

ORIGINAL

Legal Department

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COMMISSION
CLERK

June 8, 2007

Ann Cole
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: **Docket No.: 060822-TL**
Petition of BellSouth Telecommunications, Inc. for Relief from Carrier-of-Last-Resort Obligations (COLR) Pursuant to Florida Statutes §364.025(6)(d) for two private subdivisions in Nocatee development

Dear Ms. Cole:

(14) *J*

Enclosed is an original and ~~five~~ ^{fifteen} copies of BellSouth Telecommunications, Inc. d/b/a AT&T Florida's Direct Testimony of Larry Bishop and Beth Shiroishi, which we ask that you file in the captioned docket.

Copies have been served to the parties shown on the attached Certificate of Service.

Sincerely,

Manuel A. Gurdian
Manuel A. Gurdian

CMP
COM 5
CTR 1
ECR _____
GCL 1
OPC _____
RCA _____
SCR _____
SGA _____
SEC _____
OTH _____

Enclosures

cc: All Parties of Record
Jerry D. Hendrix
E. Earl Edenfield, Jr.
James Meza III

DOCUMENT NUMBER-DATE

04647 JUN-8 07

FPSC-COMMISSION CLERK

CERTIFICATE OF SERVICE
Docket No. 060822-TL

I HEREBY CERTIFY that a true and correct copy was served via (*) Electronic Mail and First Class U. S. Mail this 8th day of June, 2007 to the following:

Florida Public Service Commission

Patrick Wiggins, Staff Counsel (*)
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
(850) 413-6212
pwiggins@psc.state.fl.us

Nocatee Development Company

Attention: Richard T. Ray
4314 Pablo Oaks Court
Jacksonville, Florida 32224

Anne T. Klinepeter, Registered Agent
4314 Pablo Oaks Court
Jacksonville, FL 32224

The Parc Group, Inc.

Attention: Richard T. Ray
4314 Pablo Oaks Court
Jacksonville, Florida 32224

Anne T. Klinepeter, Registered Agent
4314 Pablo Oaks Court
Jacksonville, FL 32224

SONOC Company, LLC

Attention: Richard T. Ray
4310 Pablo Oaks Court
Jacksonville, Florida 32224

DDI, Inc., Registered Agent
4310 Pablo Oaks Court
Jacksonville, FL 32224

Toll Jacksonville Limited Partnership

250 Gibraltar Road
Horsham, PA 19044

CT Corporation System, Registered Agent
1200 South Pine Island Road
Plantation, FL 33324

Pulte Home Corporation

100 Bloomfield Hills Parkway
Suite 300
Bloomfield Hills, MI 48304

CT Corporation System, Registered Agent
1200 South Pine Island Road
Plantation, FL 33324

Nocatee Development Company/SONOC Company LLC

M. Lynn Pappas (*) (#)
c/o Pappas Law Firm
245 Riverside Avenue, Suite 400
Jacksonville, FL 32202
Tel. No. (904) 353-1980
Fax No. (904) 353-5217
lpapas@papnet.com

Floyd R. Self (*)
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2618 Centennial Place
P.O. Box 15579 (32317)
Tallahassee, FL 32308
Tel. No. (850) 222-0720
Fax. No. (850) 224-4359
fself@lawfla.com
Represents Nocatee


Manuel A. Gurdian

REDACTED

1 AT&T FLORIDA

2 DIRECT TESTIMONY OF LARRY BISHOP

3 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

4 DOCKET NO. 060822-TL

5 JUNE 8, 2007

6

7 Q. PLEASE STATE YOUR NAME, YOUR POSITION WITH AT&T
8 SOUTHEAST AND YOUR BUSINESS ADDRESS.

9

10 A. My name is Larry Bishop. I am employed by AT&T Southeast as a Supervising
11 Manager in the Southeast Outside Plant Engineering & Construction Support
12 Staff for the nine-state AT&T Southeast region. My business address is 675 West
13 Peachtree Street, Atlanta, Georgia 30375.

14

15 Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF YOUR BACKGROUND
16 AND EXPERIENCE.

17

18 A. I graduated from Florida State University in 1998 with a Bachelor of Science
19 degree in Electrical Engineering. I also graduated from the University of Florida
20 in 2003 with a Masters in Business Administration. I began employment with
21 AT&T Southeast in 1999 and have held various positions in the network
22 organization including Outside Plant Engineer and Loop Capacity Manager. In
23 these positions, I was responsible for planning fiber optic cable, digital loop

1 electronics, broadband, and new greenfield deployment. I have also coordinated
2 with property developers regarding the placement of telecommunications facilities
3 for single family and multi-dwelling unit developments. Additionally, I have
4 dealt directly with developers, have planned the network architecture, and have
5 designed the Engineering Work Order that would be implemented by AT&T
6 Southeast construction forces to deploy facilities.

7

8 I have held my current position as a Supervising Manager since August 2005. In
9 this position, I am responsible for supporting the AT&T Southeast region in the
10 following fields: outside plant engineering, greenfield deployment planning, and
11 capital investment for the rehabilitation of outside plant. I have supervised AT&T
12 Southeast building industry consultants and outside plant engineers that work with
13 property developers to place telecommunications facilities for single family and
14 multi-dwelling unit developments. In addition, I have also supervised a team of
15 subject matter experts that are responsible for supporting loop deployment
16 planning, digital loop electronics planning and provisioning, proactive
17 maintenance, and unbundled network elements in the AT&T Southeast region.

18

19 Q. **HAVE YOU PREVIOUSLY TESTIFIED BEFORE ANY REGULATORY**
20 **AGENCIES?**

21 A. No.

22

23 Q. **HAVE YOU ATTACHED ANY EXHIBITS TO YOUR TESTIMONY?**

1

2 A. Yes, I have attached the following exhibits to my testimony: Exhibit LB-1,
3 Exhibit LB-2, Exhibit LB-3, Exhibit LB-4, Exhibit LB-5, Exhibit LB-6, Exhibit
4 LB-7, Exhibit LB-8, Exhibit LB-9, Exhibit LB-10, Exhibit LB-10, Exhibit LB-11,
5 Exhibit LB-12, Exhibit LB-13 and Exhibit LB-14.

6

7 Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

8

9 A. The purpose of my testimony is to describe the anticipated network deployment,
10 associated costs, and the five times annual exchange revenue analysis performed
11 by BellSouth Telecommunications Inc. d/b/a AT&T Florida ("AT&T Florida")
12 for two of the private subdivisions, Riverwood and Coastal Oaks, located in the
13 single-family development in St. Johns and Duval Counties known as Nocatee
14 ("Nocatee" collectively or "Riverwood" and "Coastal Oaks", respectively). A
15 drawing of the Nocatee development is attached hereto as Exhibit LB-1. In
16 addition, I will discuss the status of negotiations between Nocatee Development
17 Company, as the representative of SONOC Company, LLC – the owner and
18 master developer of Nocatee (hereinafter referred to collectively as "Developer"),
19 and AT&T Florida regarding the charges submitted by AT&T Florida for the
20 deployment of facilities in Nocatee.

21

22 Q. **WILL YOU PLEASE PROVIDE US WITH MORE DETAILS**
23 **REGARDING NOCATEE?**

1 A. Nocatee is a 16,000-acre master planned community under construction near
2 Jacksonville, Florida in unincorporated Duval and St. John's Counties. Nocatee
3 includes public and private communities. The public communities are not the
4 subject of AT&T Florida's Petition. Rather, the Petition relates to two private
5 subdivisions in Nocatee that will eventually have a total of approximately 1,919
6 single-family homes¹ (891 at Coastal Oaks and 1,028 at Riverwood). AT&T
7 Florida understands from the builders of Riverwood and Coastal Oaks, Pulte
8 Home Corporation ("Pulte") and Toll Jacksonville Limited Partnership a/k/a Toll
9 Brothers ("Toll Brothers"), respectively, that the two subdivisions will be built in
10 phases and that the initial phase will consist of 228 units for Riverwood and 260
11 units for Coastal Oaks.

12
13 **Q. WHAT IS AT&T FLORIDA'S UNDERSTANDING OF THE SERVICE**
14 **ARRANGEMENTS THAT THE DEVELOPER HAS MADE WITH AN**
15 **ALTERNATIVE PROVIDER?**

16
17 A. It is AT&T Florida's understanding that the Developer (1) has entered into an
18 exclusive marketing arrangement with Comcast for its voice service within the
19 two private subdivisions in Nocatee; (2) has entered into exclusive service
20 arrangements with Comcast for video and data services in the two private
21 subdivisions; and (3) is only willing to provide AT&T Florida a voice-only
22 easement for the two private subdivisions in Nocatee.

¹ Approximately 3,072 single-family homes (891 at Coastal Oaks and 2, 181 at Riverwood) were originally planned. The updated number of homes is based upon build-out schedule information for Riverwood and Coastal Oaks received from Pulte and Toll Brothers.

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Q. PLEASE PROVIDE US DETAILS OF THE VARIOUS DISCUSSIONS AND CORRESPONDENCE SENT BETWEEN THE DEVELOPER AND AT&T FLORIDA REGARDING THE DEVELOPER'S REQUEST THAT AT&T FLORIDA PROVIDE VOICE SERVICE IN NOCATEE.

A. In 2006, representatives of the Developer and AT&T Florida discussed technical and engineering matters related to the provision of service within Nocatee. As part of AT&T Florida's due diligence, in September 2006, AT&T Florida reviewed the proposed plats for the Riverwood and Coastal Oaks subdivisions. This review revealed that the plats did not grant AT&T Florida any easement rights.

On September 25, 2006, AT&T Florida contacted the Developer regarding the easements that would be necessary for AT&T Florida to place facilities at Riverwood and Coastal Oaks. That same day, AT&T Florida received an e-mail reply from the Developer advising that the request had been passed along to their counsel. A copy of the September 25, 2006 e-mail is attached hereto as Exhibit LB-2.

On September 25, 2006, AT&T Florida contacted the Developer's counsel about the necessary easements, including inquiring about the timeframe within which the easements would be provided and noting that time was of the essence due to

1 AT&T Florida's understanding that first occupancy was expected in early 2007.
2 Again, that same day, the Developer's counsel responded via e-mail that she was
3 working on a proposed form of easement and asked for clarification regarding the
4 timing concerns raised by AT&T Florida. A copy of this September 25, 2006 e-
5 mail is attached hereto as Exhibit LB-3. AT&T Florida provided clarification that
6 same day.

7
8 On September 26, 2006, AT&T Florida received an email from the Developer's
9 counsel confirming that she had received AT&T Florida's clarifications and that
10 the proposed form of easement would soon be ready. A copy of the September 26,
11 2006 e-mail is attached hereto as Exhibit LB-4.

12
13 On September 28, 2006, AT&T Florida received an e-mail from the Developer's
14 counsel advising that it would be "premature" to circulate easements in advance
15 of further "business" discussions between the Developer and AT&T Florida. A
16 copy of the September 28, 2006 e-mail is attached hereto as Exhibit LB-5.
17 Subsequent to this date and into December 2006, AT&T Florida and the
18 Developer had several discussions regarding Nocatee, including consideration of
19 several options that AT&T Florida was hopeful would enable it to economically
20 serve these two private communities. Unfortunately, no agreement was reached.

21
22 On December 13, 2006, AT&T Florida finally received the proposed form of
23 easement for the Riverwood and Coastal Oaks subdivisions. A copy of the

1 December 13, 2006 letter from the Developer and the attached form of easement
2 is attached hereto as Exhibit LB-6. The proposed form easement restricts AT&T
3 Florida to providing "voice-only" services in the Coastal Oaks and Riverwood
4 subdivisions. Specifically, the easement states that: "... [BellSouth] may use the
5 wires and facilities installed under this Easement for any type of voice service
6 only and the rights granted herein shall specifically exclude delivery of
7 internet/data services and/or video/television services or telecommunications
8 services other than voice service by [BellSouth]."

9
10 On January 3, 2007, AT&T Florida forwarded correspondence to the Developer
11 indicating that certain provisions in the proposed easements were unacceptable,
12 including the voice-only restriction. A copy of the January 3, 2007
13 correspondence to the Developer is attached hereto as Exhibit LB-7.

14
15 On January 23, 2007, the Developer's counsel responded to AT&T Florida's
16 January 3, 2007 letter. The January 23, 2007 letter from the Developer is attached
17 hereto as Exhibit LB-8. The Developer's counsel agreed with most of AT&T
18 Florida's requested revisions provided in its AT&T Florida's January 3, 2007
19 letter; however, the Developer continued to insist on a voice-only restriction in
20 the Riverwood, Coastal Oaks and the other private communities within Nocatee.
21 To date, AT&T Florida has not received an acceptable easement from the
22 Developer.

23

1 Q. **HAS AT&T FLORIDA DEVELOPED A NETWORK DEPLOYMENT**
2 **STRATEGY FOR RIVERWOOD AND COASTAL OAKS? IF SO, WHAT**
3 **IS IT?**

4
5 A. Yes. The proposed network architecture for delivery of voice service in Nocatee
6 is fiber-to-the-curb. A diagram illustrating this architecture is attached hereto as
7 Exhibit LB-9. This architecture involves the placement of remote terminal
8 cabinets containing loop electronics to serve specified areas of the development.
9 The remote terminal cabinets will be fed by fiber optic cables that originate from
10 the serving central office for that area. Distribution fiber facilities are then placed
11 from the remote terminal to smaller enclosures that contain loop electronics
12 (known as optical network units) located in each area of the proposed
13 development. From each optical network unit, buried copper service drops extend
14 to the residences served by a specific optical network unit. Service drop
15 enclosures are then placed in between the optical network units and the living
16 units to provide access points to the buried service drops.

17
18 Q. **IS THE PROPOSED NETWORK DEPLOYMENT STRATEGY**
19 **REASONABLE AND EFFICIENT?**

20
21 A. Yes. The proposed fiber-fed remote terminal sites will be fed from an existing
22 backbone feeder fiber cable that runs adjacent to the Nocatee development. In
23 addition, existing copper feeder facilities were not available in the area to serve

1 the entire Nocatee development. Due to the increasing cost of copper, and the
2 fact that existing feeder fiber is available in the area, a fiber-to-the-curb
3 architecture was determined to be the most efficient and reasonable method for
4 serving Nocatee.

5

6 Q. **WHAT IS THE TOTAL ESTIMATED BUILD-OUT COST FOR THE**
7 **RIVERWOOD AND COASTAL OAKS SUBDIVISIONS?**

8 A. AT&T Florida estimates that in order to serve all phases of Riverwood and
9 Coastal Oaks, it will be required to expend at least \$1.8 million. A spreadsheet
10 detailing the costs for each projected phase of Riverwood and Coastal Oaks is
11 attached hereto as Confidential and Proprietary Exhibit LB-10.

12

13 Q. **WHAT ARE THE INITIAL BUILD-OUT PHASES FOR RIVERWOOD**
14 **AND COASTAL OAKS?**

15

16 A. Pulte and Toll Brothers, the builders of Riverwood and Coastal Oaks,
17 respectively, have provided AT&T Florida diagrams of the two subdivisions. The
18 diagrams are attached hereto as Exhibit LB-11 and show the planned build-out.
19 Based upon this information, AT&T Florida understands that the initial phases for
20 each development are Riverwood, Areas 1-4, and Coastal Oaks, Phases 1-2a.
21 AT&T Florida understands that the build-out of the remainder of Riverwood and
22 Coastal Oaks will occur in later phases.

23

1 Q. **WHAT IS THE ESTIMATED BUILD-OUT COST FOR THE INITIAL**
2 **PHASES OF EACH SUBDIVISION?**

3
4 A. Based upon the initial build-out information provided by Pulte and Toll Brothers,
5 AT&T Florida's estimated build-out cost is \$278,889 for Riverwood (Areas 1-4)
6 and \$356,887 for Coastal Oaks (Phases 1 & 2a). Generally speaking, the costs
7 include material, labor and overhead costs. Spreadsheets providing how the
8 estimated build-out costs were derived are attached hereto as Confidential and
9 Proprietary Exhibit LB-12. Due to a computational error, AT&T Florida had
10 originally calculated and advised the Developer that the estimated build-out cost
11 for Coastal Oaks (Phases 1 & 2a) was \$332,712. AT&T Florida has made the
12 decision to use the lower cost estimate (\$332,712) rather than the higher cost
13 estimate (\$356,887) for the purposes of this proceeding.

14
15 There will be additional costs to build-out the remaining phases as they are built
16 in the future.

17
18 Q. **WHAT TYPES OF ITEMS ARE INCLUDED IN MATERIAL COST?**

19
20 A. The material required to place remote terminal sites include the following: the
21 cabinet, conduit, concrete pads, fill dirt, driveways, handholes, fencing, electric
22 hookup, gas powered back-up generators, gas tanks and electric transfer panels.
23 In addition, in order to activate the remote terminal cabinets, electronics such as

1 multiplexers, channel banks, plug-ins and other associated equipment are placed
2 and turned up within the cabinet. Plug-ins are not included in the material cost
3 provided in this testimony.

4
5 With regard to installation of the fiber distribution facilities, the following
6 material is required: composite fiber/copper cable, conduit for roads and
7 driveways, handholes, optical network units, subtending copper terminals, buried
8 service wire closures at every lot line where a terminal is not present, buried
9 service wire(s) from the optical network unit or copper terminal to the buried
10 service wire closures, drop wire(s) from the wire closure to the home and an
11 interface on the side of each residence.

12
13 **Q. WHAT TYPES OF LABOR ARE INCLUDED IN THE LABOR COST?**

14
15 **A.** The labor required to place remote terminal cabinets includes engineering and
16 design, a surveyor, a placement contractor, an electrician, a fencing contractor, a
17 concrete contractor, cable splicers, and technicians needed to install plug-ins and
18 turn up electronics systems at the remote terminal and the central office.

