

Verizon New York Inc.

## PSC NY No. 11--COMMUNICATIONS

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4. SPECIAL CONSTRUCTION4.1 General

This section contains regulations, rates, charges and liabilities applicable for the special construction of intrastate facilities which are used to provide intrastate services offered under 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.

4.2 Regulations4.2.1 Ownership of Facilities

The Telephone Company providing specially constructed facilities under the provisions of this tariff retains ownership of all facilities.

4.2.2 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. If the scheduled completion date cannot be met due to circumstances beyond the control of the Telephone Company, a new completion date will be established and the customer will be notified.

4.2.3 Special Construction Involving Both Interstate and Intrastate Facilities

When special construction involves facilities to be used to provide both interstate and intrastate services, charges for the portion of the construction used to provide intrastate service shall be in accordance with this section. Charges for the portion of the construction used to provide interstate service shall be in accordance with The Verizon Telephone Companies Tariff F.C.C. No. 2.

4.2.4 Payments for Special Construction(A) Payment of Charges

All bills associated with special construction charges are due in accordance with the appropriate regulations in this tariff.

(B) 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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By Sandra Dilorio Thorn, General Counsel  
1095 Avenue of the Americas, New York, N.Y. 10036

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4. SPECIAL CONSTRUCTION (Cont'd)4.2 Regulations (Cont'd)4.2.5 Liabilities and Charges for Special Construction(A) General

This section describes the 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.

(B) Conditions Requiring Special Construction

Special construction is required when 1) facilities are not available to meet an order for service, and 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 requested.
- 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.

(C) 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.

(D) 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:

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4. SPECIAL CONSTRUCTION (Cont'd)4.2 Regulations (Cont'd)4.2.5 Liabilities and Charges for Special Construction (Cont'd)(D) Types of Liabilities and Charges (Cont'd)(1) Nonrecurring Charge

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

(a) Case Preparation Charge

A nonrecurring charge always includes a case preparation charge component to cover the administrative expenses associated with preparing a special construction case.

(b) 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.

(c) 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.

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4. SPECIAL CONSTRUCTION (Cont'd)4.2 Regulations (Cont'd)4.2.5 Liabilities and Charges for Special Construction (Cont'd)(D) Types of Liabilities and Charges (Cont'd)(1) Nonrecurring Charge (Cont'd)(d) 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.

(e) Rearrangement Charge

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

(f) 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 case 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.

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4. SPECIAL CONSTRUCTION (Cont'd)4.2 Regulations (Cont'd)4.2.5 Liabilities and Charges for Special Construction (Cont'd)(D) Types of Liabilities and Charges (Cont'd)(2) Maximum Termination Liability and Termination Charge

A Maximum Termination Liability is equal to the nonrecoverable 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.

The liability period is equal to the average life of the account associated with the specially constructed facilities. The liability period is generally expressed in terms of an effective and expiration date.

A Termination Charge may apply when all services using specially constructed facilities which have a Maximum Termination Liability 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. A Termination Charge may never exceed the Maximum Termination Liability.

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4. SPECIAL CONSTRUCTION (Cont'd)4.2 Regulations (Cont'd)4.2.5 Liabilities and Charges for Special Construction (Cont'd)(D) Types of Liabilities and Charges (Cont'd)(3) Annual Underutilization Liability and Underutilization Charge

Prior to the start of special construction, the Telephone Company and the customer will agree on (1) the quantity of facilities to be provided, and (2) the length of the planning period during which the customer expects to place the facilities in service. The planning period is hereinafter referred to as the Initial Liability Period (ILP). The ILP is listed in the tariff with an effective and expiration date.

Underutilization occurs only if, at the expiration date of the ILP and annually thereafter, less than 70 percent of the specially constructed facilities are in service at filed tariff service rates.

Upon the expiration of the ILP, the number of underutilized facilities, if any, are multiplied by the annual underutilization liability amount. This product is then multiplied by the number of years (including any fraction thereof) in the ILP to determine the underutilization charge.

Annually thereafter, the number of underutilized facilities, if any, existing on the anniversary of the ILP expiration date will be multiplied by the annual underutilization liability amount to determine the underutilization charge for the preceding 12 month period.

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4. SPECIAL CONSTRUCTION (Cont'd)4.2 Regulations (Cont'd)4.2.5 Liabilities and Charges for Special Construction (Cont'd)(D) Types of Liabilities and Charges (Cont'd)(4) Recurring Monthly Charges(a) 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 costs of the facilities the Telephone Company would have normally used.

(1) When an Optional Payment Charge as set forth in 4.2.5 (D) (1) (c) preceding has been elected, the recurring monthly charge will be reduced to include specially constructed facility operating expenses only.

(2) If the actual cost option as set forth in 4.2.5 (C) preceding 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.

(5) Lease Charge

This 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.

(6) Cancellation Charge

If a service order with which special construction is associated is cancelled 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.

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## ACCESS SERVICE

4. SPECIAL CONSTRUCTION (Cont'd)4.2 Regulations (Cont'd)4.2.6 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 this tariff. Requests for special construction deferral must be in writing and are subject to the following regulations:

(A) Construction Has Not Begun(B) Construction Has Begun

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

(1) 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 cost of any components of the nonrecurring charge which have been completed at the time of deferral will also apply.

(2) 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.

(C) 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.

This 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.

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