

PRIVATE LINE SERVICE
MINIMUM SERVICE CHARGE ARRANGEMENTS

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1. GENERAL

1.01 This section explains the Minimum Service Charge (MSC) Arrangement which may apply to specially constructed facilities, provided under various tariffs.

1.02 This section defines briefly the responsibilities of Engineering and Marketing groups in administering MSC arrangements. It also defines specifically the Plant Department responsibilities and procedures required.

2. NECESSITY

2.01 Minimum Service Charge and Termination Liability arrangements are necessary when a single customer has large requirements for Private Service and the Telephone Company has no other requirements in the area. This usually occurs in remote areas or areas where the company already has facilities to meet its long range commitments, but would have to add to these facilities in order to provide service for this customer.

2.02 When, in order to meet customer requirements, it will be necessary for the company to invest large sums of money in transmission and equipment facilities, the customer must guarantee to pay for those facilities for a specified length of time or pay a termination charge if he discontinues all use of the facilities before the specified time elapses.

2.03 In such cases the customer will contract for, as an example, 100 voice circuits. In the specially constructed section the customer is then liable for these voice circuits for term of the contract, **WHETHER THEY ARE USED OR NOT.** If the customer used 90 voice facilities the minimum service charge will apply to 10 voice facilities in the constructed section. These ten facilities in the constructed section **MUST BE KEPT IN A WORKING CONDITION** for possible use by the customer at all times.

3. DEFINITIONS

A. Special Construction

3.01 Special Construction is involved where one or more of the following conditions are present:

- (1) The channel facilities to provide services or channels are not available and, at the request of the customer, the Telephone Company constructs facilities to provide the services or channels for the customer and there is no other foreseeable requirement for the facilities so constructed.
- (2) At the request of the customer, the Telephone Company constructs channel facilities of a type other than that which the Telephone Company would otherwise utilize in order to provide services or channels for the customer.
- (3) In order to comply with requirements specified by the customer, construction by the Telephone Company involves a routing of facilities other than that which the Telephone Company

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would normally utilize in order to provide services or channels for the customer.

(4) At the request of the customer, the Telephone Company constructs a greater quantity of channel facilities than that which the Telephone Company would otherwise construct in order to fulfill the customer's initial requirements for services or channels.

(5) The channel facilities to provide services or channels are not available and, at the request of the customer, the Telephone Company expedites construction of the facilities at greater expense than would otherwise be incurred.

(6) The channel facilities to provide services or channels are not available and, at the request of the customer, the Telephone Company constructs temporary facilities to provide services or channels for the period during which the permanent facilities are under construction.

B. Maximum Termination Liability (MTL)

3.02 This represents the maximum amount for which the customer is liable in the event he discontinues all active services ordered under a special construction contract. This amount is based on the nonrecoverable investment made by the Telephone Company to provide the special construction, eg, the estimated or actual costs of construction less estimated salvage or reuse of any.

C. Minimum Service Charge (MSC)

3.03 This is a charge applied during periods when facilities, which have been constructed at the customer's request, are not used for working services within the period covered by a special construction contract. MSC also may apply when scheduled service dates for the use of specially constructed facilities are deferred or cancelled by the customer. The quantity of services in a specially constructed section is significant but not the assignment of the services to specific channels in the section. The services can be reassigned from one channel or service terminal to another contained in the same control section without change in the applicable MSC.

D. Liability Circuit

3.04 For the purpose of this instruction, the term Liability Circuit is used to identify a working circuit using specially constructed channels and/or service terminals to provide a service requested by the customer under the contract. The specially constructed channels and/or service terminals are designated "MSC Circuits" when they are NOT IN USE to provide a "Working Service."

E. MSC Section

3.05 An MSC Section is a facility section which includes Special Construction and the terminals of which are the terminals of MSC liability when the facilities are not in use.

F. MSC Channel

3.06 An MSC Channel is an individual facility or facility segment coterminous with the MSC section that does not have a working circuit assigned to it. All of the MSC Channels in an MSC Section are reserved for the customer and Minimum Service Charges apply to each.

G. MSC Circuit

3.07 This designation is used to list the contracting customer's initial circuit requirements. This identification also applies when the constructed channels and/or service terminals, contracted for by the customer, are not being used to provide a working service and minimum service charges apply.

H. Constructed Spare Facility

3.08 For economic reasons it is usually advantageous to the customer and the Telephone Company to use standard channel groups and cable sizes which may exceed the customer's requirements. This results in more channels and service terminals in the construction than the customer ordered.

I. Constructed Spare Circuit

3.09 In order to make sure of having facilities for his future use the customer will sometimes assume Termination Liability for all or part of the Constructed Spare Facilities. When this occurs a Constructed Spare Circuit having a unique control circuit number prefix will be assigned to each of

the Constructed Spare Facilities for which the customer has assumed liability. This will include any spare equipment which falls under the same category.

