CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

3.1 GENERAL

Construction charges, where applicable, are in addition to the established nonrecurring charges and monthly rates for the furnishing of service to the customer.

3.2 CONSTRUCTION ON PUBLIC HIGHWAYS OR OTHER EASEMENTS

The normal method of constructing distribution facilities, i.e., aerial or underground, will be determined by the Company according to the conditions in each case, except as provided for under "Extensions for New Real Estate Additions" in 3.4.2 following.

The ownership of poles used in the provision of telephone service is vested either in the Company or in some other company with which the Company has a joint use agreement.

Normally, no charges apply for extending telephone plant along public roads, highways, rights-of-way or easements, except for Conditions Involving Special Consideration as described in 3.6 following.

3.3 CONSTRUCTION ON PRIVATE PROPERTY

3.3.1 SERVICE ENTRANCE FACILITIES

A. GENERAL

1. Charge Treatment for Construction Required for Changes to Existing Service Entrance Facilities

   a. Change in Aerial Service Connection

      Where it is necessary to remove or relocate the pole at which an aerial service connection terminates, the service connection will be re-established by the Company by the most practicable method, i.e., aerial or underground or a combination of both. Charges based on cost may apply for the work to be done except in those cases where the reason for the change is beyond the control of the customer and the service connection is re-established by the most practicable method. In this event, the service connection is normally re-established at no charge to the customer.

   b. Change in Underground Service Connection

      Where it is necessary to remove or relocate the manhole at which an underground service connection terminates, the service connection will be re-established by the Company by the most practicable method, i.e., aerial or underground or a combination of both. Charges based on cost may apply for the work to be done except in those cases where the reason for the change is beyond the control of the customer and the service connection is re-established by the most practicable method. In this event, the service connection is normally re-established at no charge to the customer.

CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

3.3 CONSTRUCTION ON PRIVATE PROPERTY (Cont'd)

3.3.1 SERVICE ENTRANCE FACILITIES (Cont'd)

A. GENERAL (Cont'd)

1. Charge Treatment for Construction Required for Changes to Existing Service Entrance Facilities (Cont'd)

c. Change from Aerial to Underground or Underground to Aerial Construction at the Customer's Request

The charge treatment is based on cost plus in all cases the charge applicable to a new service connection of the facilities.

3.3.2 CONSTRUCTION REQUIRED FOR SERVICE TO AN ADDITIONAL TERMINATION POINT (ATP)

A. GENERAL

1. A customer's main telephone billing number must terminate at the customer's RDP. A customer's RDP and ATP must be located on the same property. Only supplemental services, billed to the main billing number or billed separately to the same customer at the same address, may be terminated at an ATP.

2. A customer may request multiple ATPs on the same or different floors in a single or multi-tenant building or in the same or different buildings on a single or multi-tenant campus.

3. If a customer desires to have services terminated at an ATP, it is the customer's responsibility to inform Verizon New Jersey Inc. that the service is to be terminated at the ATP. If the customer fails to fulfill this responsibility, the requested installations of the network services will be terminated at the customer's RDP.

4. Eighty-five (85) percent of the cable capacity used to establish an ATP will be available for assignment of network facilities.

5. The minimum size cable installed to provide service to an ATP will have a capacity of 100 pairs.

6. A subsequent customer, other than the customer charged for the construction of the ATP at a location where an ATP exists, an choosing to have network services assigned to the ATP, will be charged an ICB charge.

CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

3.3 CONSTRUCTION ON PRIVATE PROPERTY (Cont'd)

3.3.2 CONSTRUCTION REQUIRED FOR SERVICE TO AN ADDITIONAL TERMINATION POINT (ATP) (Cont'd)

B. CHARGE TREATMENT FOR CONSTRUCTION REQUIRED FOR SERVICE TO AN ATP.

1. Construction of an ATP will be on an ICB basis (See 3.5.).

2. Charges based on cost apply to the construction of an ATP and are developed on the individual circumstances in each case.

3. The cost of an ATP includes Company-provided maintenance, up to and including the NI.

4. Reinforcement of ATP facilities will be at the customer's expense.

5. Charges for changes in aerial or underground service connections to an ATP are in accordance with 3.3.1.A.1 preceding.

CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

3.3 CONSTRUCTION ON PRIVATE PROPERTY (Cont'd)

3.3.3 MAINTENANCE AND REPAIR

Circuits on private property, up to and including the RDP, are maintained and replaced at the expense of the Company except:

- Where repairs or replacements are made necessary by damages caused by the customer, his/her employees or representatives, or by water freezing in improperly drained conduit, or by any other circumstances over which the customer has control, he/she will be required to bear the expense of the repairs or replacement, or if he/she desires, service will be established by means of the normal method of construction at the normal construction charge treatment. In the latter event, the charge applicable to a new service connection of the facilities also applies.