19
20 With regard to installation of the fiber distribution facilities, the following labor is
21 required: engineering and design, placement contractor, cable splicers, and
22 technicians/contractors to place optical network units, copper terminals, install

1 plug-in electronics, and to activate and turn up distribution systems including
2 required performance testing and provisioning.

3

4 **Q. WHAT TYPES OF COSTS DOES OVERHEAD CAPTURE?**

5

6 A. While I am not a cost expert, it is my general understanding that overhead
7 captures costs that are incurred by AT&T Florida to produce all of its services,
8 but cannot be directly attributed to and are not caused uniquely by any single
9 service or combination of services (e.g. expenses of corporate operations and
10 investment related costs).

11

12 Corporate Operations costs are the costs incurred in administering the
13 Corporation. Included in these costs is a pro rata share of the cost of Human
14 Resources, Accounting & Finance, External Relations, Procurement, Legal,
15 Executive, Planning and Information Management.

16

17 Investment Related Costs are maintenance costs and other ownership costs
18 associated with corporate assets such as Land, Buildings, Office Equipment and
19 General Purpose Computers.

20

21 **Q. DOES AT&T FLORIDA'S TARIFF ALLOW IT TO CHARGE THE**
22 **DEVELOPER THE ABOVE REFERENCED COSTS?**

23

1 A. Yes. Pursuant to Section A5.2.2.D of AT&T Florida's Tariff, the customer has the
2 option of having the liabilities and charges billed based on either estimated or
3 actual costs. Estimated costs will be billed unless the customer notifies AT&T
4 Florida of the selection of the actual cost option in writing prior to the start of
5 special construction. The Tariff provides that the estimated or actual costs for
6 special construction may include one or more of the items specified in Section
7 A5.5.1. Section A5.2.2(D)(1). Section A5.5.1 identifies recoverable costs as the
8 following: labor, engineering and materials; supervision; operating expenses, e.g.
9 maintenance, administration, etc.; return on investment; taxes, depreciation,
10 charges associated with construction provided by another company; charges for
11 securing private rights-of-way; charges for securing use of poles and pole line
12 attachments on other company poles; equipment or space rental; expenses made
13 necessary for damages caused by the customer or its agents; any other identifiable
14 associated cost; cost for rearrangements and changes; and supporting structures.

15
16 **Q. HAVE YOU REVIEWED THE ESTIMATED COSTS FOR AT&T**
17 **FLORIDA'S NETWORK DEPLOYMENT TO COASTAL OAKS AND**
18 **RIVERWOOD?**

19
20 A. Yes. The local Network organization prepared the estimated costs using the
21 standard engineering pricing system OSPCM (Outside Plant Construction
22 Management) utilized by AT&T Florida. I have reviewed the estimated costs
23 provided by the local Network organization and I concur that these costs

1 encompass the necessary and reasonable work required for AT&T Florida to
2 deploy facilities to Riverwood and Coastal Oaks. Further, the methodology used
3 by AT&T Florida to calculate its costs is consistent with AT&T Florida's policies
4 and procedures for determining cost estimates pursuant to Section A5 of AT&T
5 Florida's Tariff.

6

7 **Q. CAN YOU EXPLAIN ANY DIFFERENCE BETWEEN THE ESTIMATED**
8 **COSTS PROVIDED IN AT&T FLORIDA'S PETITION AND THE**
9 **ESTIMATED COSTS PRESENTED NOW?**

10

11 **A.** The original cost estimate used in AT&T Florida's Petition was developed using
12 an average cost per living unit determined by analysis of costs to deploy a similar
13 network at similar subdivisions. The updated cost estimate provided above was
14 developed using detailed design requirements specific to the Riverwood and
15 Coastal Oaks subdivisions. In addition, the placement costs of buried service
16 drops, network interface units and overhead amounts were not included in the
17 original estimate.

18

19 **Q. WHAT AMOUNT, IF ANY, HAS AT&T FLORIDA REQUESTED FROM**
20 **THE DEVELOPER IN ORDER TO DEPLOY FACILITIES TO**
21 **RIVERWOOD (AREAS 1-4) AND COASTAL OAKS (1 & 2a)?**

22

1 A. Pursuant to Rule 25-4.067, F.A.C. and AT&T Florida's Tariff – Section A5,
2 AT&T Florida has determined that the Developer is responsible for \$443,935 for
3 the deployment of facilities to provide voice service to Riverwood (Areas 1-4)
4 and Coastal Oaks (Phases 1 & 2a). On May 8, 2007, AT&T Florida forwarded
5 correspondence to the Developer requesting payment of this amount. AT&T
6 Florida's May 8, 2007 correspondence to the Developer is attached hereto as
7 Confidential and Proprietary Exhibit LB-13.

8

9 **Q. HOW WAS THE AMOUNT REQUESTED FROM THE DEVELOPER**
10 **CALCULATED?**

11

12 The amount requested from the Developer was determined by subtracting the
13 projected five times annual exchange revenue for the initial phases of Riverwood
14 and Coastal Oaks (\$76,524 at Riverwood (Areas 1-4) and \$91,142 at Coastal
15 Oaks (Phases 1 & 2a)) from the estimated build-out costs (\$278,889 for
16 Riverwood and \$332,712² for Coastal Oaks).

17

18 **Q. HOW WAS THE FIVE TIMES ANNUAL EXCHANGE REVENUE FOR**
19 **RIVERWOOD AND COASTAL OAKS CALCULATED?**

20

21 A. The projected five year annual exchange revenue for Riverwood and Coastal
22 Oaks was based upon consideration of the following factors: (1) Average

² As indicated above, there was a computational error in AT&T Florida's spreadsheet for Coastal Oaks (Phases 1 & 2a) provided to the Developer, where AT&T Florida undercharged the Developer. AT&T Florida has made the decision to use this lower cost estimate for the purposes of this proceeding.

1 Revenue per Unit (“ARPU”), which is based upon actual historical revenue
2 associated with residential lines in Florida, which Mrs. Shiroishi explains further;
3 (2) a 20% take rate, the rationale for which Mrs. Shiroishi explains in detail; and
4 (3) occupancy forecast based on when homes are expected to be occupied based
5 upon developer-provided construction schedules. Confidential and Proprietary
6 spreadsheets that detail AT&T’s Florida’s revenue calculations are attached
7 hereto as Exhibit LB-14.

8

9 Q. **WILL THERE BE ADDITIONAL REQUESTS FOR PAYMENTS IN THE**
10 **FUTURE?**

11

12 A. Yes. The subsequent requests for payment will be handled in due course as
13 additional construction is planned. In addition, the amount of these additional
14 costs to serve future phases of Riverwood and Coastal Oaks will vary depending
15 on when these phases are built.

16

17 Q. **WHAT IS THE STATUS OF AT&T FLORIDA’S NEGOTIATIONS WITH**
18 **THE DEVELOPER?**

19

20 A. On or about April 25, 2007, AT&T Florida met with the Developer and discussed
21 charges applicable to the deployment of facilities at Riverwood and Coastal Oaks.
22 During the discussion, the Developer requested an analysis of how AT&T Florida
23 derived its five times annual exchange revenue calculation. In addition, the

1 Developer requested that AT&T Florida contact Toll Brothers and Pulte to obtain
2 updated build-out schedule information for Riverwood and Coastal Oaks.

3
4 As requested by the Developer on May 8, 2007, AT&T Florida forwarded
5 correspondence to the Developer explaining how AT&T Florida arrived at the
6 requested amount, which is based on the estimated build out costs of the
7 development for Riverwood (Areas 1-4) and for Coastal Oaks (Phases 1-2a) less
8 the projected five times annual exchange revenue from the residents in these
9 initial phases. *See Confidential and Proprietary Exhibit LB-13.*

10
11 On May 24, 2007, AT&T Florida participated in a discussion with the Developer,
12 in which the details of AT&T Florida's request for reimbursement were
13 discussed. AT&T Florida advised that (1) it was prepared to begin work
14 deploying facilities upon receiving payment, (2) time was of the essence and (3)
15 the above figure may rise if AT&T Florida was forced to incur overtime or
16 expedite charges in order to timely serve residents. In this discussion, AT&T
17 Florida advised that the proposed network architecture was the most economical
18 method of serving the subdivisions.

19

20 Q. **HAS THE DEVELOPER MADE A COUNTER-PROPOSAL TO AT&T**
21 **FLORIDA'S REQUEST?**

22

1 A. To date, the Developer has not made a counter-offer to AT&T Florida's request
2 for payment of the requested amount.

3

4 Q. **DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

5 A. Yes.

6

7

8

From: Richard T. Ray [rray@parcgroup.net]
Sent: Monday, September 25, 2006 2:50 PM
To: Liebman, Sharon
Subject: Nocatee Easements

Sharon:

I have referred your request to our attorney who has been working to prepare the form of easement. Please feel free to call her directly. I have called Lynn and told her that she may hear from you.

Lynn Pappas
Pappas, Metcalf, Jenks and Miller
904-353-1980

Also, I am in the process of setting up a meeting to discuss various issues with the Bellsouth business representatives.
Thank you.

Richard T. Ray
(904) 992-9750

x]

12/18/2006

Message

Page 1 of 1

From: M. Lynn Pappas [lpappas@papmet.com]

Sent: Monday, September 25, 2006 5:19 PM

To: Liebman, Sharon

Cc: rray@parcgroup.net

Sharon I just got back into the office from meetings out all afternoon. We are working with our client on the form of the easement and will have it to you as soon as we are able to complete the discussions with Rick and his group. I understand that you communicated with Rick directly last weeking requesting that the form be delivered at a specific time but neither he nor I understand that nature of the deadline you refer to. Can you please elaborate. Thanks.

Confidentiality Notice: The material in this transmission is intended only for the use of the individual to whom it is addressed and may contain information that is confidential. If you have received this transmission in error, please immediately notify us by return e-mail (lpappas@papmet.com) or telephone (904-353-1980) to arrange for the return of this material to us. Thank you.

12/18/2006

BellSouth Form Easement

Page 1 of 1

From: Diane G. Frederick [dfrederick@papmet.com] on behalf of M. Lynn Pappas [lpappas@papmet.com]
Sent: Tuesday, September 26, 2006 9:12 AM
To: Liebman, Sharon
Subject: BellSouth Form Easement

Sharon:

After listening to your voice mail last evening, I confirmed with Rick that in your phone conversation he indicated that if the document was ready to be forwarded it would be sent Friday or Monday. At this point, we do not have the document in final form, but we will provide it to you as soon as it is available. I simply wanted to clarify so there was no misunderstanding.

Confidentiality Notice: The material in this transmission is intended only for the use of the individual to whom it is addressed and may contain information that is confidential. If you have received this transmission in error, please immediately notify us by return email (lpappas@papmet.com) or telephone Diane Frederick at (904) 353-1980 to arrange for the return of this material to us. Thank you.

12/18/2006

Message

Page 1 of 1

From: M. Lynn Pappas [lpappas@papmet.com]
Sent: Thursday, September 28, 2006 10:58 AM
To: Liebman, Sharon ; Jacobs, Phil
Subject: Nocatee service

Sharon, I was able to talk to Rick Ray this morning about your call and requests for an easement document. As you may know there have been a number of meetings between BellSouth reps and Nocatee reps on the construction and development timetable for the Nocatee project and for the delivery of Bellsouth telephone service throughout the Nocatee community. It is our intention that BellSouth have complete access to install facilities and to market and provide all services throughout the non-private communities. Within the private communities, we want BellSouth to provide telephone service, but BellSouth has raised several issues regarding such service. To resolve these matters and provide the necessary easements, Rick Ray would like to pursue this discussion on the business issues and has called Phil Jacobs to set up a meeting in the near future to further these discussions. Until Mr. Ray and Mr. Jacobs have had an opportunity to meet on this issue, it would be premature to circulate any draft easements.

Confidentiality Notice: The material in this transmission is intended only for the use of the individual to whom it is addressed and may contain information that is confidential. If you have received this transmission in error, please immediately notify us by return e-mail (lpappas@papmet.com) or telephone (904-353-1980) to arrange for the return of this material to us. Thank you.

12/18/2006



December 13, 2006

VIA COURIER

Mr. Phil Jacobs
President
BellSouth Corporation
1025 Lenox Park Boulevard
Suite 6A628
Atlanta, Georgia 30319

Re: Forms of Easement

Dear Phil:

On behalf of SONOC Company, LLC, I have attached two (2) forms of easement documents for delivery to BellSouth to provide for construction and installation of BellSouth equipment in the Nocatee community. The first applies to the residential areas within Nocatee abutting public rights of way in which BellSouth has already commenced installation of lines and equipment and would apply to commercial properties within Nocatee. We are putting together the legal description for both easement forms.

The second form labeled "private" in the left hand footer would apply to residential areas abutting private roads.

As we have discussed, we are well under construction in all areas of the Nocatee community. As I have repeatedly indicated to you, it is critical that we receive your written confirmation of your agreement to provide telephone services to all of the Nocatee community prior to or coincident with unit construction as we have requested.

Absent such confirmation, we will be forced to proceed through regulatory process to obtain telephone service from BellSouth. I look forward to hearing from you as soon as possible.

Very truly yours,

NOCATEE DEVELOPMENT COMPANY

A handwritten signature in dark ink, appearing to read "Rick", written in a cursive style.

Richard T. Ray
President

Enclosure(s)

STATE OF FLORIDA

BELLSOUTH

COUNTY OF _____

Preparer's name:

EASEMENT

For and in consideration of ~~Ten and 00/100~~ dollars (\$10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to BELLSOUTH TELECOMMUNICATIONS, INC., a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non-exclusive easement to construct, maintain, add, and/or remove certain telecommunications wires and facilities under the Easement Property more particularly described below and located in _____ County, Florida and to operate the telecommunications wires and facilities to deliver voice service, all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township _____, Range _____, _____ County, State of Florida, described as follows:

[Insert Description]

(the "Easement Property").

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances under said Easement Property for telecommunications purposes or electric power transmission or distribution to serve the telecommunications facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described easement is granted.

There shall be no new installation and/or relocation of any lines or other improvements by Grantee within the Easement Property, after initial installation, without written permission from the Grantor or Grantor's designated successor or assign. Written permission of the Grantor or Grantor's designated successor or assign is not required by the Grantee for any Grantee customary repairs and/or maintenance of the Easement Property.

It is understood that Grantee may use the wires and facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/ or video/television services or telecommunications services other than voice service by Grantee. In addition to enforcement by Grantor, this provision may be enforced at law or in equity (including the right to specific performance and/or injunctive relief) by SONOC Company, LLC, a Delaware limited liability company, its successors or assigns, who is an intended third party beneficiary of this provision.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the easement area for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the easement area, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the easement area.

All facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property; provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and/or replacing the same.

By: _____
Print Name: _____
Name: _____

Title: _____
Print Name: _____

STATE OF FLORIDA }
 }SS
COUNTY OF _____}

The foregoing instrument was acknowledged before me this ____ day of _____, 200__, by _____, _____ of _____, a _____, on behalf of the company.

Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Commission # _____

My Commission Expires:

Personally Known

or Produced I.D.

[check one of the above]

Type of Identification Produced

01/03/07 11:37 AM FLA DIVISION - BLS

NO. 545 P002/004



BellSouth Telecommunications, Inc.
Network Operations/NE Florida

Robert Suarez P. E., Director
Engineering & Construction
Suite 11AA1, 301 W. Bay Street
Jacksonville, FL 32202-5184
Robert.Suarez@BellSouth.com
Office: 904 350-2220
Fax: 904 634-1774

January 3, 2007

Richard T. Ray
Nocatee Development Company
4314 Pablo Oaks Court
Jacksonville, FL 32224

Re: Forms of Easement - Nocatee

Dear Mr. Ray:

We are in receipt of your December 13, 2006 letter to Phil Jacobs of BellSouth, attaching two proposed forms of easement to BellSouth for areas within Nocatee. The two forms are for:

- (1) residential areas in Nocatee abutting public rights-of-way; and
- (2) residential areas abutting private roads (for example, the Riverwood and Coastal Oaks subdivisions and, presumably, any other private subdivisions to be located within Nocatee).

You advise that you are preparing legal descriptions for both easement forms. Comments regarding each form follow.

- A. It is our understanding that the easement referenced in (1) above would cover 5 foot wide areas adjacent to public rights-of-way (the "Public Areas Easement"). Your representatives, including Michael Daliberti and England Thims & Miller, have requested that BellSouth place certain facilities in these areas, including optical network units, serving terminals and equipment markers. It appears that you have used BellSouth's standard form of easement but have made various changes to it, some of which are unacceptable to BellSouth, as outlined below.
 1. The easement refers to placement of "certain telecommunications wires and facilities under" the Easement Property. Please change this to refer to "communications wires and facilities under, upon, or over" the Easement Property (see discussion of the word "over" in 4 below).
 2. At the bottom of page 2, you have changed the form to indicate that BellSouth may not install or relocate any equipment in the easement

areas (except customary repair or maintenance) after initial installation without written permission of the property owner. BellSouth may need to install equipment in the easement area after initial installation from time to time. BellSouth is not comfortable with a requirement for prior written permission in each instance, where easement rights have already been granted for BellSouth to use the area (that permission could be refused or not timely provided, creating problems for BellSouth to provide service, respond to customer orders in a timely manner, and the like). Accordingly, this language needs to be changed. As a middle ground, suggested alternate language follows:

Following installation of Grantee's facilities within the Easement Property, Grantee will use its best efforts to notify Grantor of any major new installations or facilities within the Easement Property prior to installation.