J. MSC Reuse

3.10 MSC Reuse is a term applied when an MSC Channel is used to provide a working service approved by the customer. It may involve use of an Associated Company MSC Channel for Long Lines service or vice versa.

K. Facility Contact Office

3.11 This is the office which has the responsibility for making assignments of services on the Specially Constructed Section. This might be either a Plant, or Engineering office, or some other separate group depending on where the particular responsibility has been assigned.

L. Contract Sales Office

3.12 This is the office which has the responsibility for negotiating a special construction contract with the customer.

4. MSC ADMINISTRATION

A. Identification of MSC Circuits

4.01 MSC Circuits require handling and identification in the same manner as any working private line service. To identify an MSC Circuit, the contract Sales Office will assign a unique circuit number which contains a "Z" in the prefix. For example, 2 GPZ 1234 would identify an Associated Company MSC Circuit and GPZ 1234 would identify a Long Lines MSC Circuit.

4.02 Each MSC Circuit will be identified by its terminals, its MSC circuit number, and any other unique identifier which will be the basis for all future use and billing. System Service Orders and related engineering documentation will be issued on all activity regarding MSC circuits.

4.03 All jack appearances of MSC facilities and all associated equipment will be designated to clearly indicate the working service number when in use and the MSC circuit number when not in use. This includes jacks at testboards, carrier

channels and at any other location where the service maintains individual identity.

4.04 All documents pertaining to active services reusing an MSC circuit must include reference to the MSC circuit number and any other information needed to identify the specific case of construction.

B. Identification of Constructed Spare Circuits

4.05 In some cases of special construction it is necessary for the Telephone Company to construct facilities of a size that may result in the provision of channels beyond the customer's original requirements. These channels are referred to as constructed spare facilities. When the nonrecoverable investment associated with the constructed spare facilities is included in the MTL these facilities require handling and identification in the same manner as other liability channels. To identify these constructed spare facilities, the Contract Sales Office will assign a distinctive circuit number which contains an "S" in the prefix. For example, 2 GPS 1234 would represent an Associated Company constructed spare circuit and GPS 1234 would denote a Long Lines constructed spare circuit.

4.06 Each constructed spare circuit will be identified by its terminals, its constructed spare circuit number, and any other unique identifier which will be the basis for all future use. System Service Orders and related engineering documentation will be issued on all activity regarding constructed spare circuits.

4.07 All jack appearances of constructed spare circuits and all associated equipment will be designated to clearly indicate the service. This includes jacks at testboards, carrier channels, and at any other location where the service maintains individual identity.

4.08 All documents pertaining to active services reusing a constructed spare circuit must include reference to the constructed spare circuit number and any other information needed to identify the specific case of construction.

C. Interruption to Service on Liability Channels

4.09 Under MSC arrangements the customer pays for channels in his use and for channels held available, or reserved for his use. These reserved channels are treated as any other working

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service. The customer is to receive credit for outages, as provided for in appropriate tariffs, whenever a specially constructed facility subject to MSC fails.

4.10 Generally, MSC circuits are not to be used to "make good" any service other than that of the original customer. In emergencies, however, these channels may be used for this purpose. These cases will be treated as outages and the original customer credited accordingly.

5. CIRCUIT ORDER ACTIVITY

5.01 When a special Construction section is involved it is necessary for the Sales/Marketing Office to issue a large number of System Service Orders (SSO) to properly control the use of liability channels. For instance when a working circuit using a liability channel is discontinued, Sales/Marketing will issue one order to discontinue the circuit. Another order will be issued which indicates the liability channel is vacant and start an active MSC circuit. If another working circuit is to be immediately started or an existing working circuit is reassigned using the liability channel, an order will be issued cancelling the active MSC circuit and indicating the working circuit which will use the liability channel. Still another order will be issued starting or reassigning the working circuit and indicating the reuse of the liability channel. In this case all orders will carry the same IN EFFECT date and time. Some sales offices will issue only one order to start and discontinue the MSC circuit.

5.02 When an active MSC circuit is started (see definition of MSC circuit), and no working circuit is immediately assigned to the liability channel, a circuit layout card will be issued showing the facilities assigned to the MSC circuit and also any equipment which is part of the special construction contract. The Plant should run any cross-connections necessary to build the MSC circuit as shown on the order and layout cards.

5.03 Because of the complexity of handling Special Construction facilities each Plant Office involved should make certain that personnel handling orders for service are thoroughly familiar with the procedures. Close liaison should be maintained with the Facility Contact Office.

