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 Our file no.: 0000325790

September 5, 2007

**Via FedEx**

Patricia Van Gerpen, Executive Director  
 South Dakota Public Utilities Commission  
 500 E. Capitol Avenue  
 State Capitol Building, 1st Floor  
 Pierre, SD 57501

**Re: Sage Telecom, Inc. - Application for a Certificate of Public Convenience and Necessity to Provide Local Exchange and Interexchange Telecommunications Services**

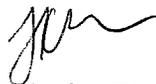
Dear Ms. Van Gerpen:

Enclosed for filing with the Commission are an original and ten (10) copies of the above referenced Application and a check for \$250 to cover the filing fee.

Please note that the information provided in Exhibit C in support of the Application, is proprietary and confidential as it contains sensitive financial information. Unrestricted availability of this document would provide competitors with key knowledge regarding Applicants' finances and business that would otherwise be unavailable and could place Applicants at a significant competitive disadvantage. Confidential treatment of the information contained in Exhibit C is therefore required to avoid commercial and a competitive injury. Accordingly, ten (10) copies of Exhibit C are being filed under seal in sealed envelopes.

Please date-stamp the enclosed extra copy of this filing and return it in the attached self-addressed, postage prepaid envelope provided. Should you have any questions concerning this filing, please do not hesitate to contact us.

Respectfully submitted,



Catherine Wang  
 Brett P. Ferenchak  
 - Jasbir K. Bawa

Counsel for Sage Telecom, Inc.

Boston  
 Hartford  
 Hong Kong  
 London  
 Los Angeles  
 New York  
 Orange County  
 San Francisco  
 Santa Monica  
 Silicon Valley  
 Tokyo  
 Walnut Creek  
 Washington

Bingham McCutchen LLP  
 2020 K Street NW  
 Washington, DC  
 20006-1806

T 202.373.6000  
 F 202.373.6001  
 bingham.com

A/72197337.1

**BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

\_\_\_\_\_) )  
Application of ) )  
 ) )  
**Sage Telecom, Inc.** ) Docket No. \_\_\_\_\_ )  
 ) )  
for a Certificates of Public Convenience and ) )  
Necessity to Provide Resold and Facilities-Based ) )  
Local Exchange and Interexchange ) )  
Telecommunications Services in the ) )  
State of South Dakota ) )  
\_\_\_\_\_) )

**APPLICATION OF SAGE TELECOM, INC.**

**I. INTRODUCTION**

Sage Telecom, Inc. (“Sage” or “Applicant”), by its undersigned counsel and pursuant to Section 49-31-3 of the South Dakota Codified Laws and the Rules of the Public Utilities Commission, hereby applies for a Certificate of Public Convenience and Necessity to authorize it to provide facilities-based and resold local exchange and interexchange telecommunications service throughout the State of South Dakota.

The State of South Dakota has adopted a policy of allowing competition in the local and long distance telecommunications markets, recognizing that it is in the public interest to develop effective competition to ensure that all consumers will have access to high quality, low cost, and innovative telecommunications services. The Federal Telecommunications Act of 1996 also seeks to promote competition and reduce regulation in order to secure lower prices and higher quality telecommunications services for consumers. Both goals will be promoted by granting this Application.

In support of this Application, and pursuant to Section 20:10:24:02 (Interexchange) and 20:10:32:03 (Local Exchange) of the Administrative Rules of South Dakota, Sage provides the following information:

1. 20:10:32:03(1). Name, Address, and Telephone Number of Applicant.

Sage may be reached at its principal place of business:

Sage Telecom, Inc.  
805 Central Expressway South, Suite 100  
Allen, Texas 75013-2789  
(214) 495-4700 (Tel)  
(214) 495-4790 (Fax)  
www.sagetelecom.net

Correspondence or communications pertaining to this Application should be directed to:

Catherine Wang  
Brett Ferenchak  
Jasbir K. Bawa  
Bingham McCutchen LLP  
2020 K Street, NW  
Washington, DC 20006  
(202) 373-6000 (Tel)  
(202) 373-6001 (Fax)  
catherine.wang@bingham.com  
brett.ferenchak@bingham.com  
jasbir.bawa@bingham.com

2. 20:10:32:03(2) and 20:10:32:03 (9)(a). Name and Business Address of Each Corporate Officer and Director.

The Officers and Directors of Sage are:

Officers

Brian Kushner, President and CEO  
John Debus, Vice President, CFO and Treasurer  
Jeff Seiden, Vice President and COO  
Robert W. McCausland, Vice President and Secretary

## Directors

Ara Lovitt  
Rich Parisi  
Brian Kushner  
Nicholas Vantzelfde

An additional Director will be appointed in the near future.

### 3. 20:10:32:03(3). Name Under Which Applicant Will Provide Services.

Applicant will operate in South Dakota under its legal name, Sage Telecom, Inc. Sage will not use an assumed or fictitious name in South Dakota.

### 4. 20:10:32:03(4). Legal organization.

a. 20:10:32:03(4)(c) and 20:10:32:03(4)(d). State of Organization, Date of Organization, and Authority to Transact Business in South Dakota.

Sage Telecom, Inc. is a corporation organized under the laws of the State of Texas formed on July 18, 1996. A copy of its Amended and Restated Articles of Incorporation is attached hereto as Exhibit A. Sage's authority to transact business as a foreign corporation in South Dakota is attached hereto as Exhibit B.

b. 20:10:32:03(4)(a). Location of Principal Office in South Dakota and Registered Agent.

Applicant does not currently have an office within South Dakota. Sage's registered agent in the State of South Dakota is:

National Registered Agents, Inc.  
300 South Phillips Avenue, Suite 300  
Sioux Falls, SD 57104-6322

c. 20:10:32:03(4)(b) and 20:10:32:03(6). Ownership and Management Interest.

Sage is wholly owned by SP Sage LLC. SP Sage LLC is part of a family of entities that engage in credit-related investment activity and that have a principal address at Two Greenwich Plaza, Greenwich, Connecticut 06830.

5. 20:10:32:03(7). Proposed services.

Sage seeks authority to provide facilities-based and resold local exchange and interexchange telecommunications services. Sage will offer basic local exchange services, custom calling features, and interexchange toll services, including toll free services, to business and residential customers. Facilities-based local exchange service will be provided via (1) commercial wholesale agreements with incumbents, (2) the Sage's own facilities, or (3) a combination thereof. Sage, however, seeks the full range of resold and facilities-based local exchange authority so that it can have flexibility in provisioning its services in the future. Sage will continuously monitor and maintain a high level of control over its network on a 24-hours-a-day, 7-days-a-week basis.

6. 20:10:32:03 (6). Names and addresses of applicant's affiliates, subsidiaries, and parent organizations, if any.

Sage and its subsidiary, Sage Telecom of Texas, LP ("Sage-TX"), are located at 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789.

7. 20:10:32:03 (8). Geographic Area to be Served.

Sage seeks authority to provide facilities-based and resold local exchange and interexchange telecommunications services to both business and residential customers. Initially, Sage intends to provide local exchange service in the areas served by Qwest and does not plan to provide service in areas of any small or rural local exchange carriers. However, Sage seeks statewide authority so that it may expand into other service areas as market conditions warrant and as additional service areas become open to competition. Sage's exchanges will mirror those of the incumbent local exchange carrier (initially, only Qwest) in whose service territories Sage will provide service, therefore, Applicant has not included a map showing proposed service areas.

8. 20:10:24:02(8), 20:10:32:03 (11) and 20:10:32:03(13). Financial Qualifications and Tariffs.

Sage's success in developing innovative products and services and in expanding its geographic reach has translated into impressive growth in recent years, and as such Sage is extremely well-qualified financially to operate and expand its business. Financial information demonstrating Sage's financial qualifications is provided *under seal* as Exhibit C. As shown in the attached information, Sage is financially qualified to operate within the State of South Dakota. The proposed local exchange, access and interexchange tariffs are attached as Exhibits E, F and G, respectively.

9. 20:10:32:03(9)(b) and 20:10:32:03(18). Complaint Contact, Regulatory Contact, and Handling of Billing and Customer Service Matters.

Questions concerning regulatory issues and the ongoing operations of Sage should be directed to:

Robert W. McCausland  
Vice President and Secretary  
Sage Telecom, Inc.  
805 Central Expressway South, Suite 100  
Allen, Texas 75013-2789  
(214) 495-4704 (Tel)  
(214) 495-4790 (Fax)  
RMcCausland@sagetelecom.net

For purposes of consumer inquiries, the customer contact information will be:

Sage Telecom, Inc.  
805 Central Expressway South, Suite 100  
1-888-449-4940 (residential customers)  
1-877-619-3969 (business customers)  
complaint@sagetelecom.net

The Commission contact for customer dispute resolution is:

Bruce Reynolds  
Executive Director, Customer Relationship Management  
Sage Telecom, Inc.  
805 Central Expressway South, Suite 100  
Allen, Texas 75013-2789  
(214) 547-7158 (Tel)  
(214) 495-4788 (Fax)  
breynolds@sagetelecom.net

In addition, all customer complaints may be directed to the following staff for resolution:

Sommer Mapp (Supervisor)  
(972) 747-4458  
Email: smapp@sagetelecom.net

Pam Stroud  
(972) 747-4534  
Email: pstroud@sagetelecom.net

Crystal Ridgely  
(972) 747-4485  
Email: cridgely@sagetelecom.net

Cassandra Milligan  
(214) 495-3045  
Email: cmilligan@sagetelecom.net

In the event of a billing dispute, Sage will perform a review of the disputed billing amount and attempt to reach a settlement to the mutual satisfaction of both parties. Following a full investigation to determine whether or not the charges are improper, Sage may adjust the disputed bill. Because customer satisfaction is extremely important to Sage and to its success in the competitive marketplace, all commercially reasonable efforts will be made to address and resolve customer concerns as quickly as possible.

10. 20:10:24:02(10); 20:10:32:03(5); 20:10:32:03(17); and 20:10:32:03(20). Current Authority to Provide Service.

Sage has not previously provided telecommunications service in South Dakota. Sage is well qualified to provide telecommunications services in South Dakota. Currently, Sage and Sage-TX (which only provides service in Texas) provide approximately 400,000 local telephone

service lines in Arkansas, California, Connecticut, Illinois, Indiana, Kansas, Michigan, Missouri, Nevada, Ohio, Oklahoma, Texas and Wisconsin. Sage has 10 years of experience in voice telephony. Sage has not been denied requested certification in any jurisdiction, nor has any permit, license, or certificate been revoked by any authority. Sage and Sage-TX are currently in good standing with all the afore mentioned states. Sage has not been denied requested certification in any jurisdiction, nor has it had a permit, license, or certificate revoked by any authority.

In addition to the states listed above, Sage is also authorized to provide local exchange and/or interexchange telecommunications services in Colorado (resold toll only), Idaho (interexchange only), Iowa (interexchange only), Montana, North Dakota, and Oregon. Sage has pending requests to provide such services in Colorado, Florida, Idaho, Iowa, New Mexico and Wyoming.

11. 20:10:24:02(11) and 20:10:32:03 (15). Marketing.

Sage intends to market its services to business and residential customers in the State of South Dakota. Sage plans to market its services directly through direct mail. In addition, Sage may also utilize sales agents to solicit customers by telephone or in person. Sage, however, has not yet developed brochures or other materials to be used in marketing its services in South Dakota. Sage will does not plan to engage in multi-level marketing in South Dakota. Sage will comply with South Dakota law and the Federal Communications Commission's ("FCC") regulations governing changing a customer's primary carrier(s).

12. 20:10:24:02(12) and 20:10:32:03 (14). Cost Support.

The services that Sage has proposed herein are competitive services; therefore, Sage has not provided cost support for the rates shown in its tariff.

13. 20:10:24:02(13) and 20:10:32:03(23). Federal Tax Identification Number.

Applicant's federal tax identification number is 75-2663894.

14. 20:10:24:02(14) and 20:10:32:03(21). Slamming and Cramming Complaints.

Sage was found by the FCC to have slammed eleven (11) customers between June 20, 2003 and March 29, 2005. While the FCC did not fine or impose a penalty on Sage, Sage was required to absolve the slammed customers of charges for the first 30 days after the unauthorized change occurred. As a result of increased training and policies for Sage's telemarketers, there have not been any findings by the FCC that Sage has slammed any customers since March 29, 2005.

15. 20:10:24:02 (15) and 20:10:32:03(22). Written Request For Waiver.

Sage requests a waiver of the local exchange map requirement. Sage seeks authority to provide service statewide, and its local calling areas will mirror those of the incumbent carriers.

16. 20:10:32:03(10). Customer Access to 911, Operator Service, Interexchange Services Directory Assistance and Telecommunications Relay Service.

Sage will comply with all applicable laws and regulations relevant to the provision of these services.

17. 20:10:32:03(12). Interconnection.

Sage has contacted Qwest to begin interconnection negotiations.

18. 20:10:32:03(16). Rural Carrier Interconnection.

Sage does not currently seek to offer service in the area of a rural telephone company.

19. 20:10:32:03(19). Policies Regarding Customer Billing and Collection.

Sage's customers will be billed directly by Sage. Sage's customer service numbers, 888-449-4940 (residential customers) and 877-619-3969 (business customers), will be provided on each customer's monthly bill.

20. 20:10:24:02(16) and 20:10:32:03(24). Other information.

Sage is technically and managerially qualified to provide competitive local exchange and interexchange services in South Dakota. Sage's South Dakota operations will be directed by its existing corporate management, technical and operations staffs who are responsible for the interexchange and local exchange operations in other states. A description of the background of Applicant's key personnel, which demonstrates the extensive telecommunications experience of Sage's management team, is attached hereto as Exhibit D.

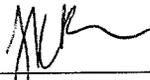
Granting this Application will promote the public interest by increasing competition in the provision of telecommunications services in South Dakota. Sage will provide customers high quality, cost effective telecommunications services, with an emphasis on customer service. In addition to driving prices closer to costs, thereby ensuring just and reasonable rates, competition also promotes efficiency in the delivery of services and in the development of new services. These benefits work to maximize the public interest by providing continuing incentives for carriers to reduce costs while, simultaneously, promoting the availability of potentially desirable services.

#### IV. CONCLUSION

For the reasons stated above, Applicant respectfully submits that the public interest, convenience, and necessity would be furthered by a grant of this Application for the authority to provide all types of facilities-based and resold local exchange and interexchange telecommunications services.

Respectfully submitted,

By:



Catherine Wang

Brett P. Ferenchak

— Jasbir K. Bawa

BINGHAM McCUTCHEN LLP

2020 K Street, NW

Washington, DC 20006

Tel: (202) 373-6000

Fax: (202) 373-6001

COUNSEL FOR APPLICANT

Dated: September 5, 2007

STATE OF TEXAS  
COUNTY OF COLLIN

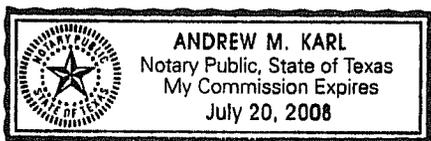
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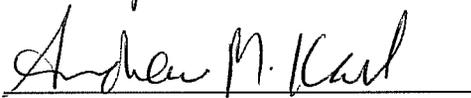
**VERIFICATION**

I, Robert W. McCausland, state that I am Vice President and Secretary of Sage Telecom, Inc., the Applicant to the foregoing Application; that I am authorized to make this Verification on behalf of Sage Telecom, Inc.; that the foregoing filing was prepared under my direction and supervision; and that the contents are true and correct to the best of my knowledge, information, and belief.

  
Robert W. McCausland  
Vice President and Secretary  
Sage Telecom, Inc.

Sworn and subscribed before me this 31<sup>st</sup> day of August, 2007.



