

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of an Investigation in which to	)	
Gather Information about the Facility	)	
Extension Practices of ETCs Eligible to	)	File No. TO-2016-0184
Receive High Cost USF Support	)	

**RESPONSES OF GRAND RIVER MUTUAL TELEPHONE CORPORATION**  
**DBA GRM NETWORKS**

1. Provide a direct link to the specific portion of a company's website or alternatively cite the specific portion of a company's tariff that describes the charges, allowances and other relevant information for line extensions or situations where facilities are not in place to fulfill an applicant's request for service.

**PSC MO No. 1, Section III, Sheets 15, 24-30**

2. Does your company not apply any construction or similar one-time charges if the distance to extend facilities is within a certain distance? If yes, what is the maximum distance whereby the company will not apply any special charges to extend facilities?

**GRM Networks has not previously applied extension charges to customers, a practice that has been in place for many years. In the past, Federal Universal Service Fund High Cost Support mechanisms provided the Company with funding for capital expenditures on plant expansion and plant improvement projects, as well as funding for operating expenses to maintain plant facilities. However, the FCC's currently pending (and future) USF reform actions may eliminate and/or significantly reduce certain High Cost Support funding. Effective February 10, 2016 we revised our tariff and current policy states that we currently do not apply any construction or similar one-time charges to extend facilities up to 1,000 feet for drops and/or one-third mile for main line construction. Reductions in, or loss of, federal support revenues will impact the Company's future facilities extension policies.**

3. Does your company provide the customer with a certain dollar allowance for construction costs to extend facilities? If yes, what is the allowance?

**not applicable**

4. Are charges for extending facilities applied based on a set formula (i.e., \$100 per 1/10 mile) or alternatively are charges determined on an individual case basis?
  - a. If charges are based on a set formula then identify the formula.
  - b. If charges are based on an ICB basis then:
    - i. Explain what types of costs are identified to form the basis for these charges.

**Charges for extending facilities are calculated for each individual situation, based on the loaded labor rate and cost of material in excess of the first 1,000 feet of a drop and/or one-third mile of main line.**

- ii. Approximately what percent of all costs for extending facilities is the customer expected to pay?

**The percentage of the cost for extending facilities would vary depending on the length of the build. The customer pays 100% of the cost beyond the maximum distance of 1,000 feet for a drop and/or one-third mile of main line. For a longer build, the customer portion would be a larger percentage of the total cost of the build. For a shorter build, the customer portion would be a smaller percentage of the total build.**

5. If a customer agrees to pay special construction charges and facilities are installed, does the company generally install sufficient facilities to serve other neighboring customers in the subdivision or nearby area? If yes, explain what happens, if anything, to the initial customer as well as any subsequent customers requesting service in that area. For example are subsequent customers assessed any special construction charges? Can the initial customer receive a credit or refund? Explain how the company handles such situations.

**There is seldom an occasion where more than one customer in our serving area does not currently have access to our service. Most special construction occurs when a new home is built, which is typically a single residence. If such an instance arises that there are other potential customers in the area and sufficient facilities are installed to serve them, the initial customer will be billed only for the cost necessary to provide their service. Subsequent customers will be assessed special construction charges if their construction exceeds the maximum distance of 1,000 feet for a drop and/or one-third mile of main line. There would be no credit or refund for the initial customer who was only billed the cost to provide their own service.**

6. If the company lacks facilities to provide service is the customer required to agree to any special terms or conditions for obtaining service (i.e., subscribe to service for a minimum length of time) that typically are not applied to other customers where sufficient facilities are in place? If yes, describe such any terms or conditions.

**For mobile homes, trailers, construction sheds, and other nonpermanent buildings, the customer may be required to pay in advance one year's local service charges in addition to any excess construction charge. This credit may not be used to reduce the monthly bill for toll or taxes, and no portion will be refunded to the customer if service is discontinued before credit is entirely used.**

**Where plant construction is required to provide exchange, extension of line, etc., service, temporary in character, the Company may require the applicant to pay charges based upon the costs involved or to contract for service beyond the initial period or both.**

7. Does your company apply any termination charge(s) if a customer fails to subscribe to service for a certain length of time? If yes, identify the charge(s).

**not applicable**

8. How long have the existing policies in response to Questions 1 thru 7 been in place in Missouri?

**Tariff language on construction charges dates as far back as July 15, 1955. The Company filed a revised sheet on Special Construction on January 11, 2016, effective February 10, 2016 that provides information to answer most of the previous questions.**

9. If your company operates in other states besides Missouri does the company apply the same policies (as provided in responses to Questions 1 thru 7) in these other states for service requests in areas where the company lacks sufficient facilities to provide service? If yes, identify the states. If no, identify the states and explain how and why the company's policies differ.

**Yes, the Company also applies the same policies in Iowa.**

10. Describe or provide a script of what information is provided by the company to the customer if the company lacks facilities to respond to the customer's service request.

**When a customer requests service that will require a build beyond the maximum distance of 1,000 feet for a drop or one-third mile of main line, the Company estimates the construction costs and presents the information in writing to the customer. The customer then reviews the information and either accepts or declines the service and associated costs.**

11. Please provide the following information for your company's Missouri operations for the most recent 12 month time period:

- a. Total requests for service. **120**
- b. Service requests for an area where the company lacks sufficient facilities to provide service. **64** Among these requests break this number down into the following categories:
  - i. Number of requests where the company installed facilities without applying special construction or similar charges. **64**
  - ii. Number of requests where the customer paid the construction charges. **none**
  - iii. Number of requests where the customer declined to pay the construction charges and service was not installed. **none**
  - iv. Other. Explain. **none**

12. Does the company consider an unfilled service request as reported in Form 489 to include a customer who requests service but ultimately declines to pay construction or similar charges? If no, explain why not.

**Prior to February 10, 2016 the Company did not charge for special construction so this question is not applicable. In the future we would not count it on the Form 481 as an unfilled service request because the company was willing to fulfill its obligation under the terms of our tariff.**

13. Please provide the following information for any customer requesting service in the past 12 months whereby the company attempted to apply construction or similar charges in order to have service be extended to the customer:

- a. Name of applicant.
- b. Location of applicant.
- c. Total amount of construction charges.
- d. Indicate whether the customer paid the charges and service was installed.

**not applicable**

14. If a company has detariffed is the link provided in response to Question No. 1 a link to the company's rates and charges for all other retail services or is the link to some other separate document?

**not applicable**