PSC 2

Section E

First Revised Index Sheet 1 Cancels Original Index Sheet 1

SALEM TELEPHONE CO., INC.

Kentucky

CONSTRUCTION CHARGES

INDEX



<u> </u>	Sheet No.	
Construction Charges	2-12	(C)
General	2	ſ
Definitions	2-3	
Extension of Telephone Facilities	4-7	
Applicant Provided Facilities & Construction	8-9	ľ
Agreements & Charges		L
Other Types of Construction or Special Conditions	11-12	(C)

ISSUED: October 3, 2014 EFFECTIVE: October 30, 2014

BY: Joe Dohmeier, Vice President

TARIFF BRANCH

RECEIVED

10/3/2014

PSC 2 Section E First Revised Sheet 2 Cancels Original Sheet 2

SALEM COUNTY TELEPHONE CO., INC.

Kentucky

CONSTRUCTION CHARGES

I. General

- A. Construction charges are non-recurring charges applicable under certain conditions or for extending company facilities in order to provide telecommunications services. These charges are in addition to applicable charges for the class of service furnished, service connection charges, charges for moves and changes, and other charges that may be applicable.
- B. Reasonable rates and charges for the provision of telecommunications services involve consideration of the costs and degree of risk associated with the provision of the services. Some situations may involve substantial extra cost or risk to the Company, such as, but not limited to the following:
 - 1) the facilities may be temporary;
 - 2) facilities are ordered in advance of actual Applicant demand for service;
 - 3) unusual costs are involved in furnishing the service;
 - 4) the cost of providing service may involve considerable investment to extend facilities beyond existing facilities:
- C. Construction charges will not apply to the customer's aerial or buried drop which extends from the last pole to the building in which the telephone is located.

II. Definitions

- A. <u>Advance in Aid of Construction</u>: Funds provided to the Company by the applicant under the terms of a construction agreement, which may be refundable.
- B. <u>Applicant</u>: A person, business or agency applying for telecommunications services for a location that currently does not have facilities established. This would include developers.
- C. <u>Application</u>: A request to the Company for telecommunications services. This does not include an inquiry as to the availability or charges for such services.
- D. <u>Contribution in Aid of Construction</u>: Funds provided to the Company by the applicant under the terms of a construction agreement or construction tariff which are not refundable.
- E. <u>Construction Allowance</u>: The portion of new construction and facilities provided at no charge.
- F. <u>Cost</u>: Costs associated with the construction of new facilities include, but are not limited to, engineering, labor, materials, equipment, government fees and charges, right-of-ways, road crossings, road boring, trenching, etc.

ISSUED: October 3, 2014

EFFECTIVE: October 10, 2014

BY: Joel Donmeier, Vice President

TARIFF BRANCH

(C)

RECEIVED

10/3/2014

PUBLIC SERVICE COMMISSION OF KENTUCKY

PSC 2 Section E First Revised Sheet 3 Cancels Original Sheet 3

SALEM COUNTY TELEPHONE CO., INC.

Kentucky

CONSTRUCTION CHARGES

II. Definitions: (continued)

- G. <u>Developer</u>: An Applicant who is responsible for requesting placement and subsequent payment of telecommunications services in a new area for permanent residential and/or business telecommunications services prior to, or in conjunction with, a request for telecommunications services by a customer located in that new area. The new area to be developed is defined as a tract of land which is divided or proposed to be divided into 5 or more lots, parcels, or units.
- H. <u>Easement</u>: A right given to another person or entity to trespass upon land that person or entity does not own. Easements are used for roads, private property, etc. given to utility companies for the right to bury cables or access utility lines.
- Group Application/Group Project: A request for telecommunications services to 4 or less premises which are located one-half mile or less between each other by individuals who wish to establish telecommunications services at the same time.
- J. <u>Line Extension</u>: Company outside plant that is required to extend Company facilities and service beyond the existing facilities of the Company
- K. <u>New Construction</u>: The placement of those additional facilities required to extend telecommunications services from the nearest existing working facility within the wire center to the Applicant(s) premises.
- L. <u>Permanent Service</u>: Service provided at a premises that has a permanent foundation and connections to basic utilities such as water, gas, and electricity.
- M. Right of Way: Legal access to land not owned by the Company for the purpose of digging trenches, laying cable or planting poles.
- N. <u>Service Drop</u>: Service conductor six pair or smaller delivering service to the customer premise from the service provider's last network access point.
- O. <u>Special Construction</u>: When an Applicant(s) requests specific and/or unusual plant, equipment, or services to be installed.
- P. <u>Temporary Service</u>: Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be a limited duration. Service which, in the opinion of the Company, is for operations of a speculative character is also considered temporary service.

