FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction

A. General

This section contains the regulations, rates and charges applicable for Special Construction of Utility facilities which are used to provide FIA.

When Special Construction of FIA is required, the provisions of this section apply in addition to regulations, rates and charges set forth in other sections of this tariff as well as Rule 2 shown in Schedule Cal. P.U.C. D&R. (N) (N)

1. Conditions Requiring Special Construction

Special Construction is required when facilities, suitable to the customer, are not available to meet the order and one or more of the following conditions exist:

a. The Utility has no other requirement for the facilities requested

b. It is requested that FIA be furnished using a type of facility, or via a route, other than that which the Utility would otherwise utilize in furnishing the requested FIA.

c. More facilities are requested than are required to satisfy its order for FIA.

d. It is requested that construction be expedited resulting in added cost to the Utility.

e. It is requested that temporary facilities be constructed until permanent facilities are available.

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

A. General - Continued (T)

2. Filing of Charges

Rates and charges for Special Construction will be filed on an individual case basis. After charges have been filed and have become effective they will apply from the date that the special construction was provided.

3. Ownership of Facilities

The Utility retains ownership of all specially constructed facilities except for those facilities constructed by connecting companies or carriers, even though the customer may be required to pay Special Construction Charges.

4. Interval to Provide FIA

Based on available information and the type of FIA ordered, the Utility will establish a scheduled date for the installation of necessary facilities. The date will be established on an individual case basis and provided to the customer. (T)
(D)

(D)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

A. General - Continued (T)

5. Special Construction Involving Interstate and Intrastate FIA

When Special Construction involves facilities used to provide both interstate and intrastate ~IA, charges for the portion of the construction used to provide intrastate FIA shall be in accordance with this tariff. Charges for the portion of the construction used to provide interstate FIA shall be in accordance with GTE Operating Companies Tariff FCC No. 1.

B. Liabilities, Charges and Payments

1. General

This section describes the various charges and liabilities that apply when the Utility provides special construction of FIA in accordance with a customer's specific request. Once the customer is notified of all charges and liabilities, the customer must provide the Utility with written approval prior to the start of construction. If more than one condition requiring special construction is involved, charges for each condition apply.

2. Payment of Charges

Payment is due upon presentation of a bill for the specially constructed facilities.

3. Start/End of Billing

Billing of recurring charges for specially constructed FIA starts on the day after the FIA are provided. Billing accrues through and includes the day that the specially constructed FIA are discontinued. Monthly charges will normally be billed one month in advance.

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. Liabilities, Changes and Payments - Continued (T)

4. Partial Payments

The Utility will require a customer which has a proven history of late payments to the Utility, or does not have established credit, to make a partial payment for the portion of the estimated cost of the Special Construction for which the customer is subject to a nonrecurring charge. Partial payments will be requested as costs are incurred and will be credited to the customer's account. Partial payments will not exceed the total nonrecurring charge to the customer for the Special Construction. (T) (T)

5. Development of Liabilities and Charges

The customer has the option of accepting the liabilities and charges based on estimated or actual costs. Estimated costs will be used unless the customer notifies the Utility of the selection of the actual cost option in writing prior to the start of special construction. (T)

Under the estimated cost option, special construction liabilities and charges are developed based on estimated costs and will be filed in this tariff.

Under the actual cost option, if all actual costs are not available prior to the in-service date of the FIA, estimated special construction charges will be filed in this tariff. As soon as the actual costs, including costs of maintaining and tiling these costs, are subsequently determined, the estimated charges will be adjusted to reflect the actual costs. The filed charges will then reflect actual costs existing at the time the CIA are provided.

6. Type of Contingent Liability

Depending on the specifics associated with each individual case, the Maximum Termination Liability may be applicable to Special Construction. (T) (T)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. 6. - Continued

a. Maximum Termination Liability (MTL)

An MTL has two components, an amount and a specified period of time.

The amount is equal to all nonrecoverable costs less the net salvage value; (e.g., depreciation, return, income tax associated with the specially constructed facilities.) The amount will be amortized over the average account life of the specially constructed facilities. The standard liability period is the average account life of the specially constructed facilities expressed in years. (T)

At the customer's option, an optional liability period shorter than the average account life may be established. If the customer chooses an optional liability period, the MTL amortization schedule will not change. The remaining MTL amount for the period between expiration of the optional liability period and the expiration of the amortization schedule will be due as a lump sum payment at the time the optional liability period expires unless the case of Special Construction is extended. (N)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. 6. a. - Continued

Prior to the expiration of an optional liability period, the customer has the option to (1) extend the use of the specially constructed FIA establishing a new liability period, or (2) terminate the case of Special Construction and pay the lump sum payment. (N)

The Utility will notify the customer six months in advance of the expiration date of the optional liability period. The customer must provide the Utility with written notification of its intention to be received one month prior to the expiration of the optional liability period. Failure to do so, and payment of the next month's charges, will result in extension of the case of the Special Construction and the establishment of a new liability period equal to the remaining amortization period. A case preparation charge will always apply if the Special Constructuion case is extended. (N)

b. (D)

(D)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. Liabilities, Charges and Payments - Continued.