  
Notary Public

My commission expires July 20, 2008

## LIST OF EXHIBITS

Exhibit A	Amended and Restated Articles of Incorporation
Exhibit B	Authority to Transact Business as a Foreign Corporation in South Dakota
Exhibit C	Financial Statements <i>CONFIDENTIAL (Filed Under Seal)</i>
Exhibit D	Management Biographies
Exhibit E	Local Exchange Tariff
Exhibit F	Access Tariff
Exhibit G	Interexchange Tariff

**EXHIBIT A**

Amended and Restated Articles of Incorporation

Corporations Section  
P.O.Box 13697  
Austin, Texas 78711-3697



Roger Williams  
Secretary of State

## Office of the Secretary of State

May 30, 2007

CT Corporation System  
701 Brazos, Ste. 360  
Austin, TX 78701 USA

RE: SAGE TELECOM, INC.  
File Number: 140742400

-----  
It has been our pleasure to file the restated articles for the referenced entity. Enclosed is the certificate evidencing filing. Payment of the filing fee is acknowledged by this letter.

If we may be of further service at any time, please let us know.

Sincerely,

Corporations Section  
Statutory Filings Division  
(512) 463-5555

Enclosure

*Come visit us on the internet at <http://www.sos.state.tx.us/>*

Phone: (512) 463-5555  
Prepared by: Lisa Sartin

Fax: (512) 463-5709  
TID: 10075

Dial: 7-1-1 for Relay Services  
Document: 172346260003



**Office of the Secretary of State**

**CERTIFICATE OF RESTATED ARTICLES  
OF**

**SAGE TELECOM, INC.  
140742400**

The undersigned, as Secretary of State of Texas, hereby certifies that the Restated Articles for the above named entity have been received in this office and have been found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law hereby issues this Certificate of Restated Articles.

Dated: 05/30/2007

Effective: 05/30/2007



A handwritten signature in black ink that reads "Roger Williams".

Roger Williams  
Secretary of State

**SECOND AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
SAGE TELECOM, INC.**

FILED  
In the Office of the  
Secretary of State of Texas

MAY 30 2007

Corporations Section

Pursuant to the provisions of Article 4.07 of the Texas Business Corporation Act (the "Act"), the undersigned, an officer of Sage Telecom, Inc. (the "Corporation"), hereby certifies as follows:

1. The name of the Corporation is Sage Telecom, Inc.
2. The Articles of Incorporation of the Corporation, as amended, are hereby amended by striking each Article thereof and by substituting in lieu thereof the Second Amended and Restated Articles of Incorporation hereinafter provided for.
3. This certificate accurately copies the Articles of Incorporation and all amendments thereto that are in effect to date and as further amended hereby and this certificate contains no other change in any provision of the Articles of Incorporation, as amended.
4. Each such amendment has been effected in conformity with the provisions of the Act and by the Corporation's constituent documents.
5. The Articles of Incorporation of the Corporation, as amended and restated herein, were adopted by the Corporation's sole shareholder in accordance with the Act on May 30, 2007 and shall upon the effective date of these Second Amended and Restated Articles of Incorporation, read as follows:

**ARTICLE ONE**

The entity being formed is a business corporation. The name of the corporation is Sage Telecom, Inc. (the "Corporation").

**ARTICLE TWO**

The purpose for which the Corporation is organized is the transaction of any and all lawful purposes for which a for-profit corporation may be organized under the Texas Business Corporation Act.

**ARTICLE THREE**

The business address of the registered office of the Corporation is 800 Brazos, Suite 400, Austin, Texas 78701, and the name of the registered agent at such address is National Corporate Research, Ltd.

#### ARTICLE FOUR

The Board of Directors is currently comprised of one director, and the name and address of such person is as follows:

**Name:**

Brian Kushner

**Address:**

805 Central Expressway South  
Suite #100  
Allen, Texas 75013

#### ARTICLE FIVE

The aggregate number of shares of capital stock that the Corporation will have authority to issue is 1,000, all of which will be shares of Common Stock, having no par value.

#### ARTICLE SIX

No shareholder of the Corporation will, solely by reason of holding shares of any class, have any preemptive or preferential right to purchase or subscribe for any shares of the Corporation, now or hereafter to be authorized, or any notes, debentures, bonds or other securities convertible into or carrying warrants, rights or options to purchase shares of any class, now or hereafter to be authorized, whether or not the issuance of any such shares or such notes, debentures, bonds or other securities would adversely affect the dividend, voting or any other rights of such shareholder. The Board of Directors may authorize the issuance of, and the Corporation may issue, shares of any class of the Corporation, or any notes, debentures, bonds or other securities convertible into or carrying warrants, rights or options to purchase any such shares, without offering any shares of any class to the existing holders of any class of stock of the Corporation.

#### ARTICLE SEVEN

Shareholders of the Corporation will not have the right of cumulative voting for the election of directors or for any other purpose.

#### ARTICLE EIGHT

Any action that under the provisions of the Texas Business Corporation Act would, but for this Article, be required to be authorized by the affirmative vote of the holders of any specified portion of the shares of the Corporation will require the approval of the holders of a majority of the shares of the Corporation entitled to vote on that matter, notwithstanding the vote required by the Texas Business Corporation Act.

#### ARTICLE NINE

The Board of Directors is expressly authorized to alter, amend or repeal the Bylaws of the Corporation or to adopt new Bylaws.

## ARTICLE TEN

Any action required or permitted by law, these Second Amended and Restated Articles of Incorporation, or the Bylaws of the Corporation to be taken at a meeting of the shareholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed and dated by the holder or holders of shares having not less than the minimum number of votes that would be necessary to take such action at a meeting at which the holders of all shares entitled to vote on the action were present and voted. Prompt notice of the taking of any action by shareholders without a meeting by less than unanimous written consent shall be given to those shareholders who did not consent in writing to the action.

## ARTICLE ELEVEN

The Corporation will, to the fullest extent permitted by the Texas Business Corporation Act, as the same exists or may hereafter be amended, indemnify any and all persons who are or were serving as director or officer of the Corporation, or who are or were serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee or employee of another corporation, partnership, limited liability company, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, from and against any and all of the expenses, liabilities or other matters referred to in or covered by the Texas Business Corporation Act. Such indemnification may be provided pursuant to any Bylaw, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in the capacity of director or officer and as to action in another capacity while holding such office, will continue as to a person who has ceased to be a director or officer and inure to the benefit of the heirs, executors and administrators of such a person.

If a claim under this Article is not paid in full by the Corporation within 30 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant will be entitled to be paid also the expense of prosecuting such claim. It will be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct that make it permissible under the laws of the State of Texas for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense will be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the laws of the State of Texas nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its shareholders) that the claimant has not met such applicable standard of conduct, will be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

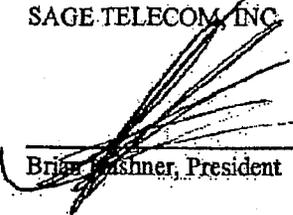
## ARTICLE TWELVE

To the fullest extent permitted by the laws of the State of Texas as the same exist or may hereafter be amended, a director of the Corporation will not be liable to the Corporation or its shareholders for monetary damages for an act or omission in the director's capacity as a director. Any repeal or modification of this Article will not increase the personal liability of any director of the Corporation for any act or occurrence taking place before such repeal or modification, or adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification. The provisions of this Article shall not be deemed to limit or preclude indemnification of a director by the Corporation for any liability of a director that has not been eliminated by the provisions of this Article.

**[Signature page follows]**

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 30<sup>th</sup> day of  
May, 2007.

SAGE TELECOM, INC.

  
\_\_\_\_\_  
Brian Washner, President

DALLAS: 578612.00004: 1598989v1

**EXHIBIT B**

Authority to Transact Business as a Foreign Corporation

# State of South Dakota



## OFFICE OF THE SECRETARY OF STATE

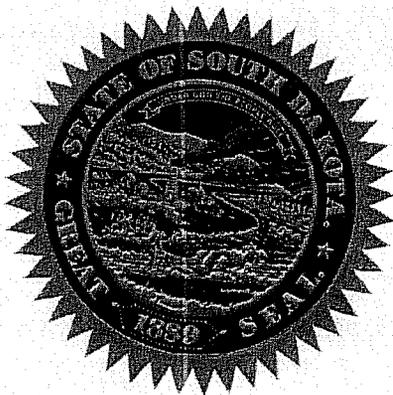
### Certificate of Authority

ORGANIZATIONAL ID #: FB031748

I, **Chris Nelson**, Secretary of State of the State of South Dakota, hereby certify that the Application for a Certificate of Authority of **SAGE TELECOM, INC. (TX)** to transact business in this state duly signed and verified pursuant to the provisions of the South Dakota Corporation Acts, have been received in this office and are found to conform to law.

**ACCORDINGLY** and by virtue of the authority vested in me by law, I hereby issue this Certificate of Authority and attach hereto a duplicate of the application to transact business in this state.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at Pierre, the Capital, this June 18, 2007.



*Chris Nelson*

Chris Nelson  
Secretary of State

Cert of Authority Merge



Secretary of State, Corporations Division  
 500 E. Capitol Avenue, Pierre SD 57501  
 Phone 605-773-4845, Fax 605-773-4550

RECEIVED

JUN 18 2007

S.D. SEC. OF STATE

18th day of  
 June 2007  
 FILING FEE \$550

**Application for Certificate of Authority**

**FILING INSTRUCTIONS:** A foreign corporation may apply for a certificate of authority to transact business in South Dakota by delivering this application to the Office of the Secretary of State for filing. One ORIGINAL and One COPY of the application must be submitted. This application must include a CERTIFICATE OF EXISTENCE, or a document of similar import, duly authenticated by the secretary of state or other official having custody of corporate records in the state or country under whose law it is incorporated.

(1) The name of the corporation is (exact corporate name including corporation, company, incorporated, limited or an abbreviation of one of such words)  
SAGE TELECOM, INC.

(2) State where incorporated TEXAS (3) The date of its incorporation is JULY 18, 1996  
 and the period of its duration is PERPETUAL

(4) The address of its principal office in the state or country under the laws of which it is incorporated is 805 CENTRAL EXPRESSWAY SOUTH, SUITE 100, ALLEN, TX  
 Zip Code 75013

mailing address if different from above is: \_\_\_\_\_  
 Zip Code \_\_\_\_\_

(5) The street address, or a statement that there is no street address, of its registered office in the State of South Dakota is  
300 SOUTH PHILLIPS AVENUE, SUITE 300, SIOUX FALLS, SD Zip Code 57104

and the name of its registered agent in the State of South Dakota at that address is NATIONAL REGISTERED AGENTS, INC.

(6) The names and usual business addresses of its current directors and officers are:

Name	Officer Title	Street Address	City	State	Zip
PLEASE SEE ATTACHED					

The application must be signed by an authorized officer of the corporation.

Date: 6-8-07

Robert W. McCausland  
 Signature

ROBERT W. MCCAUSLAND  
 Printed Name

V.P. AND SECRETARY  
 Title

\*\*\*\*\*  
 The Consent of Appointment below must be signed by the registered agent listed in number five.

**Consent of Appointment by the Registered Agent**

I, NATIONAL REGISTERED AGENTS, INC. hereby give my consent to serve as the registered agent for SAGE TELECOM, INC.  
(name of registered agent)  
(corporate name)

Dated June 11 2007

Joan Petty  
 JOAN PETTY, ASSISTANT SECRETARY  
(signature of registered agent)

**SAGE TELECOM, INC.**  
805 CENTRAL EXPRESSWAY SOUTH  
SUITE 100  
ALLEN, TX 75013

OFFICERS

PRESIDENT AND CEO – BRIAN G. KUSHNER  
805 CENTRAL EXPRESSWAY SOUTH, SUITE 100, ALLEN, TX 75013

SENIOR VICE PRESIDENT, CFO – JOHN T. DEBUS  
805 CENTRAL EXPRESSWAY SOUTH, SUITE 100, ALLEN, TX 75013

SENIOR VICE PRESIDENT, COO – JEFFREY S. SEIDEN  
805 CENTRAL EXPRESSWAY SOUTH, SUITE 100, ALLEN, TX 75013

VICE PRESIDENT AND SECRETARY – ROBERT W. MCCAUSLAND  
805 CENTRAL EXPRESSWAY SOUTH, SUITE 100, ALLEN, TX 75013

DIRECTORS

ARA LOVITT  
TWO GREENWICH PLAZA, 1<sup>ST</sup> FLOOR, GREENWICH, CT 06830

RICH PARISI  
TWO GREENWICH PLAZA, 1<sup>ST</sup> FLOOR, GREENWICH, CT 06830

BRIAN G. KUSHNER  
805 CENTRAL EXPRESSWAY SOUTH, SUITE 100, ALLEN, TX 75013

NICHOLAS VANTZELFDE  
805 CENTRAL EXPRESSWAY SOUTH, SUITE 100, ALLEN, TX 75013

**EXHIBIT C**

Financial Statements

**CONFIDENTIAL (Filed Under Seal)**

**EXHIBIT D**

Management Biographies

## MANAGEMENT BIOGRAPHIES

**Brian Kushner** serves as the President and CEO of Sage Telecom, Inc., and is the co-founder of CXO, L.L.C., the Dallas-based international interim and turnaround management firm specializing in telecommunications, technology and media. He is also the founder of BGKC, LLC, the predecessor firm to CXO. Prior to Sage, he served as President and CEO of Pacific Crossing Limited, an international carrier with major trans-Pacific subsea fiber optic cables connecting the U.S. and Japan. Over the last nine years, Brian and members of his firm have served as the CEO, CRO, Board members or other C-level interim managers at numerous firms including RCN, Sage Telecom, wine.com, Pacific Crossing, Birch Telecom, VarTec/Excel, Pac-West Telecom, CTC Communications, Intira, OpTel, USOne, Flashnet, and GMAC/TSC. In CXO's advisory practice, they have advised lenders and other stakeholders on significant matters involving Broadwing, Genuity, Allegiance Telecom, New World Networks, XO Communications, Williams Communications, Velocita, Newcomm Wireless, and over fifteen other entities. Prior to CXO and BGKC, Brian founded Recompute, served as an interim executive for MCC and BSG, and spent ten years with BDM International, a defense and systems integration firm. Brian serves on the board of directors of Sage Telecom, Pacific Crossing and Headway Corporate Resources and the advisory board of directors of the College of Natural Sciences of the University of Texas at Austin. Brian has a BS, MS, and PhD in Applied and Engineering Physics, the latter with a minor in Electrical Engineering, all from Cornell University, Ithaca, NY.

**Jeffrey (Jeff) Seiden** serves as the Senior Vice President and Chief Operating Officer of Sage Telecom, Inc., and is a Senior Director at CXO, L.L.C., the Dallas-based international interim and turnaround management firm specializing in telecommunications, technology and media. In addition to his role at Sage, Jeff provides business strategy, merger and acquisition, diligence and global business operation advisory services to CEOs and Boards of Directors of public and private companies through CXO and TechBizDev, Inc. Previously, Jeff held roles as Sr. Vice President of Corporate Development, COO and CIO for Pervasive Software Inc. driving global operations, managing numerous M&A deals up to \$50 million worldwide and integrating acquired businesses. Jeff was the founder, President and CEO of nuLogic Inc., an automation technology company, successfully growing nuLogic for ten years before its acquisition by National Instruments Inc. in 1997. With over twenty-five years of experience in business strategy, management, technology and diligence, Jeff has held executive-level and senior operating positions at: Liaison Tech, Question Technologies, Austin Ventures AVLabs, Cambridge Robotic Systems, Inspex, Inc., and LTX Corporation. Jeff has served as a Director or Technology Board member, published articles on automation and process control, and built offshore development, distribution and support operations in Europe, Japan, and India. Jeff earned his B.S. in Electrical and Computer Engineering, Cum Laude with a minor in Mathematics from Syracuse University.