3. At the top of page 2, you have added a paragraph regarding Grantor's right to use the easement area for non-interfering uses, including paving and grass. Please add the following clarifying sentences at the end of the new paragraph: Notwithstanding the foregoing, if any of such improvements interfere with Grantor's use of the Easement Property, Grantee may remove them, or Grantor shall remove them promptly after notice by Grantee to Grantor to that effect. If Grantor fails to do so promptly after such notice, Grantee may do so and charge the costs therefor to Grantor. Grantee has no obligation to relocate its facilities within the Easement Property to accommodate any such improvements.
4. You have changed the form to indicate that all BellSouth equipment will be placed underground, but BellSouth will need to place aboveground equipment in the easement areas to provide service. In fact, as discussed above, your representatives have specifically requested the placement of aboveground facilities in the easement areas. So, please remove the last paragraph on page 2.

B. For the easement referenced in (2) above (the Private Easement), it is our understanding that you plan to direct the Coastal Oaks developer and Riverwood developer (Toff Jacksonville Limited Partnership and Pulte Home Corporation) and developers of other private subdivisions in Nocatee to grant to BellSouth an easement for each subdivision in the form you have provided. The Private Easement form includes the changes referenced in A. above, so BellSouth's comments apply here too. Also, the Private Easement form is restricted to voice-only services. It provides that . . . [BellSouth] may use the wires and facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/or video/television services or telecommunications services other than voice service by [BellSouth]. As BellSouth has previously discussed with you, this restriction is unacceptable to BellSouth.

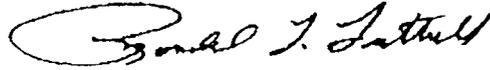
While we understand that the parties may continue to disagree over the form of Private Easement containing the voice-only restriction, at a minimum, please provide to us a revised form of the Public Areas Easement that recognizes our comments above, so that we can work toward an acceptable Public Areas Easement to accommodate placement of BellSouth

01/03/07 11:30 THE FLA DIVISION - BLS

HO.545 P004/004

facilities in those areas (to serve non-private developments and commercial areas). Also, we will need to review the proposed legal descriptions for the Public Areas Easement.

Sincerely,



Robert Suarez



Cc: Gary Hoffman

PAPPAS METCALF JENKS & MILLER

ATTORNEYS AT LAW
3250 W. BAY STREET, SUITE 2000
JACKSONVILLE, FLORIDA 32202-5181

JOHN R. COTTON
NICHOLE E. GIFFINELLI
THOMAS H. MOHRI
THOMAS H. JENKS
ROBERT A. DEARLEY III
JOHN G. METCALF
FRANK J. MILLER
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WWW.PMJLAW.COM

SPENCER H. CUMMINGS
CHARLES L. GIBBS
W. WILLIAM L.
ANGELA M. SARADIA
STACY M. REAS
JOSEPH J. VAN ROOY
KATHERINE E. WHITTINGTON

January 23, 2007

VIA COURIER

Robert Suarez, P.E., Director
Engineering & Construction
BellSouth Telecommunications, Inc.
Network Operations / Northeast Florida
301 W. Bay Street, Site 11A1
Jacksonville, Florida 32202-5181

Re: Forms of Easement - Nocatee

Dear Mr. Suarez:

Rick Ray has forwarded to me your letter of January 3, 2007 commenting upon easement forms previously delivered to you by Mr. Ray with respect to service by BellSouth in the Nocatee community included in his December 13, 2006 letter to Phil Jacobs. The following is in response to the comments in your January 3rd letter:

With regard to your comments in subsections (1) and (2), you are correct that the easement forms that we provided were to address residential areas in Nocatee abutting public rights of way referred to as the "Public" communities and residential areas abutting private roads (which includes Riverwood and Coastal Oaks subdivisions) and referred to as "Private" communities.

After consultation with Mr. Ray and the project construction team and engineer, we have been advised that our construction staff has been coordinating with BellSouth field representatives on specifics associated with the installation of services by BellSouth within the Public communities for a number of months. It is my current understanding that BellSouth and Comcast have agreed to joint trenching of parallel lines within the right of way of areas to be dedicated as public roads. Within these Public communities, there will be two instances in which additional easements over private properties will be required. First, to locate RT boxes within a customary footprint and second, a location for BellSouth pedestals within a 5-foot easement adjacent and parallel to the public rights of way and within the lot frontage abutting the public rights of way. Michael Dalibert with the PARC Group advises that this is a template for the line installation and easement structure for BellSouth within all of the Public communities. As a result, the easement form that we provided would be revised to specify the precise improvements which would be placed by BellSouth within the 5-foot and RT easement areas. In this regard, we would appreciate your assistance in describing both the RT facility and the "pedestals" since this

Forms of Easement - Nocatee

January 23, 2007

Page 2

will be the specific purpose of the easement grant. When this language is clarified, it will address your comment in subsection A.1. of your letter.

With regard to your comments in subsection A.2., we are agreeable to your suggested change; although I have modified the language slightly to address notification of successors and assigns as designated by Grantor.

With regard to your comments in subsection A.3., we are also agreeable to the change you suggested with some minor changes and with a similar modification to address designated successors and assigns.

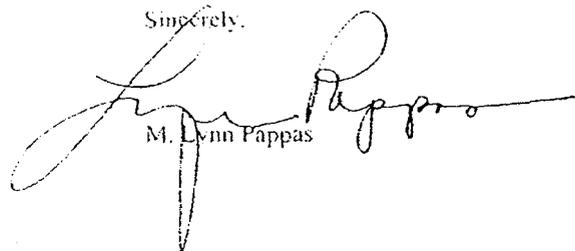
With regard to your comments in subsection A.4., since both the RT Facility and the pedestals are aboveground facilities, it would be acknowledged that these would be aboveground facilities, but the connecting lines would be provided underground.

Modified forms of easement to both "Private and Public" communities are attached to this letter for your review and consideration. As indicated in the bracketed provisions, we would appreciate your input for greater clarity on the RT unit and pedestal description.

With regard to your comments in subsection B., as you know BellSouth has initiated proceedings before the Public Service Commission in which it requests release from any COLR obligation to provide telephone service within the private areas of the Nocatee community. Our position with regard to the scope of the easement to be granted and the nature of the telecommunication services to be provided by BellSouth within the private easement areas was clearly articulated in the form of easement we originally provided and those provisions have not been changed.

Thank you for your attention to these matters and we look forward to your comments on the enclosed revisions and resolution of the form of easement for the Public communities.

Sincerely,



M. Lynn Pappas

MLP:AF
Enclosure

cc: Richard T. Ray (w/encl. via Email)
Floyd Self (w/encl. via Email)
Spencer Cummings (w/encl. via Email)

STATE OF FLORIDA

BELLSOUTH

COUNTY OF _____

Preparer's name:

EASEMENT

For and in consideration of Ten and 00/100 dollars (\$10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non-exclusive easement to operate, construct, maintain, add, and/or remove ~~certain telecommunications wires and facilities~~ IRT Unit (Pedestal Facilities) (the "Facilities") under the Easement Property more particularly described below and located in _____ County, Florida, all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township _____, Range _____, _____ County, State of Florida, described as follows:

{Insert Description}

(the "Easement Property").

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances ~~under said Easement Property to attach to the Facilities~~ for telecommunications purposes or electric power transmission or distribution to serve the telecommunications facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold, the above granted easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described easement is located.

~~There shall be no new installation and/or relocation of any lines or other improvements by Grantee within the Easement Property after initial installation without written permission from the Grantor or Grantor's designated successor or assign. Written permission of the Grantor or Grantor's designated successor or assign is not required by the Grantee for any Grantee customary repairs and for maintenance of the Easement Property.~~

Following installation of the Facilities within the Easement Property, Grantee will use its best efforts to notify Grantor or its designated successor or assigns of any major new installation within the Easement Property prior to such installation.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the easement area Easement Property for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the easement area Easement Property, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements, provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the easement area Easement Property. Notwithstanding the foregoing, if any such improvements interfere with Grantee's use of the Easement Property, Grantee shall provide written notice to Grantor or its successor or assigns as owners of the Easement Property and, at the option of such owner, they shall remove such improvements or request Grantee to remove such improvements at owner's expense. Grantee has no obligation to relocate its Facilities within the Easement Property once installed to accommodate such improvements.

All facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property, provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and/or replacing the same - except IRT Unit / Pedestal Facilities.

 By: _____
 Print Name: _____ Name: _____
 _____ Title: _____
 Print Name: _____

STATE OF FLORIDA }
 } SS
 COUNTY OF _____ }

The foregoing instrument was acknowledged before me this _____ day of _____, 200____, by _____ of _____, a _____ on behalf of the company.

 Print Name: _____
 NOTARY PUBLIC
 State of Florida at Large
 Commission # _____
 My Commission Expires: _____
 Personally Known
 or Produced I.D.
 [check one of the above]
 Type of Identification Produced _____

Document comparison done by DeltaView on Wednesday, January 10, 2007 10:21:08 AM

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Format changed	0
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STATE OF FLORIDA

BELLSOUTH

COUNTY OF _____

Preparer's name:

EASEMENT

For and in consideration of Ten and 00/100 dollars (\$10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non-exclusive easement to construct, maintain, add, and/or remove certain telecommunications wires and facilities under the Easement Property more particularly described below and located in _____ County, Florida and to operate the telecommunications wires and facilities to deliver voice service (the "Facilities"), all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township _____, Range _____, _____ County, State of Florida, described as follows:

[Insert Description]

(the "Easement Property")

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances under said Easement Property for telecommunications purposes or electric power transmission or distribution to serve the telecommunications facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described easement is granted.

There shall be no new installation and/or location of any lines or other improvements by Grantee within the Easement Property, after initial installation, with the written permission from the Grantor or Grantor's designated successor or assign. Written permission of the Grantor or Grantor's designated successor or assign is not required by the Grantee for any Grantee equipment, service, and/or maintenance on the Easement Property.

Following installation of the Facilities within the Easement Property, Grantee will use its best efforts to notify Grantor, or its designated successor or assign, of any major new installation within the Easement Property prior to such installation.

[check one of the above]
Type of Identification Produced

Document comparison done by DeltaView on Tuesday, January 23, 2007 10:11:02 AM

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Deletion	
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Style change	0
Format changed	0
Total changes	24

STATE OF FLORIDA

BELLSOUTH

COUNTY OF _____

Preparer's name:

EASEMENT

For and in consideration of Ten and 00/100 dollars (\$10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to **BELLSOUTH TELECOMMUNICATIONS, INC.**, a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non-exclusive easement to operate, construct, maintain, add, and/or remove [RT Unit] [Pedestal Facilities] (the "Facilities") under the Easement Property more particularly described below and located in _____ County, Florida, all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____, Township _____, Range _____, _____ County, State of Florida, described as follows:

[Insert Description]

(the "Easement Property").

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances to attach to the Facilities for telecommunications purposes or electric power transmission or distribution to serve the telecommunications facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold, the above granted easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described easement is located.

Following installation of the Facilities within the Easement Property, Grantee will use its best efforts to notify Grantor or its designated successor or assigns of any major new installation within the Easement Property prior to such installation.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the Easement Property for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the Easement Property, including, without limitation, the

installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's facilities in the Easement Property. Notwithstanding the foregoing, if any such improvements interfere with Grantee's use of the Easement Property, Grantee shall provide written notice to Grantor or its successor or assigns as owners of the Easement Property and, at the option of such owner, they shall remove such improvements or request Grantee to remove such improvements at owner's expense. Grantee has no obligation to relocate its facilities within the Easement Property once installed to accommodate such improvements.

All facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property except [RT Unit / Pedestal Facilities].

By: _____
Name: _____
Title: _____
Print Name: _____
Print Name: _____

STATE OF FLORIDA
}
}SS
} COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 200____, by _____ of _____, a _____ of _____ on behalf of the company.

Print Name: _____
NOTARY PUBLIC
State of Florida at Large
Commission # _____
My Commission Expires: _____
Personally Known
or Produced I.D.
[check one of the above]
Type of Identification Produced _____

STATE OF FLORIDA

BELLSOUTH

COUNTY OF _____

Preparer's name:

EASEMENT

For and in consideration of Ten and 00/100 dollars (\$10.00) and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the undersigned owner(s) of the premises described below, hereinafter referred to as Grantor, do(es) hereby grant to BELLSOUTH TELECOMMUNICATIONS, INC., a Georgia corporation, its licensees, agents, successors, assigns, hereinafter referred to as Grantee, a non-exclusive easement to construct, maintain, add, and/or remove certain telecommunications wires and facilities under the Easement Property more particularly described below and located in _____ County, Florida and to operate the telecommunications wires and facilities to deliver voice service (the "Facilities"), all on the terms more particularly set forth below. The Easement Property is more particularly described as follows:

All that tract or parcel of land lying in Section _____ Township _____ Range _____ County, State of Florida, described as follows:

[insert Description]

(the "Easement Property")

The following rights are also granted to the Grantee: the right of the Grantee to attach wires or lay cable or conduit or other appurtenances under said Easement Property for telecommunications purposes or electric power transmission or distribution to serve the telecommunications Facilities; ingress and egress over said Easement Property at all times; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to clear the Easement Property and keep it cleared of all trees, undergrowth, or other obstructions; the right, but not the obligation, with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside the Easement Property which might interfere with or fall upon the lines or systems of telecommunication or power transmission or distribution; with the consent of the Grantor or Grantor's designated successor or assign, and in accordance with applicable law, the right at Grantee's cost and expense to relocate said systems of telecommunications on the Easement Property to conform to any future highway relocation, widening, or improvements.

To have and to hold the above granted Easement unto Grantee forever and in perpetuity. Grantor warrants that it is the fee owner of the land upon which the above described Easement is granted.

Following installation of the Facilities within the Easement Property, Grantee will use its best efforts to notify Grantor, or its designated successor or assigns, of any major new installation within the Easement Property prior to such installation.

It is understood that Grantee may use the Facilities installed under this Easement for any type of voice service only and the rights granted herein shall specifically exclude delivery of internet/data services and/or video/television services or telecommunications services other than voice service by Grantee. In addition to enforcement by Grantor, this provision may be enforced at law or in equity (including the right to specific performance and/or injunctive relief) by SONOC

Company, L.L.C. a Delaware limited liability company, its successors or assigns, who is an intended third party beneficiary of this provision.

Grantor reserves the right and privilege to use and occupy and to grant to others the right to use and occupy the surface and air space over the Easement Property for any purpose which is not inconsistent with the rights herein granted to Grantee and which does not interfere with Grantee's use of the Easement Property, including, without limitation, the installation, construction, maintenance and use of paving, grass, driveway and sidewalk improvements; provided, however, that Grantor will not plant trees or install structures (other than paving, driveway, sidewalk and similar surface improvements) on top of Grantee's Facilities in the Easement Property. Notwithstanding the foregoing, if any such improvements interfere with Grantee's use of the Easement Property, Grantee shall provide written notice to Grantor, or its successor or assigns, as owners of the Easement Property and, at the option of such owner, they shall remove such improvements or request Grantee to remove such improvements at owner's expense. Grantee has no obligation to relocate its Facilities within the Easement Property, once installed to accommodate such improvements.

All Facilities and equipment will be installed, operated and maintained at all times beneath the surface of the Easement Property; provided that the same may be temporarily exposed or removed to the surface when necessary or desirable for the purpose of repairing and/or replacing the same, except [RT Unit / Pedestal Facilities].

By: _____
Print Name: _____ Name: _____

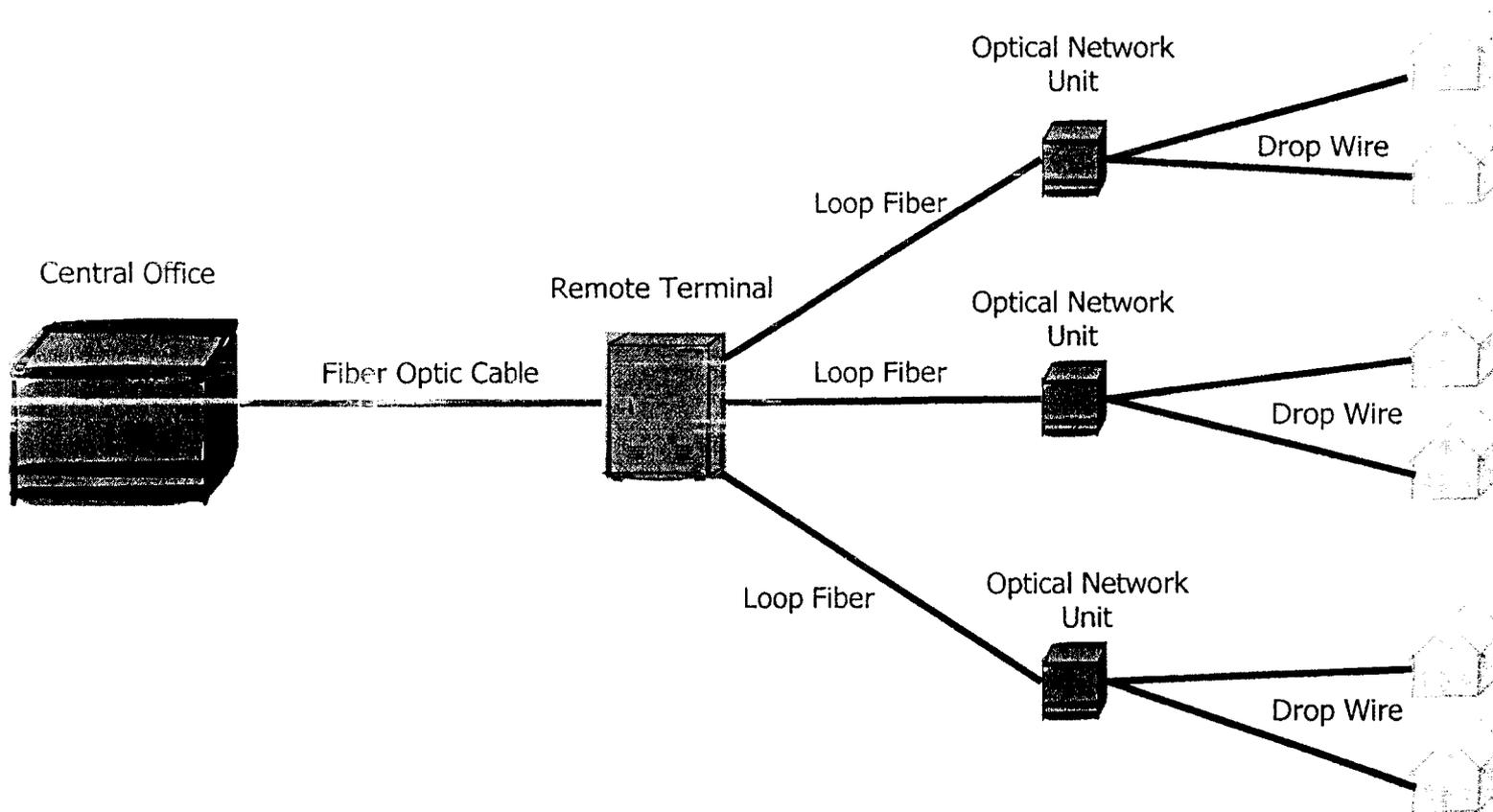
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STATE OF FLORIDA }
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COUNTY OF }

The foregoing instrument was acknowledged before me this _____ day of _____, 200____, by _____ of _____, a _____, on behalf of the company.

