

PUBLIC UTILITY DISTRICT 3
OF MASON COUNTY, WASHINGTON
TELECOMMUNICATIONS - SERVICE RULES AND REGULATIONS

The following telecommunications service rules and regulations establish the expectations of the relationship between Mason County PUD No. 3 (PUD 3) and its telecommunications Retailers and their Consumers.

Mason County PUD No. 3 is a wholesale provider of telecommunications services to Mason County through its Retailers. In the context of the rules and regulations, it is the responsibility of PUD 3 to provide reliable transport services to the Retailers. Retailers and Consumers shall abide by and be bound by these rules and regulations upon receiving Wholesale Telecommunication Services from PUD 3. As a part of these rules and regulations, it is the Retailers' responsibility to meet the service needs of their Consumers.

The telecommunications service rules and regulations are organized by the following sections:

1. **GENERAL** - Information about adoption and authority of the service rules and regulations.
2. **DEFINITIONS** - Terms that will be consistently used when describing participants, performance requirements, facilities, time frames, and other important issues.
3. **PREQUALIFICATION AND APPLICATION PROCESS** - The process and requirements to become qualified as a Retailer of Wholesale Telecommunications Services provided by Mason County PUD No. 3, and how Consumers apply for service via their Retailers.
4. **ESTABLISHMENT OF DEPOSITS** - Deposits required prior to the establishment of agreement, and length of time that deposits are held.
5. **SERVICE LIMITATIONS AND ACCEPTABLE USE** - Includes the limitations, terms, and conditions necessary as a part of the service rules and regulations to ensure Retailers experience reliable service.
6. **BILLING AND CONNECTION** - The conditions of billing and charges for connection. This section includes billing cycle information and various charges (including late charges, reconnection charges, etc.) related to accounts. This section also specifies the method of appeal and hearing regarding billing disputes. (Exhibit A, Rate Schedules.)
7. **LOW-INCOME FIBER DISCOUNT** – The District offers a wholesale Network Access Port (Low Income Discount) to qualifying low-income customers at a reduced rate where services are available.
8. **POLICY VIOLATIONS** - Terms of the contract under which suspension of service may occur due to violations of the service rules and regulations.
9. **RETAILERS' AND/OR CONSUMERS' PREMISES AND EQUIPMENT** - The Retailers' and/or Consumers' electrical installation must be made in accordance all applicable codes and regulations of any authority having jurisdiction.
10. **INTERRUPTION OF SERVICE** - States Mason PUD 3's commitment to work towards

continuous service, with the understanding that occasional outages for repair, maintenance, and upgrades will be necessary.

11. **SHORT-TERM SERVICE** - This section refers to services that may be requested for temporary activities (e.g. circuses, fairs, etc.).
12. **LINE EXTENSION POLICY** - Outlines the requirements for those wishing to extend fiber optic service to individual houses, properties or within a development.
13. **ALTERED SERVICE APPLICATION** - Required if Consumers make application to relocate the fiber optic gateway demarcation point.
14. **RETAILER RESPONSE PROBLEM** - This refers to Retailer's report of a service problem that is determined to be Retailer's problem after PUD personnel are dispatched.

1. GENERAL

The following telecommunications service rules and regulations have been adopted by Resolution No. 1714 dated August 14, 2018, and are the effective rules and regulations of Public Utility District No. 3 of Mason County, Washington.

No officer or employee of the District has any authority to waive, alter, or amend in any respect these rules and regulations or any part thereof, or make any agreement inconsistent therewith.

The rates, rules and regulations herein are subject to modification or abolition in the manner prescribed by law or by the Commissioners of the District or by any other legally authorized body having jurisdiction.

2. DEFINITIONS

- a) **AFTER HOURS SUPPORT** is a service offered by the District at an additional rate for Retailers and their Consumers who depend on broadband access 24/7. With After Hours Support, the District will respond to disruptions in service in a timely manner during non-business hours.
- b) **APPLICATION FOR SERVICE** is an application for service from the Retailer when the District's services are available at the Consumer's site. The Application for Service is merely a written request for service and does not in itself bind the District to serve, nor does it bind the Consumer to take service.
- c) **PERSON** means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government; governmental subdivision, agency, or instrumentality; or public corporation, or any other legal or commercial entity.
- d) **COLOCATION** means facilities owned by PUD 3 that will offer siting of equipment used

in providing Internet-based or IP services. CONSUMER means the Person desiring to use Wholesale Telecommunications Services purchased through a Retailer.