7. Types of Charges

Two categories of charges may be applicable for Special Construction. These charges are nonrecurring charges and recurring charges. These categories are described below.

a. Nonrecurring Charges

One or more of the following nonrecurring charges may apply for each completed case of Special Construction or inquiry for Special Construction:

(D)

- Case Preparation
- Termination
- Cancellation
- Expediting the Construction
- Optional Payment Charges

(1) (D)

(D)

(2) Case Preparation Charge

The charge for case preparation includes such items as the administrative expense associated with preparing and listing the charges in the tariff. This includes such items as (a) tariff preparation and processing and (b) gross receipts and surcharge taxes. (T) (T)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. 7. a. - Continued

(3) Termination Charge

A termination charge applies when, at the customer's request, FIA provided on specially constructed facilities which have a tariffed 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 FIA 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 MT-.

(4) Cancellation Charge

If the customer cancels an order with which Special Construction is associated prior to the in-service date of the FIA, a cancellation charge will apply. The charge will include all nonrecoverable costs less the net salvage value incurred by the Utility up to and including the time of cancellation. (T)

(5) Expediting Charge

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

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. 7. a. - Continued

(6) Optional Payment Charge

The customer may elect to pay an optional payment charge when it requests special construction of facilities utilizing (1) a type of facilities or (2) a route other than that which the Utility would otherwise utilize in furnishing the requested service. Payment of this charge will result in a lower recurring charge for special construction. This election must be made in writing before special construction starts. (T)

If this election is coupled with the actual cost option, the optional payment charge will reflect the actual cost of the specially constructed facilities.

(a) Development of Optional Payment Charge

This charge is equal to the excess installed cost or the total nonrecoverable cost, whichever is less (based on estimated or actual costs as elected by the customer). The methodology for the development of the Optional Payment Charge is set forth in GTE Operating Companies Tariff FCC No. 1. (T)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. 7. a. (6) - Continued (T)

(b) Replacement Charge

If any portion of the specially constructed FIA, for which an optional payment charge has been paid, requires replacement involving capital investment, a charge for replacement will apply.
This charge will in the same ratio as the initial optional payment charge was to the installed cost of the specially constructed FIA. The customer will be notified (T)
in writing that the replacement is required. Replacement will not be made without the customer's order. If any portion of the FIA subject to the replacement charge (T)
fails, the FIA will not be restored until the customer orders the replacement. The (T)
methodology for development of the Replacement Charge is set forth in the GTE Operating Companies Tariff FCC No. 1.

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. 7. - Continued

b. Recurring Charges

These charges apply on a monthly or annual basis for specially constructed FIA. There are two conditions for which recurring charges apply. When a customer: (C)(T)

(D)

(D)

- requests a facility route or type other than that which the Utility would utilize to provide a FIA. (T)

- makes a request resulting in the Utility leasing transmission or other equipment from private vendors to provide a FIA (Lease Charge). (T)

(D)

(D)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. 7. b. (1) - Continued

(D)

(D)

(2)

(D)

(D)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. 7. b. - Continued

(3) Charge for Route or Type Other Than Normal

When the customer requests special construction using a route or type of FIA other than that which the Utility would normally use, a recurring charge is applicable. The charge is the difference between the estimated recurring costs of the specially constructed FIA and the estimated recurring costs of the FIA the Utility would normally use. The charge will be no greater than the recurring costs of the specially constructed FIA. (T)

(a) If the customer elects to pay an optional payment charge, the portion of the recurring charge for the excess investment covered by the optional payment excludes capital cost items (depreciation, return on investment and federal income tax on that return). The remaining recurring expense cost items associated with the Optional Payment (maintenance, administration, and other taxes), are increased by a ten percent management fee, and will be included in the recurring charge. (T)

The portion of any recurring charge associated with any remaining special construction investment will include both capital and expense costs. The ten percent management fee is not applied to this portion of the recurring charge. The methodology for development of the charge for route and type other than normal is set forth in GTE Operating Companies Tariff FCC No. 1.