**John Debus** serves as the Senior Vice President, CFO and Treasurer of Sage Telecom, Inc. and is a Director at CXO, L.L.C., the Dallas-based international interim and turnaround management firm specializing in telecommunications, technology and media. While at CXO, John has served as acting CFO of wine.com, an online, nation-wide wine and specialty gift retailer and has filled various support roles for several turnaround projects. Prior to joining CXO, John has served as CFO of Goodman Networks, a privately held Engineering, Furnishing & Installation Services Company, specializing in the telecommunications sector, including wireline, wireless, outside plant and staffing. John has also served Vice President of Finance & Controller at Allegiance Telecom. While at Allegiance, he participated in raising over \$1.8 billion in their IPO and Senior Note transactions, and was responsible for Treasury Operations with over \$1.0 billion in investments. Other senior positions held include: Director of Financial & Strategic Planning at Greyhound Lines, Director of Financial Planning at US ONE Communications Corp., Manager of Financial Planning at Trescom International, Inc. John earned a Bachelor of Science Degree in Business Administration from the University of Colorado.

**Shahin Sazej** serves as the Senior Vice President of Systems and has over twenty years of Information Technology experience within the telecommunications industry. Most recently, Shahin served as the Chief Information Officer for Supra Telecom, a Florida-based CLEC serving primarily ethnic communities. Prior to Supra, he served as the CIO for Touchstone Systems, Inc., a voice-over-IP based provider, and for Ionex Telecommunications, an integrated communications provider serving small to medium-sized business customers in Texas, Oklahoma, Kansas and Missouri. Shahin received his BS in Computer Science from Stephen F. Austin State University and his MBA from the University of Dallas.

**Robert (Bob) McCausland** serves as the Vice President and Secretary of Sage Telecom, Inc. He joined Sage as Vice President of Regulatory Affairs in 2003 after more than twenty years in telecommunications. Prior to joining Sage, Bob led Allegiance Telecom's Regulatory and Interconnection Department from start-up stage to a mature organization. Through the mid-1990s, he was responsible for MFS Communications Company's ILEC collocations, unbundled loop implementations and, ultimately, inter-company OSS interface management. His career at MFS began after more than ten years at Bell Atlantic where he negotiated early CAP collocation and interconnection arrangements, managed switched and special access product lines, negotiated the company's first region-wide interconnection agreements with wireless carriers, prepared service cost studies, and oversaw various state and federal regulatory functions. He is a graduate of Marshall University in Huntington, West Virginia.

**Mark Orland** joined Sage in 2003 and serves as the Vice President of Information Systems with responsibility for the design, development, and operations of core business systems. Prior to Sage, he served as CIO of Verio, Inc., the largest provider of domain-based websites in the country, and he was a Technical Architect with PageNet responsible for designing the next generation business and provisioning systems. Prior PageNet, Mark led Sprint Corporation's development team for their customer billing system and promotions systems. Prior to Sprint, Mark started his career with Andersen Consulting where he developed his skills as a software developer and DBA working large development projects in the telecommunications and insurance industries. Mark has a B.S. Degree in Computer Science from the University of Illinois and is a certified Project Management Professional.

**Tighe Merelli** joined the Company in May 2006 as Chief Technical Officer. His 25 years in the information technology and telecommunications industries include participation in every major technology evolution from the installation of the first IBM PC's as an entrepreneur in 1981, to the implementation of large corporate networks as engineering manager for Businessland during the late '80s, to creating one of the first truly convergent telecommunications billing systems. He has held positions in technology management including engineering management, Chief Technology Advisor and Chief Information Officer for advanced telecommunications and information technology companies. Tighe is a graduate of Oklahoma State University.

**Ben Miller** serves as Vice President, Corporate Development at Sage Telecom, Inc. and is a Senior Director at CXO, L.L.C., the Dallas-based international interim and turnaround management firm specializing in telecommunications, technology and media. Prior to Sage, Ben has held many operational and transactional roles. He held the position of Director of Business Restructuring and Development at OpTel, Inc., a triple-play telecom provider and was responsible for asset sales to Adelphia Communications, Time Warner and Lucent totaling over \$70 million. Later, Ben served as the Regional General Manager of the Phoenix and San Francisco operations at OpTel's successor company, TVMax. As part of CXO's engagements, Ben has been on the operational and transactional teams at CTC Communications and part of the advisory team on matters involving Genuity and PT Cable, a trans-pacific undersea cable. Most recently, he was a General Manager in Comcast's Colorado operations. Ben received a Bachelor of Arts in English from Columbia University.

**Bob Kimbrell** is Executive Director, Human Resources at Sage Telecom and joined the company in 2006. He is responsible for all aspects of human resources, including talent acquisition and retention, compensation and benefits, training and development, change management, employee relations and organization development. Prior to joining Sage, he held senior leadership roles at leading technology companies including NEC America, Affiliated Computer Services and TransFirst. A human resources veteran with over 20 years' experience, his industry background includes telecommunications, technology-based business services, diversified financial services and aerospace, ranging from Global Fortune 100 to startup companies. He is a graduate of the University of North Texas.

**EXHIBIT E**

Local Exchange Tariff

TITLE PAGE

SOUTH DAKOTA  
LOCAL EXCHANGE TARIFF  
OF  
SAGE TELECOM, INC.

This tariff contains the descriptions, regulations and rates applicable to the provision of local exchange and intraLATA services, within the State of South Dakota, provided by Sage Telecom, Inc. ("Company" or "the Company"), with principal offices at 805 Central Expressway South, Suite 100, Allen, TX 75013-1789, for services furnished within the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

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Issued: September 6, 2007

Effective: \_\_\_\_\_, 2007

Issued By:  
Robert W. McCausland  
Vice President and Secretary  
Sage Telecom, Inc.  
805 Central Expressway South, Suite 100  
Allen, Texas 75013-2789

CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

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5	Original	35	Original	65	Original
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7	Original	37	Original		
8	Original	38	Original		
9	Original	39	Original		
10	Original	40	Original		
11	Original	41	Original		
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30	Original	60	Original		

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Robert W. McCausland  
Vice President and Secretary  
Sage Telecom, Inc.  
805 Central Expressway South, Suite 100  
Allen, Texas 75013-2789

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 Robert W. McCausland  
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 Sage Telecom, Inc.  
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## TARIFF FORMAT SHEET

1. Page Numbering. Page numbers appear in the upper-right corner of the page. Pages are numbered sequentially. New pages may occasionally be added to the tariff. When a new page is added, the page appears as a decimal. For example, a new page added between pages 34 and 35 would be 34.1.
2. Page Revisions Numbers. Page Revision Numbers also appear in the upper-right corner of the page. These numbers are used to determine the most current page revision on file with the South Dakota Public Utilities Commission.. For example, the fourth revised Page 34 cancels the third revised Page 34. Because of deferrals, notice periods, etc., the most current page number on file with the South Dakota Public Utilities Commission is not always the tariff page in effect. Business Customers should consult with check sheet for the page currently in effect.
3. Paragraph Numbering Sequence. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
  - 1.
  - 1.1.
  - 1.1.1.
  - 1.1.1.A.
  - 1.1.1.A.1.
  - 1.1.1.A.1.(a)
  - 1.1.1.A.1.(a)(I)
  - 1.1.1.A.1.(a)(I)(i)
  - 1.1.1.A.1.(a)(I)(i)(1)
4. Check List of Effective Pages. When a tariff filing is made with the South Dakota Public Utilities Commission, an updated Check List of Effective Pages ("Check List") accompanies the tariff filing. The Check List lists the pages contained in the tariff, with a cross-reference to the current revision number. When new pages are added, the Check List is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on the Check List if these are the only changes made to it (i.e., the format, etc.). Customers should refer to the latest Check List to find out if a particular page is the most current page on file with the South Dakota Public Utilities Commission.
5. Symbols Used in This Tariff.
  - (C) - To signify changed regulation.
  - (D) - To signify discontinued rate or regulation.
  - (I) - To signify increased rate.
  - (M) - To signify a move in the location of text.
  - (N) - To signify new rate or regulation.
  - (R) - To signify reduced rate.
  - (T) - To signify a change in text but no change in rate or regulation.

APPLICABILITY OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate end-user local exchange communications services by Sage Telecom, Inc., hereinafter referred to as the Company, to Customers within the state of South Dakota. Sage's services are furnished subject to the availability of facilities and subject to the terms and conditions set forth herein.

This tariff is on file with the South Dakota Public Utilities Commission. In addition, this tariff is available for review at the main office of Sage Telecom, Inc. at 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789.

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Issued: September 6, 2007

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Issued By:  
Robert W. McCausland  
Vice President and Secretary  
Sage Telecom, Inc.  
805 Central Expressway South, Suite 100  
Allen, Texas 75013-2789

SECTION 1 – DEFINITIONS AND ABBREVIATIONS

**Account** - Either a Customer's physical location or individual Service represented by a unique account number within the billing system. Multiple services each with a unique account number may be part of one physical location.

**Alternative Local Exchange Carrier ("ALEC") or Competitive Local Exchange Carrier ("CLEC")** - means any entity or person providing local exchange services in competition with an ILEC or LEC.

**Application for Service** - The Company's order process that includes technical, billing and other descriptive information provided by Customer that allows the Company to provide requested or constructively-ordered communications Services for Customer and Customer's Authorized Users. Upon acceptance by the Company, the Application for Service or Constructive Order becomes a binding contract between Customer and the Company for the provision and acceptance of Service.

**Authorization Code** - A multi-digit code that enables a Customer to access Sage's network and enables Sage to identify the Customer's use for proper billing. Also called a Personal Identification Code or PIN.

**Authorized User** - A person, firm, corporation, or other entity that is authorized by the Customer to be connected to the service of the Customer. In the case of Presubscription, the person, firm, corporation, or other entity that presubscribes through the standard industry process shall be deemed an Authorized User unless the Customer specifies in writing in advance that the person, firm, corporation, or other entity is not to become an Authorized User.

**Billing Hierarchy** - Allows Customers to combine multiple accounts and Services into a single billing structure. Business Customers can choose whether to have all Services invoiced together, invoiced separately, or in any combination thereof. In addition, the Business Customer may specify where the invoices are to be sent and who is to receive them.

**Business Hours** - The phrase "Business Hours" generally means the time beginning at 8:00 a.m. and ending at 5:00p.m., local time at the place of Company operation, Monday through Friday excluding holidays.

**Business Office** - The phrase "Business Office" means the primary location where the business operations of the Company are performed and where a copy of the Company's tariff is made available for public inspection. The address of the business office is 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789.

**Called Station** - The terminating point of a call (i.e., the called number).

**Calling Station** - The originating point of a call (i.e., the calling number).

**Calling Area** - A specific geographic area so designated for the purpose of applying a specified rate structure.

**Carrier** - The term "Carrier" means Sage Telecom.

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Robert W. McCausland  
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Allen, Texas 75013-2789

SECTION 1 – DEFINITIONS AND ABBREVIATIONS, (CONT'D)

Central Office - The premises of the Company or another local exchange carrier containing one or more switches where Customer or End User station loops are terminated for purposes of interconnection to other station loops, trunks or access facilities.

Company – Used throughout this tariff to indicate Sage Telecom, Inc.

Competitive Local Exchange Carrier (“CLEC”) or Alternative Local Exchange Carrier (“ALEC”) - means any entity or person providing local exchange services in competition with an ILEC or LEC.

Customer - Any person, firm, partnership, corporation or other entity that uses service under the terms and conditions of this tariff and is responsible for the payment of charges. In most contexts, the Customer is an Interexchange Carrier utilizing the Company’s Switched Access services described in this tariff to reach its End User customer(s). For the purposes of this Tariff, the term Customer is synonymous with the term Interexchange Carrier as defined herein.

Customer-Provided Equipment - Telecommunications equipment provided by a Customer used to originate calls using Sage’s service located at the originating location.

Day - The term “day” generally means the time beginning at 8:00 a.m. and ending at 5:00 p.m., local time at the place of Company operation , Monday through Friday excluding holidays.

Delinquent or Delinquency - An account for which payment has not been made in full on or before the last day for timely payment.

Digital Transmission - Information transmitted in the form of digitally encoded signals.

End User - Any person, firm, partnership, corporation or other entity that uses the service of the Company under the terms and conditions of this tariff.

Exchange - A group of lines in a unit generally smaller than a LATA established by the Company or other local exchange carrier for the administration of communications service in a specified area. An Exchange may consist of one or more central offices together with the associated facilities used in furnishing communications service within that area.

Facility (or Facilities) - Any item or items of communications plant or equipment used to provide or connect to the Company’s Services.

FCC - Federal Communications Commission.

Holiday - The term “holiday” means 8:00 a.m. to, but not including, 11:00 p.m. local time at the originating city on all Company-specific holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When holidays fall on Saturdays or Sundays, the holiday rate applies unless a larger discount would normally apply.

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Allen, Texas 75013-2789

SECTION 1 – DEFINITIONS AND ABBREVIATIONS, (CONT'D)

Incumbent Local Exchange Carrier (“ILEC”) or Local Exchange Carrier (“LEC”) - is any local exchange carrier that was as of February 8, 1996 deemed to be a member of the Exchange Carrier Association as set forth in 47 C.F.R. 69.601(b) of the FCC’s regulations.

Incomplete Call - Any call where voice transmission between the calling party and the called station is not established (i.e., busy, no answer, etc.).

Interexchange Carrier (IXC) - A long distance telecommunications services provider that furnished services between exchange areas irrespective of the type(s) of facilities or technologies used.

Local Access Transport Area (“LATA”) - A geographic area for the provision and administration of communications services existing on February 8, 1996, as previously established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192; or established by a Bell operating company after February 8, 1996 and approved by the FCC; or any other geographic area designated as a LATA in the National Exchange Carrier Association (NECA) Tariff F.C.C. No. 4.

Local Exchange Company (LEC) - A company that furnishes local exchange telephone services.

Local Exchange Service - is an arrangement which connects the residential End User’s location to the LEC’s network switching center, thereby allowing End User to transmit and receive local calls within the End User’s local calling area, or mandatory expanded area service (EAS) area, as defined by State commissions or, if not defined by State commission, then defined in the LEC’s State Tariffs.

Location - A physical premise to or from which Sage provides Service.

NXX - The designation for the first three digits of a local telephone number where N represents 2-9 and X represents 0-9.

Night/Weekend - The words “night/weekend” mean 11:00 p.m. to, but not including, 8:00 a.m. local time in the originating city, all day on Saturday, and all day Sunday, except from 5:00 p.m. to, but not including, 11:00 p.m.

Nonbusiness Hours - The phrase “nonbusiness hours” means the time period after 5:00 p.m. and before 8:00 a.m., Monday through Friday, all day Saturday, Sunday, and on holidays.

NPA - Numbering Plan Area or area code.

SECTION 1 – DEFINITIONS AND ABBREVIATIONS (CONT'D)

Other Common Carrier - Denotes a specialized or other type of common carrier authorized by the Federal Communications Commission to provide domestic or international communications service.

Premises - A building, portion of a building in a multi-tenant building, or buildings on a continuous property not separated by a highway. May also denote a customer-owned enclosure or utility vault located above or below ground on private property or on Customer acquired right-of-way.

PIC - Primary Interexchange Carrier.

Regular Billing - A standard bill sent in the normal monthly Sage billing cycle. This billing consists of one bill for each account assigned to the Customer with explanatory detail showing the derivation of the charges.

Residential Service - The phrase "residential service" means telecommunication services used primarily as nonbusiness service.

Services - The Company's common carrier communications services provided under this Tariff.

Subscriber - The term "Customer" is synonymous with the term "subscriber".

Switch - The term "switch" denotes an electronic device that is used to provide circuit sharing, routing, and control.

Timely Payment - A payment on a Customer's account made on or before the due date.

Underlying Carrier - A provider of interstate telecommunications services from whom the Company acquires facilities or services that it utilizes to provide the Company's services to Customers.