- e) DEMARCATION POINT means the location where the District's wholesale telecommunications is transitioned from optical to electrical as installed per the state's Washington Administrative Code (WAC). DISTRICT, means Public Utility District No. 3 of Mason County also referred to as Mason County PUD No. 3, Mason PUD 3, PUD 3, or PUD.
- f) FIBERHOOD is a predefined neighborhood or grouping of homes or businesses that is pre-qualified by the District to be eligible for distribution network construction, which allows access to the excess capacity of the District's fiber optic network. Fiberhood is a general and descriptive term. It is not meant to infringe upon any other company's use of the term.
- g) GATEWAY BOX is the District's premise equipment used to convert an 802.3x optical signal. Also referred to as TRANSMISSION BOX by the Department of Labor and Industries.
- h) METERING POINT OR METERED USAGE is the point or method where the District measures the actual usage of the Consumers' or Retailers' Internet Access/Usage for the purpose of determining amount to bill for telecommunications services. Actual usage is billed based on rate schedule or contracts applicable thereto.
- i) MONTHLY RECURRING CHARGE (MRC) is the fee charged by the District to recover the costs associated with the installation and maintenance of the PUD's telecommunication system.
- j) MONTH (except where calendar month is stated) is the period intervening between monthly Metered Usage readings upon which the Retailers' consumption is computed and bills rendered.
- k) NETWORK ACCESS PORT (NAP) is the initial wholesale internet access port (per Consumer) to the Mason County PUD No. 3 fiber optic network. (Refer to Rate Schedules in Exhibit A.)
- l) NETWORK OPERATIONS CENTER (NOC) is the dispatch service that tracks and logs all network events, and acts as the contact point for Retailers to establish Trouble Tickets. NOC support is available 24/7.
- m) RETAILER means a Person using or desiring to use with intent to sell to Consumers, voice, video, or data (or combinations thereof) over the fiber optic connection to each Consumer. Retailers may provide additional services in the future.
- n) TROUBLE TICKET is a written or electronic document used to report problems or service disruptions to the District's network operation center. Documents provide reference numbers, circuit details, contact information, and resolutions of the service issues.

- o) UNINTERRUPTIBLE POWER SUPPLY (UPS) is an electrical apparatus that provides emergency power to a load when the input power source (typically main power) fails. Batteries are utilized to sustain the power load during intermittent power outages.
- p) WHOLESale TELECOMMUNICATION SERVICES is the furnishing or readiness to furnish Ethernet-based transport services in the form of 802.3x or other transport methods agreed upon at the option of the District and for the purpose specified in the application for service rates applicable therein.
- q) NORMAL BUSINESS HOURS are Monday through Friday, 8:00 a.m. to 5:00 p.m. not including holidays recognized by the District.

3. PRE-QUALIFICATION AND APPLICATION PROCESS

RETAILERS: All prospective Retailers must complete a Pre-Qualification Application and provide the following information:

- a. Completed technical questionnaire.
- b. Proof of liability insurance.
- c. UBI (business license) number.
- d. A deposit. See Section 4. Establishment of Deposits.
- e. Proof of ability to install on premise and provide for Consumer services.
- f. Proof of continuous 24 hours per day, 365 days per year, technical support ability including access number.
- g. A set-up fee per the District's rate schedules.
- h. Proof of a layer three capable router for provisioning of retail services to Consumers. Contact the District for the minimum requirements.

CONSUMERS: All prospective Consumers will be required to complete a Construction Application to extend network services to their home or business. The Retailer will submit the Application for Service form signed by an authorized agent or employee of the selected Retailer to the District. Consumers will be serviced and billed through their chosen Retailer and as such, all charges and rates for service are determined by their Retailer.

The Application for Service shall set forth all information that the District may reasonably require.

4. ESTABLISHMENT OF DEPOSITS

Retailer will be required to provide a deposit with the District as per the current Deposit Policy. The District will refund all deposits without interest at such time the Retailer permanently cease to use Wholesale Telecommunications Services and their respective account has been paid in full. The deposit may be applied to the final billing.

Because Retailer monthly expenses may increase over time, the District may require an additional deposit to equal the two highest months' expenses. Failure to pay the increased deposit amount will result in the same disconnection procedures as noted in Section 6. Billing and Connection.

The Retailer may at any time request a review of the account to determine whether the deposit is available for refund. The retailer's payment record will have a major bearing on any decision to maintain or refund said deposit.

5. SERVICE LIMITATIONS AND ACCEPTABLE USE

The District's acceptable use policy for its products and services is designed to help protect the District, its Retailers and their Consumers, and the Internet community in general from irresponsible or in some cases illegal activities. The list below is a non-exclusive list of the action prohibited by the District.

To ensure reliable service, the District requires Retailers and their Consumers to adhere to the limitations, terms, and conditions shown below. Consumers may also be required to adhere to further requirements from the chosen Retailer.