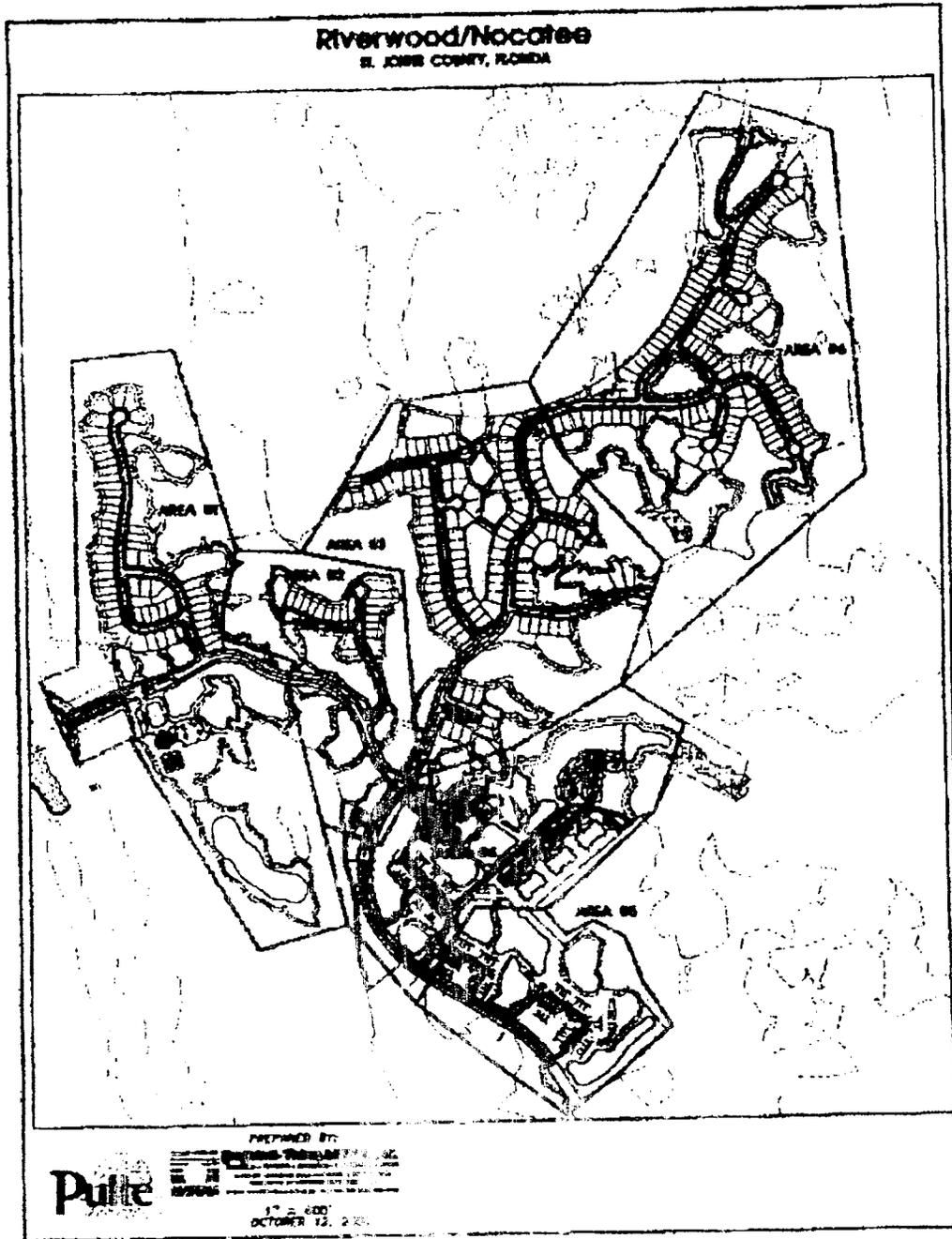
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Type of Identification Produced

Fiber to the Curb Architecture



Docket No. 060822-TL
Exhibit LB-10
(1 page)

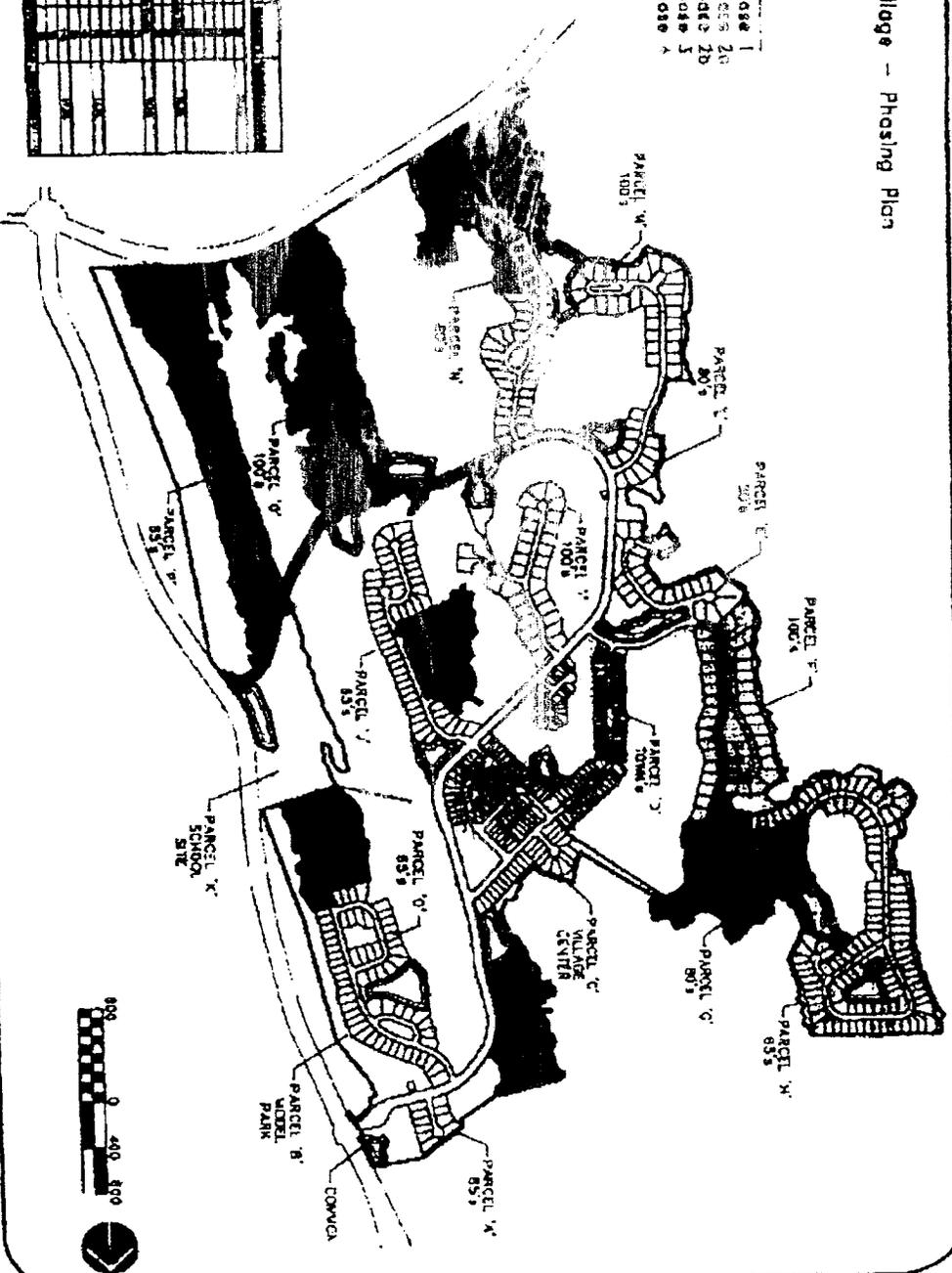
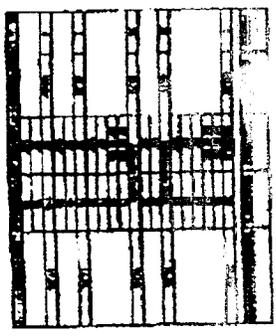
ENTIRE EXHIBIT IS CONFIDENTIAL



Old Bluff Village - Phasing Plan

Legend

[Pattern]	Phase 1
[Pattern]	Phase 2a
[Pattern]	Phase 2b
[Pattern]	Phase 3
[Pattern]	Phase 4



Englund-Thibony & Ritter, Inc.

Docket No. 060822-TL
Exhibit LB-12
(3 pages)

ENTIRE EXHIBIT IS CONFIDENTIAL

Docket No. 060822-TL
Exhibit LB-13
(8 pages)

ENTIRE EXHIBIT IS CONFIDENTIAL

Docket No. 060822-TL
Exhibit LB-14
(2 pages)

ENTIRE EXHIBIT IS CONFIDENTIAL

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1

1

AT&T FLORIDA

2

DIRECT TESTIMONY OF BETH SHIROISHI

3

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

4

DOCKET NO. 060822-TP

5

JUNE 8, 2007

6

7

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION

8

WITH AT&T.

9

10

A. My name is Elizabeth R. A. Shiroishi. I am employed by AT&T Southeast as

11

Senior Director - Regulatory Policy & Planning. My business address is 675

12

West Peachtree Street, Atlanta, Georgia 30375.

13

14

Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES?

15

16

A. In my current role, I have responsibility for Network and Services

17

Transformation, which includes issues dealing with Carrier-of-Last-Resort

18

(“COLR”) and regulatory policy issues related to the transformation of AT&T

19

Southeast’s network to an IP network providing an advanced suite of services.

20

21

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE REGULATORY

22

AGENCIES?

1 A. Yes, I have previously testified before the Florida Public Service Commission
2 (“Commission”) and the North Carolina Utilities Commission. Additionally, I
3 have proffered testimony before the Georgia Public Service Commission and
4 South Carolina Public Service Commission.

5

6 Q. **HAVE YOU PREPARED ANY EXHIBITS CONTAINING**
7 **INFORMATION THAT WILL BE REFERRED TO IN YOUR**
8 **TESTIMONY?**

9 A. Yes. Attached to my direct testimony are the following exhibits: ERAS -1 and
10 ERAS-2.

11

12 Q. **WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13

14 A. In my direct testimony, I will address on behalf of BellSouth
15 Telecommunications, Inc. d/b/a AT&T Florida (“AT&T Florida”) (1) whether
16 AT&T Florida has established good cause to be relieved of its COLR obligations
17 for two private subdivisions in the Nocatee development in Duval and St. John’s
18 Counties, Florida (“Nocatee”, collectively or “Riverwood” or “Coastal Oaks”,
19 respectively); and (2) various policy arguments supporting AT&T Florida’s
20 request to be relieved of its COLR obligation for Nocatee.

21

22 Q. **PLEASE PROVIDE A BRIEF SUMMARY OF YOUR TESTIMONY.**

23

24 A. The overriding policy question in this case is whether developers can manipulate
25 Florida’s COLR statute to force traditional phone companies to make uneconomic

1 investment where consumers have access to voice services from other providers
2 while also stifling consumer choice for the suite of communications and
3 entertainment services that residents expect. AT&T Florida supports the idea
4 that consumers should be free to choose any company they want for video, data,
5 and voice service. To this end, AT&T Florida wants to serve all customers in its
6 service territory by offering the broadest, most comprehensive and value-added
7 set of products and services. In fact, AT&T Florida has invested, and will
8 continue to invest, hundreds of millions of dollars in Florida to be able to offer
9 consumers meaningful video, data, and voice competition. And that is exactly
10 why we take such issue with the current situation at Nocatee. We want to use our
11 investment dollars wisely to bring Florida residents all of our advanced services
12 instead of using those dollars to bring a single, unnecessarily duplicative service.

13
14 AT&T submits that this is a case of first impression for AT&T Florida's service
15 territory and that the Commission should take whatever action is within its power
16 to discourage this type of developer conduct. Although the Commission does not
17 have regulatory authority over developers, or over broadband data and video
18 services, the Commission is in a position to influence the outcome of this
19 situation. By granting COLR relief under this particular set of facts, the
20 Commission sends a message to developers that using the COLR obligation to
21 force redundant, uneconomic investments is not in the best interest of the public.

1 Further, by requiring AT&T Florida to invest substantial amounts of money in a
2 duplicative network limited to providing voice service, the Commission will
3 effectively shift those investment dollars away from other consumers in the state
4 who would stand to receive the full suite of advanced services from AT&T
5 Florida.

6
7 *Issue 1: Under Section 364.025(6)(d), Florida Statutes, has AT&T Florida shown*
8 *good cause to be relieved of its Carrier-of-Last-Resort obligation to provide service at*
9 *the Coastal Oaks and Riverwood subdivisions in the Nocatee development located in*
10 *Duval and St. Johns Counties?*

11
12 **Q. WHY DOES AT&T FLORIDA BELIEVE IT HAS ESTABLISHED GOOD**
13 **CAUSE TO BE RELIEVED OF ITS COLR OBLIGATION FOR**
14 **NOCATEE?**

15
16 **A.** Generally speaking and consistent with the statements of former Commissioner
17 Deason and Commissioner McMurrian quoted later, AT&T Florida believes that
18 it should be relieved of its COLR obligation for two primary reasons: (1) the
19 residents of Nocatee can obtain voice service from other alternative providers,
20 including but not limited to Comcast; and (2) because the developer has restricted
21 residents' choice by granting Comcast the exclusive right to provide service or
22 market its services in the development, serving Nocatee with voice service only
23 results in an uneconomic investment for AT&T Florida and effectively denies
24 advanced services to even more Florida consumers.

1 Q. **WHAT IS YOUR UNDERSTANDING OF COLR?**

2

3 A. Under § 364.025, F.S., a local exchange company (“LEC”) is required to furnish
4 basic local exchange telecommunications service within a reasonable time period
5 to any person requesting such service within the company’s service territory.
6 This obligation has historically been referred to as the LEC’s “COLR” obligation.
7 COLR is specifically tied to Universal Service, which the Florida Legislature has
8 defined as an “evolving level of access to telecommunications services, taking
9 into account advances in technologies, services, and market demand for essential
10 services, that the commission determines should be provided at just, reasonable,
11 and affordable rates to customers, including those in rural, economically
12 disadvantaged, and high-cost areas.” See § 364.025, F.S. The basic concept of
13 COLR and Universal Service is that all residents in a company’s service territory,
14 including those in rural areas, will be able to receive voice service in a reasonable
15 period of time and at reasonable rates.

16

17 Q. **HAS THE LEGISLATURE RECENTLY MODIFIED THIS COLR**
18 **OBLIGATION?**

19

20 A. Yes. In recognition of the advance of competition from traditional
21 communications providers and non-traditional, unregulated alternative providers
22 (e.g. wireless, cable companies, VoIP providers), the Florida Legislature created
23 several exceptions to a LEC’s COLR obligation in the 2006 legislative session.
24 The revised COLR statute now provides two avenues for a LEC to obtain relief
25 from its historic COLR obligation. The first avenue provides for automatic relief

1 in four specific scenarios generally applicable when property owners or
2 developers have entered into some type of arrangement with a communications
3 services provider, as defined in § 364.025(6)(a)(3), F.S., other than the LEC. *See*
4 364.025(6)(b), F.S. The second avenue applies only when none of those four
5 specific automatic relief scenarios are present. In that situation, the LEC may
6 petition the Commission for COLR relief, which shall be granted upon “good
7 cause” shown:

8 A local exchange telecommunications company that is not
9 automatically relieved of its carrier-of-last-resort obligation
10 pursuant to subparagraphs (b)1-4 may seek a waiver of its
11 carrier of last resort obligation from the commission for
12 good cause shown based on the facts and circumstances of
13 provision of service to the multitenant business or
14 residential property. Upon petition for such relief, notice
15 shall be given by the company at the same time to the
16 relevant building owner or developer. The commission
17 shall have 90 days to act on the petition.

18
19 § 364.025(6)(d). It is this second avenue that serves as the basis for AT&T
20 Florida’s Petition. The recent modifications maintain the original intent of the
21 statute that COLR is about ensuring that consumers have access to a basic voice
22 service.

