ITEM 406  Construction Charges

ITEM 406.1  Service Description

In areas in which it has exchange distribution facilities, the Company shall furnish all transmission facilities and equipment on public property and shall furnish all transmission facilities on private property up to the Network Interface Demarcation Point as established by the Company. Additional costs and conditions, as specified in this tariff item and any other of the Company’s tariffs, may apply.

For Residential and Business classified Exchange Service Customers in areas where the Company does not have transmission facilities in place on public property, construction charges, based on the material, labour and engineering costs associated with provisioning new facilities, will be payable by the Customer. An allowance of $2,500 will be provided for construction on public property. Applicable rates and charges set out in the Company’s tariffs, will apply when the Company:

- provides lengths of circuits beyond the free allowance;
- incurs construction expenses, in excess of the free allowance, for the provision of service beyond existing exchange facilities; or
- incurs unusual installation costs.

This tariff item does not apply with respect to services that have been forborne or with respect to eligible services offered in forborne exchanges as set out in Tariff Items 211 and 212.

ITEM 406.2  Conditions of Service

1. The Company reserves the right to determine the type of facilities to be used (e.g., wire, cable, radio, PCM carrier, etc.), the location where the facilities shall be placed and the time in which the work shall be undertaken. This includes situations where the Company has to maintain or repair existing facilities on private property.
ITEM 406  
Construction Charges – Continued

ITEM 406.2 Conditions of Service – Continued

2. Should the Customer:

   a. request a change from the original provisioning plan; or

   b. request that the Company provide underground facilities on public or private property in areas where the Company’s practice is to use aerial facilities;

   the Customer shall pay the Company for any additional costs (e.g., material, labour and engineering) incurred by the Company and will be responsible for all costs associated with the excavation and backfilling of a suitable trench and the placement of conduit, cable and/or drop wire.

3. When conditions exist which make the installation of exchange distribution facilities unusually expensive the Customer may be required to pay any additional costs incurred in addition to the rates and charges otherwise applicable in conjunction with the service and facilities furnished.

4. When it is necessary to provide special protection equipment because of electrical hazards on the premises of the Customer, the Company may charge the Customer all or part of the cost for furnishing such equipment.

5. The Company shall provide the facilities necessary to reach the premises of the Customer and locate them along public thoroughfares or other such locations as required or as suitable.

6. The Company shall own, provide, install and maintain all transmission facilities that it provides on public property. Where circumstances warrant, the Company may use the facilities or rights-of-way of other public utility organizations or facilities belonging to or on the Customer’s premises. When the Company uses facilities or rights-of-way of companies that are located along public or on private right-of-ways, the Customer shall pay the Company for any additional charges levied for the use of these facilities or rights-of-way.
ITEM 406 Construction Charges - Continued

ITEM 406.2 Conditions of Service – Continued

7. Where the Company attaches its facilities to poles used for carrying commercial power wires, it will only do so when such commercial power wires are placed on the poles in a manner acceptable to the Company. When contracts are made with respect to the placement of Company transmission facilities on poles of other companies, any one-time cost to the Company from such contracts may be charged to the Customer.

8. When it is necessary to use or obtain private rights-of-way to provide service, the Customer may be charged the full cost of securing such rights-of-way.

9. No alterations or replacement of Company facilities may be made without the prior, written consent of the Company.

10. Any material and labour furnished by the Customer will be subject to the prior approval of the Company.

11. The Customer shall pay to the Company all additional costs incurred to provide job phones, winter construction, temporary facilities, special facilities or alternate routing of facilities.

12. In the event that the placement and use of temporary transmission facilities has been deemed necessary by the Company and agreed to by the Customer, the Customer will permit the Company to replace the temporary transmission facilities with permanent transmission facilities at a date to be determined by the Company, and will be responsible for any costs associated with such placement on private property as per Item 406.2.18 and Item 406.2.19 of this tariff item.

13. In the event that the placement and use of temporary transmission facilities has been requested by the Customer and agreed to by the Company, the Customer will:

   a. permit the Company to replace the temporary transmission facilities with permanent transmission facilities at a date to be determined by the Company;

   b. pay in advance for the construction costs incurred in placing the temporary cable on public and private property and for the future costs associated with removing and replacing temporary facilities with permanent transmission facilities; and

   c. pay for any costs associated with such placement on private property as per Item 406.2.18 and Item 406.2.19 of this tariff item.
ITEM 406  Construction Charges - Continued

ITEM 406.2  Conditions of Service – Continued

14. The free allowance for construction on public property will apply to Customer requests made under Item 406.2.13 when the temporary transmission facilities are replaced with permanent transmission facilities.