- a) Service shall be used exclusively for the purpose or purposes stated in the Application for Service and rate schedule or contracts, under which it is supplied.
- b) If the District determines that a Retailer or its Consumer is using service under any rate schedule contrary to the purposes stipulated in the contract and these policies, including but not limited to violation of the rules and regulations and policies of the District, the District shall notify the Retailer that such use is contrary to the purpose and intent of the rate schedule and must be discontinued.
- c) Should the Retailer fail to discontinue the contrary use of such service, the District may discontinue service to the Retailer under the rate schedule involved.
- d) Only District-authorized Retailers may re-sell telecommunications services on the District's network.
- e) Transmission, distribution, or storage of any material in violation of any applicable law or regulation is prohibited. This includes, without limitation, material protected by copyright, trademark, trade secret, or other intellectual property right used without proper authorization, and material that is obscene, defamatory, constitutes an illegal threat, or violates export control laws.

This also includes but is not limited to:

- i. Unauthorized use, or forging, of mail header information (e.g., "spoofing").
- ii. Unauthorized attempts by a user to gain access to any account or computer resource not belonging to that user (e.g., "cracking").
- iii. Obtaining or attempting to obtain service by any means or device with the intent to avoid payment.
- iv. Unauthorized access, alteration, destruction, or any attempt thereof, of any information of any District Retailers or Consumers by any means or device.

- v. Knowingly engage in any activities that will cause a denial-of-service (e.g., synchronized number sequence attacks) to any District Retailers or Consumers whether on the District network or another provider's network.
 - vi. Using District products and services to interfere with the use of the District network by other Retailers, Consumers, or authorized users.
- f) Retailers are responsible for Consumers compliance with the District's Acceptable Use Policy terms. Complaints directed at a Retailer's Consumer will be forwarded to the District representative for action. If violations of the District's Acceptable Use Policy occur, the District reserves the right to terminate services with or take action to stop the offending Retailer or Consumer from violating District's policies as the District deems appropriate, without prior notice.
 - g) Retailers will adhere to Mason PUD 3's 'Acceptable Use of PUD 3 Name and Logo' policy. As stated in the policy, the PUD 3 logo and name should not be incorporated into any other logo design and must not imply Mason County PUD No. 3's endorsement of a company, its products, or that company's service. The PUD will make available, upon request, a promotional or official District logo that features Mason PUD 3's telecommunications wholesale services or products. The promotional logo should be used any time a partner wishes to display the Mason County PUD No. 3 logo next to a corporate logo and must be approved in writing by District staff before publication and distribution.

Only authorized PUD 3 Retailers may resell bandwidth services. Bandwidth use will be monitored at the PUD border router.

Web hosting services, such as a marketing firm hosting pages for their Consumers, are permissible uses. Other services not yet implemented may be allowed by written consent of the District's management.

To ensure that all District network users experience reliable service, the District requires Retailers and Consumers to adhere to these terms and conditions. In addition, Retailers, and Consumers must conform to the Federal Communication Commission (FCC) rules and regulations. In the event the District determines that any Retailer or Consumer are acting in violation of this or other District policy, FCC regulations or state and local law, Wholesale Telecommunication Services will be terminated.

Retailers with questions or concerns may call the District's telecommunications department. Consumers must contact their respective Retailer.

6. BILLING AND CONNECTION

- a) Refer to applicable current rate schedule that is subject to change at any time by the Commission. (See Exhibit A.)
- b) The District will pro-rate the Monthly Recurring Charges (MRC) on a daily basis.

- c) The District will require an application fee for all new service connections and Retailer change. These non-recurring charges will be billed to the Retailer. (See Exhibit A for current rate schedule.)
- d) The District renders bills to its Retailers on the 10th of each month. All bills for Wholesale Telecommunications Services are due and payable when rendered and become delinquent thirty (30) days from the billing date.
- e) Occupation of the District's Colocation facilities will be billed at contract rates for Colocation Services.
- f) Past Due Accounts - In the event the Retailer has not paid its bill; made a satisfactory payment arrangement with the District within thirty (30) days after billing; or meet the terms of the payment arrangement, the District will send the Retailer a disconnection notice.

The disconnection notice will allow the Retailer forty-eight (48) hours from the date on the notice to make full payment of the past due amount.

