

II. LOCAL SERVICE

SECTION 9. OPERATIONS

Rule 9.01. Service Connections

A. Acceptance of Applications

When an eligible telecommunications carrier receives an application for service within its service territory or within an adjacent unallocated territory, the eligible telecommunications carrier shall neither refuse to accept the application for service nor request the applicant to withdraw the application.

B. Service Connection Requirements

All extensions of service shall be made in accordance with the LEC's extension of facilities tariffs. An applicant for service must meet all requirements of these Rules in order to qualify to receive service.

(1) Where Facilities are Available

a. Service Connection Deadlines

All reasonable efforts shall be made to serve qualified applicants within 5 business days after receipt of an application, unless a later date is requested by the applicant.

b. Quality of Service Evaluations

For purposes of evaluating the quality of service, 95% or more of all qualified applications monthly for each exchange must be served within the time frame specified above except exchanges of 2000 lines or less will be evaluated on an average of three consecutive monthly results.

c. Expected Service Dates

Each LEC shall notify the applicant of the expected service date. If a LEC will not be able to connect

service on the expected service date, it shall promptly notify the applicant of the new expected service connection date.

(2) Where Facilities are Not Available Within the Service Territory

a. Initial Information

Within 5 business days after receipt of a qualified application for service, a LEC shall:

- (i) inform or mail notice to the applicant that facilities are not readily available,
- (ii) inform the applicant that within 10 business days the LEC will provide the applicant an expected service date; and,
- (iii) inform the applicant of the Extension of Facilities Fund and its applicable \$250.00 limit on the applicant's contribution.

b. Written Proposal

Within 30 business days of the receipt of a qualified application, the LEC shall provide a written proposal to the applicant which shall provide:

- (i) an explanation of any conditions and circumstances the applicant must meet before service will be provided;
- (ii) if there will be a cost to the applicant, an estimate of his costs.

EXCEPTION:

When an engineering study is required, the LEC shall provide a written proposal to the applicant for service within 60 business days of the receipt of the application.

c. Changing the Expected Service Date

If the LEC will not be able to connect service on the expected service date, it shall promptly notify the applicant of the new expected service connection date.

d. Connection Deadlines

- (i) All reasonable efforts shall be made to serve qualified applications received for service within 30 days unless a later date is requested by the applicant.
- (ii) If an applicant requests service outside the base rate area and the LEC requires the applicant to pay excess construction costs under tariff, the LEC shall complete the construction and provide service to the applicant within 90 days of the applicant's acceptance of the written proposal unless a later date is requested by the applicant.
- (iii) For purposes of evaluating the quality of service, 95% or more of all qualified applications monthly for each exchange must be served within the time frames specified above except exchanges of 2000 lines or less will be evaluated on an average of three consecutive monthly results.

(3) Within Adjacent Unallocated Territory

a. Initial Information

Within 5 business days after receipt of a qualified application for service, an ETC shall:

- (i) inform the applicant that facilities are not readily available;
- (ii) inform the applicant that within 55 business days the ETC will provide the applicant an expected service date;

- (iii) inform the applicant that provision of service is dependent on allocation of the territory to the ETC by the Commission;
- (iv) inform the applicant that provision of service is dependent on arrangements to reimburse the ETC for all of its construction costs within the unallocated territory from the Extension of Telecommunications Facilities Fund and/or the applicant; and,
- (v) inform the applicant of the Extension of Facilities Fund and its applicable \$250.00 limit on the applicant's contribution.

b. Written Proposal

Within 60 business days of the receipt of a qualified application, the ETC shall provide a written proposal to the applicant which shall provide:

- (i) an explanation of any conditions and circumstances the applicant must meet before service will be provided;
- (ii) an estimate of the applicant's costs; and,
- (iii) the expected service date.

c. Changing the Expected Service Date

If the ETC will not be able to connect service on the expected service date, it shall promptly notify the applicant of the new expected service connection date.

d. Connection Deadlines

- (i) The ETC shall complete the construction and provide service to the applicant within 90 days of the applicant's acceptance of the written proposal, unless the applicant requests a later date.