15. Customers under Item 406.2.12 who are responsible for the costs of replacing temporary transmission facilities may reimburse the Company using the installment payment plan option set out in Item 406.3, where applicable.

16. The Company reserves the right to determine whether facilities on public or private property will be buried, placed in duct or placed on aerial facilities except in Alberta where:

   a. in areas legislated by federal, provincial, municipal or local authorities having jurisdiction as being buried areas, the Company shall bury network facilities to the location where the public right of way meets the customer’s private property, at no additional charge, to the Customer; or

   b. in areas served by aerial facilities, the Company, if requested, will supply direct buried service with the owner or occupant being responsible for the excavation and backfilling of a suitable trench. The Company may levy additional charges if deemed necessary.

17. The Company shall retain ownership and be responsible for the maintenance of transmission facilities (i.e., service entrance cable/drop wire) on private property up to the Network Demarcation Point. Any unusual costs involved in maintaining or replacing Company transmission facilities on private property will be the responsibility of the Customer.
ITEM 406  Construction Charges - Continued

ITEM 406.2  Conditions of Service – Continued

18. The Customer is responsible:

a. to pay for any unusual costs and expenses that are necessary to construct, install or acquire equipment required to extend the Company’s transmission facilities from the customer’s property line up to and including the Network Demarcation Point;

b. to either provide or agree to pay the Company for all trenching and raceways, backfilling, poles, conduits or other facilities which the Company requires to extend the Company’s transmission facilities from the customer’s property line up to and including the Network Demarcation Point; and

c. for any costs associated with repairing or replacing the Company’s transmission facilities on public and private property due to damage done by the Customer or anyone working for, or associated with, the Customer.

19. The cost of trenches and raceways as well as any necessary support structures (e.g., poles or conduit) on private property will be the responsibility of the Customer.

20. Notwithstanding Item 406.2.18, the Company, in British Columbia only, will furnish, without additional charge, up to 100 meters (328 feet) of service entrance cable/drop wire to provide service to a customer, for each central office line or trunk. When this allowance is exceeded, the Customer will be assessed construction charges, in addition to service charges, for the extra service entrance cable/drop wire.

21. Where the Customer decides to provide any trenches, raceways, poles or conduits on private property, these must be installed to Company standards.
ITEM 406  
Construction Charges - Continued

ITEM 406.2  
Conditions of Service – Continued

22. If a Customer requests the Company to undertake maintenance or replacement of any support structures referenced in Item 406.2.21 the Company may decline to undertake such work where:

a. the Company considers the location to be hazardous;

b. access to the premises is denied to Company personnel;

c. the Customer has not agreed to pay the appropriate labour rate as specified in the Company’s tariffs; or

d. the Customer has made unauthorized modifications or added unauthorized equipment to the poles which, in the Company’s opinion, have compromised the safety and continued use of the pole.

23. Construction charges are payable when application for service is made or when the account is rendered, at the discretion of the Company.
ITEM 406  Construction Charges - Continued

ITEM 406.3  Rates

1. Residence and Business classified Exchange Service Customers who are beyond existing exchange facilities, will be assessed construction charges, based on the costs incurred for construction on public property, as follows:

<table>
<thead>
<tr>
<th>Construction on Public Property</th>
<th>Charge per Principal Premises</th>
</tr>
</thead>
<tbody>
<tr>
<td>First $2,500 of costs incurred</td>
<td>0%</td>
</tr>
<tr>
<td>Balance of costs incurred</td>
<td>100%</td>
</tr>
</tbody>
</table>

2. The costs to provision transmission facilities on private property are not included in the $2,500 allowance.

3. Residence classified Exchange Service Customers who are assessed total construction charges in excess of $50 but not in excess of $5,000 may make monthly payments based on the following:

   a. a minimum of 50% of the amount due payable in advance; and

   b. the balance payable in equal monthly payments over a period of not more than 36 months, at the Company’s prevailing interest rate.

Any charges less than $50 or more than $5,000 are payable as per Item 406.2.23.

4. Item 406.3.1 and the installment payment option referenced for Residence classified Exchange Service Customers in Item 406.3.3 is only applicable to a residential Customer’s primary residence. Service requests for non-primary residences (e.g. vacation properties, lake lots, etc.) that require the construction of new facilities will be assessed full construction charges.

5. In the event that a Residence classified Exchange Service Customer making installment payment under Item 406.3.3 moves to another location in the Company’s service territory or beyond, that Customer retains responsibility for any outstanding amounts due to the Company.