23
24 **Q. WILL VOICE SERVICE BE AVAILABLE TO RESIDENTS IN THE**
25 **COASTAL OAKS AND RIVERWOOD SUBDIVISIONS IN THE**
26 **NOCATEE DEVELOPMENT?**

27 **A.** Yes. Every resident of Nocatee will have the option of voice service even if
28 AT&T Florida is relieved of its COLR obligation in this development.
29 Specifically, it is undisputed that Comcast will be providing its VoIP voice

1 service to Nocatee residents. In describing its “Digital Voice” service, Comcast
2 states the following: “With Comcast Digital Voice, you sacrifice nothing and
3 gain everything. You get the same quality, clarity, and features as traditional
4 phone service, plus advanced features – such as online access to Voice Mail – all
5 on our private broadband network.” *See* Comcast Website Page, attached hereto
6 as Exhibit ERAS-1. Thus, at least according to Comcast, its Digital Voice service
7 provides the same features that the consumer would receive from AT&T Florida’s
8 voice service.

9 Further, in addition to Comcast, the residents of Nocatee will have access to other
10 VoIP providers and wireless cellular service to meet their voice service needs.
11 The Commission has already determined in Docket No. 060763-TL that
12 Comcast’s Digital Voice product and wireless service present alternative voice
13 service for residents in a development: “. . . [W]e find that voice service from
14 other providers using Voice over Internet Protocol technology and wireless
15 cellular technology will be available on an individual customer basis at retail
16 prices to the residents living within the Treviso Bay development at the time of
17 each resident’s occupancy.” *See* Order No. PSC-07-0331-FOF-TL at 5.

18 Accordingly, no resident of Nocatee will be without voice service if AT&T
19 Florida’s Petition is granted. They will be able to obtain voice service from
20 Comcast and they will also be able to obtain voice service from another VoIP
21 provider or from a wireless carrier.

1 As former Commission Deason stated: "I believe that requiring uneconomic
2 investment under the guise of carrier of last resort obligations is wasteful and is
3 not productive and not in the public interest. And if there are viable alternatives to
4 customers, then they have service, and that is the primary requirement of COLR
5 obligations it seems to me." *See* Docket No. 060554-TL, Dec. 19, 2006 Agenda
6 Conference Transcript at 25-26. As I will explain later in my testimony, that is
7 exactly the situation here – the developer in Nocatee is using COLR to force
8 AT&T Florida to install duplicative facilities and to make an unwise economic
9 investment, even though the residents of Nocatee will have viable voice service
10 alternatives.

11 **Q. HAS THE COMMISSION GENERALLY SET FORTH WHAT**
12 **CONSTITUTES GOOD CAUSE UNDER SECTION 364.025, FLORIDA**
13 **STATUTES?**

14
15 **A.** No. The Commission has adopted procedural rules to implement the 2006
16 revisions to § 364.025 (Docket No. 060554-TL); however, in that rulemaking
17 proceeding, the Commission chose to not define good cause or to identify specific
18 factors that constitute good cause. Instead, the Commission chose to determine
19 good cause on a case-by-case basis through the resolution of COLR relief
20 petitions. *See* Docket No. 060554-TL, Dec. 19, 2006 Agenda Conference
21 Transcript at 25-26.¹

¹ AT&T Florida recognizes that the Commission previously denied Embarq's COLR Petition in Docket No. 060763-TL and that the Commission preliminarily denied AT&T Florida's Petition in this proceeding. However, in denying these requests, the Commission did not articulate what specific facts would establish

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However, certain Commissioners have provided guidance as to what they believe would constitute good cause. In addition to the quote above by former Commissioner Deason, Commissioner McMurrian at the March 13, 2007 agenda conference stated the following in this proceeding:

And I guess the reason I struggle with it is because it seems like the circumstances we have here to me justifies good cause. And maybe it's just one of those things I have to disagree, but in this case you have a developer who has entered into an exclusive service arrangement for data and video, and I realize that that is not what the statute is about, it's about voice. But as I said earlier, I think it contributes to the recoupment of investment to provide voice issue.

You have a service provider who's willing and able to also provide a voice replacement service, you have other voice replacement alternatives out there, such as wireless, like we have talked about; and at least you have some demonstration on behalf of the carrier to say that it is uneconomic.

* * *

And I'm trying to get my arms around what is the likelihood of AT&T Florida being chosen by a customer that comes in if they already have the video and broadband. And we have said how important - - repeatedly in our comp reports we have said how important that triple play is. People like to get one bill.

See Docket No. 060882-TP, March 13, 2007 Agenda Conference Transcript at 25, 43.

Q. WHAT IS AT&T FLORIDA'S RECENT EXPERIENCE WITH DEVELOPERS REGARDING COLR?

good cause; rather, the Commission determined that the facts presented at that time were insufficient to establish good cause.

1 A. In today's highly-competitive communications environment, developers in
2 planned community greenfield areas frequently select the communications
3 providers that will provide data, voice, and video to residents of the development,
4 well in advance of the first resident moving in. For instance, developers enter
5 into agreements with alternative providers that restrict the ability of the
6 traditional local phone company (or other companies) to provision service or
7 bundles of services to customers, due to exclusive arrangements with the
8 alternative provider.

9
10 The decision by developers to pre-select the exclusive provider of services seems
11 to be driven, at least in part, by which provider makes the most lucrative financial
12 offer to the developer. Thus, in return for this financial consideration, the
13 developer enters into an agreement with selected providers that restricts the ability
14 of other providers to offer services or makes it economically disadvantageous for
15 other companies to compete for residents.

16
17 Additionally, in an attempt to avoid automatic COLR relief for the LEC as set
18 forth in the new law, upon information and belief, the more savvy developers
19 limit their exclusive agreements with alternative providers to data and video
20 services, thereby prohibiting the LEC from providing anything other than
21 traditional voice services to residents. And, even in that scenario, the
22 alternative provider generally also has the capability or will be providing voice
23 service to residents. Accordingly, even though the developer might have

1 restricted consumer choice for his/her own economic interest by entering into
2 contractual arrangements with alternative providers that restrict the LECs ability
3 to meaningfully compete, developers still request, pursuant to COLR, that the
4 LEC install duplicative facilities to provide voice service only.

5
6 Simply put, even after making an economic decision that benefits them and
7 despite the fact that consumers have voice service available from other
8 providers, developers are attempting to hijack COLR to force AT&T Florida to
9 make unwise economic investments. The Commission should not tolerate such
10 economic gamesmanship.

11
12 **Q. WHAT EFFECT DOES THIS COMMISSION'S DECISION HAVE ON**
13 **CONSUMERS WHO DO NOT LIVE IN THE NOCATEE**
14 **DEVELOPMENT?**

15
16 **A.** As discussed earlier, forcing AT&T Florida to invest \$1.8M at Nocatee to provide
17 only voice service in an area which will already have voice alternatives will
18 provide little benefit to the residents of Nocatee, but at a great expense to the
19 remaining residents of Florida. That \$1.8M could instead be spent bringing
20 advanced voice, data and video products to residents who will be able to choose
21 to avail themselves of the services in the competitive market.

22

1 Q. **WHAT ARE THE FACTS SUPPORTING AT&T FLORIDA’S PETITION**
2 **FOR COLR RELIEF?**

3
4 A. To fully understand AT&T Florida’s position, a discussion of the facts
5 surrounding Nocatee is necessary.

6 • The two private subdivisions in Nocatee that are the subject of AT&T
7 Florida’s Petition consist of 1,919 single family homes (891 at Coastal
8 Oaks and 1,028 at Riverwood).

9 • The developer of Nocatee has entered into an exclusive service
10 arrangement with Comcast – a non-Commission regulated competitor of
11 AT&T Florida – for data and video service. This arrangement permits
12 Comcast to be the only provider of landline data or video service in these
13 private subdivisions. In return for this exclusive right, Comcast has likely
14 provided the developer with economic consideration.

15 • The developer has also entered into an exclusive marketing agreement
16 with Comcast for its voice in Riverwood and Coastal Oaks. Again, in
17 return for this exclusive marketing right, Comcast has likely provided the
18 developer with economic consideration.

19 • Through a proposed voice-only easement, the developer is contractually
20 prohibiting AT&T Florida from providing anything other than voice
21 services to the residents Riverwood and Coastal Oaks in perpetuity.

22 • As a result of this voice-only easement, AT&T Florida will not be able to
23 offer the residents of Riverwood and Coastal Oaks AT&T Florida’s full

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1 panoply of services that exist today and that will exist in the future,
2 including data and video services. Conversely, Comcast will be able to
3 offer its “triple-play” of voice, data, and video to every-single resident of
4 Nocatee.

5 • As stated in Mr. Bishop’s Direct Testimony, AT&T Florida estimates that
6 it will cost approximately \$1.8M to deploy facilities to provide voice
7 service to the residents of all of the phases of Riverwood and Coastal
8 Oaks.

9 • Based on AT&T Florida’s recent experience in another single-family
10 development where AT&T Florida can only provide voice service, AT&T
11 Florida believes that its “take rate” for its voice only services in
12 Riverwood and Coastal Oaks will be 20% or less.

13 • As further stated by Mr. Bishop, AT&T Florida has requested that
14 Nocatee pay construction charges, less AT&T Florida’s five times annual
15 anticipated revenue pursuant to Rule 25-4.067, F.A.C. and AT&T
16 Florida’s Tariff, § A5 for the first phases of Riverwood and Coastal Oaks.
17 As explained by Mr. Bishop, the estimated build-out costs for the first
18 phase of both subdivisions is \$611,601. Five times annual anticipated
19 revenue for both subdivisions amounts to \$167,666.² The remaining
20 \$443,935 is the responsibility of the customer (in this case the developer)

² As stated by Mr. Bishop, the project’s five year annual exchange revenue was based upon consideration of the following factors: (1) Average Revenue per Unit (“ARPU”) of \$█, which is based upon actual historical revenue as of September 2006 associated with residential lines in Florida, including custom calling and long distance service revenue; (2) a 20% take rate, that rationale for which Mrs. Shiroishi explains in detail; and (3) occupancy forecast based on when homes are expected to be occupied based upon developer-provided construction schedules. Regarding ARPU, AT&T Florida included the monthly recurring revenues associated with local voice service, any monthly revenue associated Area Plus, the subscriber line charge, and long distance service revenue.

1 requesting service. As stated by Mr. Bishop, to date, the developer has refused to
2 pay any amounts to AT&T Florida.

3
4 **Q. WHY DO YOU BELIEVE THAT THESE FACTS SUPPORT AT&T**
5 **FLORIDA’S UNECONOMIC ARGUMENT?**

6
7 **A.** Fundamentally, these facts establish that forcing AT&T Florida to spend almost
8 \$2M to deploy duplicative facilities is unwarranted and results in an unwise
9 economic investment. Specifically, most likely for its own financial gain, the
10 developer has restricted choice for the residents of Nocatee by giving Comcast the
11 exclusive right to sell its data and video service in Riverwood and Coastal Oaks
12 and by also entering into an exclusive marketing arrangement with Comcast for
13 voice service within these subdivisions. This means that Comcast and only
14 Comcast will be allowed to provide data and video service to residents and to
15 market its voice services within the subject property. Consequently, Comcast can
16 use its full arsenal of promotions and discounted bundles to obtain customers
17 while AT&T Florida is limited to only providing voice service. This puts AT&T
18 Florida at an extreme economic disadvantage if it is forced to invest in facilities at
19 these properties because there would be little or no take rate for AT&T Florida’s
20 voice services and voice service is the only service that AT&T Florida is allowed
21 to provide.

1 Indeed, as stated in the Commission’s 2006 Competition Report “the more
2 services a residential customer subscribes to from a single provider, the less likely
3 it is that the consumer will switch providers. *See* 2006 Competition Report at 16.
4 Accordingly, when a data or video agreement is present with an alternative
5 provider, and that provider is also providing voice service, that provider is likely
6 to secure customer for its “triple play” product, including voice. As recognized
7 by the Commission, this desire for bundles by consumers severely restricts AT&T
8 Florida’s ability to secure customers for voice service alone both in the first
9 instance and at a later date.

10
11 Evidence of this disadvantage is apparent by looking at the head-to-head
12 competition between Comcast and AT&T Florida in areas of Florida where
13 developers have not restricted choice. For example, Comcast is currently offering
14 a “triple play” promotion in the Jacksonville area, which includes voice, data, and
15 video for \$99 a month. AT&T Florida has its own “triple play” promotion that
16 provides Florida consumers with the option of receiving voice, data, and satellite
17 television or voice, data, and wireless service for \$99 a month. Due to the above-
18 described developer-imposed restrictions, however, AT&T Florida will not be
19 able to offer this or any other bundled promotion to the Nocatee residents. This
20 inability to effectively compete will severely limit AT&T Florida’s ability to
21 obtain voice-only customers.

1 Q. DOES AT&T FLORIDA HAVE ANY EXPERIENCE WITH OTHER
2 DEVELOPMENTS TO SUPPORT ITS CONTENTION THAT IT WILL
3 EXPERIENCE A LOW TAKE RATE FOR VOICE SERVICES IN
4 NOCATEE?

5
6 A. Yes, while AT&T Florida's interaction with developers in this regard is relatively
7 recent, AT&T Florida has experience with another single-family development in
8 Florida that contains a voice-only easement – Avalon Phase I (“Avalon”). Upon
9 completion, Avalon will contain approximately 320 residential units and is
10 located in Hernando County, Florida. Similar to Nocatee, the developer of
11 Avalon entered into contracts with alternative providers for the provision of voice,
12 data, and video service and restricted AT&T Florida to only being able to provide
13 voice service in the development through a voice-only easement.

14
15 Because of these restrictions, only 15.5% of the built and occupied homes in
16 Avalon have ordered AT&T Florida's voice service (as of April 2007). A similar
17 take-rate can be expected in Nocatee because (1) both developments consist of
18 single-family homes; (2) both developments, through easements, are limiting
19 AT&T Florida to providing voice service only; (3) both developments have
20 entered into contractual arrangements with alternative providers for the provision
21 of voice, data, and video service.

22

1 Q. IS AT&T FLORIDA WILLING TO INCUR SOME OF THE EXPENSES
2 ASSOCIATED WITH DEPLOYING FACILITIES TO PROVIDE VOICE
3 SERVICE TO NOCATEE?
4

5 A. Yes. Pursuant to the Commission's Line Extension Rule, Rule 25-4.067(1),
6 F.A.C. and AT&T Florida's Tariff, Section A5, AT&T Florida has offered to
7 incur \$167,666 in costs to serve the initial phases of Riverwood and Coastal Oaks
8 being built.
9

10 Q. CAN YOU PLEASE EXPLAIN THE LINE EXTENSION RULE?

11 A. The Commission's Line Extension Rule requires AT&T Florida to "make
12 reasonable extensions to its lines and service and shall include in its tariffs . . . a
13 statement of its standard extension policy setting forth the terms and conditions"
14 by which AT&T Florida will extend facilities to serve applicants for service.
15 Rule 25-4.067(1), F.A.C. It also requires that any policy "have uniform
16 application" and that it "provide that the proportion of construction expense to be
17 borne by the utility shall not be less than five times the annual exchange revenue
18 of the applicants." *Id.*

19 If the cost equals or exceeds the estimated cost of the proposed extension, AT&T
20 Florida must construct the extension of facility without charge to the applicants.
21 If, however, the estimated costs exceed the amount "which the utility is required
22 to bear" – five times annual exchange revenue – "the excess cost may be
23 distributed equally among all subscribers initially served by the extension." *Id.*

1 AT&T Florida's Tariff provides that special construction applies when "the cost
2 to construct line extension facilities for an individual subscriber . . . exceeds the
3 estimated five year exchange revenue." *See* GSST at A5.2.1(B)(1).

4 Here, as stated by Mr. Bishop, AT&T Florida conducted the five times revenue
5 analysis and determined that Nocatee should be responsible for \$443,935 of
6 AT&T Florida's costs to deploy facilities to serve residents in the initial phases of
7 Riverwood and Coastal Oaks with voice service. Notwithstanding the restrictions
8 imposed by the developer, AT&T Florida has agreed to be responsible for the
9 remainder of the costs or \$167,666.

10 Q. **WHAT WAS NOCATEE'S RESPONSE AND WHY IS THIS IMPORTANT**
11 **TO THE GOOD CAUSE ANALYSIS?**

12 A. Despite repeated negotiations, the developer of Nocatee has refused to contribute
13 any amount to AT&T Florida's costs to deploy unnecessary and duplicative
14 facilities pursuant to the developer's request. Consequently, even though the
15 developer (1) has entered into an exclusive arrangement with Comcast, and (2) is
16 demanding that AT&T Florida make unwise economic business investments
17 pursuant to COLR, the developer is refusing to take *any* financial responsibility
18 associated with its business decisions.

19
20 Q. **ARE THERE ANY OTHER REASONS WHY AT&T FLORIDA HAS**
21 **ESTABLISHED GOOD CAUSE?**

22

1 A. Yes. As stated above, exclusive service agreements for data and video prohibit
2 AT&T Florida from providing data and video service but not voice service. Thus,
3 upon receiving a request for data, video, or other prohibited service, AT&T
4 Florida is in the difficult position of having to explain to potential customers that,
5 while it can provide voice service, AT&T Florida cannot provide any other
6 service or bundle (and their associated consumer-friendly pricing), that consumers
7 expect in today's environment. This results in a negative perception of AT&T
8 Florida, even though AT&T Florida desires to provide all of its services to these
9 residents. AT&T Florida should not be put in a position of experiencing any
10 harm to its reputation or brand because of the business decision of a developer.

