

CONSTRUCTION CHARGES**A. Application**

All rates and charges quoted elsewhere in this guidebook provide for the furnishing of service when (1) suitable facilities are available, and (2) the revenue to be derived from the service is sufficient to warrant the Company assuming the usual cost of providing the necessary facilities. If these conditions are not met, the provisions of this section apply in addition to those quoted elsewhere in this guidebook.

Special construction charges are applicable for work performed, at the request of the customer, on the central office side of the NETPOP, the location of which is described in Part 2, Section 2.

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.

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.

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)

B. Scope

1. Special Construction Charges as specified are applicable for each of the following conditions:
 - a. When, at the request of the customer, the Company constructs facilities to provide service where there is no other requirement for the facilities so constructed, the customer shall pay the cost of such construction except as outlined in E.1 following.
 - b. When, at the request of the customer, the Company constructs facilities of a type other than that which the Company would otherwise construct in order to provide service, the customer shall pay the excess construction cost over that which the Company would have ordinarily incurred.
 - c. When, at the request of the customer, construction by the Company involves a routing for facilities other than that which the Company would normally use in order to provide service, the customer shall pay the excess construction cost over that which the Company would have ordinarily incurred.

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/1/ Material now appears on Sheet 2.

CONSTRUCTION CHARGES (cont'd)**B. Scope**

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1. (cont'd)

- d. When, at the request of the customer, the Company constructs temporary facilities to provide service for a period during which permanent facilities are under construction, the customer shall pay the cost of constructing the temporary facilities.
- e. When, at the request of the customer, the Company constructs a greater quantity of facilities than that which the Company would otherwise construct in order to fulfill the customer's initial requirements for service, the customer shall pay the excess construction cost over that which the Company would have ordinarily incurred.
- f. When, at the request of the customer, the Company expedites construction of facilities at a greater expense than would otherwise be incurred, the customer shall pay the excess construction cost over that which the Company would have ordinarily incurred.
- g. When, at the request of the customer, a rearrangement, move or replacement of existing facilities is made, the Customer shall pay the charges outlined in E.3 following.
- h. When, at the request of the customer, a service is required where the revenue to be derived is not sufficient to warrant the Company assuming the unusual cost of providing the necessary service, the customer may be required to pay all or a portion of such cost.
- i. When, at the request of the customer, service is required at locations that may present hazards to personnel or communications equipment, the customer shall pay the full cost of providing any protection equipment required to minimize such hazard.

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C. Structure of Charges

1. Special Construction Charges will include all cost allocable to the special construction performed in providing the requested service. These charges will include any of the following items, depending upon circumstances involved:
 - Labor and materials
 - Supervision
 - Operating expenses, e.g., maintenance, administrative, etc.
 - Return on investment
 - Allocable taxes
 - Revenue expense
 - Charges associated with construction provided by another telephone company
 - Charges for securing private right-of-way
 - Charges for securing use of poles and pole line attachments
 - Equipment or space rental
 - Expenses made necessary by damages caused by the customer or his agents
 - Expenses made necessary by damages caused by water freezing in improperly drained customer-provided conduits
 - Any other identifiable associated cost

/1/ Material formerly appeared on Sheet 1.

CONSTRUCTION CHARGES (cont'd)**C. Structure of Charges (cont'd)**

2. Loop conditioning is the removal of equipment on a loop to improve its transmission characteristics. Loop conditioning may involve the removal of load coils, bridge taps and repeaters. The following rates will apply when conditioning is required.^{/1/}

| <u>Description</u> | <u>Nonrecurring Charge</u> | <u>Monthly Price</u> |
|--|----------------------------|----------------------|
| Conditioning Charges ^{/2/} | | |
| <i>For Loop Facilities > 12 Kft and < 17.5 Kft</i> | | |
| Removal of Bridge Tap | \$17.62 | -- |
| Removal of each additional Bridge Tap | 14.79 | -- |
| Removal of Repeater | 10.82 | -- |
| Removal of each additional Repeater | 9.41 | -- |
| Removal of Load Coil | 25.66 | -- |
| Removal of each additional Load Coil | 22.83 | -- |
| <i>For Loop Facilities > 17.5 Kft, in addition to amounts above for > 12 Kft and < 17.5 Kft</i> | | |
| Removal of Bridge Tap | 24.46 | -- |
| Removal of each additional Bridge Tap | 18.81 | -- |
| Removal of Repeater | 16.25 | -- |
| Removal of each additional Repeater | 13.42 | -- |
| Removal of Load Coil | 40.55 | -- |
| Removal of each additional Load Coil | 34.89 | -- |

/1/ Certain prices, terms and conditions concerning conditioning were ordered in Docket 99-0593. The Commission's decision is subject to rehearing and appeal.

/2/ These interim rates from the Texas Arbitration Award in Docket Nos. 20226 and 20272 are to be charged as ordered by the I.C.C. in Order No. 99-0593 and are subject to true up once the final rates are approved by the I.C.C.

CONSTRUCTION CHARGES (cont'd)**C. Structure of Charges (cont'd)**

3. The Special Construction Charges developed from the above items will include any or all of the following elements, depending upon the circumstances in each case.
 - a. Initial Nonrecurring Charge
 - b. Recurring Monthly Charge
 - c. Maximum Termination Liability (MTL) - A financial obligation assumed by the customer which shall immediately become due and payable upon termination of all or part of the service prior to a specified period of time. This obligation is reduced proportionately for each month the facilities are in service over the specified time period. The amount due upon termination of the service prior to the specified time period may be reduced to the extent that the facilities are reusable.