ISSUED: October 3, 2014 EFFECTIVE: October 10, 2014

BY: Joel Denmeier, Vice President

TARIFF BRANCH

RECEIVED

10/3/2014

PUBLIC SERVICE COMMISSION OF KENTUCKY

(C)

(T)

PSC 2 Section E First Revised Sheet 4 Cancels Original Sheet 4

SALEM COUNTY TELEPHONE CO., INC.

Kentucky

CONSTRUCTION CHARGES

III. Extension of Telephone Facilities

A. General

- The provisions of this section apply only to requests for the extension of basic local exchange service to applicants, who in the Company's judgment, will be permanent customers of the Company. Provisions for Temporary Service and Seasonal Service are listed elsewhere in this tariff.
- 2. The Company will determine the location and type of facilities required to provide the quantity and class of service, and to meet quality of service standards unless other arrangements have been agreed upon.
- 3. New construction is based on actual route and average conditions that will enable the Company to extend service to Applicant(s) at a reasonable cost without adding an undue burden to the general body of existing customers.
- 4. Where new construction is required, the Company will consult with other utilities to minimize construction costs (e.g., sharing trenches, poles, etc.).
- The Company will construct, own, and maintain outside plant facilities using standard specifications, engineering, design, and materials, unless other arrangements have been agreed upon.
- 6. Reinforcement of existing physical plant will be provided at the Company's expense except where facilities on private property are provided by the Applicant(s).
- 7. Upon request by an Applicant for service; the Company will provide, without charge, a preliminary sketch and rough estimate of the construction costs to be paid by the applicant(s)
- 8. Any construction performed by the Applicant must be authorized and approved by the Company.
- The Company must receive a Service Order or signed agreement plus payment of any agreed upon Construction Charges before construction begins.
- 10. The start and completion time will depend on when the Company can coordinate for joint engineering and construction with other utilities; and obtain the material, labor and facilities necessary to complete the new construction.
- 11. An Applicant(s) ordering service at more than one premise is treated as separate applications at each premise.

ISSUED: October 3, 2014 EFFECTIVE: October 10, 2014

BY: Joel Dohmeier, Vice President

TARIFF BRANCH

(C)

10/3/2014

PUBLIC SERVICE COMMISSION OF KENTUCKY

PSC 2
Section E
Second Revised Sheet 5
Cancels First Revised Sheet 5

SALEM COUNTY TELEPHONE CO., INC.

Kentucky

CONSTRUCTION CHARGES

III <u>Extension of Telephone Facilities</u> (Continued)



B. Specific to Single Applicants and Group Applicants/Projects

- 1. A single Applicant's request may be combined with another Applicant or added to a Group Applicant/Project when there is one-half mile or less of construction between Applicants and/or the grouping results in lower charges (or no increase in construction charges) for all Applicants involved.
- 2. When the Company receives a group application or project for telecommunications services, any applicable construction charges for shared facilities will be divided between the Applicants.
- 3. If an Applicant disconnects service, no refund or adjustment is made to the Construction Charge applicable to the Applicant's premises regardless of any future reconnection of basic telephone service by the Applicant or upon connection of telephone service to a new applicant. Upon disconnect, any outstanding construction charge amounts become due and payable immediately. Charges to remaining Group Applicants will not be affected by disconnects.

(C)

(C)

ISSUED: October 3, 2014 EFFECTIVE: October 10, 2014

BY: Joel Dohmeier, Vice President

RECEIVED

10/3/2014

PSC 2 Section E Second Revised Sheet 6 Cancels First Revised Sheet 6

(C)

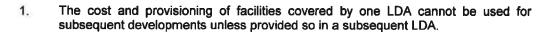
SALEM COUNTY TELEPHONE CO., INC.