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Robert W. McCausland  
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Allen, Texas 75013-2789

SECTION 2 - RULES AND REGULATIONS

2.1. Undertaking of Sage

- 2.1.1. Sage undertakes to provide local exchange and intraLATA telecommunications services within the State of South Dakota on the terms and conditions and at the rates and charges specified herein. The Company's intrastate interexchange services are only provided to customers subscribed to the Company's local exchange services.
- 2.1.2. Sage installs, operates and maintains the communication Services provided hereunder in accordance with the terms and conditions set forth under this Tariff. It may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer to allow connection of a Customer's location to the Sage network. The Customer shall be responsible for all charges due for such service arrangements.
- 2.1.3. Sage's Services and facilities are available twenty-four (24) hours per day, seven (7) days per week.

2.2. Use of Service

- 2.2.1. Services provided under this Tariff may be used only for the transmission of communications in a manner consistent with the terms of this Tariff and regulations of the Federal Communications Commission.
- 2.2.2. Services provided under this Tariff shall be refused or discontinued to a Customer without notice in the event of a national or local emergency in which the Company has reason to believe that its services may be used for causing terrorist acts or harm to citizens.
- 2.2.3. Services provided under this Tariff shall not be used for unlawful purposes. Service will not be furnished if any law enforcement agency, acting within its jurisdiction, advises that such services are being used in violation of the law.

SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.3. Limitations

- 2.3.1. Service is offered subject to the availability of the necessary facilities or equipment, or both facilities and equipment, and subject to the provisions of this Tariff. The obligation of Sage to provide Service is dependent upon its ability to procure, construct, and maintain facilities that are required to meet the Customer's order for Service. Sage will make all reasonable efforts to secure the necessary facilities.
- 2.3.2. Sage reserve the right to limit or to allocate the use of existing facilities, or to additional facilities offered by Sage, when necessary because of lack of facilities, relevant resources, or due to causes beyond Sage's control. In addition, Sage reserves the right to discontinue Service when the Customer is using the Service in violation of law or the provisions of this Tariff.
- 2.3.3. Sage does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission nor for failure to establish connections.
- 2.3.4. Sage reserves the right to refuse service to Customers due to insufficient or invalid charging information.
- 2.3.5. Sage may block calls that are made to certain cities or central office exchanges, or use certain Authorization Codes as Sage, in its sole discretion, deems reasonably necessary to prevent unlawful or fraudulent use of Service.
- 2.3.6. Sage will use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. Sage may substitute, change, or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer. Sage shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, Sage will give the Customers who may be affected reasonable notice thereof as circumstances will permit, and will prosecute the work with reasonable diligence, and if practicable at time that will cause the least inconvenience. When Sage is repairing or changing its facilities, it shall take appropriate precautions to avoid unnecessary interruptions of Customer's service.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.3. Limitations (cont'd)

- 2.3.7. Sage may refuse, suspend, limit, or cancel the customer's ability to receive inbound collect calls immediately and without prior notice in the event that usage of collect calling and/or third party number calls is suspected to be fraudulent or beyond the customer's ability to pay. The customer's ability to receive or complete such calls shall be reinstated upon receipt of payment for all current charges.
- 2.3.8. Sage may refuse, suspend, limit, or cancel a customer's service, without prior notice, in the event that the usage or acts of the customer are such to indicate intention to defraud the Company. This includes fraudulently placing and receiving calls and/or providing false credit information, or misrepresentation of the customer's identity for the purpose of obtaining basic local exchange service.
- 2.3.9. Abuse or fraudulent use includes, but is not limited to situations described in Section 2.3.5, 2.3.7, or 2.3.8:
  - 2.3.9.A. the use of service or facilities of the Company for a call or calls anonymous or otherwise, if in a manner reasonably to be expected to frighten, abuse, torment or harass another;
  - 2.3.9.B. the use of profane or obscene language;
  - 2.3.9.C. the impersonation of another with fraudulent intent;
  - 2.3.9.D. the use of the service in such a manner as to interfere with the service of others or to prevent others from making or receiving calls over their telephone service;
  - 2.3.9.E. the use of the service for any purpose other than as a means of communication;
  - 2.3.9.F. the use of service or facilities of the Company to transmit a message or to locate a person or otherwise to give or obtain information, without the payment of the applicable local message charge or message toll charge; and
  - 2.3.9.G. the obtaining, or attempting to obtain, or assisting another to obtain or attempt to obtain, local or message toll telephone service, by rearranging, tampering with, or making connection with any facilities of the Company, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or part, of the regular charge for such service.
  - 2.3.9.H. when the customer is known to have planned or participated in terrorism or in acts that may cause harm to citizens.
  - 2.3.9.I. when the Company has reason to believe that its services may be used for causing terrorist acts or harm to citizens.
- 2.3.10. The Company may refuse to provide Service at an address where Service has been discontinued for non-payment of bills for any Service subject to this Tariff if it is determined that the nonpayment customer or real users of the Service still reside at the address.

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## SECTION 2 - RULES AND REGULATIONS, (CONT'D)

## 2.3. Limitations (cont'd)

- 2.3.11. The Company reserves the right to discontinue service, limit service, or to impose requirements as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.
- 2.3.12. No Company services specified herein shall be provided until after the Company has completed, to its satisfaction, testing of such services and of Company systems, processes and procedures.

## 2.4. Liabilities of Sage

- 2.4.1. Sage's liability for damages arising out of mistakes, omissions, interruptions, delays, errors, or defects in the installation, provision, termination, maintenance, repair, or restoration occurring in the course of furnishing service, channels, or other facilities, and not caused by the negligence of the subscribers, commences upon activation of service. In no event does Sage's liability exceed an amount equivalent to the amount paid by the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects occur. For the purposes of computing such amount, a month is considered to have thirty (30) days. Credit will be calculated pursuant to Section 2.9 of this Tariff.
- 2.4.2. When the facilities of other carriers are used in establishing connections to points not reached by Sage's facilities, Sage is not liable for any act or omission of the other carrier(s). The Customer will indemnify and save harmless Sage from any third-party claims for such damages referred to in Section 2.4.1.
- 2.4.3. In no event will Sage be responsible for consequential damages or lost profits suffered by a Customer as a result of interrupted or unsatisfactory service. Sage will not be liable for claims or damages resulting from or caused by: (i) Customer's fault, negligence or failure to perform Customer's responsibilities; (ii) claims against Customer by another party; (iii) any act or omission of any other party; or (iv) equipment or service furnished by a third party.
- 2.4.4. Sage does not guarantee or make any warranty with respect to any equipment provided by it or leased on the Customer's behalf where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous or otherwise unsuitable for such equipment. The Customer shall indemnify and hold Sage harmless from any and all loss, claims, demands, suits or other actions, or any liabilities whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or persons, for any personal injury or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of such equipment so used.

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## SECTION 2 - RULES AND REGULATIONS, (CONT'D)

## 2.4. Liabilities of Sage (cont'd)

- 2.4.5. Sage is not liable for any defacement of, or damage to, the premises of a Customer resulting from the furnishing of services or the attachment of equipment, instruments, apparatus, and associated wiring furnished by Sage on such Customer's premises or by the installation or removal thereof, when such defacement or damage is not the result of Sage negligence. No agents or employees of other participating carriers shall be deemed to be agents or employees of Sage without written authorization. The Customer will indemnify and save harmless Sage from any claims of the owner of the Customer's premises or other third party claims for such damages.
- 2.4.6. Sage and Customer shall be excused from performance under this Tariff and under the application for service for any period, and to the extent that the party is prevented from performing any service pursuant hereto, in whole or in part, as a result of delays caused by the other party or an Act of God, governmental agency, war, civil disturbance, court order, lockouts or work stoppages or other labor difficulties, third party nonperformance (including the failure of performance for reasons beyond the control of common carriers, interexchange carriers, local exchange carriers, suppliers and subcontractors), or other cause beyond its reasonable control, including failures or fluctuations in electrical equipment, and such nonperformance shall not be deemed a violation of this Tariff or of the application for service or grounds for termination of service. Both parties retain all rights of recourse against any third parties for any failures which may create a force majeure condition for the other party.
- 2.4.7. Sage is not liable for any damages, including toll usage charges, the Customer may incur as a result of the unauthorized use of its telephone facilities. This unauthorized use of the Customer's facilities includes, but is not limited to, the placement of calls from the Customer's premises, and the placement of calls through Customer-provided equipment that are transmitted or carried on the Sage network.
- 2.4.8. Where there is a connection via Customer-provided terminal equipment or Customer-provided communications systems, the point of demarcation shall be defined as the Sage facility that provides interconnection. Sage shall not be held liable for Customer-provided access media or equipment. Any maintenance service or equipment arrangements shall be addressed on an individual case basis.
- 2.4.9. Sage will not be responsible if any changes in its service cause hardware or software not provided by Sage to become obsolete, require modification or alternation, or otherwise affect the performance of such hardware or software.
- 2.4.10. The Company shall use reasonable efforts to make services available by the estimated service date. The Company shall not be liable for any damages whatsoever resulting from delays in meeting the estimated service date due to delays resulting from normal installation procedures. Such delays shall include, but not be limited to delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals, delays in actual construction work being done by our vendor(s), and any delays due to any LEC where the Company is relying solely upon such LEC to meet such estimated due date which is beyond the Company's control.

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## SECTION 2 - RULES AND REGULATIONS, (CONT'D)

## 2.4. Liabilities of Sage (cont'd)

2.4.11. With respect to the services, materials and equipment provided hereunder, Sage makes no promises, agreements, understandings, representations or warranties, expressed or implied, and hereby expressly disclaims all warranties, expressed or implied, not stated in this Tariff, and in particular disclaims all warranties of merchantability and fitness for a particular purpose.

## 2.5. Responsibilities of the Customer

2.5.1. The Customer must initiate a service order pursuant to Section 2.6 of this Tariff.

2.5.2. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by Sage, except upon the written consent of Sage. The equipment Sage provides or installs at the Customer premises for use in connection with the service Sage offers shall not be used for any purpose other than for which it was provided.

2.5.3. The Customer shall ensure that the equipment and/or system is properly interfaced with Sage's facilities or service. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Sage will permit such equipment to be connected with its channels without the use of protective interface devices.

2.5.4. The Customer shall be responsible for securing its telephone equipment against being used to place fraudulent calls using Sage's service. The Customer shall be responsible for payment of all applicable charges for services provided by Sage and charged to the Customer's accounts, even where those calls are originated by fraudulent means either from Customer's premises or from remote locations.

2.5.5. Sage shall be indemnified and held harmless by the Customer against claims of liable, slander, or the infringement of copyright, or for the unauthorized use of any trademark, trade name, or service mark, arising from the material transmitted over Sage's service, against claims for infringement of patents arising from, combining with, or using in connection with, service, Sage's apparatus and systems of the Customer; against all other claims arising out of any act or omission of the member in connection with Sage's service. The Customer shall be liable for:

2.5.5.A. Loss due to theft, fire, flood, or other destruction of Sage's equipment or facilities on Customer's premises.

2.5.5.B. Reimbursing Sage for damages to facilities or equipment caused by the negligence or willful acts of the Customer's officers, employees, agents or contractors.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.5. Responsibilities of the Customer (cont'd)

2.5.5. (cont'd)

2.5.5.C. Charges incurred with interconnect or local operating companies for service or service calls made to the Customer's premises or on the Customer's leased or owned telephonic equipment unless Sage specifically authorizes said visit or repairs in advance of the occurrence and Sage agrees in advance to accept the liability for said repairs or visit.

2.5.5.D. Payment for all Sage service charges incurred through usage or direct action on the part of the Customer.

2.5.6. The Customer may be required to verify in writing that it is duly authorized to order service at all locations designated by the Customer for service, and assumes financial responsibility for all locations designated by the Customer to receive Sage's services. If the verification (i.e., a letter of authorization) cannot be produced within five (5) calendar days of the request, the presubscription of the Customer's locations are considered unauthorized.

2.5.7. The Customer shall not use the Sage name, logo or trademark in any promotional materials, contracts, Tariffs, service bills, etc., without expressed written authorization from Sage. The Customer shall not use the Sage name, logo or trademark in any pre-sale activities. The Customer is prohibited from using Sage's name or trademark on any of the Customer's products or services.

2.5.8. Customer may not assign or transfer any of its rights or services ordered without the prior written consent of Sage. Sage may assign any service orders to its parent company or any affiliate. Sage will notify Customers of any such assignment.

SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.6. Application for Service

- 2.6.1. Applicants wishing to obtain service must initiate a service order which may include the Customer's authorization for Sage to instruct other carriers and vendors and the appropriate LEC to provide certain services on the Customer's behalf. Sage will obtain the proper authorization from the Customer where necessary, pursuant to South Dakota Public Utilities Commission regulations.
- 2.6.2. An Application for Service may be changed by Customer upon written notice to Sage, subject to acceptance and confirmation by Sage, provided that a charge shall apply to any change when the request is received by Sage after notification by Sage of the acceptance and confirmation. Such charge shall be the sum of the charges and costs for access facilities and other services and features and the lesser of (i) the monthly recurring rate for each service component that has been canceled as a result of the change times the appropriate minimum service period, plus the applicable installation or non-recurring charges, and (ii) the costs incurred by Sage in accommodating each change, less net salvage. The costs incurred by Sage will include the direct and indirect cost of facilities specifically provided or used, the costs of installation, including design preparation, engineering, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort.
- 2.6.3. Where the Customer or applicant cancels an Application for Service prior to the start of installation of service, lease of network elements, or prior to the start of special construction, no charge applies. Where installation of service has been started prior to the cancellation, a cancellation charge equal to the costs incurred by Sage shall apply, but in no case shall such charge exceed the charge for the minimum period of the service ordered, including applicable installation charges, if any. The costs incurred by Sage will include the direct and indirect costs of facilities specifically leased, provided or used; the cost of installation, including design preparation, engineering, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort.

SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.7. Establishing Credit, Deposits and Advance Payments

2.7.1. Credit Requirement

2.7.1.A.. Sage may require an applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the end-user from complying with Sage's policy regarding the prompt payment of bills.

2.7.1.B. For the purposes of this rule, "applicant" is to be defined as a person who applies for service for the first time or reapplies at a new or existing location after a previous discontinuance of service; "customer" is defined as someone who is currently receiving service.

2.7.2. Reestablishment of Credit

Any applicant who previously has been an end-user of Sage and whose service has been discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts due Sage or execute a deferred payment agreement.

2.7.3. Deposits and Interest

2.7.3.A.. To safeguard its interest, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges in accordance with the PUC's rules. A deposit may be required if the Customer's financial condition is not acceptable to the Company or is not a matter of general knowledge. A deposit does not relieve the Customer of the responsibility for the prompt payment of bill on presentation. The deposit will not exceed an amount equal to two regular billing periods. A deposit may be required in addition to an advance payment.

2.7.3.B. Where it has been established that a Customers is a high credit risk, the amount of the deposit shall not exceed an amount equal to two (2) months local exchange charges and/or two (2) months toll charges determined by actual or anticipated usage, or \$130.00 whichever is less. The Company may require a deposit in the amount of \$25.00 in cases where it has determined that the customer is not a high credit risk. Where local exchange charges are billed in advance, the deposit shall include only one (1) month's such charges.

2.7.3.C. A present end-user may be required to post a deposit as a condition of continued service if undisputed charges have become delinquent, with delinquent meaning a payment not received on or before the due date as posted on the bill, in two (2) out of the last twelve (12) billing periods or if the end-user has had service disconnected during the last twelve (12) months or has presented a check to Sage that was subsequently dishonored.

