

ACCESS SERVICE

15 Special Construction (Cont.)15.1 Regulations (Cont.)15.1.5 Payments for Special Construction(A) Reserved for Future Use

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(D)

(B) Start/End of Billing

Billing of recurring charges for specially constructed facilities starts on the day after the facilities are made available for use. Billing accrues through and includes the day that the specially constructed facilities are discontinued.

(C) Credit Allowance for Service Interruptions

In the event of a service interruption involving a specially constructed facility, the customer shall receive a recurring monthly charge credit in accordance with the credit allowance provisions in the appropriate service tariff associated with the affected services.

When an interruption continues due to the failure of the customer to authorize the replacement of facilities subject to a Replacement Charge, as specified in 15.1.8(A)(4) following, the credit allowance will be terminated on the seventh calendar day after the Telephone Company has provided the customer with written notification of the need for replacement. The credit allowance will resume on the day after the Telephone Company receives written authorization for the replacement from the customer.

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15 Special Construction (Cont.)

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15.1 Regulations (Cont.)15.1.5 Payments for Special Construction (Cont.)(D) Payment of Charges

Payments for all special construction installation charges must be paid in accordance to one of the following two options:

- 1) Option 1: All installation charges are to be paid as one lump sum, once the customer has agreed to the special construction project, or
- 2) Option 2: All installation charges incurred will be multiplied by an interest rate of 10.5%. This amount of calculated annual interest will then be added to the total amount of installation charges incurred which will result in the total amount to be financed. This total amount will be divided into twelve equal monthly installments to be paid over a 12 month period, once the customer has agreed to the special construction project.

(E) Payment of Upfront Charges

Under Option 1, payment of estimated charges is due before construction.

(F) Estimation of Charges Expiration

The Telephone Company will prepare and present an estimation of charges for the Special Construction to the customer. The estimate will expire 90 days after the date of letter presenting said estimates.

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15 Special Construction (Cont.)15.1 Regulations (Cont.)15.1.6 Liabilities and Charges for Special Construction(A) General

This section describes the various charges and liabilities that may apply when the Telephone Company provides special construction of facilities in accordance with an order for service. Written approval of all liabilities and charges must be provided to the Telephone Company prior to the start of construction. The Telephone Company will determine if a request needs special construction facilities.

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(N)(B) Conditions Requiring Special Construction

Special construction is required when these three conditions are met: 1) facilities are not available within the next 12 months to meet an order for service, 2) one or more of the following conditions exists:

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- a) The Telephone Company has no other planned use for the facilities requested.
- b) 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.
- c) More facilities are requested than would normally be required to satisfy an order.
- d) It is requested that construction be expedited, resulting in added cost to the Telephone Company.

And (3) the Telephone Company constructs facilities.

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15 Special Construction (Cont.)

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15.1 Regulations (Cont.)15.1.7 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. Travel costs and time for engineering (including and without limitation staff or contractor time) to develop a site specific cost estimate in locations off the road system will be added to the non recurring charges.

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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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(M) – Material previously located on Page 15-3

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15 Special Construction (Cont.)15.1 Regulations (Cont.)15.1.8 Types of Liabilities and Charges

Depending on the specifics associated with each individual case, one or more of the following special construction charges and/or liabilities may be applicable:

(A) Nonrecurring Charge

A nonrecurring charge always applies and includes one or more of the following components:

(1) Case Preparation Charge

A nonrecurring charge always includes a case preparation charge component to cover the administrative expenses associated with preparing a special construction case and the associated tariff filing.

(2) Expediting Charge

A nonrecurring charge may include an expediting charge when it is requested that special construction be completed on an expedited basis. The charge equals the difference in estimated cost between expedited and nonexpedited construction.

(3) Reserved for Future Use

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15 Special Construction (Cont.)15.1 Regulations (Cont.)15.1.8 Types of Liabilities and Charges (Cont.)(A) Nonrecurring Charge (Cont.)(4) Replacement Charge

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 in 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) Rearrangement Charge

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) Special Construction of Facilities for Use for less than One Month

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, space rental, equipment removal, and any other costs associated with the construction of the facilities and the provisioning of the service.

