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INTRASTATE LOCAL SERVICE

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SECTION 8. SPECIAL ARRANGEMENTS

8.1 Special Construction

A. Basis for Charges:

Where the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariffs, charges will be based on the costs incurred by the Company and may include:

- (1) non-recurring type charges
- (2) recurring type charges
- (3) termination liabilities; or
- (4) some combination thereof.

B. Basis for Cost Computation

The costs referred to in 6.A preceding may include one or more of the following items to the extent they are applicable:

- (1) Cost installed of the facilities to be provided included estimated costs for the rearrangements of existing facilities. Cost installed includes the cost of
  - a. Equipment and materials provided or used
  - b. Engineering, labor and supervision
  - c. Transportation, and
  - d. Rights of ways;
- (2) Cost of maintenance
- (3) Depreciation on the estimated cost installed of any facilities provided, based on anticipated useful life of the facilities with an appropriate allowance for the estimated net salvage;
- (4) Administration, taxes and uncollectible revenue on the basis of reasonable average costs for these items;
- (5) License preparation, processing and related fees;