- Where wire is buried in a trench provided by the customer, and the customer renders access to the circuits unusually expensive, e.g., lays a concrete walk or driveway over the circuits or places expensive shrubbery over them, he/she will be required to bear the unusual expense incurred in opening and closing the trench in connection with maintenance of the circuits, or if he/she desires, the Company will establish service by means of the normal method of construction at the normal construction charge treatment. In the latter event, the charge applicable to a new service connection of facilities also applies.

- In connection with wire buried by the Company, where repairs or replacements are made necessary under circumstances similar to those in the preceding paragraph, such repairs or replacements will be made by the most practicable method, i.e., buried or aerial, as the case may be. If the most practicable method is aerial and the customer desires underground, he/she must open and close the trench. Except where the customer opens and closes the trench, the charge applicable to a new service connection of the facilities also applies.

CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

3.4 SERVICE ENTRANCE FACILITIES

3.4.1 EXTENSIONS TO SERVE NEW CUSTOMERS

A. DESCRIPTION/TERMS AND CONDITIONS

1. Applicant, as used herein, means the subdivider, developer, builder or owner applying for the construction of a telephone distribution system to serve one or more new customers.

2. Extension means the construction or installation of plant and/or facilities by the Company to provide service from existing plant and/or facilities to one or more new customers, and also means the plant and/or facilities themselves. This term includes all plant and/or facilities for transmission and/or distribution, whether located on a public street or right of way, or on private property, including the wire, cable, pipe, conduit or other means of conveying a service from existing plant and/or facilities to each unit or structure to be served. The extension ends at the point where the service connects to the RDP.

3. The Company is not required to construct, own, operate or maintain an extension on any property unless the Company is legally authorized to do so, for example through an easement or right-of-way. The applicant shall ensure that the Company is provided with such legal authority, at no cost to the Company and with no requirement for condemnation of the property.

4. In constructing and operating an extension, the Company shall use equipment and practices that meet all applicable requirements which are consistent with industry best practices and standards and the Company's minimum system design standards, unless requested otherwise by the applicant.

5. Connections from the existing telephone distribution system to the underground system installed within the applicant's subdivision are made by an extension of existing facilities in the normal method of construction along the established route which will serve the subdivision. Where the electric utility involved provides such an extension by means of overhead facilities, the Company's facilities may also be provided by means of overhead construction.

6. The Company, customers, applicants, developers, builders, municipal bodies and other persons shall cooperate fully in order to facilitate construction of an extension at the lowest reasonable cost consistent with system reliability and safety. This includes sharing trenches where practicable, and coordinating scheduling and other aspects of construction to minimize delays and to avoid difficult conditions such as frozen or unstable soils.

CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

3.4 SERVICE ENTRANCE FACILITIES (Cont'd)
3.4.1 EXTENSIONS TO SERVE NEW CUSTOMERS (Cont'd)
A. DESCRIPTION/TERMS AND CONDITIONS (Cont'd)

7. The applicant shall furnish the items listed below without charge and in sufficient time in the judgment of the Company for it to meet service requirements:

   - Rights-of-way and easements suitable to and without cost to or condemnation by the Company;

   - The preliminary or tentative subdivision map which has been submitted to and approved by the appropriate authorities, showing the full layout of the subdivision to be developed in order to facilitate planning for the cables;

   - The final subdivision map of the section of the subdivision which has received final approval of the appropriate authorities and which the applicant proposes to develop in the immediate future. The map shall be furnished in both paper and electronic (CADD) format; and

   - A written estimate of the date on which telephone service will initially be required and the time schedule for the full development of the section.

8. An extension to non-residential development shall be made underground if the development does not have service and the extension is located in an area where local government or the Company requires the extension to be underground. It is the property owners' responsibility to provide a suitable path or two (2) four-inch conduits and associated structures in accordance with the Company's layout design and specifications from the public road into the building(s).

9. An extension serving a residential development of three or more units shall be underground if the development does not have service and the extension will be placed along streets that are not already served by overhead facilities. It is the property owners' responsibility to provide a suitable path or two (2) four-inch conduits and associated structures in accordance with the Company's layout design and specifications from the public road into the building(s).

   The applicant or the Company may request a special exemption from the Board of Public Utilities if this requirement will result in a hardship, inequity, or will be discriminatory to other affected parties.

10. The Company will start construction only after all of the following conditions have been executed and met:

    a. where applicable, an advanced construction payment and a signed contract of work,

CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

3.4 SERVICE ENTRANCE FACILITIES (Cont'd)
3.4.1 EXTENSIONS TO SERVE NEW CUSTOMERS (Cont'd)
A. DESCRIPTION/TERMS AND CONDITIONS (Cont'd)

10. The Company will start construction only after all of the following conditions have been executed and met: (Cont'd)

    b. the rights-of-way or easements specified preceding are cleared of trees, tree stumps and other obstructions above or below grade at no charge to the Company to a width sufficient in its judgment to permit the use of machinery and equipment, and graded to within six inches of final grade by the applicant. Such clearance and grading must be maintained by the applicant during construction by the Company, and

    c. in a buried environment, furnish a trench meeting the standards and requirements of the Company. Should the applicant want to perform this work prior to the Company's scheduled construction start date, it must (i) obtain approval from the Company, and (ii) provide two (2) four-inch conduits and associated structures in accordance with the Company's layout design and specifications for the Company's use. The applicant will maintain the trench until all utilities have been installed, after which time the applicant is required to backfill the trench.