- g) **BILLING AND DISCONNECTION DISPUTES:** Any Retailer disputing a bill or disconnection notice may request an informal conference by telephone or in person or at the District's offices. The Retailer is entitled to present his/her position to the District's designee for handling of telecommunications bill disputes. All disputes must be made in writing to the District within thirty (30) days from the date of the monthly invoice in question. In the case of disputed bills the District has the authority to review and recommend adjustments concerning the amount of the bill. Decisions concerning final adjustments of the disputed bill are made by the manager or designee.
- h) **Hearing Officer** - If the Retailer is not satisfied with the decision of the informal conference, they have the right of appeal the decision to the District's hearing officer. The hearing officer is designated by the manager and approved by the Board of Commissioners.
- i) A notice of appeal shall be made in writing, in person at the District's office, or by telephone within 10 calendar days of the informal conference. At the appeal hearing, the Retailer shall have the right to present the nature of his/her appeal and whatever evidence is considered relevant

The appropriate District personnel shall present the District's position to the hearing officer. A decision will be issued by the hearing officer (if so requested, the decision will be written setting forth the reasons for the decision). If the Retailer owes the District and fails to comply with the terms and conditions of the hearing officer's decision within two (2) days, or if he/she fails to respond in any way to the District's request for payment, the District may disconnect the Wholesale Telecommunications Services without further notice. The Retailer has the right to ask the District's Board of Commissioners to review the hearing officer's decision. The Board, in its discretion, may affirm, modify or reverse the hearing officer's decision.

- j) Returned Checks - If a check tendered to the District for payment of a bill is not honored by the Retailer's bank, the District will charge the Retailer an accounting charge of \$35.00. Such action may result in a special security deposit action.
- k) Only Retailers have the right to request termination of service to a Consumer. The Retailer will be required to provide a written notice to the District to initiate termination of service to the Consumer.
- l) Monthly Recurring Charges (MRC) will be pro-rated on a daily basis to the affected Retailers if a Consumer changes Retailers or cancels service at any time during the month.
- m) If a Consumer changes his/her Retailer at any time for any wholesale telecommunication services, each Retailer will be responsible for any Non-Recurring (NRC) charges.
- n) After Hours Support - The After Hours Support rate is in addition to the required Network Access Port fee and offers additional support for Consumers, through their RSP, who depend on broadband access 24/7. With After Hours Support, the District will endeavor to restore services in a timely and responsive manner during non-business hours.
- o) Fiberhood Construction Adder – The Fiberhood Construction Adder is in addition to the required Network Access Port fee and is a required charge for qualifying accounts within a designated Fiberhood. The Fiberhood Construction Adder will be billed to the Consumer's Retail Service Provider on its monthly billing. The Fiberhood Construction Adder is not subject to pro-ration.
- p) Custom Network Configuration/Programming – Requests for custom network configuration or programming will be considered on a case-by-case basis. If it is determined that the request will only benefit a single Retailer, that Retailer will be responsible for the full cost of the implementation. Not all requests can or will be honored.

7. LOW INCOME FIBER DISCOUNT

Pursuant to RCW 74.38.070, the District offers reduced utility rates for low-income citizens. Qualifying consumers shall meet the District's Low Income Senior Discount and Low Income Disabled Discount qualifications.

The Retailer will submit a Low Income Fiber Discount Application to the District on behalf of the Consumer. The District will verify that the Consumer meets the qualifications and will apply the Low Income Discount to the Network Access Port Fee. The Retailer must pass along the full discount to the qualifying Consumer.

Retail Service Providers are strongly encouraged to offer a matching low-income fiber discount to extend the greatest level of assistance possible to qualifying consumers.

This discount is only available to the qualifying consumer. The Retailer must notify PUD 3 when the account changes names. The District may verify and confirm that program guidelines are being met. Periodic recertification may be required.

8. POLICY VIOLATIONS

The District, in addition to all other legal remedies, may suspend the delivery of service for any default, breach of the policy, or any violation of these rules and regulations by the Retailer. In instances where the violation does not involve the unauthorized use of service or create a risk to persons, property or to the District's network, the District shall provide 48 hours written notice prior to termination, setting forth the nature of the violation. Failure of the District at any time to suspend service shall not limit the District's rights to any other remedies.

9. RETAILERS' AND/OR CONSUMERS' PREMISES AND EQUIPMENT

The Retailers' and/or Consumers' electrical installation must be made in accordance with all applicable codes and regulations of any authority having jurisdiction.

The Consumer shall provide suitable space at convenient locations approved by the District for the District's gateway and other equipment that is located on the Consumer's premises.

RETAILERS' REQUIREMENT FOR NON-FIBER DELIVERY – at times PUD 3 utilizes non-fiber delivery methods such as wireless and CAT 5/6 transport to consumers. CAT 5/6 must be terminated in accordance with the ANSI/TIA/EIA-568-B standards.

The Retailer and/or Consumer shall be responsible for the property of the District on his/her premises and shall permit no unauthorized person to tamper with it.

The District's fiber, cables, wires, or gateway are property of the District and access to District property is strictly limited to District representatives. All prospective Retailers, as part of the application process, are required to provide proof of ability to install and provide for Consumer services. Only an authorized Retailer may connect Consumer services to the District's network at the District's demarcation point.

