10. Special Construction

10.1 General

This section addresses Special Construction of Telephone Company facilities which are used to provide services offered under this tariff except for those offered in Section 7.

The Telephone Company will notify the Customer in writing when Special Construction is required. The notice sill contain an explanation of the reasons requiring Special Construction and an estimate of the costs of such construction. When Special Construction is required, a charge will be made for the cost of the Special Construction, In those cases when a Maximum Termination Liability Charge for the Special Construction applies, the terms and conditions in Section 10.3 will apply

When Special Construction of facilities is required, the provisions of the section apply in addition to regulations, rates and charges set forth in other sections of this tariff.

10.2 Conditions Requiring Special Construction

Special construction is required when suitable facilities are not available to meet a Customer's order for service and one or more of the following conditions exist.

- The Telephone Company has no other requirement for the facilities constructed at the Customer's request;
- The Customer requests that service be furnished using a type of facility, or via a route, other than that which the Telephone Company would otherwise utilize in furnishing the requested service;
- The Customer requests the construction of more facilities than is required to satisfy its order for service;
- The Customer requests construction be expedited resulting in added cost to the Telephone Company;
- The Customer requests that temporary facilities be constructed until permanent facilities are available.

10.3 Maximum Termination Liability and Termination Charge

A Maximum Termination Liability is equal to the nonrecoverable costs associated with specially constructed facilities and is the maximum amount which could be applied as a Termination Charge if all 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.

10. Special Construction (Cont'd)

10.3 Maximum Termination Liability and Termination Charge (Cont'd)

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

Maximum Termination Liability	Effective Date	Expiration Date
$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 elected. 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.

A Termination Charge may apply when all services using specially constructed facilities which have a tariffed Maximum Termination Liability are discontinued prior to the expiration of the liability period. The charge reflects the unamortized portion of the nonrecoverable costs at the time of termination, adjusted for net salvage and possible reuse. Administrative costs associated with the specific case of special construction and any cost for restoring a location to its original condition are also included. A Termination Charge may never exceed the filed Maximum Termination Liability.

10. Special Construction (Cont'd)

10.3 Maximum Termination Liability and Termination Charge (Cont'd)

A partial termination of specially constructed facilities will be provided, at the election of the Customer. The amount of the Termination Charge associated with such partial termination is determined by multiplying the termination charge which would result if all services using the specially constructed facilities were discontinued, at the time partial termination is elected, by the percentage of specially constructed facilities to be partially terminated. A tariff filing will be made following a partial termination to list remaining Maximum Termination Liability amounts and the number of specially constructed facilities the Customer will remain liable for.

Example

A Customer with a filed Maximum Termination Liability of $100,000 for 3,600 specially constructed facilities requests a partial termination of 900 facilities. The Termination Charge for all facilities, at the time of election, is $60,000. The partial termination charge, in this example, is $60,000 x 900/3600, or $15,000.

Annual Underutilization Liability and Underutilization Charge

Prior to the start of special construction, the Telephone Company and the Customer will agree on (1) the quantity of facilities to be provided, and (2) the length of the planning period during which the Customer expects to place the facilities in service. The planning period is hereinafter referred to as the Initial Liability Period (ILP). The ILP is listed in the tariff with an effective and expiration date.

Underutilization occurs only if, at the expiration date of the ILP and annually thereafter, less than 70 percent of the specially constructed facilities are in service at filed tariff Service rates.

An annual underutilization liability amount is filed on a per unit basis (e.g., per cable pair) for each case of special construction. This amount is equal to the annual per unit cost and includes depreciation, maintenance, administration, return, taxes and any other costs identified in the supporting documentation provided at the time the special construction case is filed.

Upon the expiration of the ILP, the number of under utilized facilities, if any, are multiplied by the annual underutilization liability amount. This product is then multiplied by the number of years (including any fraction thereof) in the ILP to determine the underutilization charge.

10. Special Construction (Cont'd)

10.3 Maximum Termination Liability and Termination Charge (Cont'd)

Annually thereafter, the number of underutilized facilities, if any, existing on the anniversary of the ILP expiration date will be multiplied by the annual underutilization liability amount to determine the underutilization charge for the preceding 12 month period.

Example

A Customer orders 100 services and the special construction of a 600 pair building riser cable is agreed to, based on the Customer's 5 year facility requirements. The ILP, in this example, would be filed at 5 years. The annual underutilization liability is filed at $2.00 per pair. If 400 pairs were in service at the end of the ILP, there would be an underutilization of 20 pairs, i.e., 420 (70% of 600) - 400 = 20. The total underutilization charge for the first 5 years would be $200.00, or $2.00 per pair x 20 pairs x 5 years.

If 420 pairs are in service at the end of the 6th year, there is no underutilization, i.e. 420 - 420 = 0.

10.4 Charges to Provide Permanent Facilities

This section contains special construction charges to provide permanent facilities. Charges are developed on an individual case basis:

No currently active cases of special construction.