

Verizon North LLC

SPECIAL AND EXCESS CONSTRUCTION

A. CONDITIONS

1. The Company reserves the right to determine the route and type of construction required to furnish service.
2. All facilities constructed by the Company will be owned and maintained by the Company.
3. The Company will be reimbursed for the actual cost of a relocation or rearrangement of outside plant facilities at a customer request.
4. Buried plant may be substituted for aerial plant at the option of the Company. The rules and charges contained herein apply uniformly to either type of outside plant.
5. The Company reserves the right to waive or reduce construction charges if the constructed facility is potentially of value to the Company in providing service to other customers, or for toll lines, or for any other service.

B. CONSTRUCTION OF EXCHANGE TELEPHONE FACILITIES

1. Main Line Construction Outside the Base Rate Area
 - a. The Company will construct up to 1/2 mile route measure of distribution facilities without charge for each customer to be served by the constructed facility.
 - b. A nonrecurring charge of \$.25 per foot applies for main line construction in excess of the construction furnished without a charge as shown in B.1.a. The distance is actual route measure from the end of the initial 1/2 mile of construction to the terminal or pole in the distribution facility from which the customer will be served. The measurement shall be from the nearest facilities, within the exchange from which service is to be furnished, regardless of the route of construction.
 - c. Charges paid for construction of distribution facilities will be recalculated if additional customers are added to the line within three years and the customer that originally paid the charge is still served by the line. The construction charge is recalculated on the basis of the total customers that will now be served by the facility in accordance with B.1.b. above. The difference between the original charge and the recalculated charge is divided among the parties in the same ratio as their original payments were to the total charge collected. Construction charges will be refunded if the Company utilizes the facility for toll lines or any other type of service.

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B. CONSTRUCTION OF EXCHANGE TELEPHONE FACILITIES (Cont'd)

2. Construction on Private Property

- a. The terminal facility measurement is the actual route distance from the point of connection with the distribution facility to the drop pole for aerial plant and to the point of entry into the building in which the station is located for buried plant. The point of connection with the distribution facility will be assumed to be on the customer's side of a public road when the distribution system is located on the opposite side of the road.
- b. The Company will construct up to 1,000 feet of terminal facilities on private property without charge to the customer. A nonrecurring charge of \$.25 per foot applies for the construction of terminal facilities in excess of those provided without charge.
- c. The customer will secure at his expense all rights-of-way permits to assure the Company access for construction, maintenance, inspection, testing or removal of all or any part of the terminal facility on his property. Any expense incurred by the Company to cross railroad tracks, streams, lakes and federal lands, in connection with the terminal facility, will be passed on to the customers in the actual amount of such expense.
- d. The customer is responsible for all tree trimming required to keep the private right-of-way, in which his terminal facilities are located, clear and unobstructed.
- e. When another customer is added to a terminal facility, the part used to serve more than one customer is considered to be a distribution facility and the provisions in B.1.c. preceding apply to the portion for which an excess construction charge had been paid.
- f. The preceding paragraphs in this section pertain to construction of terminal facilities to provide primary exchange telephone service at the main building.

The main building of a residence customer is the dwelling and of a business customer, the main office. Where Branch Exchange service is furnished, the main building is the building in which the switchboard is located.

Facilities constructed to provide secondary service lines, such as extensions or branch exchange stations located in other than the main building, are normally not reuseable for any other purpose.

Where poles or underground conduit or trenches for burial or wire are requested or required between buildings on the same premises or on adjacent premises under control of the customer, the customer has the option of either:

- (1) providing the poles, conduit or trench, at his own expense, in conformance with Telecommunications Industry standards, or
- (2) requesting the Company to do the needed construction and paying the Company the actual cost of the construction, excluding the cost of wire or cable which is included as part of the service.

The cost of construction of extension line facilities simultaneous with construction of primary exchange service facilities will be calculated separately.

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B. CONSTRUCTION OF EXCHANGE TELEPHONE FACILITIES (Cont'd)

3. Construction for Short Periods of Known Duration

The construction charge, for unreuseable facilities built to provide service for a short period, will be the actual cost of construction, plus the cost of removal less the salvage value of the removed facility.