The Retailer shall require as a condition of service that Consumers permit access, at all reasonable hours, to an authorized representative of the District for the purpose of inspecting, testing or repairing the gateway or other property of the District located on the Consumer's premises, or for the purpose of ascertaining the use which the Consumer is making of the service.

The Retailer shall be responsible to provide continuous 24 hours per day, 365 days per year, technical support ability, including an access number.

10. INTERRUPTION OF SERVICE

The District endeavors to provide reliable service with limited down time but cannot ensure that Wholesale Telecommunications Services will be continuous. Weather,

equipment failures, and other occurrences beyond the District's control will cause system outages. System outages will also occur in order to repair, maintain, and upgrade the District's facilities. Wholesale Telecommunication Services may be suspended when the District in its sole discretion deems necessary or appropriate. The District will endeavor to provide reasonable advance written and/or verbal communication to the Retailer as it deems necessary when conducting scheduled repairs or maintenance. The Retailer is required to make reasonable efforts in contacting their Consumers of any scheduled outages.

The District provides a Network Operations Center (NOC) for the purpose of reporting and tracking interruptions of service. Only Retailers are authorized to contact the NOC. If a Retailer calls in a Trouble Ticket to the District's NOC, and it is determined that the problem was caused by equipment or processes that are the responsibility of the Retailer, the District may bill the Retailer for the costs of responding to the Trouble Ticket.

The District will respond to all disruptions during Normal Business Hours. Retailers may request After Hours Support (see Exhibit A) under which the District will also respond 24/7/365. (See definitions for Normal Business Hours)

11. SHORT-TERM SERVICE

Short-term service refers to service of a temporary nature for community events such as circuses, bazaars, fairs, construction works, and other similar uses. The District will, if in its opinion the furnishing of such service will not cause an undue hardship upon it or its then existing Retailers, furnish short-term service under the following conditions:

- a) Each applicant for short-term service shall be required to pay the District in advance, as the District may elect, the full cost of installing and removing any necessary temporary facilities.
- b) Each applicant for short-term service may be required to deposit with the District a sum of money equal to the estimated amount of the District's bill for such service per the District's rate schedule, or to guarantee otherwise in a manner satisfactory to the District the payment of any bills which may accrue by reason of such service.
- c) Nothing in these rules and regulations shall be construed as limiting or in any way affecting the right of the District to collect from the Retailer sums due and payable to the District from the Retailer by reason of the short-term service.

12. SUSPENSION OF SEASONAL SERVICE

The District recognizes a Retailer may occasionally wish to suspend service for a period of time as opposed to terminating service. A Retailer may request a temporary suspension of a service under the following terms and conditions:

- a) The Retailer provides a change of service request with the appropriate date of the suspension to the District.

- b) The Retailer provides a date to return to service in a separate change request form at the time the service is to be reestablished. The District will not track a return to service date given at the time of suspension of service.
- c) The period of time the service is suspended may not exceed six (6) months. Suspension of service longer than six (6) months will result in a Non-Recurring Connection Fee.
- d) Suspension of Seasonal Service is not available to customers within a Fiberhood while the Construction Adder MRC is applicable.

13. LINE EXTENSION POLICY

It is the policy of Mason County PUD 3 to extend telecommunications services to all Persons within its service area when such extensions are technically feasible, economically justifiable, environmentally sound (or desirable), and in compliance with all applicable service rules and regulations.

It is the intent of the District to deploy reliable broadband services for internal and external users on an open access, nondiscriminatory basis, as authorized under Washington State Law and to support initiatives that promote community involvement in broadband development.

It is further recognized that each service is unique. Accordingly, each extension will be reviewed by the District with consideration to District budget restrictions and development criteria.

A. Definitions:

1. ALLOWABLE EXPENDITURE means the amount that the District will invest in a line extension project.
2. APPLICANT means the Person requesting a Line Extension or a Service Line and connection.
3. CONSTRUCTION APPLICATION means an application for new service where PUD 3 broadband fiber facilities do not exist.
4. CONTRIBUTION IN AID OF CONSTRUCTION (“Contribution”) means those costs in excess of Allowable Expenditures that the Applicant will be required to pay to the District in advance for a line extension project.
5. DIRECT BENEFIT CAPACITY means that portion of the broadband capacity of the fiber optic service or facility that provides direct benefit to only the Consumer or the Applicant requesting the extension.
6. DISTRIBUTION LINE means the District’s communication lines that form the backbone of the network serving multiple Consumers.

