

is residential or business. In cases where the customer requests service, or requests an upgrading of service, charges will be based on the criteria in sections 1.2.1 and 1.2.2 below.

1.2.1 Business Connections

Charges for business connections which require an extension of the Telecom PSTN will be based on the costs associated with each individual case. These charges will vary, and customers should enquire at their local Telecom Regional Operating Company (ROC) office before proceeding.

1.2.2 Residential Connections

Residential customers will be charged according to this formula. First, the total cost of making the connection is calculated—and this will include the supply, erection and renewal of all poles, wires, underground cables, and any other plant or equipment that may be required. Then \$2000 is deducted from the total cost and the customer pays 30% of the balance with the ROC paying the rest.

Example:

Total cost of providing customer with service	\$10000.00
Deduction of \$2000	\$2000.00
Balance	\$8000.00
Customer pays 30% of the balance	\$2400.00
ROC pays 70% of the balance	\$5600.00

Note:

- The \$2000 deduction is based on the cost of providing un-amplified cable service to a small group of customers.
- The charge in 1.2.2 is in addition to any charges applying under 1.1 above.

1.3 PSTN LINE RENTAL CHARGES

1.3.1 Monthly Line Rental Charges

Line rental is charged according to class of service and type of service.

There are two classes of service: “standard” and “non-standard”.

Standard line rentals apply to most residential customers; and to business customers in areas which have local call charging.

Non-standard line rental applies to different older classes of exchange. It also applies to business customers in areas which have modern exchanges but no local call charging. The “non-standard” class is further differentiated into two types of service: individual and party-line. (There is no such differentiation for “standard” rentals).

It is Telecom’s intention to move all customers on all exchanges eventually on to standard rentals.

STANDARD LINE RENTAL CHARGES			
Class of Service	Type of Service	Business Rate	Residential Rate
Standard	not applicable	\$60.42	\$27.80

NON-STANDARD LINE RENTAL CHARGES				
Class of Service	Type of Service	Business Rates		Residential Rates (includes B3)
		B1	B2	
Non-standard older ex- changes	Individual	\$91.30	\$67.48	\$27.80
Classes 5 6 & 7	Party	\$77.61	\$57.36	\$23.63
Non-standard older ex- changes	Individual	\$91.30	\$67.48	\$25.41
Classes 1 2 3 & 4	Party	\$77.61	\$57.36	\$21.60

Note:

The party-line charges given are a maximum. The reduction for sharing a party line is at least 15% off the individual-line charge; this reduction may be greater, at the discretion of the local ROC Marketing Director.

1.3.2 Kapiti Trial Line Rental Charges

The following charges apply to the Kapiti trial area customers. The three options identified here are available to residential customers only, for the duration of the trial period. Customers who do not choose either option B or C will remain on option A.

Option A: No Change

No surcharge on line rental. Customers have free local calling in the Paekakariki, Paraparaumu, Waikanae areas, but pay Telecom national call tariffs as applicable to the Kapiti area.

Option B: Local Call Charge

A reduction on line rental of \$6.00 per month, and a charge for every call made. Local calls or calls to Otaki or Porirua will be charged at 2 cents per minute between 8 a.m. and 6 p.m. Monday to Friday; and at 0.5 cents per minute between 6 p.m. and 8 a.m.