Kentucky

CONSTRUCTION CHARGES

III Extension of Telephone Facilities (Continued)

C. Specific to Land Developments



- The Developer, at its own cost, provide the Company with a copy of the recorded development plot identifying property boundaries, and with easements satisfactory to the utility for occupancy and maintenance of distribution and service lines and related facilities.
- Rights-of-way and easements suitable to the utility must be furnished by the developer at no cost to the Company and in reasonable time to meet service requirements.
- 4. No underground communication facilities shall be installed by a Company until the final grades have been established and furnished to the Company. In addition, the easement strips, alleys and streets must be graded to within six inches of final grade by the developer before the Company will commence construction. Such clearance and grading must be maintained by the developer during construction by the Company.
- 5. Regardless of who provides the facilities, the Developer holding title to the property will grant and convey to the Company all necessary non-exclusive easements. The easements will provide for the Company to construct, reconstruct, augment, operate, maintain and remove such telecommunications facilities, and appurtenances, from time to time, as the Company may require upon, over, under and across the property.
- The width and length of the easement will be determined at the time of the request for facilities. In general, all easements will be a standard width of ten feet along the front and rear lot lines and five feet wide along both sides of the lot lines, unless otherwise agreed upon.
- 7. If, subsequent to construction, the clearance or grade is changed in such a way as to require relocation of any facilities, the cost of such relocation shall be borne by the developer or subsequent owners.
- 8. The developer shall provide the trenching backfill (including any imported backfill required), compaction, repaving, and any earthwork required to install underground facilities all in accordance with the reasonable specifications and schedules of other utilities in the same area when feasible. At its option, if the Company's cost is equal to or less than that which the developer would otherwise have to bear, the Company may elect at the developer's expense to perform the activities necessary to fulfill the developer's responsibility hereunder.

(C)

ISSUED: October 3, 2014 EFFECTIVE: October 10, 2014

BY: (Joel Dohmeier, Vice President

RECEIVED

10/3/2014

SALEM COUNTY TELEPHONE CO., INC. Kentucky

PSC 2 Section E First Revised Sheet 7 Cancels Original Sheet 7

CONSTRUCTION CHARGES

III <u>Extension of Telephone Facilities</u> (Continued)



C. <u>Specific to Land Developments</u> (continued)

- 9. When developer is required to provide a trench for other underground facilities, the Company shall use common trench as long as the Company's design layout, easement specification, routing and scheduling requirements can be met, unless otherwise agreed upon by Company and Developer in writing or as otherwise established by the Commission.
- 10. The Developer will allow the Company to inspect the trenching provided by the Developer, and allow for phased inspection of trenching.

D. Specific to Cluster and Mobile Homes Developments.

- Legally sufficient easement must be made available to the Company to accommodate the placing and maintaining of the common communications serving facilities. The surface of the easement area must be brought to final grade prior to the installation of buried or underground telecommunications facilities.
- 2. A trailer stake (a T shaped stake) must be installed by the Developer at the back side on the mobile homes between every two mobile home parking lots for the purpose of attaching the network interface device (NID) or protector, on the outside of the mobile home unless the Company approves some other arrangement. In no case will the Company provide service when the protector/NID is attached to the mobile home.
- 3. A Construction Allowance will only be provided to mobile homes located on a permanent pad or foundation. When the mobile home is not mounted on a permanent pad or foundation, such service is considered temporary.

E. Construction Allowance

The following Construction Allowances apply to residential line extensions:

 Each Applicant with an active service order request will be provided with a one-time construction allowance per premises up to 1000 feet with a maximum of 300 feet on private property.

(C)

(C)

ISSUED: October 3, 2014 EFFECTIVE: October 10, 2014

BY: Joel Dohmeier, Vice President

RECEIVED

10/3/2014

SALEM COUNTY TELEPHONE CO., INC. Kentucky

PSC 2 Section E First Revised Sheet 8 Cancels Original Sheet 8

(C)

CONSTRUCTION CHARGES

IV Applicant Provided Facilities and Construction

A. General

- 1. With the approval of the Company, an Applicant(s) may be allowed to engineer, design, furnish and install facilities some or all of the construction and/or materials in lieu of a paying some or all of the Construction Charges.
- 2. The Company and the Applicant will enter into a written agreement for the provision of the requested facilities. The agreement will delineate the Company's responsibilities, the Applicant(s) responsibilities, the associated construction costs, allowances and Construction Charges. For Developers, this information can be included in the Land Development Agreement.
- 3. The Applicant must use the same quality and quantity of materials and methods utilized by the Company for the construction unless the Company has provided written authorization to the Applicant, approving other materials and/or construction.
- 4. The Applicant must allow the Company to inspect the plans, material, placement of the facilities, and perform conformance testing. The Applicant will inform the Company at least seven working days prior to the construction of facilities by the Applicant so that the Company can schedule its representative to inspect the plans, material and placement of facilities.
- A Company Representative must be on site when cable is being plowed or if cable is
 placed in a trench, the trench must be left open until the Company Representative
 has inspected and approved the installation.
- 6. All review and inspection work provided by the Company will be charged to the Applicant at the Company's rates for such work.
- B. Specific to Single or Group Applicants

The applicant(s) must meet the following specific criteria for any work done in public rights-of-way prior to receiving Company approval:

- Signed liability agreement holding the Company harmless for any action taken as a result of said construction activities;
- Company specified insurance requirements;
- Bonded to cover workmanship and damage;
- Public and Personal Safety Standards; and,
- Approval of appropriate governing bodies.

