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SECTION 8 - Special Construction

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<u>Special Construction</u> (N)

1. General

This Section contains the Conditions and Charges applicable for special construction of interstate facilities. (T)

When special construction of facilities is required, the conditions following apply in addition to all conditions, rates and charges set forth in the appropriate Guidebook.

2. Conditions

2.1 Ownership of Facilities

The Telephone Company providing specially constructed facilities under the provisions of this Guidebook retains ownership of all such facilities.

2.2 Interval to Provide Facilities

Based on available information and the type of service ordered, the Telephone Company will establish a completion date for the specially constructed facilities. If the scheduled completion date cannot be met due to circumstances beyond the control of the Telephone Company, a new completion date will be established and the customer will be notified.

2.3 Payments for Special Construction

2.3.1 Payment of Charges

All bills associated with special construction charges are due in accordance with the appropriate Conditions in the Guidebook under which service is being provided.

2.3.2 Nonpayment of Charges

If a customer fails to pay special construction charges due, refusal and discontinuance of the services using the specially constructed facilities shall be in accordance with the appropriate Conditions in the Guidebook under which service is being provided.

2.4 Charges for Special Construction

2.4.1 General

Various charges may apply when The Telephone Company provides special construction of facilities in accordance with an order for service. Written approval of all charges must be provided to the Telephone Company prior to the start of construction.

(N) (N)

⁽¹⁾ Some material in this consolidated section was previously located in Part 1, Section 9

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2.4.2 Conditions Requiring Special Construction

Special construction is required when

- 1) facilities are not available to meet an order for service,
- 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 constructed and the nonrecoverable investment associated with the construction exceeds \$25,000. (This condition applicable for AR, KS, MO, OK, and TX)
 - The Telephone Company has no other requirement for the facilities constructed (This condition applicable except (T) for AR, KS, MO, OK, and TX)) (T)
 - 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.

2.4.3 Development of Charges

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

2.4.4 Types of Charges

Depending on the specifics associated with each individual case, one or more of the following special construction charges 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

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administrative expenses associated with preparing a special construction case.

(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 non-expedited construction.

(3) Special Construction of Facilities for Use for less than $\overline{\mbox{One Month}}$

When the Telephone Company is requested to construct facilities to provide service for less than one month, a nonrecurring charge 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.

(4) Upfront Payment

Where the Telephone Company is requested to provide special construction, a lump sum upfront payment will (T) apply as follows:

An upfront payment equal to the additional non-recoverable cost will apply.

AR, KS, MO, OK, and TX

An upfront payment equal to the additional non-recoverable cost minus \$25,000 will apply.

This upfront payment must be paid prior to the start of construction. These non-recoverable costs will exclude those non-recoverable costs that the Telephone Company would recover through recurring and nonrecurring charges for the associated basic service.

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(5) 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.

(6) <u>Cancellation Charge</u>

This charge includes all nonrecoverable costs incurred by the Telephone Company in association with the special construction up to and including the time of cancellation, where the customer cancels the special construction prior to the start of service.

(7) 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.

(8) Optional Payment Arrangement for Nonrecurring Charge

AL, FL, GA, KY, LA, MS, NC, SC, and TN

As an alternative to an upfront payment of the entire nonrecurring charge, as specified in 2.4.4(A)(4) preceding, an optional payment arrangement may be elected by the customer. This arrangement provides for amortizing all or a portion of the nonrecurring charge over a payment period, to be specified by the customer, not to exceed ten years, with any portion of the nonrecurring charge which is not amortized due and payable in an up-front lump sum amount. If the customer discontinues use of the specially constructed facilities prior to the end of the chosen payment period, the unpaid principle shall become due and payable in lump sum.

The Telephone Company may reasonably require that the customer provide security for payment of the amount amortized as a precondition to the customer's use of the Optional Payment Arrangement.

(9) Special Provisions for Certain Services

Customers subscribing to the services set forth below are (T) subject to special provisions regarding the payment of Special Construction charges.

(A) AT&T Dedicated Ethernet and AT&T Switched Ethernet (N) Service:

For these services, the following provisions apply: (T)

- (a) The Upfront Payment in Section 2.4.4(A)(4), preceding, always equals the additional non-recoverable cost. (T)
- (b) Customers may elect to be billed a one-time charge for the charges associated with the upfront payment.
- (c) Customers may enter into an agreement with the Telephone Company to amortize charges associated with the upfront payment.

2.5 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 Guidebook under which service is being provided. Requests for special construction deferral must be in writing and are subject to the following Conditions:

2.5.1 Construction Has Not Begun

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

2.5.2 <u>Construction Has Begun</u>

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 components of the nonrecurring charge which have been completed at the time of deferral will also apply.

(B) Some Services are Deferred

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

2.5.3 <u>Construction Complete</u>

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