7. DISTRIBUTION POINT is the location such as a splice point or an RC terminal, where the District has fiber facilities and capacity to service the Consumer.
 8. EASEMENT means the utility corridors that have been legally dedicated to the District for utility and telecommunications services along a private road or other defined route.
 9. FIBERHOOD CONSTRUCTION APPLICATION is an application for new service at a pre-qualified location within a Fiberhood.
 2. MICRO-CONDUIT (MICRODUCT) is a continuous conduit that is used to provide a protected underground installation of fiber facilities to the Consumer's fiber gateway. The micro-conduit provides protection for the fiber service drop to the home. The micro-conduit is equipped with PUD 3 markings on the cable for identification and a copper tracer wire that is used for utility locate services. The District's micro-conduit is property of the District for the sole purposes of extending PUD 3 fiber optic cable to the home/business of the Consumer requesting service. Use of the conduit is restricted solely to the PUD 3 facilities. The District retains ownership of the fiber optic cable and micro-conduit at all times. After an installation is approved by the District, the District will maintain the conduit and cable(s) within to the point of the gateway on the premise.
 10. PUBLIC RIGHT-OF-WAY means a public right of way dedicated to a city, county, or state and includes highways, roadways, or streets which authorize the installation of telecommunications utilities.
 11. SERVICE LINE means the fiber optic service from the District's Distribution Point to the point of connection to the residence or business of the Consumer. Service Lines serve only one property or facility.
 12. SYSTEM BENEFIT CAPACITY means the broadband capacity or facilities that exceeds the capacity to directly serve the requested line extension project for an Applicant or Consumer which provide benefits to the community or the District's system.
- B. General Policies Applicable to Backbone and Distribution Line Extension:
1. Distribution Line Extensions are requests from Consumers to extend the District's fiber optic distribution system from an existing Distribution Point to allow installation of Service Lines to individual Consumers. The District will review the location of the line extension request to determine if system capacity exists along the District's backbone to allow for future capacity to handle the amount of service requested by the Applicant and provide System Benefit Capacity.
 2. Distribution line extensions will only be constructed along existing or newly created public right of ways or District approved routes.
 3. CONSTRUCTION APPLICATION FEE. All Applicants for a line extension must pay a fee to the District prior to the District preparing an estimate and installing

facilities. The fee is non-refundable. The fee may be applied to the Applicant's Contribution in Aid of Construction for projects that are carried forward to completion. If the extension project does not go forward, the fee will reimburse the District for the cost of reviewing the application and preparing the estimate for installation of facilities. The fee cannot be off-set by credits that could, in some instances, be issued to Applicants in other sections of this policy.

4. All permits, franchises, state, federal, and local requirement must be obtained and/or satisfied prior to construction of any line extension.
5. Construction shall be established in the most cost effective manner and within the terms and conditions established by the District.
6. Applicants shall be responsible to furnish to the District right of ways and easements for construction, operation, and maintenance of the fiber optic extensions, including tree trimming rights and property owner permission if applicable or where necessary.
7. The route of all line extensions and the location of the fiber gateway will be determined by the District, working with the Applicant. The Service Line Extension will take the most cost effective route from the nearest Distribution Point along the Consumer's property line.
8. The District shall construct, own, and maintain all facilities up to the fiber gateway for telecommunications services.
9. The Consumer shall be responsible for the costs of converting a service from overhead service to underground service. All underground construction, trenching, and conduit installation performed by the Applicant is subject to inspection by District personnel in consideration and acceptance for allowable expenditures.

C. General Policies Applicable to Service Line Extensions:

1. Service Line Extensions are requests via a Construction Application to provide a connection from the District's fiber optic distribution system to the Consumer's point of service. The District will review the location of the service line extension requests to determine if system capacity exists for the service.
2. Service Line Extensions will utilize the Public Right of Way where ever possible. Where Public Right of Ways are not available, Service Line Extensions will be constructed along easements granted to the District which authorize such installations.
3. Allowable Costs: The District will furnish and install Service Line extensions under the following conditions:
 - i. The District will provide up to 500 feet of overhead service per household/house-lot for Service Line Extension. The 500 feet will be

calculated from the placement of the fiber gateway to the nearest Distribution Point.

- ii. The District may allow up to 500 feet of fiber optic Service Line Extension per household when the Consumer provides the trenching, labor, and underground conduit raceway from the fiber gateway to the Distribution Point.
 - iii. The District may provide micro-conduit for Service Line Extension if the Consumer agrees to provide trenching and labor from the fiber gateway to the Distribution Point.
 - iv. The District may utilize a service pole with an applicable daily rate as allowed under the District's Electric Service Rules & Regulations Rate Schedule No. 41 to aid in bringing service to the Consumer's premise.
4. If a Consumer requests a second fiber optic demarcation point when an existing fiber optic demarcation point currently exists, the Consumer will be charged for the actual costs of the additional installation and service if capacity is available.