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## SECTION 2 - RULES AND REGULATIONS, (CONT'D)

## 2.7. Establishing Credit, Deposits and Advance Payments (cont'd)

## 2.7.3. Deposits and Interest (cont'd)

- 2.7.3.D. Interest on cash deposits shall be paid by Sage at no less than the rate calculated pursuant to South Dakota Public Utilities Commission's rules or, in the absence of applicable rules, the interest rate shall be established the first day of January of each year to equal the average of the weekly percent annual yields of one (1) year U. S. Treasury Securities for September, October and November of the preceding year. The interest rate shall be rounded to the nearest basis point.
- 2.7.3.E. Sage shall provide payment of accrued interest for all end-users annually by negotiable instrument or by credit against current billing. The deposit shall cease to draw interest on the date it is returned or credited to the end-user's account.
- 2.7.3.F. The amount of the deposit, with accrued interest, shall be applied to any unpaid charges at the time of a discontinuance of services. The balance, if any, shall be returned to the end-user within thirty (30) days after settlement of the consumer's account, either in person or by mailing it to the end-user's last known address.
- 2.7.3.G. Sage will keep records to show the name, account number, and address of each depositor, the amount and date of the deposit and each transaction concerning the deposit. Sage shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost. Such records shall be retained for two (2) years after deposit and/or interest is refunded or applied. The deposit made by the end-user with Sage at the time of application for telephone service shall not constitute an advance payment to cover service bills, but for all purposes it is to be considered as security for payment of monthly bills or other proper charges.

## 2.7.4 Advance Payments

To safeguard its interest, the Company may require a Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount equal to two month's service charges and/or the service connection and/or equipment charges plus applicable taxes, fee, and surcharges which may be applicable as well as any nonrecurring charges for any required special construction. The amount of the first months' service is credited to the Customer's account on the first bill rendered. The Company may not require advance payments for usage. An advance payment may be required in addition to a deposit.

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## SECTION 2 - RULES AND REGULATIONS, (CONT'D)

## 2.8. Payment of Charges

- 2.8.1. The Customer is responsible for the payment of all charges for facilities and services furnished by Sage to the Customer and to all Users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.
- 2.8.2. For billing of monthly charges, service is considered to be established upon the day in which Sage notifies the Customer of installation and testing of the Customer's services.
- 2.8.3. Except where otherwise specified, usage charges will be billed monthly in arrears. Customer will be billed for all usage accrued beginning immediately upon access to the service. Customers will be billed for usage occurring during their specific 30-day billing cycle, which for purposes of computing charges shall be considered a month. The rates charged to a Customer will be the rates in effect on the first day of the Customer's billing cycle.
- 2.8.4. Monthly charges for all access service components, provided hereunder, are billed in advance of service and reflect the rates in effect as of the date of the invoice. A Customer's first invoice may contain charges from previous periods for service provided from the date of installation through the current invoice period.
- 2.8.5. Bills are due and payable as specified on the bill. Bills may be paid by mail or in person at the business office of Sage or an agency authorized to receive such payment. All charges for service are payable only in United States currency. Payment may be made by cash, check, money order, cashier's check, or certain major credit cards. Customer payments are considered prompt when received by Sage or its agent by the due date on the bill. Amounts not paid within fifteen (15) days after the mail date of invoice will be considered past due. If Sage becomes concerned at any time about the ability of a Customer to pay its bills, Sage may require that the Customer pay its bills and make such payments in cash or the equivalent of cash.
- 2.8.6. If any portion of the payment is not received by Sage by the due date, or if any portion of the payment is received by Sage in funds that are not immediately available upon presentment, then a late payment penalty may be assessed. Charges greater than \$50.00 left unpaid after the due date are subject to a late payment charge of \$6.00. If the payment due date falls on a Saturday, Sunday, legal holiday or other day when the offices of the Company are closed, the date for acceptance of payments prior to assessment of any late payment fees shall be extended through to the next business day. The late payment penalty shall apply to all customers.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.8. Payment of Charges (cont'd)

2.8.7. Any disputed charge may be brought to Sage's attention by verbal or written notification. In the case of a billing dispute between the Customer and Sage that cannot be settled to their mutual satisfaction, the undisputed portion and subsequent bills must be paid on a timely basis, or the service may be subject to disconnection. The Customer may request an in-depth investigation into the disputed amount and a review by a Sage manager. During the period that the disputed amount is under investigation, Sage shall not pursue any collection procedures or assess late fees with regard to the disputed amount. The Customer shall be required to pay the undisputed part of the bill, and if not paid, Sage may discontinue service. In the event the dispute is not resolved, Sage shall inform the customer that the customer has the option to pursue the matter with the South Dakota Public Utilities Commission.

2.8.8. The Customer is responsible to pay Sage for all toll calls or other third party charges resulting from the origination of calls to points outside the local exchange and for charges or calls billed to the Customer's number.

2.8.9. Sage may assess up to a thirty dollar (\$30) charge for each returned check or credit card chargeback.

2.8.10. If service is suspended/disconnected by Sage in accordance with the provisions of the Tariff and later restored, restoration of service will be subject to all applicable installation charges. In addition to the installation charges, the customer will be required to pay all charges due, including the charges for the period of denial. For nonusage sensitive charges, Customer will be liable for the entire monthly recurring charge during the month Customer's service terminates.

2.8.11. When circumstances prevent customers from paying their invoices in full, Sage may make special accommodations to assist customers by setting up a regular payment plan. Payment plans are only set up at the request of the customer. Payment plans are intended to function as a short-term solution and will be reviewed and approved on an individual case basis.

2.8.12. All payments received by Sage will first be allocated to tariffed basic local exchange telephone service. For purposes of this allocation, basic local exchange telephone service shall be flat rate, single party residential and business local exchange telephone service, including primary directory listings; tone dialing service; access to operator services; access to directory assistance services; access to 911 service where provided by a local authority; dual party relay service; the ability to report service problems seven days a week; availability of an annual local directory; access to toll services, and lifeline and tel-assistance services.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.9. Interruption of Service

- 2.9.1. Credit allowance for the interruption of service that is not due to Sage’s testing or adjusting, negligence of the Customer or to the failure of channels or equipment provided by the Customer, are subject to the general liability provisions set forth herein. It shall be the obligation of the Customer to notify Sage immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer or end-user shall ascertain that the trouble is not being caused by any action or omission by the Customer within his or her control, or is not in wiring or equipment, if any, furnished by the Customer and connected to Sage’s facilities.
- 2.9.2. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.9.3. The Customer shall be credited for an interruption at the rate of 1/720th of the monthly charge for the facilities affected for each hour or major fraction thereof that the interruption continues.

Credit Formula:

$$\text{Credit} = \frac{A}{720} \times B$$

- “A” - outage time in hours
- “B” - total monthly charge for affected facility

- 2.9.4. If written notice of a dispute as to charges is not received by the Company within 30 days of the date a bill is issued, such charges shall be deemed to be correct and binding on the Customer.
- 2.9.5. Cellular and other wireless transmission and Internet-based calling is subject to interruptions including but not limited to, dropped calls, interrupted calls, unintelligible calls, one-way audio and other problems created by factors beyond Company’s control. Under no circumstances will Company provide credit or payment of any kind for calls that experience problems related to cellular or other wireless transmissions or for calls that experience problems related to Internet-based communications including but not limited to those calls that transcend wireline and Voice over Internet Protocol (“VoIP”) networks.

SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.10. Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

2.11. Disconnection of Service by Customer

2.11.1. By giving advance written notice, Customer may disconnect service at any time following its minimum service requirement(s).

2.11.2. Sage will have up to 30 days to complete disconnect. Customer will be responsible for all new charges for that 30-day period or until disconnect is effected, whichever is sooner, and shall remain responsible for all unpaid charges incurred irrespective of when such charges were incurred. This 30-day period will begin upon receipt of the written notification from the Customer. However, in the event that Customer continues to utilize Sage's services beyond the date upon which the services are to be disconnected, the Customer will be liable for the additional charges incurred.

2.11.3. For nonusage sensitive charges, Customer will be liable for the entire monthly recurring charge during the month Customer's service terminates.

2.11.4. If the Customer disconnects service prior to the end of a term plan, the termination liabilities associated with the term plan will apply.

2.11.5. If a customer purchases Sage's bundled offering and subsequently disconnects Sage's local service and purchases local service from a different carrier, the customer can contact Sage to obtain the proper PIC code for the third-party provider of long-distance services.

SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.12. Cancellation for Cause

2.12.1. Sage, by giving prior written notice to the Customer or applicant, may cancel the application for or discontinue service without incurring any liability for any of the following reasons:

2.12.1.A. For non-residential customers, nonpayment of any tariffed charges due to Sage for service for more than 15 days beyond the mail date of the bill for such service. In the event Sage terminates service for nonpayment, the Customer may be liable for all reasonable costs of collection including reasonable court costs, expenses and fees; or

2.12.1.B. For non-residential customers, nonpayment of any tariffed charges due to Sage for service for more than 15 days beyond the mail date of the bill on any Sage account regardless of whether the application or service being canceled is related or unrelated to the account or service for which the sum is past due; or

2.12.1.C. For residential customers, nonpayment of tariffed basic local exchange telephone service as defined in Section 2.8.12 due to Sage for service more than 15 days beyond the mail date of the bill for such service. Service may be terminated for nonpayment of the basic local exchange telephone service, or any costs arising there from based on the listing of services in Section 2.8.12. If the customer subscribes to a package of bundled services that includes some amount of toll minutes, and the customer does not pay the bill in full, Sage reserves the right to remove the toll services from the packaged bundle and institute toll blocking. If the customer then does not pay for toll services incurred after toll blocking is instituted, full service may be disconnected. In addition, if a customer incurs fees associated with operator service use or directory assistance use and does not make full payment for those services, service may be terminated for nonpayment. In the event Sage terminates service for nonpayment, the Customer may be liable for all reasonable costs of collection including reasonable court costs, expenses and fees; or

2.12.1.D. For residential customers, nonpayment of tariffed basic local exchange telephone service due to Sage for service for more than 15 days beyond the mail date of the bill on any Sage account regardless of whether the application or service being canceled is related or unrelated to the account or service for which the sum is past due; or

SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.12. Cancellation for Cause

2.12.1. (cont'd)

- 2.12.1.E. A violation of or a failure to comply with, any regulation of this Tariff. The discontinuance of service(s) by Sage pursuant to this section does not relieve the Customer of any obligation to pay Sage for changes due and owing for service(s) furnished up to the time of discontinuance; or
  - 2.12.1.F. Sage confirms that both a phone number and mailing address are no longer valid for the Customer; or
  - 2.12.1.G. Sage is prohibited from furnishing service by order of a court or other government authority having jurisdiction; or
  - 2.12.1.H. Avoidance of toll blocking by incurring long distance charges after toll blocking was implemented due to non-payment of long distance charges; or
  - 2.12.1.I. Failure to make deferred payment arrangements by the suspend/disconnect date.
- 2.12.2. Sage, without giving prior written notice, may discontinue service without incurring any liability for:
- 2.12.2.A. Tampering with Sage Telecom's equipment; or
  - 2.12.2.B. Evidence of theft of Sage Telecom service; or
  - 2.12.2.C. Other acts to defraud Sage Telecom.
- 2.12.3. If service is terminated by Sage for any cause set forth above and the Customer has subscribed to service under a term plan, the Customer will be charged the termination liability associated with the term plan.
- 2.12.4. Service may also be discontinued if the Customer fails to post the deposit required by the Tariff.
- 2.12.5. If service is disconnected for nonpayment, the Customer may restore service by full payment in cash or cash-like funds. There is a charge for restoration of service after disconnection; if, however, the equipment necessary for service has been removed, a complete activation fee will apply.
- 2.12.6. For nonusage sensitive charges, Customer will be liable for the entire monthly recurring charge during the month Customer's service terminates.
- 2.12.7. If the Customer disconnects service prior to the end of a term plan, the termination liabilities associated with the term plan will apply.

SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.13. Notice and Communication

- 2.13.1. The Customer shall designate on the Application for Service an address to which Sage shall mail or deliver all notices and other communications, except that Sage may also designate a separate address to which Sage's bills for service shall be mailed.
- 2.13.2. Sage shall designate on the Application for Service an address to which the Customer shall mail or deliver all notices and other communications, except that Sage may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 2.13.3. All notices or other communications required to be given pursuant to this Tariff shall be made in writing to Sage at 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789 or by calling (214) 495-4700. Notices and other communications of either party, and all bills mailed by Sage, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U. S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.13.4. Sage or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

## SECTION 2 - RULES AND REGULATIONS, (CONT'D)

## 2.14. Taxes, Surcharges and Utility Fees

Customer is responsible for the payment of all federal, state and local taxes, surcharges, utility fees, or other similar fees (i.e., gross receipts tax, sales tax, municipal utilities tax, 911 surcharges or fees) that may be levied by a governing body or bodies in conjunction with or as a result of the service furnished under this Tariff. These charges will appear as separate line items on the Customer's bill and are not included in the rates contained in this Tariff. There shall be added to the Customer's bill for service, an additional charge equal to the pro rata share of any occupation, franchise, business, license, excise privilege or other similar charge or tax, now or hereafter imposed upon the gross receipts or revenue of Sage by any municipal taxing body or municipal authority whether by statute, ordinance, law or otherwise, and whether presently due or to hereafter become due. The charge applicable to each Customer will appear as a separate line item on the Customer's regular monthly bill and shall be determined on a basis equal to the tax levied by each municipal taxing body or municipal authority.

## 2.14.1. Municipal Franchise Fees

Residential, non-residential and point-to-point access lines provided pursuant to this tariff are subject to a municipal franchise fee as established for the city, municipality, or other community ("municipality") in which the end user of the access lines is located. The monthly recurring municipal charge will be equal to a monthly amount developed using criteria as recommended by your local municipality with information supplied to this local certificated telecommunications provider (CTP). The fee should be assessed as a per-line-charge on the end user bill.

## 2.15. Customer Billing Inquiries

Any customer who has a question regarding his/her telephone bill may contact Sage toll free at (888) 449-4940, or at 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789.

## 2.16 Public Switched Network Recovery Charge

The Public Switched Network Recovery Charge is a monthly recurring charge which is applied on a per customer access line basis. This fee is intended to recover costs to access the public switched network for local service.

SECTION 3 - DESCRIPTION OF SERVICES

3.1. Telecommunications Services

3.1.1. General - Telecommunications Services consist of the services offered pursuant to this Tariff, either individually or in combination. Intrastate interexchange services are only provided in conjunction with the Company's local exchange services, and no alternative arrangements will be made to provide these services to a customer that is not subscribed to the Company's local exchange service. Each service is offered via Sage's facilities, conventional network elements purchased from other local exchange carriers, or via resale of facilities of other local exchange carriers for the transmission of one-way or two-way communications, unless otherwise noted. A connection to Sage's switching network enables the Customer to:

1. receive calls from other stations on the public switched telephone network;
2. access Sage's Local and intraLATA calling services as set forth in this Tariff;
3. access intrastate, interstate and international calling services provided by Sage and other certified common carriers;
4. access toll-free telecommunications services such as 800 NPA;
5. access 9-1-1 service for emergency calling; and
6. access other operator and directory assistance services.

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SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.2. Local Exchange Service - Service provides Residential and Business Customers with the ability to originate calls from a Sage-provided access line to all other stations on the public switched telephone network bearing the designation of any central office exchanges included in the Customer's local calling area. Calls to destinations outside the local calling area but within the same state and LATA will be charged the intraLATA toll rates. IntraLATA services are available on a switched basis only.

Following are types of orders for Local Exchange Service that Sage will accept:

Conversions

New Installations

The following are types of customers and/or telephone lines Sage will convert:

Customers with active local telephone service on Qwest's access lines ("local loops"). Subscribers of Qwest's Prepaid Local Telephone Service (PLTS) or Prepaid Home Service (PHS) do not qualify under this definition.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.2. Local Exchange Service (cont'd)

New Installations

Following are types of new line installations that Sage Telecom will perform:

1. Additional new lines for Sage Telecom customers who have service or are in the process of converting existing service at that location to Sage Telecom.
2. Physical move of lines and service for existing Sage Telecom customers to a new location.
3. Installation of lines at locations that have never had local telephone service, with the exception of physical moves noted under item 2 above.
4. New installations where the Customer is not converting existing local telephone service.