(C)

ISSUED: October 3, 2014 EFFECTIVE: October 10, 2014

BY: Joel Dohmeier, Vice President

TARIFF BRANCH
RECEIVED

10/3/2014

SALEM COUNTY TELEPHONE CO., INC. Kentucky

PSC 2 Section E First Revised Sheet 9 Cancels Original Sheet 9

CONSTRUCTION CHARGES

Applicant Provided Facilities and Construction (continued)



- C. Specific to a Developer
 - 1. The Developer must use standard Company specifications in engineering and designing the placement of facilities.
 - 2. The Developer must secure all material.
 - The Developer must provide labor to place the facilities within the development and extend facilities from the closest existing telecommunications facilities of the Company to the development.
 - 4. The Developer must submit job prints, material list, and reimbursable cost amount to the Company for approval prior to the construction of the facilities. The Developer's plans must include trench and backfill plans, specifications, schedules, and coordination of inspection schedules. All permits, rights-of-way and easements shall have been secured and recorded as necessary.
 - Once work is complete and the Company has inspected and conformance tested the facilities, the Developer will transfer ownership of all telephone facilities placed, along with their attendant easements, to the Company. Prior to the transfer, all costs for the facilities and work shall have been paid in full. The transfer will be free and clear of any and all liens and encumbrances, and shall be accompanied by an indemnification holding the Company harmless from all claims arising from the purchase and placement of the telephone facilities.

(M)

(C)

(M) Material now shown on Sheet 12 of this Section

ISSUED: October 3, 2014 EFFECTIVE: October 10, 2014

BY: Joel Dohmeier, Vice President

TARIFF BRANCH

RECEIVED

10/3/2014

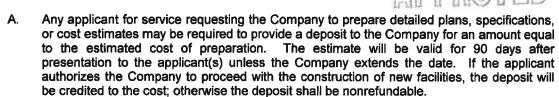
PUBLIC SERVICE COMMISSION OF KENTUCKY

SALEM COUNTY TELEPHONE CO., INC. Kentucky

PSC 2 Section E First Revised Sheet 10 Cancels Original Sheet 10

CONSTRUCTION CHARGES

V Agreements & Charges



- B. A Land Development Agreement (LDA) signed by both the Company and the Developer s required. The Company will provide the Developer with a copy of the signed agreement.
- C. A written agreement or contract signed by both the Company and the Applicant, other than a Developer, is required. The Company will provide the Applicant with a copy of the signed written agreement or contract.
- D. The Company will provide the Applicant(s) the estimated construction charges to be paid by the Applicant(s) in writing. The estimated construction charges will be good for thirty days after the Company provides a bill to the Applicant(s).
- E. Construction Charges will be associated with the premises for which they were established rather than the Applicant(s). Credit for Construction Charges may not be transferred from one premises to another.
- F. With the approval of the Company and at the option of the Company, arrangements may be made for the payment of the Construction Charge for a single Applicant or a group of Applicants in monthly installments over a reasonable period, generally, not to exceed one year. Failure of an Applicant(s) to make monthly installments of Construction Charge may result in suspension or termination of telephone service. All unpaid installments become due upon termination of service.

(C)

ISSUED: October 3, 2014 EFFECTIVE: October 10, 2014

BY: Joel Dohmeier, Vice President

TARIFF BRANCH
RECEIVED

10/3/2014

PUBLIC SERVICE COMMISSION OF KENTUCKY

PSC 2 Section E

SALEM COUNTY TELEPHONE CO., INC.