11

12 **Q. BY GRANTING AT&T FLORIDA'S REQUEST FOR COLR RELIEF, IS**
13 **THE COMMISSION FURTHER LIMITING A NOCATEE RESIDENT'S**
14 **CHOICE OF VOICE SERVICE PROVIDERS?**

15

16 A. No, because the issue of having a minimum of one voice provider at Nocatee
17 versus having a minimum of two voice providers is not the problem; it is simply a
18 symptom of the problem. Certainly, the developer will use that argument to try
19 and distract the Commission's attention away from the real problem, which is the
20 developer profiting at the expense of consumer choice while also trying to force
21 AT&T Florida into an uneconomic investment. Even with two choices for voice
22 service, there will undoubtedly be some percentage of Nocatee residents that, if
23 given a choice, would choose a voice provider (or data or video provider for that

1 matter) other than AT&T Florida or the provider unilaterally chosen by the
2 developer to provide data and video service. Thus, denying AT&T Florida's
3 request for COLR relief will not bring freedom of choice to Nocatee residents, nor
4 will it do anything to solve the real problem. And, ultimately, these residents will
5 be able to obtain competitive offerings from alternative VoIP providers or
6 wireless carriers even if AT&T Florida is relieved of its COLR obligation.

7
8 **Q. THE DEVELOPER HAS SUGGESTED THAT THE COLR PETITION IS**
9 **NOTHING MORE THAN A MEANS TO GIVE AT&T FLORIDA'S**
10 **RETAIL OPERATIONS AN ADVANTAGE IN NEGOTIATING**
11 **AGREEMENTS WITH DEVELOPERS. PLEASE COMMENT.**

12
13 A. Nothing could be further from the truth. It is solely the decisions of the developer
14 that led AT&T Florida to file this request for COLR relief. And, I want to be
15 clear on this point – if the Nocatee developers would allow AT&T Florida to
16 compete for video, data, and voice service at the Nocatee properties, then AT&T
17 Florida would withdraw this proceeding and proceed to build per our normal
18 course of business without further complaint.

19
20 **Q. IF THE COMMISSION DOES NOT FIND THAT AT&T FLORIDA HAS**
21 **ESTABLISHED GOOD CAUSE, ARE THERE ADDITIONAL ISSUES**
22 **FOR THE COMMISSION TO CONSIDER AND DECIDE?**

1 A. Yes. If the Commission determines that AT&T Florida is not relieved of its
2 COLR obligation, the Commission must then determine whether AT&T Florida is
3 not required to install facilities until the developer pays AT&T Florida charges
4 pursuant to AT&T Florida's Tariff, § A5 (see Exhibit ERAS-2). This analysis
5 and decision is entirely independent of the good cause analysis under Section
6 364.025, F.S. but equally important because it has wide-ranging ramifications on
7 the historical and ongoing business operations of the industry.

8

9 **Q. CAN YOU PLEASE EXPLAIN AT&T FLORIDA'S POSITION ON THIS**
10 **ISSUE?**

11

12 A. AT&T Florida's cost to construct line extension facilities pursuant to the
13 developer's request exceeds the estimated five year exchange revenue.
14 Consequently, AT&T Florida is entitled to charge the developer per Rule 25-
15 4.067(1), F.A.C. and AT&T Florida's Tariff § A5. And, per AT&T Florida's
16 Tariff, payment of special construction "is due upon presentation of a bill for the
17 specially constructed facilities." § A5.2.2.2(B). If the party requesting special
18 construction fails to pay in advance, then AT&T Florida has no obligation to
19 deploy facilities. The Commission should find that, in this situation, AT&T
20 Florida's Tariff governs and that AT&T Florida has no obligation to proceed with
21 installing facilities irrespective of any COLR obligation, should the developer
22 refuse to pay the requested construction charges. There is no justification for
23 treating developers any differently than every other customer that is required to

1 pay special construction for facilities. Such customers should all be treated in a
2 non-discriminatory manner pursuant to AT&T Florida's Tariff.

3

4 **Q. DOES THE LINE EXTENSION RULE APPLY TO DEVELOPERS?**

5

6 A. Historically, the Line Extension Rule has primarily applied to individual
7 subscribers. However, in this situation, where developers are effectively acting as
8 agents for future, yet-to-be-identified residents of a property, the answer is yes.
9 Indeed, if developers can use COLR to force AT&T Florida to make uneconomic
10 investments by installing duplicative facilities in properties where consumer
11 choice is restricted, developers also must be responsible for the liabilities
12 associated with such use. Stated another way, if a developer can trigger COLR
13 before any residents exist on the property, then the developer, for all practical
14 purposes, is in fact the subscriber for the entire development.

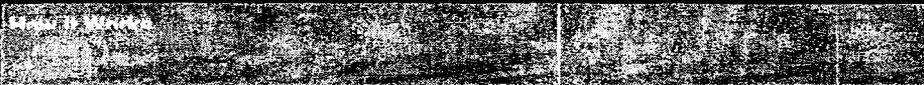
15 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

16 A. Yes.

17

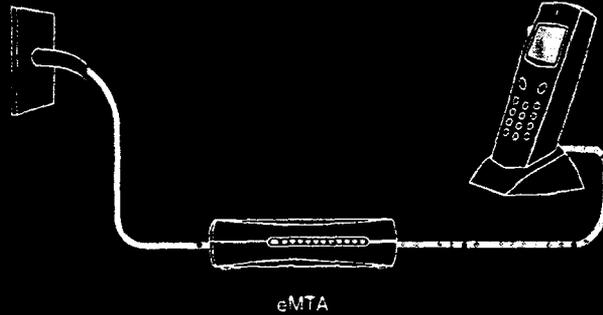
18

Comcast Digital Voice



With Comcast Digital Voice, you sacrifice nothing and gain everything. You get the same quality, clarity, and features as traditional phone service, plus advanced features — such as online access to Voice Mail — all on our private broadband network.

Our technicians will install an eMTA (embedded Multimedia Terminal Adapter, similar to a cable modem), and connect it to your phone and cable modem. And then you're ready to go — no fuss, no mess. Also, the eMTA is a backup power source, in case your power goes out, and it provides access to E911, which automatically supplies emergency services with your telephone number and address.



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E911 Disclaimer

Comcast Digital Voice service (including 911/emergency services) may not function during extended power outage. Certain customer premises equipment may not be compatible w/ Comcast Digital Voice services.

Glossary



BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

Page 1 of 24
Second Revised Page 1
Cancels First Revised Page 1

ISSUED: July 17, 2006
BY: Marshall M. Criser III, President -FL
Miami, Florida

EFFECTIVE: August 1, 2006

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

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BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

Page 2 of 24
First Revised Page 1
Cancels Original Page 1

ISSUED: August 6, 2002
BY: Joseph P. Lacher, President -FL
Miami, Florida

EFFECTIVE: August 21, 2002

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

A5.1 General

A5.1.1 Contents

Section A5. contains the regulations, rates and charges applicable to the provision of Company services which require:

- Special Construction
- Additional Engineering, Labor and Miscellaneous charges
- Charges for Unusual Installations
- Specialized Service or Arrangements
- Contract Service Arrangements
- Emergency Service Continuity Plan

(N)

A5.1.2 Explanation of Terms

ACTUAL COST

The term "Actual Cost" denotes all identifiable costs applicable to the specific case of special construction, plus prorated costs of items used in common with other facilities minus estimated net salvage.

ESTIMATED COST

The term "Estimated Cost" denotes the estimated costs applicable to the specific case of special construction of facilities plus prorated costs of items used in common with other facilities, minus estimated net salvage.

EXCESS CAPACITY

The term "Excess Capacity" denotes a quantity of facilities requested by a customer which is greater than that which the Company would construct to fulfill the customer's order for service.

FACILITIES

The term "Facilities" denotes any cable, poles, conduit, microwave or carrier equipment, wire center distribution frames, central office switching equipment, computers (both hardware and software), business machines, etc., utilized to provide (1) the services offered under this Tariff or (2) the services provided by a customer for his own use.

FIVE (5) YEAR FORECAST

The term "Five (5) Year Forecast" denotes a projection of the maximum number of cable pairs the customer will require over a five year period that is mutually agreed upon by the customer and the Company. This is normally the Initial Liability Period.

INITIAL LIABILITY PERIOD

The term "Initial Liability Period" (ILP) denotes a written agreement with the Company and the customer on the quantity of cable pairs to be provided and the length of time in which the customer expects to place the cable pairs in service.

MAXIMUM TERMINATION LIABILITY (MTL) CHARGE

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TELECOMMUNICATIONS, INC.
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GENERAL SUBSCRIBER SERVICE TARIFF

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First Revised Page 2
Cancels Original Page 2

ISSUED: July 17, 2006
BY: Marshall M. Criser III, President -FL
Miami, Florida

EFFECTIVE: August 1, 2006

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (T)

A5.1 General (Cont'd)

A5.1.2 Explanation of Terms (Cont'd)

The term "Maximum Termination Liability Charge" denotes the maximum amount of money for which the customer is liable in the event all services or facilities ordered in a special construction case are discontinued before a specified period of time.

MTL PERIOD

The term "MTL Period" denotes the length of time the customer is liable for a termination charge in the event the specially constructed facilities are terminated. The MTL period is equal to the average account life of the telephone facilities provided. When the construction involves multiple classes of Plant with differing lives, the MTL Period is equal to the weighted average of the account lives involved in the special construction case.

NET SALVAGE

The term "Net Salvage" denotes the estimated scrap, sale, or trade-in value, less the estimated cost of salvage. Cost of salvage includes the costs of demolishing, tearing down, removing, or otherwise disposing of the material and any other applicable costs. Because the cost of removal may exceed salvage, facilities may have negative net salvage.

NONRECOVERABLE COST

The term "Nonrecoverable Cost" denotes the cost of providing for the specially constructed facilities for which the Company has no foreseeable use should the customer terminate service.

OTHER TELEPHONE COMPANY

The term "Other Telephone Company" denotes a company engaged in the business of furnishing public switched network telephone exchange services and which is not the *BellSouth Telecommunications, Inc.* (T)

PERMANENT FACILITIES

The term "Permanent Facilities" denotes facilities that are expected to remain in place for the normal service life of the plant.

RECOVERABLE COST

The term "Recoverable Cost" denotes the cost of providing for the specially constructed facilities for which the Company has a foreseeable reuse, either in place or elsewhere should the customer terminate service.

SPECIAL CONSTRUCTION

The term "Special Construction" denotes a series of tariff regulations that are designed to protect the Company from undue risk associated with specially constructed facilities and allows the Company to recover excessive investments incurred by the construction of facilities that will carry services currently offered on a general basis in a service tariff. These regulations are also designed to prevent undue subsidizations of specially constructed facilities by the general body of ratepayers.

SUBSCRIBERS IN GENERAL

The term "Subscribers in General", as used in this Tariff, is to be interpreted to include those cases where new construction is required to serve two or more customers.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.1 General (Cont'd)**A5.1.2 Explanation of Terms (Cont'd)**

TEMPORARY FACILITIES

The term "Temporary Facilities" denotes facilities used to provide service to a customer where it is known before installation of the newly placed facility that the facilities will be relocated or removed prior to the normal service life of the plant.

TERMINATION CHARGE

The term "Termination Charge" denotes the portion of the Maximum Termination Charge that is applied as a nonrecurring charge when all services are discontinued prior to the expiration of the specified liability period.

UNDERUTILIZATION CHARGE

The term "Underutilization Charge" denotes an obligation, incurred by a customer, which is designed to reimburse the Company for the annual costs of a portion of specially constructed facilities when the customer's actual use of those facilities is less than 70% of the amount of use forecasted or ordered by the customer.

A5.2 Special Construction**A5.2.1 General Regulations****A. Application**

1. Special Construction consists of a series of tariff regulations that are designed to protect the Company from undue risk associated with specially constructed facilities and allows the Company to recover excessive investments incurred by the construction of facilities that will carry services currently offered on a general basis in a service tariff. These regulations are also designed to prevent undue subsidization of specially constructed facilities by the general body of rate payers.
2. When special construction of facilities is required, the provisions of this Tariff apply in addition to all regulations, rates and charges set forth in the appropriate service tariff. All applicable provisions set forth in this Tariff will be implemented by a written agreement prepared by the Company and signed by the customer.
3. The regulations, rates and charges applicable for special construction of Company facilities which are used to provide services under this Tariff are as follows.

B. Conditions Requiring Special Construction

1. Special construction is required when suitable facilities are not available to meet a customer's order for service and/or a mutually agreed upon facility forecast and one or more of the following conditions exist:
 - The Company has no other requirement for the facilities constructed at the customer's request;
 - The customer requests that service be furnished using a type of facility, or via a route, other than that which the Company would otherwise utilize in furnishing the requested service;
 - The customer requests the construction of more facilities than required to satisfy his initial order for service; and submits a mutually agreed upon facility forecast;

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BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

Page 5 of 24
First Revised Page 4
Cancels Original Page 4

ISSUED: July 17, 2006
BY: Marshall M. Criser III, President -FL
Miami, Florida

EFFECTIVE: August 1, 2006

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

(T)

A5.2 Special Construction (Cont'd)**A5.2.1 General Regulations (Cont'd)****B. Conditions Requiring Special Construction (Cont'd)**

1. (Cont'd)

- The customer requests construction be expedited resulting in added cost to the Company;
- The customer requests that temporary facilities be constructed;
- The cost to construct line extension facilities for an individual subscriber when the cost exceeds the estimated five year exchange revenue;
- The term "customer" as used in the preceding context also includes those entities/businesses which, due to the nature of their business operations, may create a requirement to terminate a concentration of network facilities at said entities' operational centers. Such facilities may be individually ordered by and billed to separate customers who are patrons of the entities and typically utilize the facilities to avail themselves of the entities' services. Examples of such entities or businesses include, but are not limited to Telephone Answering Services, Alarm Central Terminal Locations and Specialized Mobile Radio Systems and Radio Common Carriers.
- Service wire (drop wire) that exceeds seventy-five (75) feet and or requires placement through, around, or under encumbrances and placement of transmission enhancers such as load coils, extenders, etc.

(N)

C. Ownership of Facilities

1. Unless otherwise specified in this Tariff, the Company retains ownership of all specially constructed facilities even though the customer may be required to pay special construction charges.

D. Interval to Provide Facilities

1. Based on available information and the type of service ordered, the Company will establish an objective date for the installation of necessary facilities. The date will be established on an individual case basis and provided to the customer. The Company will make every reasonable effort to assure that the date is met. However, shortage of components, personnel or other factors may lengthen the installation interval.
2. If the scheduled completion date cannot be met due to circumstances beyond the control of the Company, a new completion date will be established and the customer will be notified. The amount of interest accrued on all prepaid items will be credited to the customer's account for any delays that could have been circumvented by the Company.

E. Special Construction Involving Interstate and Intrastate Facilities

1. When special construction involves facilities 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 Tariff. Charges for the portion of the construction used to provide interstate service shall be in accordance with BellSouth's F.C.C. No. 1 Interstate Tariff.

F. Charges of Other Companies

1. Charges and/or Maximum Termination Liabilities for special construction of facilities provided by another company are developed by the other company and may be applied by BellSouth under this Tariff on the other company's behalf.

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FLORIDA
ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.2 Special Construction (Cont'd)**A5.2.2 Liabilities, Charges and Payments for Special Construction****A. General**

1. The various charges and payments that apply when the Company provides special construction of facilities in accordance with a customer's specific request are described as follows. The customer must provide the Company with written approval of all liabilities and charges prior to the start of construction. If more than one condition requiring special construction is involved, charges for each condition apply.

B. Payment of Charges

1. Payment is due upon presentation of a bill for the specially constructed facilities. To safeguard its interests during construction, the Company will require the customer to make an advance payment for the portion of the estimated cost of the special construction for which the customer is subject to a nonrecurring charge. Partial payments will be requested as costs are incurred and will be credited to the customer's account. No special construction charges paid to the Company are refundable except as provided under Section A5.2.2.D.3.

C. Start/End of Billing

1. When the facilities are provided, billing of recurring charges for specially constructed facilities starts on the contract service date or the inservice date, whichever is earlier. Billing accrues through and includes the day that the specially constructed facilities are discontinued. Monthly charges will normally be billed one month in advance.

D. Development of Liabilities and Charges

1. The customer has the option of having the liabilities and charges billed based on either estimated or actual costs. Costs, as used in this context, may include one or more of the items specified in A5.5.1 following. Estimated costs will be billed unless the customer notifies the Company of the selection of the actual cost option in writing prior to the start of special construction.
2. Under the estimated cost option, special construction liabilities and charges are developed based on estimated costs and will be specified in the written agreement between the customer and the Company.
3. Under the actual cost option, if all actual costs are not available prior to the start of service, estimated special construction charges will be specified in the written agreement between the customer and the Company. As soon as the actual costs, including costs of preparation and processing are subsequently determined, the estimated charges will be adjusted to reflect the actual costs.

E. Types of Contingent Liabilities

1. In Special Construction cases that involve recurring charges as described in A5.2.2.F.2. following, one or both of two categories of contingent liabilities will apply. These liabilities, (1) Maximum Termination Liability (MTL) and (2) Underutilization Liability (UL) are described as follows.
 - a. Maximum Termination Liability and Termination Charge, is a liability against the customer for whom facilities were constructed. If the customer prematurely discontinues the use of the facilities, the liability will be converted into a termination charge if it is determined at the time of disconnect that the facilities are not reusable.

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.2 Special Construction (Cont'd)

A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)

E. Types of Contingent Liabilities (Cont'd)

1. (Cont'd)

a. (Cont'd)

- (1) 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 Maximum Termination Liability expires.
- (2) 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.
- (3) A Termination Charge is applicable when all services using specially constructed facilities which have a written and signed agreement for 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 agreed to and signed by the customer in the initial contract.
- (4) The Maximum Termination Liability in the signed agreement is 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:

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

- (5) Prior to the expiration of each liability period, the customer has the option to (A) terminate the special construction case and pay the appropriate charges, or (B) extend the use of the specially constructed facilities for the new liability period.
- (6) The Company will notify the customer six months in advance of the expiration date of each ten-year liability period. The customer must provide the 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 at the Maximum Termination Liability amount.

