesamespecial constructioncase.Themaximumterminationliabili typeriodwouldbe13.3years.

$$\begin{array}{r}
 20,000 \times 8 = 160,000 \\
 10,000 \times 18 = 180,000 \\
 \underline{5,000 \times 25 = 125,000} \\
 35,000 \qquad 465,000
 \end{array}
 \qquad
 \begin{array}{r}
 465,000 \\
 \underline{35,000} \\
 = 13.3
 \end{array}$$

The duration of the maximum termination liability p eriod will be specified in the tariff.

Netsalvage -Theterm"NetSalvage"denotestheestimatedscr ap,sale,ortrade-invalue, lesstheestimatedcostofremoval.Costofremova lincludesthecostsofdemolishing, tearingdown,orotherwisedisposingofthemia landanyotherapplicablecosts.Since thecostofremovalmayexceedsalvagevalue,nets alvagemaybenegative.

NonrecoverableCost -Theterm"NonrecoverableCost"denotesthecost of specially constructedfacilitiesforwhichtheTelephoneComp anyhasnoforeseeableusesshouldthe servicebeterminated.

NormalConstruction -Theterm"NormalConstruction"denotesallfacil itiestheTelephone Companywouldnormallyusetoprovideserviceinth eabsenceofarequirementforspecial construction.

NormalCost -Theterm"NormalCost"denotestheestimatedcos ttoprovideservicesusing normalconstruction.

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2. Regulations (Cont'd)2.8 Definitions (Cont'd)

PermanentFacilities -Theterm"PermanentFacilities"denotesfacilities providing service for onemonthormore.

RecoverableCost -Theterm"RecoverableCost"denotesthecostof thespecially constructedfacilitiesforwhichtheTelephoneCompanyhasaforeseeablereuse,eitherin placeorelsewhereshouldtheservicebeterminated .

TerminationCharge -Theterm"TerminationCharge"denotestheportionoftheMaximum TerminationLiabilitythat isappliedasanonrecurringchargewhenallservicesare discontinuedpriortotheexpirationofthespecificliabilityperiod.