- (ii) For purposes of evaluating the quality of service, 95% or more of all qualified applications monthly for each exchange must be served within the time frames specified above, except exchanges of 2000 lines or fewer will be evaluated on an average of three consecutive monthly results.

Rule 9.02. Extension of Facilities

A. Certificated Area

Each LEC shall make reasonable extensions of its facilities within its certificated area. Also see Rule 3.03.

(1) Base Rate or Supplemental Rate Areas

Each LEC shall extend facilities within base rate and supplemental rate areas at no cost to the applicant unless the applicant requests non-standard plant construction.

(2) Outside Base Rate or Supplemental Rate Areas

a. Local Exchange Carrier Contribution to Construction Costs

- (i) Each LEC shall construct standard outside plant facilities at no cost to the applicant when the LEC's construction cost for the circuit is less than or equal to 60 months of basic local exchange revenue. This Rule does not preclude a LEC from developing a uniformly applied plan that is more favorable to applicants for telephone service.
- (ii) The LEC's contribution may be calculated and described in feet or fractions of a mile as long as the result is at least as favorable to the applicant as that calculated in Subdivision B.(1)a. above.

- (iii) The maximum line extension to be constructed by the LEC at no cost to the applicant must be filed as a tariff according to the Commission's Rules of Practice and Procedure.

b. Applicant Contribution to Construction Costs

- (i) If the ETC/LEC is not awarded a grant pursuant to Rule 9.03. or the applicant does not wish to wait until a grant is available, the LEC may require applicants to contribute to construction costs that exceed the maximum amount required of the LEC as described in the LEC's extension of facilities tariff. If the ETC is awarded a grant pursuant to Rule 9.03., the ETC shall reduce the applicant's required contribution to the construction costs by the amount of the grant so that the applicant's required contribution does not exceed \$250.00.
- (ii) The cost of the extension shall be based on the most economically feasible route from the LEC's nearest point of connection to the applicant's point of delivery, consistent with sound engineering design for the LEC's system.
- (iii) No portion of the cost for constructing circuits needed to reinforce or parallel a LEC's existing facilities may be included in calculating an applicant's contribution toward excess construction cost.
- (iv) If the LEC sizes facilities in excess of the applicant's requirements for service, any cost to be paid by the applicant shall be adjusted to reflect only the cost of his service requirements.
- (v) When a customer pays for an extension of facilities and later moves from that service location, the LEC shall attempt to leave those facilities in place for use by other

customers. If the LEC removes the facilities, an applicant requesting the same extension of facilities at the premises shall obtain the extension cost-free.

- (vi) Each LEC shall file its extension of facilities policy as a tariff according to the Commission's Rules of Practice and Procedure.
- (vii) Rule 9.03. shall apply when any applicant applies for service at a location where facilities are not available within the service territory and the applicant's contribution would otherwise exceed \$250.00.

B. Adjacent Unallocated Territory

Each ETC shall make reasonable extensions of its facilities within adjacent unallocated territory. Also see Rule 3.03.

(1) ETC Contribution to Construction Costs

Each ETC shall pay the cost for constructing circuits needed to reinforce or parallel an ETC's existing facilities.

(2) Applicant Contribution to Construction Costs

- a. If the ETC is not awarded a grant pursuant to Rule 9.03. or the applicant does not wish to wait until a grant is available, the ETC may require applicants to contribute to construction costs. If the ETC is awarded a grant pursuant to Rule 9.03., the ETC shall reduce the applicant's required contribution by the amount of the grant so that the applicant's required contribution does not exceed \$250.00.
- b. The cost of the extension shall be based on the most economically feasible route from the LEC's nearest point of connection to the applicant's point of delivery, consistent with sound engineering design for the LEC's system.
- c. No portion of the cost for constructing circuits needed to reinforce or parallel a LEC's existing facilities

may be included in calculating an applicant's contribution toward excess construction cost.

