

# Colorado

Public Utilities Commission



*For Your Information*

*T-7*

## **TELEPHONE COMPANY LINE EXTENSIONS AND CONSTRUCTION CHARGES**

In a world of rapidly changing technology, more and more people are receiving better telephone service. However, due to their location, some customers might be required to pay a portion of the costs for extending wire line service to previously non-served locations.

If you are one of these people, you should find this information useful in understanding when construction charges apply for line extensions, and how those charges are calculated.

### **BASIC INFORMATION**

Local telephone company customers are served out of a central office (wire center) that contains all the switching equipment used to route a call from a calling party to a called party. Telephone lines to customers in an area served by a central office begin at that office location and are either strung on poles or buried underground to some point determined by your local telephone company. The company generally extends a line from a central office to a certain location, based on need for service.

You may have built a new home or business facility in a location beyond the point where the local telephone company line stops. Or, you may have moved into an existing home or business location that has never been connected to your local telephone company line. In either case, if you are located farther from the central office than the point where a telephone line stops, you will only be able to obtain service through a line extension agreement.

When you request a line extension, you are simply asking the company to physically extend the line from the existing end point to a point where you can connect to it at your location.

### **WHAT ARE THE CHARGES FOR A LINE EXTENSION?**

Line extension policies and construction charges vary, depending on which company provides your local telephone service. Your phone company can explain its line extension policy to you. Information regarding line extensions also is published in the company's tariff, which is available for your review at the phone company's office or at the Public Utilities Commission (PUC) during normal business hours. In some cases, the company's tariff is available on the Internet.

To reach PUC Consumer Affairs:

1560 Broadway, Suite 250, Denver, CO 80202  
303-894-2070 (local); 1-800-456-0858 (toll-free)  
PUCConsumer.Complaints@dora.state.co.us

Regardless of which local telephone company is providing the service, a company's line extension tariff:

- Cannot discriminate among prospective customers by class of service, such as business or residential
- Must include rate schedules for service connections, extensions and line mileage, as applicable.
- Must provide a construction credit to prospective customers based on a formula approved by the PUC.

### **INFORMATION TO BE PROVIDED TO CUSTOMERS**

At the time a customer first contacts a local exchange company to apply for service, the customer must be notified that construction charges are, or may be, required to provide the service. The customer subsequently must be notified within 30 days of any requirements, such as an engineering fee, that must be paid prior to a construction charge estimate. A local exchange company has 30 days from the date of a customer's request for an estimate, or payment of an engineering fee, to provide the written cost estimate.

### **WHAT HAPPENS IF MORE THAN ONE CUSTOMER REQUESTS AN EXTENSION?**

If a group of customers that need new service are near each other, they may be able to obtain a Line Extension Contract (LEC) for their share of the project as a whole. This is often beneficial to all of the potential customers, as it helps to divide the costs among all of the participants. Each customer must have a current, valid application for service submitted at the time the LEC is drawn up. It is helpful to discuss this type of situation with your neighbors, homeowners' association, etc., prior to making application to the telephone company.

### **OTHER LINE EXTENSION INFORMATION**

Reinforcement of existing lines to meet additional demand will be done at the company's expense, unless special construction charges apply.

Your telephone company will be able to tell you what kind of arrangements you can make for payment of your construction charges over a period of time. Should you move from the location for which you paid line extension construction charges and have arrangements for payment of those charges, any unpaid balance will be transferred to your new location. Credit for line extension construction charges already paid may not be transferred from one location to another.

If you have any disputes or questions about your telephone company's line extension construction charges or policies, contact the PUC Consumer Affairs section for assistance.

(3/07)