

ACCESS SERVICE

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16. Special Construction

This section contains the regulations, liabilities, rates and charges applicable for Special Construction of Telephone Company facilities which are used to provide services offered in this tariff.

When Special Construction of facilities is required, the provisions of this section apply in addition to all regulations, rates and charges set forth in other sections of this tariff.

16.1 Ownership of Facilities

The Telephone Company retains ownership of all specially constructed facilities.

16.2 Interval to Provide Facilities

Based on available information and the type of service ordered, the Telephone Company will establish a completion date for the specially constructed facilities. The Telephone Company will make every reasonable effort to assure that the date is met. However, shortage of material, personnel or other factors may lengthen the installation interval. The Telephone Company does not guarantee that the facilities will be available on the scheduled date and assumes no liability if that date is missed. If the scheduled completion date cannot be met, the customer will be notified and a new completion date will be established.

16.3 Payments for Special Construction

16.3.1 Payment of Charges

All bills associated with Special Construction are due in accordance with the appropriate regulations in the service tariff under which service is being provided.

16.3.2 Start/End of Billing

Billing of recurring charges for specially constructed facilities starts on the day after the facilities are made available for use. Billing accrues through and includes the day that the specially constructed facilities are discontinued.

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16. Special Construction (Cont'd)

16.4 Liabilities and Charges for Special Construction

16.4.1 General

There are various charges and liabilities that may apply when the Telephone Company provides Special Construction of facilities in accordance with an order for service. Written approval of all liabilities and charges must be provided to the Telephone Company prior to the start of construction.

16.4.2 Conditions Requiring Special Construction

Special Construction is required when (1) suitable facilities are not available to meet an order for service, or (2) the Telephone Company constructs facilities, and (3) one or more of the following conditions exist:

- the Telephone Company has no other requirement for the facilities constructed;
- it is requested that service be furnished using a type of facility, or via a route, other than that which the Telephone Company would normally utilize in furnishing the requested service;
- more facilities are requested than would normally be required to satisfy an order;
- it is requested that construction be expedited, resulting in added cost to the Telephone Company.

16.4.3 Development of Liabilities and Charges

Special Construction charges and liabilities will be developed based on estimated costs, except when actual costs are requested in writing prior to the start of Special Construction. In order to meet a scheduled service date when actual costs are requested, an initial Special Construction case will be made based on estimated costs. Such case will be revised when actual costs are available.

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16. Special Construction (Cont'd)

16.4 Liabilities and Charges for Special Construction (Cont'd)

16.4.4 Types of Liabilities and Charges

Depending on the specifics associated with each individual case, one or more of the following Special Construction charges and/or liabilities may be applicable:

(A) Nonrecurring Charge

A nonrecurring charge always applies and includes one or more of the following components:

(1) Quotation Charge

A nonrecurring charge for the preparation of a quotation applies whenever an estimate for Special Construction charges and liabilities is requested.

In order to comply with Government regulations, a quotation charge will not apply when submitting unsolicited quotes or when submitting quotes in response to a general Request for Proposal or Invitation to Bid from agencies or branches of the Government.

(2) Expediting Charge

A nonrecurring charge may include an expediting charge when it is requested that Special Construction be completed on an expedited basis. The charge equals the difference in estimated cost between expedited and nonexpedited construction.

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16. Special Construction (Cont'd)

16.4 Liabilities and Charges for Special Construction (Cont'd)

16.4.4 Types of Liabilities and Charges (Cont'd)

(A) Nonrecurring Charge (Cont'd)

(3) Optional Payment

An optional payment charge may be included in the nonrecurring charge in association with a type of facility or route other than that which the Telephone Company would normally use in furnishing the requested service if lower recurring monthly charges are desired for the specially constructed facilities. This charge is equal to the excess installed cost or the total nonrecoverable cost, whichever is less. This election must be made in writing, before Special Construction starts. If this election is coupled with the actual cost option, the optional payment charge will reflect the actual cost of the specially constructed facilities.

(4) Replacement Charge

If any portion of specially constructed facilities for which an optional payment charge has been paid requires replacement involving capital investment, a replacement charge will apply. This charge will be in the same ratio to the total replacement cost as the initial optional payment charge was to the installed cost of the original specially constructed facilities. If any portion of the facilities subject to the replacement charge fails, service will not be restored until notification is provided in writing that replacement is required and such replacement is ordered.

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16. Special Construction (Cont'd)

16.4 Liabilities and Charges for Special Construction (Cont'd)

16.4.4 Types of Liabilities and Charges (Cont'd)

(A) Nonrecurring Charge (Cont'd)

(5) Rearrangement Charge

If the Telephone Company is requested to rearrange existing specially constructed facilities, a nonrecurring charge component equal to the cost of rearrangement will apply.

(6) Special Construction of Facilities for Use for less than One Month

When the Telephone Company is requested to construct facilities to provide service for less than one month, a nonrecurring charge only applies. In addition to the quotation preparation charge component, this nonrecurring charge recovers all elements of cost, including engineering, shipping of equipment, equipment installation, line-up, equipment leasing, space rental, equipment removal, and any other costs associated with the construction of the facilities.

(B) Maximum Termination Liability and Termination Charge

Maximum Termination Liability is equal to the non-recoverable costs associated with specially constructed facilities and is the maximum amount which could be applied as a Termination Charge if all specially constructed facilities were discontinued before the Maximum Termination Liability expires.