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BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.2 Special Construction (Cont'd)**A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)****E. Types of Contingent Liabilities (Cont'd)****1. (Cont'd)****a. (Cont'd)**

- (7) A partial termination of specially constructed facilities will be provided, at the election of the customer. The amount of the Termination Charge associated with such partial termination is determined by multiplying the termination charge which would result if all services using the specially constructed facilities were discontinued, at the time partial termination is elected, by the percentage of specially constructed facilities to be partially terminated. A new written agreement will be made following a partial termination to list remaining Maximum Termination Liability amounts and the number of specially constructed facilities the customer will remain liable for.

Example:

A customer with a Maximum Termination Liability contract of \$100,000 for 3600 specially constructed facilities requests a partial termination of 900 facilities. The Termination Charge for all facilities, at the time of election, is \$60,000. The partial termination charge, in this example, is $\$60,000 \times 900/3600$, or \$15,000.

- b. Annual Underutilization Liability and Underutilization Charge as specified in Section A5.2.2.F.2.b. denotes a per unit amount that will be billed annually if less than 70% of the specially constructed facilities are being utilized.
- (1) Prior to the start of special construction, the 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 written agreement with an effective and expiration date.
 - (2) 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 per the written agreement at tariff service rates.
 - (3) An annual underutilization liability amount is calculated on a per unit basis (e.g., per cable pair) for each case of special construction. This amount is equal to the annual per unit cost and includes depreciation, maintenance, administration, return, taxes and any other costs identified in the supporting documentation provided at the time the special construction agreement is signed.
 - (4) Upon the expiration of the ILP, the number of underutilized facilities, if any, is 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.
 - (5) 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.

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.2 Special Construction (Cont'd)**A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)****E. Types of Contingent Liabilities (Cont'd)**

1. (Cont'd)

b. (Cont'd)

(5) (Cont'd)

Example:

A customer orders 100 services and the special construction of a 600 pair building riser cable is agreed to, based on the customer's 5 year facility requirements. The ILP, in this example, would be 5 years. The annual underutilization liability is stated in the written agreement at \$2.00 per pair. If 400 pairs were in service at the end of the ILP, there would be an underutilization of 20 pairs, i.e., $420 (70\% \text{ of } 600) - 400 = 20$. The total underutilization charge for the first 5 years would be \$200.00, or \$2.00 per pair x 20 pairs x 5 years.

If 420 pairs are in service at the end of the 6th year, there is no underutilization, i.e., $420 - 420 = 0$.

F. Types of Charges

Nonrecurring and/or Recurring Charges will be applicable for special construction. These categories are described as follows.

1. Nonrecurring Charges

One or more of the following nonrecurring charges will apply for each case of special construction or inquiry for special construction:

- quotation preparation
- case preparation
- termination
- cancellation
- rearrangements and/or removals
- expediting the construction
- optional payment plan
- supporting structures on private property/pole attachment fees
- special routing of service entrance facilities
- temporary facilities

a. Quotation Preparation Charge - Applicable prior to placing an order for service requiring special construction.

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.2 Special Construction (Cont'd)**A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)****F. Types of Charges (Cont'd)****I. Nonrecurring Charges (Cont'd)****a. Quotation Preparation Charge - Applicable prior to placing an order for service requiring special construction. (Cont'd)**

(1) A Nonrecurring Charge for the preparation of a quotation applies whenever a customer requests a detailed estimate of charges for special construction. The charge includes the costs associated with the development and preparation of the quotation and any applicable receipts and other taxes. The customer will be advised of the charge for quotation preparation and must agree to pay the charge before development of the quotation will commence.

(2) Application of Charge

If, after being advised of the charge, the customer requests the quotation, it will be developed and furnished. A bill for the quotation preparation will be rendered. The quotation is valid for 90 days and will identify all costs associated with the provision of the facilities needed to satisfy the customer's service requirements. The quotation will be considered to be accurate within +/-10 percent of the cost quoted. Any unforeseen extraordinary costs which might cause a deviation greater than +10 percent will require additional approval of the customer. The Quotation Preparation Charge is applicable regardless of whether service is ordered by the Customer/Company.

(3) If the customer cancels the request for a quotation prior to its completion, the customer will be billed the lesser of the amount for:

- the quotation preparation charge, which the customer was advised would apply, or
- the costs incurred, for quotation preparation plus any appropriate taxes through the cancellation date.

(4) Title or Ownership Rights

The payment of a charge for quotation preparation does not assign, confer, or transfer title or ownership rights to proposals or equipment, designed or furnished by the Company. Title and ownership rights for any item developed at the customer's request remains with the Company except as specifically provided by an agreement between all parties.

b. Case Preparation Charge - Applicable after the customer receives the quote and places an order for service requiring special construction.

The charge for case preparation includes the administrative expense associated with preparing the proposal.

This expense includes such items as:

- preparation and processing
- gross receipts and other taxes

c. Termination Charge

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BELLSOUTH
TELECOMMUNICATIONS, INC.
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GENERAL SUBSCRIBER SERVICE TARIFF

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First Revised Page 10
Cancels Original Page 10

ISSUED: July 17, 2006
BY: Marshall M. Criser III, President -FL
Miami, Florida

EFFECTIVE: August 1, 2006

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (T)

A5.2 Special Construction (Cont'd)

A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)

F. Types of Charges (Cont'd)

1. Nonrecurring Charges (Cont'd)

c. Termination Charge (Cont'd)

A termination charge applies when, at the customer's request, services (unless otherwise specified in the written agreement) provided on specially constructed facilities which have specified Maximum Termination Periods, are discontinued prior to the expiration of the liability period.

The charge reflects the unamortized portion of the nonrecoverable cost at the time of termination of the specially constructed facilities, adjusted for tax effects, 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. Termination charges will never exceed the Maximum Termination Charge.

d. Cancellation Charge

If the customer cancels the order prior to the start of service, a cancellation charge will apply. The charge will include all nonrecoverable costs incurred by the Company up to and including the time of cancellation.

e. Rearrangement and/or Removal Charges

When the Company is requested to move, change, rearrange or remove existing plant, for which no specific charge is quoted in this Tariff, the person/company at whose request such move or change is made will be required to bear the costs incurred.

(DELETED)

f. Expediting Charge

An expediting charge applies when a customer requests that construction be completed on an expedited basis and the Company incurs additional cost. The charge is equal to the difference in the estimated cost of construction on an expedited basis and construction without expediting.

g. Optional Payment Plan

All customers will be informed of and may elect to pay an optional nonrecurring charge when requesting special construction of facilities utilizing (1) a type of facility other than normal, (2) a route other than that which the Company would otherwise utilize in furnishing the requested service, or (3) a service that involves extraordinary conditions or circumstances. Payment of this charge will result in a lower recurring charge for the special construction. This election must be made in writing, before special construction starts.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.2 Special Construction (Cont'd)**A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)****F. Types of Charges (Cont'd)****1. Nonrecurring Charges (Cont'd)****g. Optional Payment Plan (Cont'd)**

If this election is coupled with the actual cost option, the optional payment charge will reflect the actual cost of the specially constructed facilities.

If any portion of the specially constructed facilities, for which an optional payment charge has been paid, requires replacement, other than that caused by the Company, a charge for replacement will apply. This charge will be at the same ratio as the initial optional payment charge was to the installed cost of the specially constructed facilities. The customer will be notified in writing that the replacement is required. Replacement will not be made without the customer's order. If any portion of the facilities subject to the replacement charge fails, service will not be restored until the customer orders the replacement.

h. Supporting Structures on Private Property

These charges (when applicable as specified in Section A5.2.5) include the costs of planning and building supporting structure on private property. Supporting structure includes poles, conduit, trenching, backfilling and associated costs. Ownership and maintenance of supporting structure on private property is vested in the customer or property owner.

In cases where the customer or property owner is unable to provide the structure, the Company at its discretion will perform the work and bill the customer or property owner. Ownership and maintenance of supporting structure on private property is vested in the customer or property owner.

i. Service Entrance Facilities

Entrance facilities include all cable and wire required to reach the normal network interface. When, at the request of the property owner or customer, a special route, network location, network arrangement or duplicate facility is required, a nonrecurring charge will apply equal to the additional cost above that which would have normally been incurred if the special route, location or arrangement was not required. These costs can be billed on an actual or estimated basis in accordance with Section A5.2.2.D.

j. Temporary Facilities

Special Construction is considered to be "temporary" when one of the following conditions exists:

- The facilities are constructed to provide service to a customer for less than the minimum service period or less than one month, whichever is longer.
- The facilities are constructed and it is known in advance that the newly placed plant will be relocated or removed prior to the end of the normal service life of the plant.

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BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.2 Special Construction (Cont'd)**A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)****F. Types of Charges (Cont'd)****1. Nonrecurring Charges (Cont'd)****j. Temporary Facilities (Cont'd)**

If a customer desires to change the service requested from temporary to permanent, such a change will be permitted if the request is made before any initial payment for the temporary service is received by the Company. The customer is liable for any nonrecurring charges for the construction of temporary facilities that cannot be reused or transferred to the permanent facilities. If the permanent facilities can not be reused then a contract for underutilization and maximum termination charge will apply for the permanent facilities in addition to Quotation and/or Case Preparation Charges, and any recurring charges associated with the special construction.

The nonrecurring charge for temporary facilities includes all nonrecoverable costs associated with the placement and removal of such facilities.

2. Recurring Charges**a. Recurring Charges will always apply for the following conditions:**

- (1) When a customer uses fewer facilities (i.e., cable pairs) than originally forecasted (Underutilization Charge).
- (2) When a customer orders more facilities (i.e., cable pairs) than required to satisfy the demand projected in the Initial Liability Period (Excess Capacity Charge).
- (3) When a customer requests a facility route or type other than that which the Company would utilize to provide a service (Charges for route or type other than normal).
- (4) When a customer's request results in the Company's leasing transmission or other equipment from private vendors to provide service (Lease Charge).
- (5) When a customer requests service that involves extraordinary conditions (Excess Costs).

b. Underutilization Charge

An underutilization charge will apply at the end of the Initial Liability Period if less than 70% of the cable pairs placed is being utilized. The charges are calculated as outlined in A5.2.2.E.1.b.

c. Excess Capacity Charge

An excess capacity charge applies when the customer requests more cable pairs be placed than are required to satisfy the demand projected in the Initial Liability Period. The charge is based on the estimated cost per cable pair times the excess number of cable pairs requested. The charge applies monthly beginning with the contract service date until the customer orders service to be activated on 70% of the cable pairs placed. The Excess Capacity Charge will not apply to cable pairs identified in the Forecasted amount.

d. Charge for Route or Type Other Than Normal

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BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.2 Special Construction (Cont'd)**A5.2.2 Liabilities, Charges and Payments for Special Construction (Cont'd)****F. Types of Charges (Cont'd)****2. Recurring Charges (Cont'd)****d. Charge for Route or Type Other Than Normal (Cont'd)**

When the customer requests special construction using a route or type of facilities other than that which the Company would normally use, a monthly recurring charge is applicable. The charge is the difference between the estimated recurring costs of the specially constructed facilities and the estimated recurring costs of the facilities the Company would normally use. The charge will be no greater than the recurring costs of the specially constructed facilities.

If the customer has elected the actual cost option, the Recurring Charge will be adjusted to reflect the actual cost of the new construction when the cost is determined. This adjusted Recurring Charge is applicable from the start of service.

e. Lease Charge

A monthly and/or nonrecurring lease charge applies when the Company leases equipment (e.g., portable microwave equipment) in order to provide service to meet the customer's requirements. The amount of the charge is the total added cost to the Company caused by the lease.

f. Excess Costs

When a customer requests service that involves extraordinary conditions or circumstances and the anticipated 5 year revenue to be derived is not sufficient to support the costs associated with the service provision, then a monthly recurring charge is applicable as specified in A5.4. The customer may also elect an optional payment charge as outlined in F.1.g. preceding with this condition.

A5.2.3 Deferral Of The Start Of Service**A. General**

The customer may request the Company to defer the start of service on specially constructed facilities for a cumulative period of no more than eighteen months. If the deferral exceeds eighteen months, the special construction case is considered to be cancelled and cancellation charges apply. Requests for deferral must be in writing and are subject to the following regulations:

B. Construction Has Not Started

If the Company has not incurred any costs (e.g., engineering and/or installation) before receiving the customer's request for deferral, no charge applies other than the Quotation Preparation Charge and/or Case Preparation Charge. However, the original quotation is subject to Company review at the time of reinstatement to determine if the original charges are still valid. Any change in charges requires the concurrence of the customer in writing. Additional Quotation Preparation and Case Preparation Charges will also apply.

C. Construction Has Started But Is Not Complete

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TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.2 Special Construction (Cont'd)**A5.2.3 Deferral Of The Start Of Service (Cont'd)****C. Construction Has Started But Is Not Complete (Cont'd)**

If the construction of facilities has started, but has not been completed, before the Company receives the customer request for deferral, charges will apply. The charges vary depending on whether all or some of the services ordered are deferred.

1. All Services Are Deferred

When all services involving special construction are deferred, a charge equal to the costs incurred during each month of the deferral applies. Those costs include the recurring costs for that portion of the facilities already completed and any other costs associated with the deferral. The Quotation Preparation Charge and Case Preparation Charge also apply.

2. Some But Not All Services Are Deferred

When some, but not all, services utilizing the specially constructed facilities are deferred, the special construction case will be completed. Underutilization and Maximum Termination Charges will apply in addition to Quotation and Case Preparation Charges, and any recurring charges associated with the special construction.

D. Construction Complete

If the construction of facilities has been completed before the Company receives the customer's request for deferral, the Quotation Preparation Charge, Case Preparation Charge, Underutilization and Maximum Termination Charge, as originally determined, and any recurring charges associated with the special construction will apply.

A5.2.4 Construction On Public Highways or Public Rights-of-Way

- A.** No special construction is applicable for the reasonable provision of new network distribution facilities where the facilities are used for subscribers in general. However, if the provision of such facilities is determined to be unreasonable, then special construction will apply. The Florida Public Service Commission ultimately determines if special construction is applicable. If the subscribers request the Company begin construction prior to the Florida Public Service Commission's determination, then special construction charges will apply subject to refund.
- B.** Where facilities are used to serve an individual subscriber, the subscriber may be required to pay recurring and/or nonrecurring construction charges.
- C.** The charge in either event will be the amount by which construction cost exceeds the amount of five times the annual exchange revenue.
- D.** Ownership and maintenance of such facilities is vested in the Company.

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.2 Special Construction (Cont'd)**A5.2.5 Construction on Private Property Across Which Rights-of-Way and Easements Satisfactory to the Company are Provided Without Cost to the Company**

- A. No special construction is applicable for the reasonable provision of new network distribution facilities where the facilities are used for subscribers in general. However, if the provision of such facilities is determined to be unreasonable, then special construction will apply. The Florida Public Service Commission ultimately determines if special construction is applicable. If the subscribers request the Company begin construction prior to the Florida Public Service Commission's determination, then special construction charges will apply subject to refund.

When facilities are used to serve an individual subscriber, the subscriber will be required to pay recurring and/or non-recurring construction charges under the following conditions:

1. When five times the annual exchange revenue derived from the services utilizing the facilities is not expected to exceed the cost to construct the facilities.
2. The charge shall be the amount by which the construction cost exceeds the amount of five times the annual exchange revenue.

Ownership and maintenance of such circuits on private property is vested in the Company.

- B. Supporting structures on private property beyond a mutually agreeable terminating point is the responsibility of the customer.
- C. Requests for moves and rearrangements of poles, cables, and distribution terminals will be accommodated on the basis of cost.
- D. Service Charges as specified in Section A4 of this Tariff will apply to moves or rearrangements of drop wire (aerial or buried). Moves and rearrangements exceeding these limitations will be accommodated on the basis of cost.
- E. The regulations for extending service onto residential and commercial properties are detailed following. Where a building or property is mixed residential/commercial the rules for commercial property will apply.

1. Residential Properties

In areas where buried service is normally furnished by the Company, the Company will open and close necessary trenches providing that suitable easements and rights-of-way may be obtained at no cost to the Company; or, the subscriber or property owner may open and close the trench to the specifications of the Company.

In areas where aerial service is normally furnished by the Company, the Company will provide all poles necessary for the provision of basic exchange service, subject to A. preceding, or the subscriber or property owner may provide poles to the specifications of the Company.

In lieu of buried service, in areas where buried service is normally furnished by the Company, the subscriber or property owner may provide a conduit, equipped with pullwire, to a service point designated by the Company.

In cases where the subscriber or property owner requests service in other than the normal manner (e.g., buried in an aerial service area), excess costs to provide service will be billed to the person requesting service.

2. Commercial Properties

Note !: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.2 Special Construction (Cont'd)**A5.2.5 Construction on Private Property Across Which Rights-of-Way and Easements Satisfactory to the Company are Provided Without Cost to the Company (Cont'd)**

E. The regulations for extending service onto residential and commercial properties are detailed following. Where a building or property is mixed residential/commercial the rules for commercial property will apply. (Cont'd)

2. Commercial Properties (Cont'd)

Property owners and/or subscribers are responsible for the provision of an underground conduit system from a service point designated by the Company to a mutually agreeable termination point inside commercial buildings. The entrance conduit system will include the necessary handholes, pullboxes, pullwires, manholes and other associated structure to enable the Company to install the cable or wire.

Where the terrain or other conditions are such that, in the judgement of the Company, a conduit system will not serve as a feasible entrance method, the property owner or subscriber may open and close a trench to the specifications of the Company; or, at the subscriber's request and Company's discretion, the Company will perform the trenching work and apply appropriate special construction charges.

