
B5. CONSTRUCTION CHARGES

CONTENTS

| | | | |
|-------------|--|---|-----|
| B5.1 | General | 1 | |
| B5.2 | Special Type of Construction | 1 | |
| B5.3 | Poles on Private Property | 2 | |
| B5.4 | Circuitous Routing or Special Types of Construction | 2 | |
| B5.5 | Payment of Construction Charges | 2 | |
| B5.6 | Reserved for Future Use | 2 | |
| B5.7 | Contract Service Arrangements | 2 | (N) |

B5. CONSTRUCTION CHARGES

B5.1 General

- A.** Special charges in the form of installation or nonrecurring charges, monthly charges, or both are applied in addition to all rates and charges quoted in the other sections of this Guidebook when, because of the sporadic or occasional nature of the service or an unusual investment or expense, the revenue does not reasonably compensate the Company - as for example:
1. The facilities are provided in remote or undeveloped sections outside the base rate area.
 2. Conditions require the provision of special equipment or unusual methods of plant construction, installation or maintenance.
 3. The customer's location requires the use of costly private right-of-way.
- B.** Title to all construction provided wholly or partly at a customer's expense is vested in the Company, except as specified in B5.2.A. and B5.3.A following.
- C.** For special equipment and arrangements furnished in connection with private line service, charges equivalent to the estimated cost of furnishing such equipment or arrangements apply. Estimated cost consists of an estimate of the following items to the extent that they are applicable:
1. Cost of maintenance.
 2. Cost of operation.
 3. Depreciation on the estimated cost installed of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage.
 4. Administration, taxes and uncollectible revenue on the basis of reasonable average charges for these items.
 5. Any other specific items of expense associated with the particular situation.
 6. A reasonable amount, computed on the estimated cost installed of any facilities provided, for return and contingencies.

Estimated cost installed as mentioned in B5.1.C.3 and 6. preceding includes the cost of equipment and material specifically provided or used plus the estimated cost of installation, including engineering, labor, supervision, transportation, rights-of-way and any other items which are chargeable to the capital accounts of the Company.

- D.** When attachments are made to poles of other companies, in lieu of providing construction for which the customer would be charged under the provisions hereof, the costs to the Company for such attachments are borne by the customer.
- E.** The customer is required to pay construction charges as made by another company providing facilities connecting with the facilities of the Company.
- F.** Engineering Work Preparation Fee (N)

A one-time Engineering Work Preparation Fee of \$500 will apply for the preparation of a quotation for custom work which may require construction charges. This fee is applicable prior to preparation of an estimate for custom work requiring construction charges and will be applied regardless of whether or not the work is ultimately performed for the customer. The Engineering Work Preparation Fee is nonrefundable; however, should the customer proceed with the custom work the fee will be applied against the special construction charges. If work is determined not to be a custom work order after the field visit by the engineer, the fee will be refunded to the customer. (N)

The Engineering Work Preparation Fee provides for the development and preparation of a detailed estimate of cost including any appropriate engineering costs incurred in the preparation of this quotation. The customer will be advised of this charge and must agree to pay it before development of the quotation will commence. Preparation of the quotation will begin after the Engineering Work Preparation Fee is received by the Company. (N)

Payment of the Engineering Work Preparation Fee does not assign, confer, or transfer title or ownership rights to proposals or equipment, designed or furnished by the Company. Title and ownership rights for any item developed at the customer's request remains with the Company except as specifically provided by an agreement between all parties. (N)

The Company has the right to apply more applicable engineering preparation fees for any large, complex and/or unique projects that will require excessive engineering hours to develop a detailed cost quote. (N)

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B5. CONSTRUCTION CHARGES

B5.2 Special Type of Construction

- A. When underground service connections are desired by customers as initial installations in places where aerial drop wires would ordinarily be used to reach the customer's premises, or when aerial facilities are used to provide service or channels to a customer and subsequently the customer desires that such facilities be placed underground, the following *terms and conditions* apply: (T)
1. Where cable is placed in conduit, the underground conduit shall be constructed and maintained by or at the expense of the customer and in addition the customer shall pay the cost of the underground cable, including the cost of installing it, less the estimated cost to the Company of installing such aerial facilities as would be (or are) required to furnish the same service. The underground conduit shall be constructed in accordance with plans and specifications furnished by the Company. Ownership of such conduit is vested in the customer and necessary replacements shall be made by him.
 2. The duct or ducts required in the underground conduit by the Company to furnish service shall be reserved for its exclusive use.
 3. Where armored cable is laid in a trench, the trench shall be constructed and backfilled by or at the expense of the customer. In addition, the customer shall pay the cost of the cable, including the cost of installing it, less the estimated cost to the Company of installing such aerial drop as would be (or is) required to furnish the same service.
 4. Cable placed in conduit provided by a customer will be maintained and replaced at the expense of the Company where the conduit has been inspected in place by the Company and approved, but repairs or replacements of cable in conduit not so inspected and approved, or repairs or replacements of cable in conduit or trench made necessary by damages caused by the customer or his representatives will be made only at the customer's expense.
- B. Where facilities are changed from aerial to underground, in addition to the preceding the customer is charged the cost of dismantling and removing the aerial facilities.

B5.3 Poles on Private Property

- A. Poles to be used in serving only a particular customer and located on his premises shall in all cases be furnished and maintained by him or at his expense and shall conform to the Company's specifications. Ownership of such poles on private property is vested in the customer and necessary pole replacements shall be made by him.
- B. Poles on private property to be used to serve more than one customer or to be used as a part of the standard distributing plant serving customers in general are furnished, maintained and owned by the Company, subject to such construction charge as may be applicable.
- C. Circuits on poles on private property are furnished, owned and maintained by the Company.

B5.4 Circuitous Routing or Special Types of Construction

When circuitous routing or special type of construction is provided at the customer's request, in cases where facilities would ordinarily be provided without construction charge to the customer, the excess cost of special construction is borne by the customer.

B5.5 Payment of Construction Charges

Construction charges are payable at the time application for service is signed or when the account is rendered, at the option of the Company.

B5.6 Reserved for Future Use

B5.7 Contract Service Arrangements

B5.7.1 General

- A. When economically practicable, customer specific contract service arrangements may be furnished in lieu of existing Guidebook offerings provided there is reasonable potential for uneconomic bypass of the Company's services. Uneconomic bypass occurs when an alternative service arrangement is utilized, in lieu of Company services, at prices below the Company's rates but above the Company's incremental costs.
- B. Rates, Charges, Terms and additional *terms and conditions*, if applicable, for the contract service arrangements will be developed on an individual case basis, and will include all relevant costs, plus an appropriate level of contribution. (T)
- C. Unless otherwise specified, the *terms and conditions* for contract service arrangements are in addition to the applicable *terms, conditions* and rates specified in other sections of this Guidebook. (T)

B5. CONSTRUCTION CHARGES

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