Kentucky

Original Sheet 11

CONSTRUCTION CHARGES

V Agreements and Charges (continued)

- G. Additional construction charges may apply based on actual costs for such items as, but not limited to:
 - 1. Extraordinary construction, maintenance or replacement of current facilities;
 - 2. Overtime work at the Applicant's request'
 - 3. Special installation, equipment and assembly no normally provided;
 - 4. Easements & Right of Way
 - 5. Trenching and backfill
- H. Receipt of the Applicant(s) payment(s) by the Company for the Applicant's required construction charges will be considered an application for service and the date to move forward with the construction of the new facilities.
- If the Applicant's share of the actual cost to provide new service exceeds the Applicant's estimated
 costs to provide new service, the Applicant may be responsible for additional Construction Charge.
 If the Applicant's share of the actual Construction Charge is less than the estimated Construction
 Charge, the Company may provide a refund, or credit for excess amount to the Applicant.
- J. The Company will determine whether any Aid-To-Construction is required. The amount and detail of the payment or refund for the Aid-to-Construction will be provided in the LDA.
- K. Any refunds of Aid to Construction will be non-interest bearing. In no case will any refund exceed the original amount of Aid to Construction.
- L. If the Applicant cancels service prior to construction beginning, a charge will not be assessed. If the Applicant cancels service after construction begins, a charge equal to the costs incurred will be assessed and due immediately.

VI Other Types of Construction or Special Conditions

A. Special Types of Construction or Unusual Conditions

Additional Construction Charges may apply to the following situations:

- Where a special type of construction is desired by an Applicant or a specific route for extensions is requested to meet an Applicant's special requirements and where the construction or route so requested differs from the normal standards of the Company and is not legally required by ordinance, covenant, tract restriction or otherwise.
- Where existing aerial facilities are requested to be relocated underground in an area where the Company would not, except for such request, relocate its facilities underground.
- Where, at the request of the Applicant, the Company constructs a greater quantity of facilities than the Company would otherwise construct or normally utilize.
- 4. Where construction of facilities is required to meet unusual conditions such as (but not limited to) providing service in hazardous and/or inaccessible locations.

ISSUED: October 3, 2014 EFFECTIVE: October 10, 2014

BY: Joel Donmeier, Vice President

TARIFF BRANCH

(C)

RECEIVED

10/3/2014

PUBLIC SERVICE COMMISSION OF KENTUCKY

PSC 2 Section E

SALEM COUNTY TELEPHONE CO., INC.

Kentucky

Original Sheet 12

CONSTRUCTION CHARGES

VI Other Types of Construction or Special Conditions (continued)



- B. Temporary Construction or Seasonal Service
 - 1. Where construction is required to provide service on a temporary basis, the Applicant will be required to pay a Construction Charge equal to the estimated cost of installing and removing the temporary facilities, less estimated salvage at the time of removal. In the event the facilities are reusable for providing permanent service without rearrangement or modification, at the time the temporary service is disconnected, a portion of the Construction Charge assessed may be refunded, depending upon the circumstances in each case. Removal of facilities will be at the option of the Company, if installation of the temporary facilities was made to permanent standards and permanent easements were granted.
 - Where construction is required to provide service on a seasonal basis, or meet other unusual demands, additional construction charges may be assessed on a case-bycase basis.
- C. Relocation and Rearrangement of Existing Facilities

When the Company is requested to relocate or rearrange existing facilities for which no specific charge is quoted in this tariff, the customer requesting such relocation or rearrangement may be required to bear the costs incurred with the request.

- D. Franchise and Municipality Taxes
 - When any municipality charges, collects or receives from the Company a license, occupation, privilege, inspection or other similar tax or fee or any franchise fee or payment, or any fee or payment similar in nature thereto, for the use of the streets or other public places or any concession for Tariff Rates on its telephone service, whether such taxes, fees or payment be expressed as a lump sum, or a flat rate, or based on receipts, or based on poles, wires, conduits, or other facilities, or otherwise, so of the aggregate amount of such payments and concessions as exceeds three (3) percent of the recurring local service revenues received from subscribers located within such municipality will be billed, insofar as practical pro rate to the subscribers receiving exchange service within the municipality.
 - 2. Except for state, county, or municipal taxes, all pro ration of fees and other charges mentioned in above paragraph will be approved by the Commission before being applied to the subscriber bill.
- (M) Material previously shown on Sheets 9 &10 of this Section

ISSUED: October 3, 2014 EFFECTIVE: October 10, 2014

Onel & Dline

BY: Joel Dohmeier, Vice President

TARIFF BRANCH

RECEIVED

10/3/2014

PUBLIC SERVICE COMMISSION OF KENTUCKY

(C)

(C)

(M)

(M)