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16. Special Construction (Cont'd)

16.4 Liabilities and Charges for Special Construction (Cont'd)

16.4.4 Types of Liabilities and Charges (Cont'd)

(B) Maximum Termination Liability and Termination Charge (Cont'd)

The Maximum Termination Liability is executed in decreasing amounts at ten-year intervals over the average account life of the facilities. In the event that the average account life of the facilities is not an even multiple of ten, the last increment will reflect the appropriate number of years remaining.

Example Illustrating a 27-Year Average Account Life

<u>Maximum Termination Liability</u>	<u>Effective Date</u>	<u>Expiration Date</u>
\$10,000	6/1/84	5/31/94
7,000	6/1/94	5/31/04
3,000	6/1/04	5/31/11

Prior to the expiration of each liability period, the customer has the option to (1) terminate the Special Construction case and pay the appropriate charges, or (2) extend the use of the specially constructed facilities for the new liability period.

The Telephone Company will notify the customer six months in advance of the expiration date of each ten-year liability period. The customer must provide the Telephone Company with written notification at least 30 days prior to the expiration of the liability period if termination is elected. Failure to do so will result in an automatic extension of the Special Construction case to the next liability period.

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16. Special Construction (Cont'd)

16.4 Liabilities and Charges for Special Construction (Cont'd)

16.4.4 Types of Liabilities and Charges (Cont'd)

(B) Maximum Termination Liability and Termination Charge (Cont'd)

A Termination Charge may apply when all services using specially constructed facilities are discontinued prior to the expiration of the liability period. The charge reflects the unamortized portion of the nonrecoverable costs at the time of termination, adjusted for net salvage and 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.

(C) Annual Underutilization Liability and Underutilization Charge

Annual Underutilization Liability is a per unit amount which is based on the per unit cost of specially constructed facilities. The liability remains in effect until the expiration of the Maximum Termination Liability or until the Special Construction case is discontinued and all termination liabilities associated with the case are discharged. An underutilization charge may be applicable after the expiration of the minimum period, as set forth in the appropriate service tariff, under which service is being provided, depending on the quantity of specially constructed facilities in service.

No underutilization charges are computed or billed until one year after the minimum period expires. At that time, an underutilization charge applies to the difference, if any, between the original number of specially constructed facilities and the number of specially constructed facilities in service at filed tariff rates. The underutilization charge applies from the date the minimum period expires and annually thereafter. For purposes of determining an underutilization charge, any facilities subject to minimum service period monthly charges are considered to be in service at filed tariff rates.

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16. Special Construction (Cont'd)

16.4 Liabilities and Charges for Special Construction (Cont'd)

16.4.4 Types of Liabilities and Charges (Cont'd)

(D) Recurring Monthly Charges

(1) Excess Capacity Charge

A recurring monthly excess capacity charge applies when more facilities are requested and subsequently specially constructed than are required to satisfy an order for service. The charge is based on the estimated cost difference between the facilities constructed and the facilities which would normally be required to meet the order for service. Charges apply until there are sufficient services to warrant the facilities which were originally constructed.

(2) Charge for Route or Type other than Normal

When Special Construction is requested using a route or type of facility other than that which the Telephone Company would normally use, a recurring monthly charge, in addition to the monthly rates for service, is applicable. The charge is equal to the difference between the recurring costs of the specially constructed facilities and the recurring cost of the facilities the Telephone Company would have normally used.

(a) When an Optional Payment Charge as set forth in Section 16.4.4(A)(3) preceding has been elected, the recurring monthly charge will include specially constructed facility operating expenses only.

(b) If the actual cost option has been elected, the recurring charge will be adjusted to reflect the actual cost of the new construction when the costs have been determined. This adjusted recurring charge is applicable from the start of service.

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16. Special Construction (Cont'd)

16.4 Liabilities and Charges for Special Construction (Cont'd)

16.4.4 Types of Liabilities and Charges (Cont'd)

(E) Lease Charge

A lease charge applies when the Telephone Company leases equipment in order to meet service requirements. The amount of the charge is equal to the net added cost to the Telephone Company caused by the lease.

(F) Cancellation Charge

If a service order, with which Special Construction is associated, is canceled prior to the start of service, a cancellation charge will apply. The charge will include all nonrecoverable costs incurred by the Telephone Company in association with the Special Construction up to and including the time of cancellation.

16.5 Deferral of Start of Service

The Telephone Company may be requested to defer the start of service which will use specially constructed facilities subject to the provisions set forth in the service tariff under which service is being provided. Requests for Special Construction deferral must be in writing and are subject to the following regulations:

16.5.1 Construction Has Not Begun

If the Telephone Company has not incurred any installation costs before receiving a request for deferral, the quotation charge applies. The original quotation is subject to Telephone Company review at the time of reinstatement of Special Construction activity to determine if the original charge estimates are still valid.

An additional quotation charge will, therefore, apply. Any change in liabilities and charges requires concurrence in writing.

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16. Special Construction (Cont'd)

16.5 Deferral of Start of Service (Cont'd)

16.5.2 Construction Has Begun

If the construction of facilities has begun before the Telephone Company receives a request for deferral, charges will vary as follows:

(A) All Services Are Deferred

When all services which will use specially constructed facilities are deferred, a charge based on the costs incurred by the Telephone Company during each month of the deferral will apply. Those costs include the recurring costs for that portion of the facilities already completed and any other costs associated with the deferral. The quotation charge and cost of any components of the nonrecurring charge which have been completed at the time of deferral will also apply.

(B) Some Services Are Deferred

When some services which will use the specially constructed facilities are deferred, the construction case will be completed and all Special Construction charges will apply.

16.5.3 Construction Complete

If the construction of facilities has been completed before the Telephone Company receives a request for deferral, all Special Construction charges will apply.

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