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15 Special Construction (Cont.)

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15.1 Regulations (Cont.)15.1.8 Types of Liabilities and Charges (Cont.)(A) Nonrecurring Charge (Cont.)(7) Special Construction Charges to Provide Permanent Facilities

When the Telephone Company is requested to provide permanent facilities, as specified in 15.1.6 (B), the Telephone Company will provide the requested services. Appropriate recurring and/or nonrecurring charges shall be developed and assessed on the customer, including, but not limited to, charges for engineering, installation, construction, facilities assembly, purchase or lease of equipment, facilities, and services, and/or special services not offered under this tariff. Such charges will be tarified on a case by case basis and will be in addition to a normal monthly service charge.

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15 Special Construction (Cont.)

15.1 Regulations (Cont.)

15.1.8 Types of Liabilities and Charges (Cont.)

(B) Reserved for Future Use

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15 Special Construction (Cont.)

15.1 Regulations (Cont.)

15.1.8 Types of Liabilities and Charges (Cont.)

(B) Reserved for Future Use (Cont.)

(D)

(D)

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15 Special Construction (Cont.)

15.1 Regulations (Cont.)

15.1.8 Types of Liabilities and Charges (Cont.)

(B) Reserved for Future Use (Cont.)

(D)

(C) Reserved for Future Use

(D)

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15 Special Construction (Cont.)

15.1 Regulations (Cont.)

15.1.8 Types of Liabilities and Charges (Cont.)

(C) Reserved for Future Use (Cont.)

(D)

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15 Special Construction (Cont.)

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15.1 Regulations (Cont.)15.1.8 Types of Liabilities and Charges (Cont.)(D) Maximum Termination Liability and Termination Charge

If a customer chooses to pay the special construction cost over a 12 month period, a termination liability charge will apply if the customer disconnects service before the 12 month period ends. Maximum Termination Liability charge is equal to the non-recoverable costs associated with specially constructed facilities plus interest to the date of payment and is the maximum amount which could be applied as the Termination Charge if all specially constructed facilities were discontinued before the Maximum Termination Liability expires.

The liability period is 12 months in terms of an effective and expiration date.

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15 Special Construction (Cont.)15.1 Regulations (Cont.)15.1.8 Types of Liabilities and Charges (Cont.)(C) Annual Underutilization Liability and Underutilization Charge (Cont.)(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.

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(b) If the actual cost option as set forth in 15.1.7 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.

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(D) Lease Charge

This charge applies when the Telephone Company leases equipment or third party services 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.

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15 Special Construction (Cont.)

15.1 Regulations (Cont.)

15.1.8 Types of Liabilities and Charges (Cont.)

(E) 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.

15.1.9 Deferral of Start of Service

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15 Special Construction (Cont.)

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15.1 Regulations (Cont.)15.1.9 Deferral of Start of Service (Cont.)

A deferral of the start of service of greater than 6 months will be treated as a cancellation.

For a one time deferral of the start of service for 6 months or less, a charge based on any additional costs incurred by the Telephone Company due to the deferral during each month of the deferral will apply. Such deferral charges will be tarified.

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15 Special Construction (Cont.)15.1 Regulations (Cont.)

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15.1.11 Definitions

Actual Cost - The term "Actual Cost" denotes all costs charged against a specific case of special construction, including any appropriate taxes.

Annual Underutilization Liability - The term "Annual Underutilization Liability" denotes a per unit amount which may be billed annually if fewer services are in use utilizing specially constructed facilities at filed tariff rates than were originally specially constructed.

Estimated Cost - The term "Estimated Cost" denotes all estimated costs that will be incurred in providing a specific case of special construction, including any appropriate taxes.

Facilities - The term "Facilities" denotes any cable, poles, conduit, microwave or carrier equipment, wire center distribution frames, central office switching equipment etc., utilized to provide interstate services.

Initial Liability Period - The term "Initial Liability Period" denotes the initial planning period during which the customer expects to place specially constructed facilities in service.