Residential and Business Customers may choose from one of the Local Service Plans in Section 3.1.4 and are assessed a flat monthly fee based on their local service plan(s) and originating exchange that entitles the customer to unlimited voice usage.

3.1.2.A. Business Services - Business Services provide the Customer with the general telecommunications services listed in Section 3.1.1 of this Tariff with the following modifications, limitations and restrictions:

1. Business Services cannot be used to originate calls to other telephone companies' caller-paid information services (e.g., N.A. 900, NXX 976, etc.). Calls to those numbers and other numbers used for caller-paid information services will be blocked by Sage, unless otherwise requested by customer to be unblocked.
2. Service is furnished only for use by the Business Customer, guests, employees and business associates.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.2. Local Exchange Service (cont'd)

3.1.2.A. Business Services

3. Service is available whenever the use of the service is primarily or substantially of a business, professional institution or otherwise occupation nature, or where the listing required is such as to indicate business use. Business rates are applicable to:
  - a. Offices, stores, factories, boarding houses, offices of hotels and apartment houses, colleges, public, private or parochial schools, hospitals, nursing homes, libraries, institutions, churches and all other establishments of a strictly business nature.
  - b. Any location where a business designation is provided or when a title indicating a trade, occupation or profession is listed.
  - c. Service terminating solely on the answering service facilities of a telephone answering firm will carry business rates.
  - d. Residential locations where the Business customer has no regular business telephone service and the use of the service by the Business Customer, members of the household, or guests is of a business nature as may be indicated by advertising through newspapers, handbills, billboards, circulars, business cards, or otherwise.

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SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.2. Local Exchange Service (cont'd)

3.1.2.B. Residential Services - Residential Services provide the Customer with the general telecommunications services listed in Section 3.1.1 of this Tariff and is not available to those locations governed by Section 3.1.2.A.

1. Residential Services cannot be used to originate calls to other telephone companies' caller-paid information services (e.g., N.A. 900, NXX 976, etc.). Calls to those numbers and other numbers used for caller-paid information services will be blocked by Sage, unless otherwise requested by the customer to be unblocked.
2. Residential service offerings that include unlimited usage are limited to use for residential voice applications. This includes service offerings providing for unlimited local usage, unlimited intraLATA usage and/or unlimited interLATA usage. No commercial use of any form is permitted for such unlimited service offerings. Incidental calling for dial-up Internet access, for data and fax type applications and for other restricted uses reflected in this tariff is permitted up to a maximum of 1200 minutes within any consecutive thirty-day period; any such usage beyond this threshold shall be presumed to be non-residential in nature. If, at any time, the Company determines that the Customer's usage is non-residential or is not consistent with use for residential voice applications, the Company may immediately take actions to enforce adherence to this tariff and to the Company's Statement of Terms and Conditions of Service that are applicable to interLATA and international long distance. Such actions may include the transition to a higher tier within the customer's existing service plan and the application of an High Usage Charge as specified in Section 4.1.14, following.

The High Usage Charge is applicable to all service plans whenever usage thresholds established in Section 4.1.14, following, are exceeded, including plans that offer unlimited usage and plans that do not offer unlimited usage. The existence of the High Usage Charge shall be communicated to the Customer in advance of its initial application, and shall thereafter apply automatically whenever the threshold is exceeded. Upon request, usage information will be provided pursuant to Section 4.1.4, following.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

For residential service offerings that include unlimited usage, the Company will notify the Customer in writing when the previous month's usage exceeds that normally associated with residential voice applications. Such written notice will inform the Customer that a higher tier rate will apply if, after two additional months, the usage remains above usage thresholds established in the existing service plan. Customers whose usage levels resulted in a higher-tier rate will, upon request, qualify for the lower-tier rate(s) after three consecutive months of usage below usage thresholds established in the existing service plan. The High Usage Charge is a separate element and applies independently of any unlimited plan rate tier.

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SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.3. Exchanges and Local Service Areas

3.1.3.A. Sage provides residential and business telecommunications services, as described in this tariff, within the Qwest exchanges within the State of South Dakota. The Company hereby mirrors the Map and Legal Description tariffs of Qwest, to identify its service territory. Any future modifications to these exchange boundaries or legal descriptions of these boundaries will be automatically mirrored by the Company on a going forward basis. If not mirrored, new detailed maps and legal descriptions on an individual exchange basis will be filed with the commission for approval.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.3. Exchanges and Local Service Areas (cont'd)

3.1.3.B. Local Calling Scopes

The Company hereby mirrors the local calling scopes as described in Section 4 of Qwest's Exchange Access Service Tariff. Any future modifications to these local calling scopes will be automatically mirrored by the Company on a going forward basis. If not mirrored, new detailed local calling scopes on an individual exchange basis will be filed with the commission for approval.

3.1.4. Local Service Plans

3.1.4.A. Residential Service

All Residential Service plans are subject to the application of an High Usage Charge pursuant to Section 4.1.14, following, and to other charges pursuant to this tariff.

1. Sage Simply Savings Preferred

The Sage Simply Savings Preferred Plan includes the following bundle of services:

- Basic Local Exchange Service, including unlimited local calling
- Caller ID Service - Free
- Sage Home Wire Maintenance - Free
- A choice of any of the following Custom Calling Features - Free:

Repeat Dialing	Call Waiting
Call Screen	Speed Calling 8
Call Forwarding	Three-Way Calling
Automatic Callback	Wait & See
MultiRing	

- 300 Sage 1+ long distance minutes each month. Applies to direct dialed, 1+ long distance or 1+ intraLATA toll calls made to points within the continental U.S., Alaska, Hawaii, Puerto Rico, and U.S. Virgin Islands. Rate for additional minutes is at a discounted \$0.04 rate.
- Discounts on additional services:  
Basic Voice Mail - \$4.95  
Enhanced Voice Mail - \$5.95  
eSageLink Dial Up - \$12.95

Eligibility: This plan is available to residential customers only. Customers must choose Sage as their intraLATA toll and interLATA long distance carrier to receive the free minutes of Sage 1+ long distance minutes each month.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.4. Local Service Plans

3.1.4.A. Residential Service (cont'd)

2. Sage Simply Savings Essentials

The Sage Simply Savings Essentials Plan includes the following bundle of services:

- Basic Local Exchange Service, including unlimited local calling
- Caller ID Service – Free
- Call Waiting Service - Free
- A choice of 1 of the following Custom Calling Features – Free:  
Wait & See  
Three-way Calling  
Call Forwarding
- 90 Sage 1+ long distance minutes each month. Applies to direct dialed, 1+ long distance or 1+ intraLATA toll calls made to points within the continental U.S., Alaska, Hawaii, Puerto Rico, and U.S. Virgin Islands

**Eligibility:** This plan is available to residential customers only. Customers must choose Sage as their intraLATA toll and interLATA long distance carrier to receive the free minutes of Sage 1+ long distance minutes each month.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.4. Local Service Plans

3.1.4.B. Business

1. Business Choice Plan

The Business Choice Plan includes the following bundle of services:

- Basic Local Exchange Service, including unlimited local calling
- 100 Free Sage 1+ long distance minutes each month. See Section 3.1.4.C for rules and regulations.

Eligibility: Business customers in the originating BellSouth's exchanges listed in Section 3.1.3.A.

Customers must choose Sage as their intraLATA toll and interLATA long distance carrier to receive the free minutes of Sage 1+ long distance minutes each month.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.4. Local Service Plans

3.1.4.C. Free Sage 1+ Long Distance

Sage Local Service Plans that include free Sage 1+ long distance minutes will be governed by the following rules and regulations.

1. The per minute rate for all direct dialed, 1+ long distance or 1+ intraLATA toll calls is \$0.10 per minute unless otherwise noted, and applies to calls made to points within the continental U.S., Alaska, Hawaii, Puerto Rico, and U.S. Virgin Islands and outside the customer's local (free) calling area. The duration of each call is rounded to the next full minute.
2. Customers earn a monthly credit against their 1+ long distance and 1+ intraLATA toll charges based on the table in Section 3.1.4.C.3. If the total dollar amount of usage is less than the maximum credit allowed, then the customer earns a credit equal only to their actual usage. The credit is offered on a per line basis and is rolled up, along with usage, to the account level for purposes of calculating the monthly allowable credit. There is no carry forward of unused credits.

The credit does not apply to calling card calls, operator assisted calls, and calls made to Directory Assistance.

3. Maximum Allowable Credit

<u># of Free Minutes</u>	<u>Maximum Credit</u>
90	\$ 9.00
100	\$ 10.00
120	\$ 12.00

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.5. Non-Recurring Service Charges - Service charges may apply to all residential and business customers who subscribe to any of Sage's local service plans or request a move and/or change of certain types of telecommunications services.

- 3.1.5.A. The Installation Charge is a per order, nonrecurring charge that applies as follows:
1. Installation or conversion of local exchange service to a customer's premises for the first time.
  2. Installation of additional local exchange access lines to a customer's premises.
  3. A change in location of customer's equipment or service from one premise to another.
  4. A temporary suspension of service at the customer's request or to change the telephone number to which suspended service calls are referred.
  5. A request to change from one type of hunting arrangement to another, or rearrange central office hunting lines.
  6. A restoration of service due to suspension from nonpayment of bill for telecommunications services.

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SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.5. Non-Recurring Service Charges (cont'd)

3.1.5.B. An Order Processing Fee applies as follows, on a per order basis:

1. A telephone number change made at the customer's request.
2. A change to/from the company's Regional Service.
3. The addition or deletion of any Custom Calling Feature listed in Section 3.1.8; Caller ID Service listed in Section 3.1.9; Multi-Line Hunting Service listed in Section 3.1.10; Toll Restriction Service listed in Section 3.1.14; or Accounting Codes listed in Section 3.1.15.
4. A change of bill cycle dates made at the customer's request.
5. The splitting of single accounts into multiple bills at the customer's request.
6. Changes to customer service plan that have not been solicited by Sage Telecom.
7. A name change, at the customer's request, to the account name, Caller ID, or the directory listing.

3.1.5.C. Copy of Call Records Fee applies when a customer requests a copy of these records for their own person use. Call Records are available to law enforcement agencies at any time free of charge.

3.1.5.D. A Referral Message Fee applies to active Sage customers who request a referral message as a result of a telephone number change.

3.1.5.E. A Reconnect Fee will be applied on a per line basis for service that is restored due to suspension from nonpayment of bill for telecommunications services.

3.1.5.F. A Duplicate Invoice Charge will be applied on a per invoice basis to a Customer who requests a copy of a bill that has already been issued to such Customer, unless the Customer informs the Company, within 15 days of the issuance of the bill, that the original bill was not received. If a Customer or the Customer's representative, thereafter, requests additional copies of bills, a charge will apply for each requested bill.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.6. Operator Assisted Services (IntraLATA)

3.1.6.A. Operator Handled Calling - Operator Handled Calling Service is provided to Customers and Users of Sage's local exchange service. In addition to charges that would otherwise apply pursuant to other Sections of this Tariff, each operator call will be assess a charge(s) as set forth within.

1. Person-to-Person - Calls completed with the assistance of a Sage operator to a particular person, station, department or PBX extension specified by the calling party.
2. Station-to-Station - Operator assisted calls other than Person-to-Person, including intraLATA collect and third party billed calls. Collect calls to coin telephones and transfers of charges to third telephones that are coin telephones will not be accepted.

3.1.6.B. Directory Assistance - A service provided to Customers and Users of Sage's local exchange service that allows them to obtain directory assistance by calling the Directory Assistance operator.

1. Directory Assistance charges apply for all requests for which Sage's facilities are used. A maximum of two requested telephone numbers is permitted per Directory Assistance call. Requests for information other than telephone numbers will be charged the same rate as shown for the applicable request for telephone numbers.
2. Non-published telephone numbers are not available from Directory Assistance Service.
3. No credit will be given for requested numbers that are non-published, or for requested telephone numbers that are not found in the directory.
4. Customers who qualify for an exemption from Directory Assistance charges through the South Dakota Public Utilities Commission for the Blind will not be charged for this service after Sage is in receipt of paperwork from the South Dakota Public Utilities Commission verifying their status. Credits will not be issued for Directory Assistance calls made prior to receipt of paperwork by Sage Telecom.
5. A credit will be given for calls to Directory Assistance when the Customer experiences poor transmission or is cut-off during the call;
6. To receive a credit, the Customer must notify the Sage operator or Business Office of the problem experienced.

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SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.6. Operator Assisted Services (intraLATA)

3.1.6.C. Directory Assistance Call Completion - Provides customers the option of having their local or intraLATA calls automatically completed when they request a telephone listing from the Directory Assistance operator. The call may be completed automatically or by the Directory Assistance operator. The three types of Directory Assistance Call Completion (DACC) offered are as follows:

1. Semi-Automated - The customer receives the requested directory number and then requests the operator to provide call completion to the requested number.
2. Fully-Automated - The customer receives the requested directory number from an automated voice system. The customer accepts DACC by depressing "1" from a touch-tone telephone when prompted by the DACC announcement.
3. Person-to-Person - The customer receives the requested directory number and then requests the operator to complete the call to a specified person.

3.1.6.D. Busy Line Verification and Line Interrupt Service - Upon request of a calling party, the Company will verify a busy condition on a called line.

1. The operator will determine if the line is clear or in use and report to the calling party.
2. The operator will interrupt the call on the called line only if the calling party indicates an emergency.
3. A charge will apply when:
  - (a) The operator verifies that the line is busy.
  - (b) The operator verifies that the line is available for incoming calls.
  - (c) The operator verifies that the called number is busy with a call in progress and the Customer requests interruption. The operator will then interrupt the call, advising the called party the name of the calling party. One charge will apply for both verification and interruption

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.6. Assisted Services (intraLATA) (cont'd)

3.1.6.D. Busy Line Verification and Line Interrupt Service (cont'd)

1. No charge will apply:

- (a) When the calling party advises that the call is to or from an official public emergency agency.
- (b) Under conditions other than those specified within, preceding.

2. Busy verification and interrupt service is furnished where and to the extent that facilities permit. The Customer shall identify and save Sage harmless against all claims that may arise from either party to the interrupted call or any person.

3.1.7. Telephone Directory Service - Sage, through its interconnection agreement Qwest, will provide telephone directory services to its Customers. This includes listings in Qwest's White Pages directory and directory assistance database. Services indicated by an \* may be subject to set-up charges for newly created listings. The following telephone directory services are offered:

3.1.7.A Primary Listing – Primary directory listing in both Qwest White Pages and Directory Assistance database. The listing is the actual name of the customer to whom the service is rendered, with the following exceptions:

- 1. For residential customers, the listing may be in the name of a member of the customer's family or household. A dual name listing may be provided for two (2) persons who share the same surname and reside at the same address (i.e., John and Jane Doe), or for a person known by two first names.
- 2. For business customers, the listing may be in the name of the business or of a member, officer, employee, or representative of the business. The listing may also include the name of a division, branch or department.
- 3. In the case of a business line operating at a residence, a dual name listing may be provided as described in #1 above.

## SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

## 3.1. Telecommunications Services (cont'd)

## 3.1.7. Telephone Directory Service (cont'd)

- 3.1.7.B. White Pages Directory(s) - This service provides for the annual delivery of the White Pages directory. One (1) directory per residential household and one (1) directory per business line will be provided at no charge. Additional directories can be purchased at the request of the customer.
- 3.1.7.C. Non-Listed Service - For customers who desire their telephone numbers to be omitted from Qwest's White Pages directory, but NOT the directory assistance database.
- 3.1.7.D. Non-Published Service - For customers who desire their telephone number to be omitted from Qwest's White Pages directory, as well as the directory assistance database.
- 3.1.7.E. Regular Extra Listing\* - An additional listing tied to the same number and address as the primary listing. For residential customers, the listing may be the names of members of the customer's family or of other persons residing in the customer's household. For business customers, additional listings may be requested for such things as names of partners or members of the firm, officers of a corporation, or the names of employees of the customer.
- 3.1.7.F. Extra Line Listing\* - Extra line material may be provided in the alphabetical directory when, in the opinion of Sage Telecom, it facilitates the use of telephone service. Ordinarily, an extra line will be provided only when a customer has more than one listed telephone. An extra line consists of five words or any fraction thereof. When a customer needs more than five words to properly direct calls, he may arrange for two or more extra lines. If the customer requests separate lines consisting of less than five words, the extra listing charge applies to each line. If two items of supplemental address information appear on the same line, two extra listing charges apply.
- 3.1.7.G. Alternate Listing\* - Listing of an alternate telephone number to be called in case no answer is received at the primary call number or indicating an alternate telephone number to be called during certain periods or under certain circumstances in preference to the primary call number is permitted for customers to all classes of service. A phrase necessary to direct the method of calling and giving the number to call may be provided as an alternate listing.
- 3.1.7.H. Foreign Listing\* - Used when a customer desires a listing in a directory published in an exchange other than the exchange serving the customer.

## SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

## 3.1. Telecommunications Services (cont'd)

## 3.1.7. Telephone Directory Service (cont'd)

- 3.1.7.I. Secretarial Listing\* - A customer engaged in furnishing service of a secretarial nature may contract for telephone secretarial listings for the benefit of patrons under the following conditions: (A) No physical facilities shall be provided for the use of such patrons or tenants, other than public telephone service; (B) The customer subscribing for the secretarial listings is not to permit the use of his telephone service by such patrons; (C) Secretarial listings will be accepted only upon written authorization to Sage Telecom from the patron to be listed.
- 3.1.7.J. Additional Listing for Rotary Number Group\* - Where a customer is served by two or more main lines in a series completion group arranged for a hunting operation, additional listings may be provided on any of the lines other than the first number in the group.
- 3.1.7.K. Residence Signature Listing - Distinctive directory listings available to residential customers.
- 3.1.7.L. Residence Family Space Listings\* - Allows a residential customer to list the name or nickname of the household members in the directory. The listing is set apart from the preceding and following directory listings by white space and a border forming a box around the listing. Listings may be the names of nicknames of members of the customer's family or other persons residing in the customer's household. The number of names allowed is limited to the number of letters available on two lines.
- 3.1.7.M. Residence Personality Logo - Allows a residential customer to add a logo to a primary or an extra listing and enclose that listing in a box frame. The customer will choose from a list of logos prepared by Qwest.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.8. Custom Calling Features

3.1.8.A. Service Offerings available to Customer's and End Users of Sage's local exchange service on local access lines only, subject to availability from the central office serving the customer:

1. Auto Call Back – Automatically redials the last incoming call.
2. Call Forwarding - Enables the customer to transfer all incoming calls to another telephone number within the exchange or on the Long Distance Telecommunications Network. The Call Forwarding customer is responsible for the payment of charges (e.g., toll charges) for each call between his Call Forwarding-equipped telephone and the telephone to which the call is being forwarded.

Includes Busy Line and Don't Answer features, as defined below. Customer may decline these additional features.

Call Forwarding - Busy Line allows incoming calls that encounter a busy condition to be forwarded to a pre-designated telephone number within the exchange or on the Long Distance Telecommunications Network.

Call Forwarding - Don't Answer allows incoming calls which are not answered after a pre-determined number of rings to be automatically forwarded to a pre-designated telephone number within the exchange or on the Long Distance Telecommunications Network.

## SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

## 3.1. Telecommunications Services (cont'd)

## 3.1.8. Custom Calling Features (cont'd)

## 3.1.8.A. Service Offerings (cont'd)

3. Call Trace - Enables the customer to initiate a trace of the last completed incoming call by dialing an activation code before receiving another call. If a trace is successful, Call Trace will record the incoming call detail (not the conversation). A successful trace cannot be made if the incoming call originates in a central office not equipped for Call Trace service. The customer will not be provided the results of the trace (i.e., the telephone number traced). Such call detail may be provided only to law enforcement authorities upon proper request.

For further action to be taken, the customer is required to contact Sage Telecom via the telephone number provided in the Call Trace announcement.

At its opinion or upon receipt of proper request from a law enforcement agency, Sage will set up a temporary tracing arrangement using Call Trace or manual trap and trace where Call trace is not available at no charge to the customer when in the judgment of Sage or law enforcement agency, the unwanted call(s) present a serious threat of bodily harm or destruction of property.

4. Call Waiting – Alerts a customer who is using his telephone that another caller is trying to reach him. Where facilities permit, Call Waiting subscribers may deactivate Call Waiting for the duration of one call. Call Waiting is automatically reactivated for the next originating or terminating call.
5. Priority Call – Provides the customer with a distinctive ring or distinctive Call Waiting tone (if the customer has subscribed to Call Waiting and Priority Call), when the customer is called from pre-selected telephone numbers. The customer can construct or modify a telephone number screening list. Priority Call will screen incoming calls against the customer's list and provide the distinctive ring for telephone numbers on the list.
6. Speed Calling – Enables a customer to place calls to other telephone numbers by dialing a one- or two-digit code rather than the complete telephone number. Residential customers may store up to eight (8) telephone numbers. Business customers may store up to thirty (30) telephone numbers.
7. Three-Way Calling – Enables a customer to add a third party to an existing call without operator assistance, thereby establishing a three-way conversation.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.8. Custom Calling Features (cont'd)

3.1.8.A. Service Offerings (cont'd)

3.1.8.B. Calling features are subject to availability of facilities and compatibility with central office equipment, access lines, and customer premises equipment.

3.1.8.C. Call Again, Call Blocker, Missed Call Dialing , Call Trace, Priority Call Ringing, Priority Call Forwarding and Caller ID are functional when both the call originating customer and the call terminating customer are served from central offices capable of sending and receiving the Calling Party Number (CPN) and are linked by appropriate facilities.

3.1.8.D. Services with call forwarding capabilities (including Call Forwarding, Call Forwarding-Busy Line, Call Forwarding-Don't Answer) cannot be used on a continual basis to expand the local calling scope beyond that available to a customer's premise.

3.1.9. Caller ID Service - Display of Calling Number and/or Name on customer provided equipment. Available to Customers and End Users of Sage's local exchange service on local access lines only. Service includes:

3.1.9.A. Calling Number Delivery - Allows the transmission of Calling Party Number (CPN) to the subscriber's access lines. When a Calling Number Delivery equipped line is on-hook, CPN is transmitted across the line during the silent interval between the first and second ring.

3.1.9.B. Calling Name Delivery - Enables the Caller ID subscriber to identify the calling party by a displayed name before the call is answered. The displayed name is the name associated with the CPN. When a Calling Name Delivery equipped line is on-hook, the Calling Party Name is transmitted across the line during the silent interval between the first and second ring.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.9. Caller ID Service (cont'd)

3.1.9.C. Anonymous Call Rejection - Allows customer to automatically reject all calls that have been marked anonymous by the calling party. When ACR is active, the called party receives no alerting (ringing) for a call that has been rejected. The call is routed to a denial announcement and subsequently terminated.

3.1.9.D. Calling Name and Number Blocking - Any Sage Telecom calling party may prevent the delivery of CPN and of Calling Party Name to the called party by dialing an access code (\*67 on their touch-tone pad or 1167 from a rotary telephone) immediately prior to placing a call. The access code activated per call blocking is available at no charge. If a calling party activates blocking, the CPN and Calling Party Name will not be transmitted across the line. Instead, the Caller ID subscriber will receive an anonymous indicator. This anonymous indicator notifies the Caller ID subscriber that the calling party chose to block name and number delivery.

Per-line blocking will be offered at no charge to a requesting customer if Sage Telecom receives from the customer written certification that the customer has a compelling need for per-line blocking.

Caller ID subscribers must provide and connect their own compatible customer premises equipment (CPE) to process the Calling Number and/or Calling Name transmission.

Subscribers will automatically be provided with both Calling Number and Calling Name delivery, subject to availability in the central office that is servicing the subscriber. If the combination of the two is not available, the subscriber will receive whatever is available, either Calling Number OR Calling Name.

Caller ID features are subject to availability of facilities and compatibility with central office equipment (for both the calling and the called parties), access lines, and customer premises equipment.

Caller ID information will not be displayed under the following conditions: (a) if the called party is off-hook; or (b) if the called party answers during the first ring interval.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.10. Multi-Line Hunting Service - This service is used to establish hunting arrangements between two or more of a customer's local exchange service access lines, and is available to Business and Residential Customers. Customers may choose from one of the following hunt group arrangements:

3.1.10.A. Series Hunting - The hunt for an idle access line starts with the called access line in a prearranged hunt group and ends with the last access line in the hunt group, completing the call to the first idle access line encountered. Unless the first access line in the hunt group is called, only a portion of the access line group is hunted.

3.1.10.B. Circle Hunting - Permits a complete hunt over all the access lines in a prearranged access line hunt group. If no idle access line is encountered, the hunting will continue until it reaches the access line that was originally called.

3.1.10.C. Preferential Hunting - Individual access lines in an access line hunt group may have an associated preferential hunt list. This hunt list specifies a hunting sequence over a predetermined subset or preferential arrangement of up to 18 access lines before proceeding to hunt through the remaining access line hunt group.

Each hunt group arrangement is subject to availability in the customer's serving central office switch. All of the lines in a hunt group arrangement must be of the same class of service (i.e., same local calling plan).

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

- 3.1.11. Maintenance of Service - The Customer shall be responsible for the payment of all related charges for each service call by a Sage employee or contractor to the customer's premises where the service difficulty or trouble results from the use of terminal equipment, communications systems or premises cable and wire on the customer's side of the demarcation point.
  - 3.1.11.A. Trouble Ticket Trip Fee - Applies for each dispatch during a normally scheduled work day where a technician is on duty. A normally scheduled work day is defined as 8AM to 5PM, Monday through Friday. If more than one technician is dispatched in conjunction with the same trouble report, the charge applies to each technician. This charge also applies to dispatches during a normally scheduled work day where the technician(s) could not access the premises.
  - 3.1.11.B. Emergency Service Call Charge – Applies for each dispatch outside a normally scheduled work day where an off duty technician is called in to perform the work. If more than one technician is dispatched in conjunction with the same trouble report, the charge applies to each technician.
  - 3.1.11.C. NID Move Charge – Applies for each dispatch related to relocating the customer's Network Interface Device (NID). This charge is in addition to either the Standard or Emergency Repair Charge, which will be determined based on the time of the dispatch.
- 3.1.12. Individual Case Basis (ICB) Arrangements - For special situations, rates for specialized services will be determined on an Individual Case Basis and specified by agreement between Sage and the Customer.

SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.13. 9-1-1 Telecommunication Service - All terms and conditions set forth in this Section are applicable to the services as defined in this Tariff.

3.1.13.A. Service Overview

1. When requested by local government authorities, the Company will provide 9-1-1 Telecommunications Service (9-1-1 Service) for the purpose of voice reporting emergencies by the public.
2. A Public Safety Answering Point (PSAP) is the answering point for a 9-1-1 call. A PSAP may be designated as Primary or Secondary, which refers to the order in which calls are directed for answering. Primary PSAP's answer first; Secondary PSAP's receive calls on a transfer basis only.
3. Any person dialing 9-1-1 from a telephone that is usable for local exchange telephone network access and arranged to provide 9-1-1 Service will be automatically connected to the appropriate Public Safety Answering Point (PSAP) for that telephone.
4. For the purposes of this Tariff, a Responding Agency is an agency that is prepared to provide one or more specific emergency services via calls received from a PSAP.
5. 9-1-1 calls originated from Sage's Local Exchange Service access facilities shall be completed to the appropriate PSAP without a charge being assessed to the calling party by Sage.
6. 9-1-1 Service may be classified as one of two types: Basic Service and Enhanced Service.
  - (a) Basic 9-1-1 Service provides for routing all 9-1-1 calls originated by telephone having telephone numbers beginning with a given central office prefix code or codes to a single PSAP that is prepared to receive those calls. Basic 9-1-1 Service has certain inherent features and optional features that may or may not be available with Enhanced 9-1-1 Service.
  - (b) Enhanced 9-1-1 Service provides certain features such as selective routing of 9-1-1 calls to a specific PSAP that is selected from the various PSAP serving Business Customers within that central office area. Enhanced 9-1-1 Service has certain other inherent and optional features that may or may not be available with Basic 9-1-1 Service.

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SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.13. 9-1-1 Telecommunication Service (cont'd)

3.1.13.B. Regulations (These regulations apply to both Basic and Enhanced Service, as appropriate.)

1. This offering is limited to the provision and use of the digits 9-1-1 as the Universal Emergency Telephone Number (Code).
2. 9-1-1 Service is one-way service only.
3. Sage shall not incur any liability, direct or indirect, to any person who dials or attempts to dial, the digits 9-1-1 or to any other person who may be affected by the dialing of the digits 9-1-1. Sage's entire liability arising out of the provision of 9-1-1 Service under this tariff shall be limited as set forth in this Section and in the Rules.

## SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

## 3.1. Telecommunications Services (cont'd)

3.1.14. Toll Restriction Service - An optional, central office activated, service which prohibits anyone from originating a direct dialed (1+) or an operator assisted (0 or 0+) outgoing long distance call from a designated local exchange access line. Any such calls, when attempted, will be routed to a central office announcement which will inform the user that long distance calls are restricted from that line.

Toll Restriction Service will be provided as follows:

- 3.1.14.A. Toll Restriction Service can be placed on any Sage local access line where the customer has subscribed to one of Sage Telecom's local service plans.
- 3.1.14.B. Any local access lines with Toll Restriction Service ARE eligible for any free 1+ minutes allowable under Sage's Toll/Long Distance Promotion.
- 3.1.14.C. For business multi-line hunt groups, each local access line in the hunting group must be equipped with Toll Restriction Service.
- 3.1.14.D. Toll Restriction Service will not be provided on PBX trunks, at such time as Sage offers PBX-type service.
- 3.1.14.E. Toll Restriction Service is subject to availability in the central office serving the Sage customer.
- 3.1.14.F. The types of outbound long distance calls that are restricted are as follows:
1. Any direct dialed 1+ long distance call. Examples include (1+Area Code+xxx-xxxx), (1+xxx-xxxx), (five-digit carrier access code + 1+xxx-xxxx), or (five-digit carrier access code + 1+Area Code+xxx-xxxx).
  2. Any local or long distance 0+ or 0 call, even in the event of an emergency. Examples include (0+Area Code+xxx-xxxx), (0+xxx-xxxx), (five-digit carrier access code + 0+xxx-xxxx), or (five-digit carrier access code + 0+Area Code+xxx-xxxx).
  3. Any Directory Assistance call for local or long distance numbers. Examples include (1+411) and (1+555-1212).
  4. Any call placed to a local DIAL 976 telephone number. Example (976-xxxx).
  5. Any call to an emergency telephone number if it is a long distance call.
- 3.1.14.G. The customer indemnifies and saves harmless Sage Telecom from any and all claims, losses and damages that may be caused by Toll Restriction Service.

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SECTION 3 - DESCRIPTION OF SERVICES, (CONT'D)

3.1. Telecommunications Services (cont'd)

3.1.15. Dual Service

Dual Service, as part of an outside/physical move of telephone service, provides Sage business customers the ability to have service at both the old and the new location at the same time.

1. At the time a service order is placed to physically move telephone service, the customer may specify a period of time, not to exceed 30 days, that they want to receive Dual Service.
2. Dual Service can be provided as long as the customer's new location is served by the same Central Office, which is normally the case when the customer is able to keep their existing phone number(s).
3. Dual service begins on the Service Order Completion (SOC) date of the new service, and extends for the number of days specified by the customer at the time of the order.
4. The number of days specified by the customer at the time of the order CANNOT be changed.
5. When Dual Service is disconnected after the specified period of time, there may be a slight outage. The outage, if there is one, should not be significant.
6. The per line rate of \$45 is the same whether the service period is one day or 30 days. This is a non-recurring charge.
7. This service replaces coordinated moves. Coordinated (i.e. after hours) move are no longer an option.

