

**CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES**

**A. Construction Charge**

1. Construction charges based on cost, in the form of installation charges, monthly charges, or both, are applied in addition to the usual service connection charges and monthly rates when revenue or expenses do not fully compensate the Company - as for example when conditions require the provision of special equipment or unusual methods of plant construction, installation or maintenance, or when the customer's location requires annual payments of licenses or agreements for the use of Public or Private Land.

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)

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/1/ Material now appears on Sheet 1.1.

**CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES (cont'd)****A. Construction Charge (cont'd)**

## 1. (cont'd) (N)

Construction Charges are applicable for each of the following conditions, when such work is performed at the request of the customer. Payment of nonrecurring Construction Charges will be required prior to the commencement of the work with which such Construction Charges are associated. /1/

- When 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.
- When 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.
- When 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.
- When 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.
- When 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.
- When 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.
- When a rearrangement, removal, move or replacement of existing facilities is made, the Customer shall pay the charges.
- When facilities are removed and reinstalled to accommodate building reconstruction or modification, the Customer shall pay the charges.
- When 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.
- When 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.

2. Except as specified hereinafter, title to all construction provided wholly or partly at a customer's expense is vested in the Company.

3. The cost to the Company for attachments to structures of other companies, made in lieu of providing construction for which the customer would be charged under the provisions hereof, is borne by the customer. The customer is required to pay construction charges as made by another company providing facilities connecting with the facilities of the Company. /1/

/1/ Material formerly appeared on Sheet 1.

**CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES (cont'd)**

## B. Service Drops

1. When facilities provided are of a type determined by the Company:

Service Drops are provided by aerial facilities on poles of the Company or of other companies or by underground facilities; and except as covered in 2. following the type of facilities used is determined by the Company from the conditions involved. For facilities of the type so determined, the treatment is:

- a. A Service Drop measuring not more than 250 feet is provided without construction charge. For the measured distance in excess of the 250 foot allowance a facility charge applies.
- b. The measurement is the airline distance from the center of the highway paralleling the general distribution plant (located on or off the highway) to the terminal of the drop at the customer's building, or the airline distance from the distribution plant to that terminal, whichever is shorter.

2. When facilities provided are of a different type than would be provided by the Company:

When from the conditions involved the Company determines that an aerial Service Drop should be provided and in lieu thereof the applicant desires underground facilities, or when aerial facilities are used to provide service or channels to a customer and subsequently the customer requests that such facilities be placed underground, the following applies:

- a. Where cable is laid 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 (not in excess of the 250 foot allowance specified in 1.a. preceding) 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 the conduit is retained by the customer.

The duct or ducts required in the underground conduit by the Company to furnish service shall be reserved for its exclusive use.

**CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES (cont'd)**

## B. Service Drops (cont'd)

2. When facilities provided are of a different type than would be provided by the Company:  
(cont'd)
  - b. Where wire or cable is laid in a trench, the trench shall be constructed and back filled by or at the expense of the customer. In addition, the customer shall pay the cost of the wire or cable-including the cost of installing it - less the estimated cost to the Company of installing such aerial facilities (not in excess of the 250 foot allowance specified in 1. a. preceding) as would be (or is) required to furnish the same service.
  - c. Cable installed in conduit 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 wire or 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.
  - d. Where facilities are changed from aerial to underground, at the customer's request, the customer is charged the cost of dismantling and removing the aerial facilities, in addition to 2.a. preceding.

## C. Distributing Plant on Private Property, Other than Service Drops

1. 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. Circuits on poles on private property are furnished, owned and maintained by the Company up to and including the network interface.
2. When the customer desires that distributing plant on his private property be placed underground - the Company having determined from the conditions that aerial facilities should be provided or having provided such facilities - underground conduit or trench is provided by the customer as for Service Drops according to item B.2. preceding; the customer pays the excess of the installed cost to the Company of the underground wire or cable over the cost of the aerial facilities and pays the cost of dismantling and removing any aerial facilities being changed.

**CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES (cont'd)**

D. Extension of Line Facilities

1. Construction

The Company will enter into an agreement with the applicant for the extension of line facilities for exchange service not made under the Company's construction programs. Applicants may be required to pay construction charges depending upon the applicant's election as shown below.

An extension of Company facilities in locations where they do not currently exist will generally be made as follows:

- a. Construction charges will be assessed for the entire distance of the line extension unless the loyalty program is elected.
- b. Customers who do not choose the loyalty program option will be assessed construction charges for the entire distance of the line extension and are not eligible for refunds.

2. Loyalty Program

- a. Applicants who enroll in the Loyalty Program will be given an allowance applicable for line extensions requiring cable for a distance of 1,000 feet per business or residential customer.
- b. Applicants who terminate exchange service prior to expiration of the loyalty program term will be subject to termination charges for all costs associated with the provision of the allowance (1,000 feet) as follows:

<u>Termination in Year:</u>	<u>Percent of Total Charges To Be Paid</u>
1	100%
2	80%
3	60%
4	40%
5	20%

**CONSTRUCTION, INSTALLATION AND MAINTENANCE CHARGES (cont'd)**

D. Extension of Line Facilities (cont'd)

2. Loyalty Program (cont'd)

- c. A refundable facility charge applies to anyone who selects the loyalty program and requests an extension of line facilities that requires cabling beyond the standard allowance (1,000 feet).

An annual refund, initially payable on the first anniversary date of the agreement and annually thereafter until the agreement expires, will be as follows:

- 1. The amount of refund will equal three times the annual rural residential basic local exchange service rate per residence where telephone service is established in residential areas and an amount equal to three times the annual rural business basic local exchange service rate for each exchange or trunking service established in other than residential on the anniversary dates of the agreement.
- 2. The total refund shall not exceed the facility charge. The term of the agreement will not exceed five years.
- 3. Identification of newly established service in the cable extension is the responsibility of the Company; however, the Company may reasonably solicit the assistance of the person paying the facility charge (refundable).
- 4. Upon expiration of the agreement, the Company will have no obligation to refund any portion of the facility charge not previously refunded.

3. Structure

Private Property - Trench, pole(s) or conduit on private property shall be provided at the expense of the property owner or the property owner's representative, i.e., developer, customer, etc. The structure shall meet the company's design standards and shall be owned and maintained by the property owner or property owner's representative(s). Cable or Service Drop Wire placed in or on these structures shall be owned and maintained by the Company.

4. Provision of Private Right-of-way

Where required by the conditions, applicants shall provide without expense to the Company, private right-of-way parallel to the public highway; such right-of-way shall be free from tree interference and otherwise suitable.

5. Service Drop Wire

Extensions requiring drop wire will be placed for a distance of 250 feet without charge to the applicant. Construction charges will apply for an extension in excess of 250 feet.

6. Non-refundable

The facility charge (non-refundable) applies to the property owner or authorized representative who requests telephone service requiring a service drop in excess of 250 feet. Based on cost, charges will apply to provide the drop in excess of the standard allowance.

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/1/ Material formerly appeared on Sheet 6 of this Section.

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/1/ Material now appears on Sheet 5 of this Section.