11. Where practicable, as determined by the Company and the electric utility involved, electric and telephone facilities may be placed in the same trench. Where joint use of a trench is practical, the Company will not commence work on an underground system unless and until the applicant has satisfied all conditions precedent to the obligation of the electric utility as well as the Company to commence work on their respective underground systems.

12. The charges specified in B. following are based on the premise that each applicant shall agree to cooperate with the Company in an effort to keep the cost of construction and installation of the underground telephone communication system as low as possible. This includes the scheduling of construction to preclude the necessity for trenching in frozen soils, or in land fill operations before soils have become stabilized.

    Should unusual circumstances arise which would unreasonably delay underground service, temporary wires may be installed in whatever manner is most practical under the circumstances, provided, however, that such temporary wires shall be replaced as soon as practicable with a permanent underground service. Excess costs, if any, due to temporary installations will be charged to the applicant.

CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

3.4 SERVICE ENTRANCE FACILITIES (Cont'd)

3.4.2 EXTENSIONS FOR NEW REAL ESTATE ADDITIONS

A. CHARGE TREATMENT

1. Schedule of Charges

a. The costs of an extension are the actual costs incurred to construct and install the extension, including materials and labor employed in the design, purchase, constructions, and/or installation of the extension, including overhead directly attributable to the work, as well as overrides or loading factors such as those for back-up personnel for mapping, records, clerical, supervision or general office functions.

b. The estimated cost of each extension is prepared in the Contract of Work and determined on an individual case basis using the most recent costs. Where pavement cutting and restoration, rock removal, blasting, difficult digging conditions or special back fill is required, charges based on the costs involved may apply.

c. The charges herein are in addition to the charges shown elsewhere in this Product Guide for the furnishing of the Company's services.

2. Advance Construction Payments

An applicant will be required to pay deposits contained in the Contract of Work in the form of advance construction payments based on estimated costs. Such deposits will be held without payment of interest. In addition, in all cases, the applicant will be responsible for actual costs in excess of the advance construction payments. In the event that actual costs are less than any advance construction payments, the difference will be refunded to the applicant upon completion of the extension.

a. For any extension, the cost of extra service or of extra work required to provide standard service. If an applicant requests service that costs more than that which is standard, or if an extension presents an unusual situation in which providing standard service is substantially more expensive than usual, the Company may charge the applicant or the customer the extra expense.

CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

3.5 INDIVIDUAL CASE BASIS (ICB)

3.5.1 DESCRIPTION

The term "Individual Case Basis" denotes a condition in which the terms of service if applicable, and rates and charges for an offering under the provisions of this Product Guide are developed based on the circumstances in each case.

Rates and charges for ICB's will reflect the costs incurred by the Company and may include, but are not limited to, monthly rates, nonrecurring charges, or combinations thereof.

3.5.2 RATE TREATMENT

The monthly rates and nonrecurring charges for providing facilities through ICB's shall be determined by considering the following items to the extent they are applicable, as determined by the Company in a given situation:

- Cost of maintenance (to include projected inflation).

- Cost of operation (to include projected inflation).

- Depreciation on the estimated cost installed on any facilities provided based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage.

- Administration, taxes and uncollectable revenue on the basis of reasonable average cost for these items.

- A reasonable sum for return and contingencies computed on the estimated cost installed of any facilities provided.

- The administrative cost of preparing the ICB will be included in the rates and charges to the customer.

Estimated cost installed, referred to preceding, includes cost of equipment and materials specifically provided or used during the calculation of ICB together with the estimated cost of installation, including the cost of engineering, labor, supervision, transportation, rights-of-way and other items which are chargeable to the Company's capital accounts.

A minimum 10% mark-up over costs will apply to all ICB cases.

Specific terms of service, if applicable, and rates and charges for a particular service may be found in the Product Guide section pertaining to that service.

CONSTRUCTION CHARGES AND OTHER SPECIAL CHARGES

3.6 OTHER CONSTRUCTION OR CONDITIONS

A. CONDITIONS INVOLVING SPECIAL CONSIDERATION

The terms of service and charge treatment specified in this section contemplate construction under normal conditions. Special charge treatment, as specified in Part 0, Section 2.1.5, may apply under such conditions as:

- Where the construction is of a known temporary nature.

- Where the construction is for foreign exchange service.

- Where the normal method of construction for distribution facilities is aerial and the customer desires underground construction, or vice versa.

- Where the establishment, expansion, or move of telephone equipment necessitates a substantial expenditure or investment in general distribution or house cable on the part of the Company and where such facilities would be of little or no use for serving other customers.

- Where unusual construction expenses are incurred as a result of the nature of the terrain to be traversed.