- d. When a customer pays for an extension of facilities and later moves from that service location, the LEC shall attempt to leave those facilities in place for use by other customers. If the LEC removes the facilities, an applicant requesting the same extension of facilities at the premises shall obtain the extension cost-free.
- e. Each ETC shall file its extension of facilities policy as a tariff.
- f. Rule 9.03. shall apply when any applicant applies for service at a location where facilities are not available within an adjacent unallocated territory and the applicant's contribution would otherwise exceed \$250.00.

Rule 9.03. Grant Program for Unserved Persons

Grants are available to an ETC for the extension of facilities to persons unserved by its wireline services. ETCs shall make a request on behalf of its applicants for fund allocation when required by Rule 9.02.A. (2) b. (vii) or B.(2)f. The fund trustee will determine the allocation of available funds to the requests received from ETCs.

A. ETC's Initial Request for Grant Program Funds

- (1) Each ETC's fund request shall be on a form the trustee prescribes.
- (2) Each ETC shall request funds from the trustee within 30 business days of an application for service at a location within its service territory.

EXCEPTION:

When an engineering study is required, the ETC shall request funds from the trustee within 60 business days of an application for service at a location within its service territory.

- (3) Each ETC shall request funds from the trustee within 60 business days of an application for service at a location within adjacent unallocated territory. The request shall include a copy of the letters from other ETCs indicating their interest in serving the territory as required by Subsection F. of this rule.
- (4) The initial request may be based on the ETC's estimated cost less \$250.00 per applicant.
- (5) Each initial request shall contain the name and address of all members of the Arkansas General Assembly who have constituents who would benefit from the requested grant.
- (6) Requests the trustee denies for lack of funds may be renewed by the ETC in the following calendar year.

B. ETC's True Up Request for Grant Program Funds

- (1) If the ETC's actual costs are greater than the amount of the grant, the ETC may request a true up within 60 days of the applicant's service date.
- (2) If the ETC's actual costs are less than the amount of the grant, the ETC shall request a true up within 60 days of the applicant's service date, within 60 days of the applicant's refusal to use the grant, or within 60 days of the applicant's cancellation of service request.
- (3) Each ETC's true up request shall be on a form the trustee prescribes.
- (4) The true up request shall be based on the ETC's actual costs less \$250.00 per applicant served.

C. Trustee Processing of Requests

- (1) For each request, the trustee shall determine if funds will be awarded and advise an ETC in writing within 30 days of receiving the request. This notice shall include the estimated date funds will be available or an explanation of the reasons a request is denied. The trustee shall advise the ETC in writing of any revisions to the estimated date.

- (2) For each grant other than true up grants awarded, the trustee shall individually notify in writing the members of the General Assembly who have constituents benefitting from the award. The notice shall be sent to the General Assembly members and a copy filed in Docket No. 02-080-A at the same time as the ETC notice required by Subsection (1) of this Rule.
- (3) The trustee shall deny a request due to lack of funds only if funds equal to the proposed grant cannot be disbursed within 12 months.

EXCEPTION:

The trustee shall be allowed to accumulate funds over a period greater than 12 months for a proposed grant that exceeds the available funds from an annual allocation of funds from the AICCLP.

- (4) If an initial request is denied, the trustee is not required to retain the request for future consideration. An ETC may renew its request at the appropriate time.
- (5) The trustee will pay administrative costs from the annual fund allocation.
- (6) The trustee shall disburse funds by the 10th of the month following the month during which funds become available to cover the entire grant. The trustee shall generally first disburse funds for true up grants awarded.
- (7) The trustee shall provide to the Commission monthly reports of initial and true up grants awarded by ETC by exchange including at least the amount awarded and the number of additional customers to be served or served.
- (8) The monthly reports shall also include for each ETC by exchange the grants that the trustee denied, the amount requested, the number of additional customers proposed to be served, and the reason the request was denied.
- (9) The monthly reports shall also include a statement of fiscal status for the Extension of Telecommunications Facilities Fund including at least the funds received, the funds disbursed, and the fund balance.