(b) If the customer has elected the actual cost option, the Recurring Charge will be adjusted to reflect the actual cost of the new construction when the cost is determined. This adjusted Recurring Charge is applicable from the start of FIA. (T)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. 7. b. - Continued

(4) Lease Charge

A lease charge applies when the Utility leases equipment (e.g., portable microwave equipment) in order to provide FIA to meet the customer's requirements. The amount of the charge is the net added cost to the Utility caused by the lease. (T)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued (T)

B. Liabilities, Charges and Payments - Continued

8. Application of Charges

The charges for special construction are those charges which are in effect for the period that the special construction is furnished. If the charges for a period covered by a bill change after the bill has been rendered, the bill will be adjusted to reflect the new charges. Charges are based on special construction of (a) permanent FIA, or (b) temporary FIA. (T)

a. Special Construction of Permanent FIA

(1) Special Construction When Permanent FIA Are Not Available and There Is No Other Requirement for Them

When permanent FIA are not available and the Utility constructs them and there is no other Utility need for the specially constructed FIA, a nonrecurring charge and a Maximum Termination Liability charge may be applicable. (T) | (T)

(2) Special Construction Using a Route or Type of FIA Other Than Normal

When the specially constructed FIA involve a route or type of FIA other than that which the Utility would ordinarily use, charges are based on the difference between the estimated costs of the specially constructed FIA and those the Utility would ordinarily use. A nonrecurring charge, a recurring charge, and a Maximum Termination Liability charge may be applicable. (T) (T)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

B. 8. a. - Continued

(3) Special Construction of a Greater Quantity of FIA Than Necessary to Satisfy the Customer's Order for Service (T)

When the Utility constructs more FIA than is required to satisfy the customer's order, additional charges will apply. These charges may include a nonrecurring charge, a recurring charge, and a Maximum Termination Liability charge. (T)

(4) Special Construction Expedited at Greater Cost Than Would Otherwise be Incurred

When construction Is expedited resulting in added costs, a nonrecurring expediting charge applies.

b. Special Construction of Temporary FIA Order (T)

When permanent FIA are not available and temporary FIA are constructed pending the construction of permanent FIA, a nonrecurring charge, and a Maximum Termination Liability charge may be applicable. (T)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

C. Deferral of the In-Service of FIA

1. General

The customer may request the Utility to defer the in-service of FIA on specially constructed FIA. If the deferral Is not in compliance with the Ordering Option for FIA, the special construction case is considered to be cancel led and cancellation charges apply. Requests for deferral must be in writing and are subject to the following regulations: (T)

2. Construction Has Not Started

If the Utility has not incurred any costs (e.g., engineering and/or Installation) before receiving the customer's request for deferral, no charge applies other than the Case Preparation Charge. However, the original quotation is subject to Utility review at the time of reinstatement to determine if the original charges are still valid. Any change in liabilities and charges requires the concurrence of the customer in writing. Additional Case Preparation Charges will also apply. (T) (T)

3. Construction Has Started But Is Not Complete

If the construction of FIA has started, but has not been completed, before the Utility receives the customer's request for deferral, charges apply. The charges vary depending on whether all or some of the FIA ordered are deferred. (T)

a. All FIA Are Deferred

When all FIA involving special construction are deferred, a charge equal to the costs incurred during each month of the deferral applies. Those costs include the recurring costs for that portion of the FIA already completed and any other costs associated with the deferral. The Case Preparation Charge also applies.

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. Special Construction - Continued

C. 3. - Continued

b. Some But Not All FIA Are Deferred

When some, but not all, FIA utilizing the specially constructed FIA are deferred, the special construction case will be completed. Maximum Termination Liability will apply in addition to Case Preparation Charges, and any recurring charges associated with the Special Construction. (T) (T)

4. Construction Complete

If the construction of FIA has been completed before the Utility receives the customer's request for deferral, the case preparation charge, and Maximum Termination Liability as originally determined, will apply and any recurring charges associated with the Special Construction. (T) (T) (T)

D. Charges for Customers Choosing the Optional Liability Period to Provide Permanent FIA (C)

This section contains the Special Construction charges to provide permanent FIA to individual customers. Charges are developed on an individual case basis for a specific customer and shall be filed in this section. (C)

Continued

FACILITIES FOR INTRASTATE ACCESS

IX. SPECIAL CONSTRUCTION - Continued

E. Special Construction Charges

Customer Name/ Effective Date	Description and Location	MTL/NRC MRC	
AT&T Communications September 21, 1987	(2) DS1 circuits between Cell Site 18 for L.A. Cellular at Whitewater Mt. and the Palm Springs East Central Office. (In addition, rates and charges in Section III, Special Access apply).	NRC $81,130.	
AT&T Communications (eff. date of filing)	(1) DS1 circuit between Cell Site 19 for L.A. Cellular at N. Indio Hill and the Palm Springs East Central Office. (In addition, rates and charges in Section III, Special Access apply).	NRC $13,859.36	(N) | (N)

Continued