D. General Policies Applicable to FIBERHOOD Distribution Network Construction

- 1. To provide access to excess capacity available on the District's fiber optic network, distribution infrastructure must be built in a designated neighborhood or grouping of qualifying homes and businesses.
- 2. Identification of Qualifying Neighborhoods – Fiberhoods will be identified and pre-qualified by the District based on the following criteria:
 - i. A qualifying neighborhood must be located near the existing PUD 3 fiber optic network.
 - ii. There must be excess capacity available on that circuit.
 - iii. Neighborhoods that are considered unserved or underserved based on the FCC's definition of broadband (25 Mbit/s down, 3 Mbit/s up; FCC 2015) will be given priority.
 - iv. Neighborhoods that have a high density or clustering of homes will be given priority.
 - v. One of the determining factors in neighborhood qualification is how the neighborhood is served by existing District facilities. These include, in order of preference:
 - 1. If the neighborhood is served by overhead power.
 - b. The age and condition of existing poles will be given consideration.
 - 2. If the neighborhood is served by underground power and has existing fiber conduit available.

3. UNDERGROUND ELECTRICAL SERVICE:

- b. If the neighborhood's underground electrical service is not in conduit, it will be given consideration once the electrical service is placed in conduit; not before. During this maintenance work, the District will install fiber conduit in the same trench as the electrical system.
- c. If the neighborhood provides a trench for the District to install fiber conduit (and electrical conduit, if the existing power lines are not in conduit) to PUD 3's design and trenching specifications, a neighborhood may be considered.
- d. If a neighborhood has electrical service already in conduit, but does not have fiber conduit available, it will be considered for fiber service in this order:
 - i. Can the distribution fiber be installed using the District's vibratory plow?
 - ii. Can the neighborhood be served using a wireless solution, backhauled over the District's fiber optic network?

3. Prioritization of Qualifying Neighborhoods

- i. Eligible neighborhoods are publicly displayed on the District's website and communicated to potential consumers.
- ii. Potential consumers within a neighborhood can express their interest through an established process.
- iii. When a seventy-five percent (75%) level of commitment is reached, the project will be added to the District's design and construction list.

4. Connecting to a Fiberhood Distribution Network

- i. Once Fiberhood Network Construction is complete, Consumers will be required to complete a Fiberhood Construction Application and pay the applicable fee to be connected to the system.
- ii. The General Policies Applicable to Service Line Extensions apply to Fiberhood Service Line Extensions, except that all applicable costs are covered by the Fiberhood Construction Application Fee and the Fiberhood Construction Adder MRC.
- iii. If a customer wishes to connect to a Fiberhood Distribution Network after the Construction Adder MRC has expired, the General Policies for Distribution and Service Line Extensions apply.

14. ALTERED SERVICE/ALTERED APPLICATION OF FIBER OPTIC SERVICE

Consumers will be required to complete an Altered Application for Fiber Optic Service when Consumer wishes to relocate the fiber optic gateway demarcation point. The District requires that all Altered Applications for Fiber Optic Service forms be signed by the Consumer and submitted to the District for processing and distribution. All charges and

rates are determined in accordance with the District's rate schedule applicable thereto.

- a) The District will assess the actual charges for labor and materials required to accommodate the relocation of existing facilities or the removal of existing facilities when performed with the relocation of the gateway (demarcation point.) The Consumer may provide trenching, conduit or other raceways necessary to assist in the relocation. The District will provide a written estimate to the Consumer prior to acceptance of work.
- b) The Consumer will be assessed all costs of labor and materials to be paid before the altered service construction begins.
- c) The District will be responsible for obtaining permits involving the public right-of-ways. Costs for such permits will be included in the assessment of actual charges for the project.

Service interruptions that occur during periods of altered service activities to relocate the fiber gateway shall not be subject to service credits by the District.

15. RETAILER RESPONSE PROBLEM

A fee will be charged to the Retailer if the PUD responds to service requests that are a Retailer's own problem and not derived from the performance of the District's network. (Refer to Rate Schedules Exhibit A.)

ATTACHMENTS:

EXHIBIT A - Rate Schedule

EXHIBIT A – RATE SCHEDULES**“NETWORK CONNECTIONS”****SETUP – Non-Recurring Charge (NRC)**

Standard Consumer Connection / Retailer Change	\$ 25.00
Construction Application Charge (non-refundable)	\$100.00
Fiberhood Construction Application Charge (non-refundable).....	\$250.00

Note: The District reserves the right to invoice the full applicable connection fee for any subscriber re-connection.