6. SALES/MARKETING RESPONSIBILITIES

6.01 Contract Sales Office has the following responsibilities:

- (1) Provide overall coordination of special construction for the contracting customer.
- (2) Issue all System Service Orders affecting the use of MSC circuits and Constructed Spare Circuits.
- (3) Obtain contracting customer concurrence for all use or reuse by other agencies or customers of the constructed facilities included in the MTL.
- (4) Request annually a review of each case of construction for possible cancellation or modification. This request is submitted to the engineering group responsible for the major portion of investment in the specially constructed section.
- (5) Verify annually that billing and facility assignments for MSC and Constructed Spare Circuits are correct. Reconcile historical activity with the Facility Contact Office.
- (6) Maintain the official contract file for all special construction cases.

7. FACILITY CONTACT OFFICE RESPONSIBILITIES

7.01 The Facility Contact Office has the following responsibilities:

- (1) Make all facility assignments in the specially constructed section.
- (2) Determine the feasibility of reuse and advise the Contract Sales Office. This will involve coordinating with all offices assigning specially constructed facilities into that location.
- (3) Establish and maintain historical records of all facility assignments involving MSC circuits, Constructed Spare Circuits, and their respective reuse circuits.

8. PLANT OFFICES RESPONSIBILITIES

8.01 Plant offices in which the constructed route terminates have the following responsibilities:

- (1) Properly designate all testboards, jack fields and equipment to prevent unauthorized use.
- (2) Maintain facility assignments, as specified by circuit orders, on all circuits using the specially constructed facilities.
- (3) Report all outages on MSC circuits and Constructed Spare Circuits for outage billing credit in the same manner as for working services.
- (4) Report for billing credit, all temporary use of MSC circuits and Constructed Spare circuits, which have been used for the restoral of working services, in the same manner as for working services.
- (5) In addition to the normal In Effect reporting procedures used for any private service circuit orders, the Plant Office should send a special report by telegram or letter to the Facility Contact Office reporting all orders involving the specially constructed section as complete.
- (6) Plant offices should make every possible effort to complete orders involving the constructed section on the date specified. When it appears that the service date will not be met, the Facility Contact Office and the Sales Office should both be notified of the situation as early as is possible. The reason for this is that in a specially constructed section, orders have to be issued covering every day of the contract period. Late starts can cause the Sales Office to issue as many as 5 to 10 orders for every circuit involved in the late starts. It is imperative that the Sales Office and the Facility Contact Office be kept informed of the status of circuits in the section.
- (7) Assist the Sales, Engineering and Facility Contact Offices as requested to reconcile records of the specially constructed section.
- (8) Make sure personnel are trained in handling these liability sections. There will be no customer trouble reports on active MSC or Constructed Spare circuits, and testroom personnel will have to be alert to outages on these circuits.

(9) Schedule routine tests on MSC and Constructed Spare circuits to insure they are immediately available for use.

(10) MSC and Constructed Spare circuits will have the same special service protection requirements as the working services routed through the constructed section.

9. PLANT RECORDS AND REPORTS

9.01 It is not intended that the Plant Offices at the terminals of an MSC Section will keep historical records of the liability section. Retention of orders and records will be the same as for any other private service. Instructions for destruction of records should be consulted.

9.02 The Plant Offices at the terminals of the section should keep a facility assignment record of the specially constructed section showing the current assignments in the section. The assignment record should indicate that the section is involved in special construction and show the case number of the special construction.

Note: The case number can be obtained from any order establishing a service in the section or from the Facility Contact Office or the Contract Sales Office.

9.03 The Plant Office should make Billing Information Reports on outages on MSC and Constructed Spare circuits. This would include times when they are used for "make goods." Report will be made by the office listed on the circuit layout card as control of the MSC or Constructed Spare circuit.

9.04 The Plant Offices at the terminals of the MSC section should make special "In Effect" reports on ALL ORDERS involving the specially constructed section. The report may be by letter or telegram. The report will be sent to the Facility Contact Office and will be made by both terminals of the section.

9.05 At the close of each circuit order activity and/or at least every six months, the Plant Offices at both terminals of the MSC section shall inventory the section and make a report to the Facility Contact Office listing the circuit numbers of all MSC circuits and Constructed Spare circuits. If the facility record or an actual inventory does

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not show any MSC or Constructed Spare circuits, the report should so indicate. The report should be in letter form. Offices at both terminals of the section shall submit the report.

9.06 The Plant Offices at both terminals of the section should make sure they have circuit layout cards for the MSC and Constructed Spare circuits. If cards for these circuits are not on

hand they should be requested from the Facility Contact Office.

9.07 Circuit layout, equipment and other record cards for MSC and Constructed Spare circuits should be filed in a group and appropriately identified. All records and designations on MSC and Constructed Spare circuits are subject to periodic audits by Accounting representatives.