Termination Charge

A termination charge applies when, at the customer's request, services provided on specially constructed facilities which have a Maximum Termination Liability, are discontinued prior to the expiration of the liability period.

The charge reflects the unamortized portion of the nonrecoverable cost at the time of termination of the specially constructed facilities adjusted for tax effects, for net salvage and for 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. Termination charges will never exceed the MTL.

- d. Cancellation Charge

If the customer cancels the order prior to the completion of special construction, a cancellation charge will apply. The charge will include any expenses incurred by the Company for special construction up to and including the time of cancellation.

- e. Expediting Charge

An expediting charge applies when customer requests that construction be completed on an expedited basis. The charge is equal to the difference between the estimated cost of construction on an expedited basis and construction without expediting.

D. Calculation of Charges

Customer shall be notified in writing whether special construction charges are required, within 48 hours of receipt of the customer's order. Prices for special construction shall be included in such notification. Prices shall be based on the best information available at the time such notification is prepared.

CONSTRUCTION CHARGES (cont'd)**E. General Conditions**

1. Payment of nonrecurring Special Construction Charges will be required prior to the commencement of the work with which such Construction Charges are associated.
2. Any pole line or underground construction furnished by the customer is subject to the approval of the Company.
3. All construction, except as outlined in E.4. or F.1., is owned, maintained and replaced by the Company.
4. The customer or contractor shall own and bear the expense of providing and maintaining all conduit on private property, except where the Company, in its sole discretion, initiates the installation or maintenance of such conduit as part of modernizing the network. Ducts in underground conduit required by the Company are reserved for its exclusive use.
5. The customer must provide the Company with written acceptance of all special construction charges and liabilities prior to the start of construction. If more than one condition requiring special construction is involved, charges for each condition apply.

F. Special Considerations

1. Service Entrance Facilities

Where the Company must construct entrance facilities on private property to furnish service to a customer, the following conditions apply:

- a. The Company will furnish without charge, except as provided in B.1.b. and E.4. preceding or F.1.b. and F.1.c. following, up to 1000 feet of facility extending from the general distribution plant from which service is to be provided.

The first 1,000 feet of pole line construction, except where there is a joint use arrangement with some other company, is owned, maintained and replaced by the Company.

The cost (excluding cable or wire) in providing that portion in excess of 1,000 feet will be paid by the customer or contractor.

- b. Where pushing pipe, augering or trenching and resurfacing is required to cross a gravel, crushed stone or hard surfaced street, road, alley or driveway, an additional charge based on cost applies.
- c. Where a trench is used for both telephone and electric service, charges of the electric company are applicable in addition to those of the Company.

CONSTRUCTION CHARGES (cont'd)**F. Special Considerations (cont'd)**

2. Changes and Rearrangements of Service Entrance Facilities

Where facilities to provide Company service to a customer are subsequently changed from aerial to buried or vice versa, or when such facilities are changed or rerouted, at the request of a customer charges as outlined below apply.

- a. Underground conduit or trenching is provided and maintained at the expense of the customer. Where a trench is used for both telephone and electric service, charges of the electric company are applicable in addition to those of the Company.
- b. Tamping, seeding and sodding will be provided and maintained by the customer.
- c. Where pushing pipe, augering, or trenching and resurfacing is required to cross a gravel, crushed stone or hard surfaced street, road, alley or driveway, an additional charge based on cost applies.
- d. For rearrangements of aerial or underground service entrance facility, the appropriate Residence or Business Service Ordering Charge and Premises Work Charges in Part 3, Section 1 apply.

3. Other Changes and Rearrangements

Charges for changes and rearrangements of facilities on the network side of the NETPOP, which provide for Company services totally within a customer's continuous property, will be based upon cost.

CONSTRUCTION CHARGES (cont'd)**F. Special Considerations (cont'd)**

4. General Distribution Facilities in Proposed Subdivision

- a. Where the Company constructs general distribution facilities at the request of a developer/contractor in a subdivision under construction the following conditions shall be met:
- Utility easement strips shall be accessible to the Company's equipment.
 - All obstructions shall be removed from such easement strips.
 - Marker stakes for lot corners and grade purposes shall be placed at intervals designated by the Company.
 - Grades in the easement strip shall not be above nor more than four inches below final grade.

Where the above conditions are not met, the developer/contractor shall pay a nonrecurring charge based on the cost incurred by the Company to meet these conditions.

- b. Where pushing pipe, augering, or trenching and resurfacing are required to cross gravel, crushed stone, or hard surface street, road, alley or driveway or other areas in the sub-division which cannot be trenched in a normal manner, the developer/contractor shall pay a nonrecurring charge based on cost.
- c. Where municipal requirements cause the Company to incur additional cost, the developer/contractor shall pay a nonrecurring charge based on the cost to meet such municipal requirements.
- d. Where rearrangement of facilities is required because of changes made by the developer/contractor, the developer/contractor shall pay a nonrecurring charge based on the cost to make such rearrangements.
- e. The Company shall not be required to install the general distribution system in segments smaller than considered economical by the Company.