4. Customer Owned Facilities

- a. Customer owned poles presently used to carry wire or cable of the Company will continue to be used for this purpose until service is discontinued or the customer requests the Company to assume ownership. The customer is responsible for all tree trimming, maintenance and replacement of the part of the facilities owned by him.
- b. The customer may choose to provide underground conduit in accordance with Company specifications. The Company will waive the construction charges for that portion of the construction route covered by customer owned conduit placed by the customer.

5. Underground Telephone Service in New Residential Developments

- a. All telephone service shall be placed underground in residential developments of 5 or more adjoining lots in a recorded plan for the construction of single-family residence (detached or other- wise) including mobile homes intended for year-around occupancy, or one or more adjoining lots for the construction of one or more apartment houses containing an aggregate of five or more family units, if telephone service to such residential or apartment house lots necessitates extending the company's existing distribution lines.
- b. A developer shall:
 - (1) At his own cost, provide the company with easements satisfactory to the company for occupancy and maintenance of distribution and service lines and related facilities except in public ways which the company has the legal right to occupy.
 - (2) At his own cost, clear the ground in which the aforesaid line and related facilities are to be laid, of trees, stumps and other obstructions, and provide trench for such lines according to company specifications, and backfill within six inches of final grade or pay such related costs that may be incurred to include telephone lines in a common trench with other utility services.
 - (3) Request the installation of distribution and service lines at such time that the lines may be installed before curbs, pavements and sidewalks are laid; keep the route of lines clear of machinery and other obstructions when the line installation crew is scheduled to appear; and otherwise cooperate with the company to avoid unnecessary costs.

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B. CONSTRUCTION OF EXCHANGE TELEPHONE FACILITIES (Cont'd)

5. Underground Telephone Service in New Residential Developments (Cont'd)

b. A developer shall: (Cont'd)

(4) Place with the company, in advance or upon such other terms as the company may require, the following charges:

- (a) A prepayment in aid of construction in an amount not in excess of 60% of the company's costs of the distribution cable for the development.
 - (b) Such prepayment in aid of construction will be refunded on a proportionate basis for each contract for telephone service received. The basis for total refund shall be 100 percent refund upon receipt of telephone contracts for telephone service from 50 percent of the total development within a ten-year period.
- c. If the developer fails to comply with b.(2) or b.(3) or changes the plot plan after installation of the company's lines has begun, or otherwise necessitates additional costs by his act or failure to act, such additional costs shall be borne by the developer or his agent.
- d. All distribution and service lines, except pedestals, installed within a development shall be installed underground; shall conform to the company's construction standards; and shall be owned and maintained by the company. Such installation shall be performed by the company or by such other entity as the company may authorize to do the work. The company shall not be liable for injury or damage occasioned by the willful or negligent excavation, breakage or other interference with its underground lines by other than its own employees or agents.

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C. SPECIAL TYPES OF CONSTRUCTION

1. The customer will pay the actual excess cost of any abnormally expensive construction requested by the customer. The estimated normal cost of construction is deducted from the actual cost of construction to derive the excess cost to be charged.
2. The customer will reimburse the Company for the actual cost of any non-typical construction, such as placement of a buried or under- ground terminal facility in an area served by aerial facilities.
3. Construction of a Type Required by Governmental Authority

Where a governmental authority, by legislation or otherwise, requires a type of construction different from that selected by the Company, the customer shall be charged, in addition to any charge applicable under B. preceding, an amount based on the excess costs involved, including the excess cost of the facilities included in the construction allowance.

Where a governmental authority requires that existing facilities be changed to another type of construction, the customer shall be charged an amount based on the costs of the new construction and the removal of the old, if such removal is required.

D. CONSTRUCTION TO PROVIDE LEASED CHANNELS AND OTHER SERVICES

1. The company is obligated to construct facilities especially designed to provide private line telephone or other non-exchange services, only if an adequate return on the investment is assured.
2. The customer will pay a construction charge based upon the actual cost of construction less four times the anticipated net annual revenue from mileage charges applicable to that part of the channels obtained from the constructed facility.
3. If service is discontinued within four years from the date the original construction is completed, a termination charge (equal to the original cost of construction, plus cost of removal less the total of the construction charge and monthly charges paid by the customer) will apply.

E. TAXES ON CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER ADVANCES

Any contribution in aid of construction, customer advance or other like amounts received from the customer which shall constitute taxable income as defined by the Internal Revenue Service will have the income taxes segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with a contribution in aid of construction or customer advance will not be charged to the specific contributor of the capital.