In areas served by aerial cable, the Company will provide all necessary poles, subject to A. preceding.

A5.3 Additional Engineering, Additional Labor and Miscellaneous Charges**A5.3.1 Additional Engineering**

A. Definition and Application

1. Additional engineering is that engineering or engineering consultation requested by the customer as described in a. through c. following. The Company will notify the customer in writing that additional engineering charges as specified in B. following, will apply before any additional engineering is undertaken.

a. Engineering Consultation

Engineering consultation is the securing of technical advice from the Company by the customer not in connection with a specific order, and situations in which the customer requests the Company to provide information or to perform a function which will entail additional engineering by the Company. This does not include inquiries of a short duration where no significant engineering time is required or inquiries associated with customer service forecasts.

b. Expedited Engineering

Expedited engineering is that time required to meet a customer request for a less than normal engineering design interval.

c. Engineering of Connections with Other Telephone Companies

Engineering of connections with other telephone companies, if not Concurring Carriers, is the engineering activity of contacting, coordinating and designing with another telephone company, portions of facilities which connect to facilities provided by another telephone company.

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BELLSOUTH
TELECOMMUNICATIONS, INC.

GENERAL SUBSCRIBER SERVICE TARIFF

FLORIDA
ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.3 Additional Engineering, Additional Labor and Miscellaneous Charges (Cont'd)

A5.3.1 Additional Engineering (Cont'd)

B. Charges for Additional Engineering

1. Engineering Consultation, Expedited Engineering and Engineering of Connections with other telephone companies (if not Concurring Carriers)

	First Half Hour Or Fraction Thereof	Each Additional Half Hour Or Fraction Thereof	USOC
(a) Basic rate	\$66.00	\$39.79	AEH
(b) Overtime rate, outside of normal business hours	73.41	47.20	AEH

A5.3.2 Additional Labor

A. Definition

1. Additional labor is that requested by the customer on a given service as described in a. through f. following. The Company will notify the customer in writing that additional labor charges as specified in B. following, will apply before any additional labor is undertaken.
 - a. Overtime Installation
Overtime installation is that Company installation effort outside of regularly scheduled working hours.
 - b. Overtime Repair
Overtime repair is that Company maintenance effort performed outside of regularly scheduled working hours.
 - c. Additional Installation Testing
Additional installation testing is that testing performed by the Company at the time of installation which is in addition to pre-service acceptance testing. Pre-service testing includes testing for dialing, answering and talking capabilities.
 - d. Stand By
Stand by includes all time in excess of one-half (1/2) hour during which Company personnel stand by to make coordinated tests on a given service.
 - e. Testing and Maintenance with Other Telephone Companies
Additional testing, maintenance or repair of facilities which connect to facilities of other telephone companies (if not Concurring Carriers) which is in addition to effort required to test, maintain or repair facilities provided solely by the Company.
 - f. Other Labor

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BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

ISSUED: July 1, 1996

EFFECTIVE: July 15, 1996

BY: Joseph P. Lacher, President - FL
Miami, Florida

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.3 Additional Engineering, Additional Labor and Miscellaneous Charges (Cont'd)**A5.3.2 Additional Labor (Cont'd)****A. Definition (Cont'd)**

1. (Cont'd)

f. Other Labor (Cont'd)

As agreed by the Company and the customer, additional labor not included in a. through e. preceding may be undertaken.

B. Charges for Additional Labor

1. Overtime Installation or Repair

a. Provided at the same Rates and Charges as the Time and Material Charge Plan found in Section A4 of this Tariff.

2. Additional Installation Testing, Stand By, Testing and Maintenance with other telephone companies (if not Concurring Carriers) or: Other Labor

a. Provided at the same Rates and Charges as the Time and Material Charge Plan found in Section A4 of this Tariff.

A5.3.3 Miscellaneous Charges**A. Trouble Location Charge**

1. For Trouble Location Charge see section A15.4.1.

B. (OBSOLETE, See Section A105.)**A5.4 Charges for Unusual Installations****A5.4.1 Special Types of Installation**

When a special type of installation is desired by a subscriber or where the individual requirements of a particular situation make the installation unusually expensive, the subscriber is required to bear the excess cost of such installation. Recurring monthly charges will be calculated on the actual cost of provisioning, normal maintenance, taxes, and in addition, any special maintenance expense that may from time to time occur will be borne by the subscriber except that maintenance of buried service wire, including trench where required, will be at the expense of the Company.

A subscriber may also be required to pay the amount of additional costs incurred by the Company resulting from the subscriber's special requests. Such special requests may include, but are not limited to, expedited shipping.

A5.4.2 Reserved for Future Use

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA
ISSUED: July 1, 1996
BY: Joseph P. Lacher, President - FL
Miami, Florida

GENERAL SUBSCRIBER SERVICE TARIFF

EFFECTIVE: July 15, 1996

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS¹

(N)

A5.5 Special Service Arrangements**A5.5.1 General Regulations**

- A.** Special service arrangements² (Special Assemblies) may be provided by the Company, at the request of a customer on an individual case basis if such service or arrangements meet the following criteria:
1. The requested service or arrangements are not offered under other sections of this Tariff.
 2. The facilities utilized to provide the requested service or arrangements are of a type normally used by the Company in furnishing its other services.
 3. The requested service or arrangements are compatible with other Company services, facilities, equipment and its engineering and maintenance practices.
 4. This offering is subject to the availability of the necessary Company personnel and capital resources.
- B.** Rates, Charges, and additional regulations if applicable, for special service arrangements are developed on an individual case basis, and will include all costs, plus an appropriate level of contribution, associated with the provision of the service.
- C.** Costs for the specialized service or arrangements will include one or more of the following items:
1. Labor, engineering and materials
 2. Supervision
 3. Operating expenses, e.g., maintenance, administration, etc.
 4. Return on investment
 5. Taxes
 6. Depreciation
 7. Charges associated with construction provided by another Company
 8. Charges for securing private rights-of-way
 9. Charges for securing use of poles and pole line attachments on other company poles
 10. Equipment or space rental
 11. Expenses made necessary by damages caused by the customer or his agents
 12. Any other identifiable associated cost
 13. Cost for rearrangements and changes
 14. Supporting structures

A5.5.2 Reserved for Future Use

Note 1: Text is shown as new due to reissue of all Tariff Sections. No changes in rates or regulations were made with this filing.

Note 2: In order to meet Open Network Architecture (ONA) requirements, the Company, upon customer request, will produce a special arrangement for Performance and Fault Management Service based upon criteria in A5.5.1.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

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Second Revised Page 20
Cancels First Revised Page 20

ISSUED: November 10, 2003
BY: Joseph P. Lacher, President -FL
Miami, Florida

EFFECTIVE: November 24, 2003

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

A5.6 Bulk Facility Terminations for Secretarial Service Facilities

Secretarial service firms generally have sufficient activity (e.g., installations of secretarial service lines terminated in telephone answering bureau switchboards) to warrant the provision of a bulk facility termination which will enable the Company to more readily meet the customer's service needs. For this reason, where in the Company's judgment such termination of a bulk facility is required, on and after March 25, 1974 cable facilities will be provided as fixed terminations on secretarial line jacks of telephone answering bureau switchboards at charges based on costs at the time this work is done. These charges will be applicable to the secretarial service firm and will be in addition to all other appropriate tariff rates and charges for work done and services provided.

A5.7 Contract Service Arrangements

A5.7.1 General

- A. Contract service arrangements may be offered to meet offerings by any competitive provider of the same, or functionally equivalent, non-basic services in a specific geographic market or to a specific customer.
- B. Rates, Charges, Terms and additional regulations, if applicable, for the contract service arrangements will be developed on an individual case basis, and will include all relevant costs, plus an appropriate level of contribution. *For customers with service locations in multiple rate groups within the State, the Contract Service Arrangement may include a composite statewide rate based on a weighted average of the applicable business line rates for the rate groups in which the lines are located.* (C)
- C. Costs for the contract service arrangements will include one or more of the following items:
 1. Labor, engineering and materials
 2. Operating expenses, e.g., maintenance, administration, etc.
 3. Return on investment
 4. Taxes
 5. Depreciation
 6. Any other identifiable associated cost
- D. Unless otherwise specified, the regulations for contract service arrangements are in addition to the applicable regulations and rates specified in other sections of this Tariff.
- E. Contract Service Arrangements may be offered on any non-basic service in this Tariff that satisfies the requirements specified in this section of the Tariff. Contract Service Arrangements may be offered for a basic service only if the basic service is offered as part of a package with non-basic services.

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

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Second Revised Page 21
Cancels First Revised Page 21

ISSUED: August 6, 2002
BY: Joseph P. Lacher, President -FL
Miami, Florida

EFFECTIVE: August 21, 2002

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS**A5.7 Contract Service Arrangements (Cont'd)****A5.7.1 General (Cont'd)**

- F. The subscriber and the Company may elect to enter into an agreement where certain rates and/or charges for contract service arrangements are applicable for a fixed period of time. The Company will continue to offer such contract service arrangements without change in the applicable rates and/or charges unless mutual consent has been reached between the Company and the subscriber to undertake such changes. The Florida Public Service Commission will not adjust contract service arrangement rates and/or charges during this period. At the completion of this period, the agreement may be renewed at the option of the Company and the subscriber. Revised rates and/or charges may apply to any renewed agreement. (T)

A5.8 Emergency Service Continuity Plan**A5.8.1 General**

The Company will provide Emergency Service Continuity as described in this Section subject to the rates, terms and conditions stated. Service is provided subject to a determination by the Commission, either upon petition by the Company or upon the Commission's own motion, that an Alternative Local Exchange Company (ALEC) has effectively abandoned its end users or that some other sufficient emergency exists to justify use of this tariff. (N)

A5.8.2 Explanation of Terms**ABANDONMENT DATE**

The date determined by the Commission that an ALEC abandoned its end users, or the date that some other sufficient emergency exists to justify use of this tariff. (N)

ABANDONED END USER

The former subscriber of an ALEC that receives service under A5.8 of this Tariff. (N)

ALEC

Alternative Local Exchange Company. (N)

EMERGENCY SERVICE CONTINUITY

The service provided pursuant to this tariff. (N)

NEW SERVICE PROVIDER

The service provider affirmatively chosen by an Abandoned End User. A New Service Provider can be either an ALEC or the Company. (N)

UNE-P

The unbundled network element-platform service provided by the Company to an ALEC under an interconnection agreement. (N)

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

ISSUED: August 6, 2002

EFFECTIVE: August 21, 2002

BY: Joseph P. Lacher, President -FL
Miami, Florida

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS**A5.8 Emergency Service Continuity Plan (Cont'd)****A5.8.3 Application**

- A. From the abandonment date until an Abandoned End User is transitioned to a New Service Provider, or until denial or disconnection of service as provided in A5.8.4 following, the Company will provide each Abandoned End User with the telecommunications service existing at the end user premises at the time of the Company's assumption of responsibility under this Tariff. Abandoned End Users will not be able to modify the telecommunications service until electing a New Service Provider. (N)
- B. The Company will provide maintenance and repair services while providing Emergency Service Continuity. (N)

A5.8.4 Notice

- A. Promptly after receipt of the Commission determination of abandonment or other emergency, the Company will provide notice to each Abandoned End User through the Company's service facilities and/or public media. The notice will inform each Abandoned End User that: (N)
1. Each Abandoned End User may continue to receive telecommunications service through the Emergency Service Continuity Plan for a minimum period of fourteen (14) days from the date initial notice is given while each Abandoned End User decides upon and transitions to a New Service Provider. (N)
 2. After notice has been given to the Abandoned End User and the time period in 1. preceding has transpired, service will be denied unless the Abandoned End User has transitioned to a New Service Provider, or the Abandoned End User has placed an order to transition to a New Service Provider and the order is being processed. When service is denied, the Abandoned End User will be able to call 911 Service, but will be unable to make or receive other calls; (N)
 3. After the time period in 1. preceding has passed and a minimum of fourteen (14) additional days have transpired, service will be disconnected unless the Abandoned End User has transitioned to a New Service Provider, or the Abandoned End User has placed an order to transition to a New Service Provider and the order is being processed. (N)
- B. Use of Company facilities may be discontinued without notice at any time after an Abandoned End User has transitioned to a New Service Provider that does not require use of Company facilities. (N)
- C. The Company will provide notice on at least one (1) occasion during the period prescribed in A. preceding. (N)

A5.8.5 Conditions

- A. Emergency Service Continuity will be provided only where the Company has been the underlying facilities provider through a resale or a UNE-P arrangement with an ALEC. Service Continuity will be provided through other service arrangements (i.e., UNE Loop) upon mutual agreement with the Commission and the ALEC. (N)
- B. The Company must have permission, either directly or through Commission order, to use the customer service record information of an Abandoned End User. (N)
- C. The Company must have a waiver of the Commission requirements for third-party verification of a change in service provider. (N)
- D. The Company must have permission, either directly or through Commission order, not to honor a "preferred carrier freeze" on the Abandoned End User's existing service. (N)
- E. The Company may request permission for an emergency declaration and waiver of the retail Service Rules (F.A.C.), the retail Service Guarantee Plan (Order No. PSC-01-1643-AS-TL), and/or the wholesale Performance Assessment Plan. (N)
- F. The Company shall not be liable for damages or injury to other local exchange or interexchange carriers arising out of the provision of Emergency Service Continuity pursuant to this Tariff. (N)
- G. The Company's liability to Abandoned End Users will be governed by the provisions of A2.5 of this Tariff. (N)

BELLSOUTH
TELECOMMUNICATIONS, INC.
FLORIDA

GENERAL SUBSCRIBER SERVICE TARIFF

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ISSUED: July 17, 2006

EFFECTIVE: August 1, 2006

BY: Marshall M. Criser III, President -FL
Miami, Florida

A5. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

A5.8 Emergency Service Continuity Plan (Cont'd)

A5.8.6 Rates

- A. For each Abandoned End User that selects a New Service Provider other than the Company, the Company will charge the New Service Provider a rate equivalent to the appropriate 2-wire loop, port and feature rates in that provider's interconnection agreement for the period from the abandonment date through the last date the Company provides Emergency Service Continuity. If no interconnection agreement for such rate exists, the Company will charge the rates approved by the Commission for the appropriate 2-wire loop, port and feature rates. Thereafter, the applicable rates, terms and conditions of the interconnection agreement for services ordered by the New Service Provider shall be charged, collected and observed.
- B. For each Abandoned End User that selects the Company as its New Service Provider, the Company may charge the rates applicable to the services provided to the end user by the Company consistent with the Company's General Subscriber Service Tariff from the abandonment date.

A5.9 Conversion of Overhead Telecommunications Facilities to Underground

(N)

A5.9.1 Explanation of Terms

(N)

- A. For purposes of this Part A5.9, the following definitions shall apply:
 1. Applicant – Any person or entity, including any association, municipality, county or other local government, that requests the conversion of overhead Company facilities to underground. (N)
 2. Conversion – Installation of underground facilities where underground facilities will be substituted for existing overhead facilities. (N)
 3. Cost Estimate – A cost estimate for conversion work prepared by the Company following receipt of the applicable cost estimate preparation charge. (N)
 4. Cost Estimate Preparation Charge – The charge an applicant pays to the Company to secure a cost estimate for conversion. (N)
 5. Overhead Facilities – Company aerial cable and Company poles. (N)
 6. Underground facilities – Direct buried facilities or facilities in underground conduit. (N)

A5.9.2 General Regulations

(N)

- A. The special construction tariff provisions set forth in Part A5.2 of this tariff shall not apply to requests for conversion of overhead facilities or to any work for or related to conversion. The provisions set forth in this Part A5.9 shall apply to requests for conversion of overhead facilities. (N)
- B. An applicant shall request conversion in writing and specify in detail the overhead facilities that are the subject of the requested conversion. Upon receipt of a written request, the Company will determine the feasibility of converting the overhead facilities. If the written request requires revision to determine the feasibility of conversion, the Company will so notify the applicant. If the Company determines that the requested conversion is feasible, then the Company will so notify the applicant. If the applicant wishes to secure a cost estimate for the requested conversion, the applicant will request the cost estimate in writing, and the Company will thereafter notify the applicant of the cost estimate preparation charge that the applicant must pay to the Company in advance to secure a cost estimate. If the conversion is not feasible, the Company will notify the applicant and will have no obligation to proceed with the applicant's request or with the requested conversion. The Company shall have the sole discretion to determine whether the conversion is feasible. (N)
- C. If an applicant requests a cost estimate for conversion, a charge for the preparation of a cost estimate will apply. The applicant will pay the cost estimate preparation charge before development of the cost estimate commences. The charge includes the costs associated with the development of the cost estimate. The cost estimate preparation charge is non-refundable and is applicable whether or not the conversion work occurs. If an applicant cancels a request for a cost estimate prior to its completion, the Company will return to the applicant any portion of the previously paid cost estimate preparation charge that is in excess of costs incurred by the Company to prepare the cost estimate. (N)
- D. If an applicant wishes to proceed with conversion, the applicant may only do so following receipt of a cost estimate and, in such case, shall notify the Company in writing of its desire to proceed with conversion. Thereafter, the applicant must execute a written agreement prepared by the Company governing such conversion work within 180 calendar days of the date of the cost estimate or, if not executed within the 180-day period, must request a new cost estimate. A cost estimate preparation charge shall again apply for a new cost estimate. The payment for the conversion work in the agreement shall be based upon the cost estimate. (N)
- E. If an applicant requests engineering consultation work for a proposed conversion and if the applicant has not previously paid for such work via a cost estimate preparation charge or a conversion agreement, then engineering consultation charges will apply as provided in Part A5.3.1 of this tariff. In advance of the work, the applicant, at the Company's request, will sign an agreement agreeing to pay those charges. (N)