MONTHLY – Recurring Charge (MRC)

Network Access Port (up to 1 GIG) - (<i>upgrade from 100 Mbps upon request</i>)	\$ 35.00
Network Access Port (up to 1 GIG) – Low Income Discount.....	\$ 25.00
Wireless Access Port	\$ 25.00
Wireless Access Port – Low Income Discount	\$ 15.00

ADDITIONAL SERVICES (MRC)*: (Requires Access Port)

Video/Phone Services (GIG Port) - (<i>upon request</i>)	\$ 1.50
After Hours Response	\$10.00
Fiberhood Construction Adder	\$25.00

Note: The Fiberhood Construction Adder expires 12 years after the Fiberhood network construction is completed.

**Additional Services (MRC) are not subject to daily pro-ration.*

SERVICE RESPONSE – Non-After Hours Response Services

Non-Network Related (Each Occurrence - During Normal Business Hours)	\$150.00
Request for After-Hours Service Response (Each Occurrence)	\$250.00
Altered Service.....	Contact PUD 3

Note: Service response fees are additional to any other fees that apply.

ADVANCED CIRCUITS – BY CONTRACT

The District’s fiber optic network facilities are able to provide advanced networking solutions such as point-to-point and point-to-multipoint VLANs, off-net transport circuits, broadband carrier circuits, custom high capacity circuits, data center collocation, wireless tower facility collocation, and backhaul solutions. Please contact the PUD 3 telecommunications department for contract terms, conditions, and pricing.

Tax Adjustment: The amount of any tax levied by any government entity, in accordance with the laws of Washington State, will be added to all applicable fees.

**EXHIBIT A – RATE SCHEDULES
“INTERNET BANDWIDTH”**

<u>BANDWIDTH TIERS</u>	<u>RATE</u>	<u>PRICING TERMS</u>
1-20 Mbps	\$150.00 per Mbps	Month to Month
21-50 Mbps	Wholesale plus 25%	One Year Contract
51-75 Mbps	Wholesale plus 20%	One Year Contract
76-100 Mbps	Wholesale plus 15%	One Year Contract
101-150 Mbps.....	Wholesale plus 10%	One Year Contract

The monthly invoice amount is based upon the 95th percentile billing method.

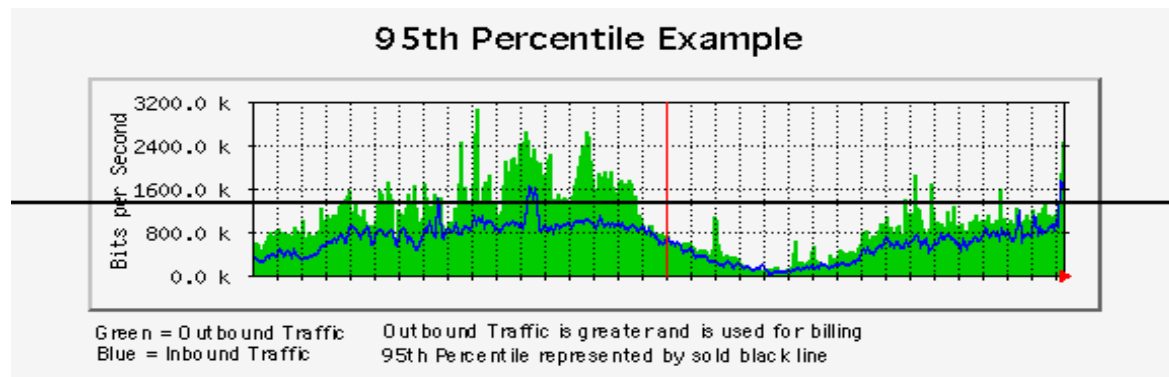
BILLING METHOD:

SNMP polling data is take in five (5) minute intervals at the Internet access port. The average number of bytes passing through the port over that 5-minute period is calculated. This value is converted into bits (multiplied by 8). The resulting megabit per second value is used to calculate the 95th Percentile usage.

Data is collected separately for inbound traffic and outbound traffic and the higher of the two data sets is used for billing.

Note:

If volume falls between Mbps usage levels, the invoice amount is rounded up to the next Mbps usage level.



TERMS AND CONDITIONS:

- The District will provide bandwidth usage data upon the service provider’s request.
- Annual bandwidth tier commitments required for usage above 20 Mbps.
- Tier commitments contracts are broken out for 21-50, 51-75, 76-100, and 101-150 Mbps.
- Usage requirements at and above 150 Mbps will be quoted on case-by-case basis.
- Wholesale base rate will be posted and announced on an annual basis to providers.

Tax Adjustment: The amount of any tax levied by any government entity, in accordance with the laws of Washington State, will be added to all applicable fees.