(10) The trustee shall file these reports in Docket No. 02-080-A.

D. Grant Award Criteria

- (1) In determining whether to approve a request the trustee shall use the criteria in Ark. Code Ann. §23-17-404(e) (8) (B) (i).
- (2) The amount of any grant shall not exceed the applicant's required contribution to construction costs as required by Rule 9.02. and *Rules of Practice and Procedure*, Rule 11.03.(f). Until July 1, 2005, the applicant's required contribution to construction costs shall be determined by using the ETC's extension of facilities tariff in effect as of April 18, 2001.
- (3) Until July 1, 2005, grants shall not be awarded to extend wireline facilities to replace basic exchange telecommunications radio service (BETRS).
- (4) Grants shall not be awarded for the extension of facilities to serve temporary or seasonal service requirements.
- (5) Grants shall only be awarded for future extensions of facilities.

E. Administration of Extension of Telecommunications Facilities Funds

- (1) The AICCLP Administrator shall assess telecommunications providers pursuant to Ark. Code Ann. §23-17-404(e) (4) (D) to accumulate funds for the Extension of Telecommunications Facilities Fund.
- (2) Such funds accumulated by the AICCLP shall be transferred to the trustee by the last business day of each month.
- (3) The trustee shall make a reasonable effort to keep the funds in an interest bearing account.
- (4) The trustee shall prepare an annual estimate of funds required and provide the estimate to the Commission and a copy to the AICCLP Administrator by January 5th of the year being estimated. The estimate shall be reduced by the Extension of Telecommunications Facilities Fund balance (if

Telecommunications Providers

any) not awarded by the end of the previous year. The estimate shall be filed in Docket No. 02-080-A.

F. Unallocated Territory

When an ETC makes an initial request as required by Subsection A.(3) of this rule, it shall at the same time request the Commission to allocate the geographic area not previously allocated to that ETC as required by the Commission's *Rules of Practice and Procedure*, Rule 7.05.(a).

G. Appointment of Trustee

- (1) The Commission shall appoint a trustee who shall be neutral and impartial and not have a direct financial interest in the funding mechanisms established by the Commission.
- (2) The trustee shall serve at the Commission's discretion.

H. Duties of the Trustee

- (1) The trustee's general duties shall include:
 - a. Determining the sufficiency of the fund;
 - b. Receiving monies from the AICCLP;
 - c. Disbursing grants from the fund;
 - d. Managing the daily operations and affairs of the grant program;
 - e. Cooperating in any periodic audits that the Commission deems necessary;
 - f. Resolving disputes;
 - g. Reviewing and determining the accuracy and appropriateness of all requests for grants;
 - h. Performing any other duties the Commission orders; and,
 - i. Developing any forms necessary for grant requests.

- (2) The trustee is expressly authorized to bring actions before the Commission to enforce the provisions of the grant program.

I. Audits

The Extension of Telecommunications Facilities Fund is subject to an annual audit by an independent certified public accountant selected by the Commission.

J. Appeals from Trustee Decisions

A party aggrieved by the trustee's decision may appeal that decision within 30 days to the Commission.

Rule 9.04. Business and Residential Service

A. Business and residential rates are governed by the actual and obvious use of the service. In general, business rates apply to any place where substantial use of the service is business-related rather than domestic. For example, business rates are applicable at the following local exchange locations:

- (1) Offices, stores, factories, and all other places of a strictly business nature;
- (2) Rental/maintenance offices and shared/public areas of boarding/rooming houses and apartment buildings, lobbies and halls of hotels, private and public institutions, business offices, colleges, clubs, lodges, schools, libraries, churches, and hospitals;
- (3) At a residence where telephone use is more of a business than residential nature as indicated by advertising through newspapers, signs, circulars, business cards, etc.

B. Service to Amateur Radio Tower Locations

Service provided to amateur radio clubs at their tower locations for clubs' autopatches shall be charged residential rates.