SECTION 4 - RATES AND CHARGES

4.1. Local Exchange Service - The following rates and charges are applicable to Residential and Business Customers.

4.1.1. Non-Recurring Service Charges - All rates are per service order, except as noted.

Service Charge Type	Residence	Business
Installation Charge	\$ 65.00	\$ 75.00
Copy of Call Records*: Per customer request	\$25.00	\$25.00
Order Processing Fee: Telephone Number Change	\$ 25.00	\$ 25.00
All Others	\$ 12.50	\$ 12.50
Referral Message Fee	\$ 10.00	\$ 10.00
Reconnect Fee	\$ 65.00	\$ 75.00
Duplicate Invoice Charge	\$ 5.00	\$ 5.00

\* This fee applies to requests from customers for a copy of call records. Copies requested by law enforcement are at no charge.

4.1.2. Monthly Local Service Plan Charges - All rates are per line.

4.1.2.A. Residential	
	<u>Monthly Rate</u>
Sage Simply Savings Preferred All Zones	\$49.99
Sage Simply Savings Essentials All Zones	\$44.99
4.1.2.B. Business	
	<u>Monthly Rate</u>
Business Choice Plan	\$55.99

SECTION 4 - RATES AND CHARGES, (CONT'D)

4.1. Local Exchange Service (cont'd)

4.1.3. Operator Assisted Service Rates

4.1.3.A. Operator Handled Calling

In addition to applicable usage charges, the following operator-assisted charges will apply:

Person-to-Person

Local	\$ 1.00 per call
IntraLATA	\$ 1.00 per call

Station-to-Station

Local	\$ 3.00 per call
IntraLATA	\$ 2.00 per call

The term "Local" is meant to mean a call placed to a point within the customer's local calling area as defined by the applicable local service plan.

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SECTION 4 - RATES AND CHARGES, (CONT'D)

4.1. Local Exchange Service (cont'd)

4.1.3 Operator Assisted Service Rates (cont'd)

4.1.3.B. Directory Assistance Service

Directory Assistance

Direct Dialed

\$ 2.50 per call

Via Operator

\$ 2.50 per call

Fully-Automated

Sent-Paid

\$ 0.00 per call

Collect, Bill to 3rd Number

\$ 4.95 per call

Semi-Automated

Sent-Paid

\$ 1.50 per call

Collect, Bill to 3rd Numbers

\$ 4.95 per call

Person-to-Person

\$ 4.00 per call

4.1.3.C. Busy Line Verification and Line Interrupt Service

Busy Line Verification

\$ 2.00 per request

Line Interrupt

\$ 2.00 per request

## SECTION 4 - RATES AND CHARGES, (CONT'D)

## 4.1. Local Exchange Service (cont'd)

## 4.1.4 Telephone Directory Service Rates (Per Month)

Service Type	Rate
Additional Directories	\$ 18.00
Non-Listed Service	
Primary Line	\$ 7.00
Additional Line	\$ 7.00
Non-Published Service	\$ 8.35
Additional Listings	
Residential	\$ 6.50
Business	\$ 7.15
Alternate Listings	
Residential	\$ 6.50
Business	\$ 7.15
Foreign Listings	
Residential	\$ 6.50
Business	\$ 7.15
Cross-Reference Listings	\$ 7.50
Telephone Answering Service Listing	\$ 8.00
Stylist Service Listing	\$ 8.00
Designer Listing	\$ 12.00

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SECTION 4 - RATES AND CHARGES, (CONT'D)

4.1 Local Exchange Service (cont'd)

4.1.4. Telephone Directory Service Rates (cont'd)

\* Set-up Charges for newly created listings apply as follows:

	<u>Rate</u>
Residential	\$10.00
Business	\$15.00

4.1.5 Custom Calling Features Rates (Monthly rates unless otherwise noted.)

Feature	Residential	Business
	Rate	Rate
Anonymous Call Rejection	\$ 5.00	\$ 0.00
Auto Call Back	\$ 10.25	\$ 11.25
Auto Redial	\$ 10.25	\$ 11.25
Call Forwarding	\$ 10.25	\$ 11.25
Call Forwarding – Busy Line	\$ 10.25	\$ 11.25
Call Trace (per occurrence)	\$ 10.25	\$ 11.25
Call Waiting	\$ 10.25	\$ 11.25
Caller Waiting / Call Waiting with Caller ID	\$ 10.25	\$ 11.25
Custom Ringing	\$ 9.70	\$ 12.70
Distinctive Ringing	\$ 10.25	\$ 11.25
Priority Call	\$ 10.25	\$ 11.25
Speed Calling 8	\$ 10.25	\$ 11.25
Speed Calling 30	\$ 10.25	\$ 11.25
Three-Way Calling	\$ 10.25	\$ 11.25

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## SECTION 4 - RATES AND CHARGES, (CONT'D)

## 4.1. Local Exchange Service (cont'd)

## 4.1.6. Caller ID Service

Rates below are for all Sage service plans

	<u>Monthly Rate</u>
Residential	\$ 13.25
Business	\$ 14.75

## 4.1.7. Multi-Line Hunting Service Rate

Per local access line additive to monthly Local Exchange service plan rates:

	<u>Monthly Rate</u>
Residential	\$ 8.59
Business	\$ 8.59

## 4.1.8. Maintenance Visit Charge

<u>Charge Type</u>	<u>Monthly Rate</u>
Trouble Ticket Trip Fee	\$75.00
Emergency Service Call Charge	\$300.00
NID Move	\$100.00 plus Standard or Emergency charge

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SECTION 4 - RATES AND CHARGES, (CONT'D)

4.1. Local Exchange Service (cont'd)

4.1.9. Individual Case Basis (ICB) Arrangements

No Individual Case Basis (ICB) Arrangements exist at this time.

4.1.10. Toll Restriction Service

	<u>Monthly Rate</u>
Per local access line	\$ 15.00

4.1.11. Dual Service

	<u>Monthly Rate</u>
Per local access line	\$ 45.00

4.1.12. Public Switched Network Recovery Charge <sup>1</sup>	<u>Monthly Rate</u>
	\$ 1.33

4.1.13 [Reserved for future use]

4.1.14 High Usage Charge \$0.0025

Applicable to all Residential rate plans; per MOU in excess of 6,000 MOUs during any consecutive 30 day period.

<sup>1</sup>Applicable to all Residential and Business service plans on a per line basis.

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SECTION 4 - RATES AND CHARGES, (CONT'D)

4.2. Toll Free Service (8xx)

4.2.1. The rate per minute is \$ 0.25. A \$0.50 per call surcharge will apply to all calls placed from a payphone.

4.2.2. The duration of each call is rounded up to the nearest minute.

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SECTION 5 - PROMOTIONS AND DISCOUNTS

5.0. General - Sage may make promotional offerings of its tariffed services that may include reducing or waiving applicable charges of the promoted service. All offerings will be extended on a non-discriminatory basis to any customer similarly classified who requests the specific offer. Company will not have special promotional offerings for more than 90 days in any 12 month period. In all such cases, the rates charged will not exceed those specified in Section 4 hereof.

5.1. Tell-A-Friend Promotion - This promotion provides a one-time credit to local exchange service customers of Sage for referring a local exchange service customer to Sage and who choose Sage as their long distance carrier.

5.1.1. The credit is in addition to any other allowable toll/long distance promotional credits.

Referring customers can earn a credit for each customer referred, provided they meet all terms and conditions of the program.

Referred customer must remain a Sage local exchange service customer for a minimum of thirty (30) days. Credit to the referring customer will not be given if the referred customer disconnects their local exchange service prior to thirty (30) days from their service date.

The issuance of any allowable credit will occur once the referred customer has been a Sage local exchange service customer for at least thirty (30) days.

5.1.2. Maximum Allowable Credit

Customers will receive credits for referred customers who meet criteria in 5.1.1 based on the following schedule. Sage reserves the right to end this promotion at any time.

Referral	Allowable Credit per customer referred
1st Referral	\$10.00
2nd Referral	\$15.00
3rd and all subsequent referrals	\$25.00

**EXHIBIT F**

Access Tariff

TITLE PAGE

SOUTH DAKOTA  
INTRASTATE ACCESS SERVICES TARIFF

OF

SAGE TELECOM, INC.

This tariff contains the descriptions, regulations, and rates applicable to the provision of access services provided by Sage Telecom, Inc. ("Sage" or "Company" or "the Company"), with principal offices at 805 Central Expressway South, Suite 100, Allen, TX 75013-2789, for services furnished within the State of South Dakota. This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

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CHECK SHEET

Pages of this tariff, as indicated below, are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

PAGE	REVISION	*	PAGE	REVISION	*	PAGE	REVISION	*
1	Original	*	26	Original	*	51	Original	*
2	Original	*	27	Original	*	52	Original	*
3	Original	*	28	Original	*	53	Original	*
4	Original	*	29	Original	*	54	Original	*
5	Original	*	30	Original	*	55	Original	*
6	Original	*	31	Original	*	56	Original	*
7	Original	*	32	Original	*	57	Original	*
8	Original	*	33	Original	*	58	Original	*
9	Original	*	34	Original	*	59	Original	*
10	Original	*	35	Original	*	60	Original	*
11	Original	*	36	Original	*	61	Original	*
12	Original	*	37	Original	*	62	Original	*
13	Original	*	38	Original	*			
14	Original	*	39	Original	*			
15	Original	*	40	Original	*			
16	Original	*	41	Original	*			
17	Original	*	42	Original	*			
18	Original	*	43	Original	*			
19	Original	*	44	Original	*			
20	Original	*	45	Original	*			
21	Original	*	46	Original	*			
22	Original	*	47	Original	*			
23	Original	*	48	Original	*			
24	Original	*	49	Original	*			
25	Original	*	50	Original	*			

\* - indicates those pages included with this filing

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Allen, Texas 75013-2789

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EXPLANATION OF SYMBOLS

The following symbols shall be used in this tariff for the purpose indicated below:

- (C) - To signify changed regulation.
- (D) - To signify discontinued rate or regulation.
- (I) - To signify increased rate.
- (M) - To signify a move in the location of text.
- (N) - To signify new rate or regulation.
- (R) - To signify reduced rate.
- (T) - To signify a change in text but no change in rate or regulation.

TARIFF FORMAT

- A. Page Numbering - Page numbers appear in the upper right corner of the page. Each page is numbered sequentially. However, a new page is occasionally added to the Tariff. When a new page is added between those already in effect, a decimal is added. For example, a new page added between page 15 and page 16 would be page 15.1.
- B. Page Revision Numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Public Utilities Commission. For example, the 4th Revised Page 15 cancels the 3rd Revised Page 15.
- C. Paragraph Numbering Sequence - Each level of paragraph numbering herein is subservient to its next higher level as shown:

- 2
- 2.1
- 2.1.1
- 2.1.1.A
- 2.1.1.A.(1)
- 2.1.1.A.(1)(a)

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**SECTION 1 - DEFINITIONS AND ABBREVIATIONS**

**Access** – A connection between a Customer Premises and a Point of Presence of an Interexchange Carrier for the transmission of typically, but not exclusively, voice, data or video/image information irrespective of the type(s) of facilities or technologies used.

**Access Line** - An arrangement that connects the Company's local exchange line to a Customer-designated Switching Center or Point of Presence.

**Access Minutes** - The increment for measuring usage of exchange facilities for the purpose of calculating chargeable usage.

**Access Service Request (ASR)** - The service order form that may be used in lieu of a Constructive Order by Access service Customers for the process of establishing, moving or rearranging Access services provided by the Company.

**Access Tandem** - A switching system that provides a traffic concentration and distribution function for originating or terminating traffic between End Offices and the Customer's Premises or Point of Presence.

**Account** – Either a Customer's physical location or individual Service represented by a unique account number within the billing system. Multiple services each with a unique account number may be part of one physical location.

**Answer Supervision** - The transmission of the switch trunk equipment supervisory signal (off-hook or on-hook) to a carrier's Point of Presence or Customer's terminal equipment as an indication that the called party has answered or disconnected.

**Application for Service** – The Company's order process that includes technical, billing and other descriptive information provided by Customer that allows the Company to provide requested or constructively-ordered communications Services for Customer and Customer's Authorized Users. Upon acceptance by the Company, the Application for Service or Constructive Order becomes a binding contract between Customer and the Company for the provision and acceptance of Service.

**Authorized User** – A person, firm, corporation, or other entity that is authorized by the Customer to be connected to the service of the Customer. In the case of Presubscription, the person, firm, corporation, or other entity that presubscribes through the standard industry process shall be deemed an Authorized User unless the Customer specifies in writing in advance that the person, firm, corporation, or other entity is not to become an Authorized User.

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SECTION 1 - DEFINITIONS AND ABBREVIATIONS, (CONT'D)

Automatic Number Identification (ANI) - The automatic transmission of a caller's billing account telephone number to a local exchange company, Interexchange Carrier or a third party Customer. The primary purpose of ANI is for billing toll calls.

Bit - The smallest unit of information in a binary system of notation.

Bps - Bits per second. The number of bits transmitted in a one second interval.

Business Hours - The phrase "Business Hours" generally means the time beginning at 8:00 a.m. and ending at 5:00 p.m. local time at the place of Company operation, Monday through Friday excluding holidays.

Business Office - The phrase "Business Office" means the primary location where the business operations of the Company are performed and where a copy of the Company's tariffs are made available for public inspection. The address of the business office is 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789.

Call - A Customer or End User attempt for which the complete address code (e.g., 0-, 911, or 10 digits) is provided to the Serving Wire Center, End Office or Access Tandem Switch.

Central Office - The premises of the Company or another local exchange carrier containing one or more switches where Customer or End User station loops are terminated for purposes of interconnection to other station loops, trunks or access facilities.

Channel - A communications path between two or more points.

CIC - The Carrier Identification Code assigned by the North American Numbering Plan Administrator.

Commission - Refers to the South Dakota Public Utilities Commission.

Company - Used throughout this tariff to indicate Sage Telecom, Inc.

Competitive Local Exchange Carrier - ("CLEC") or Alternative Local Exchange Carrier ("ALEC") - means any entity or person providing local exchange services in competition with an ILEC or LEC.

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**SECTION 1 - DEFINITIONS AND ABBREVIATIONS, (CONT'D)**

Constructive Order - Delivery of calls to or acceptance of calls from the Customer's End Users over Company-switched local exchange services constitutes a Constructive Order by the Customer to purchase switched access services as described herein. Similarly the selection of the Customer by an End User as the End User's PIC constitutes a Constructive Order for switched access by the Customer.

CPE - Customer Premises Equipment. All Terminal Equipment or other communications equipment and/or systems provided by the Customer for use with the Company's facilities and services.

Customer - Any person, firm, partnership, corporation or other entity that uses service under the terms and conditions of this tariff and is responsible for the payment of charges. In most contexts, the Customer is an Interexchange Carrier utilizing the Company's Switched Access services described in this tariff to reach its End User customer(s). For the purposes of this Tariff, the term Customer is synonymous with the term Interexchange Carrier as defined herein.

Customer Premises - The premises specified by the Customer for termination of access services. The Customer Premises is typically an Interexchange Carrier's Point of Presence.

Dedicated Access - Where originating or terminating access between an End User and an Interexchange Carrier are provided via dedicated facilities, circuits or channels. A method of reaching the Customer's communication and switching systems whereby the End User is connected directly to the Customer's Point of Presence or designate without utilizing the services of the local switched network.

Delinquent or Delinquency - An account for which payment has not been made in full on or before the last day for timely payment.

DS0 - Digital Signal Level 0; a dedicated, full duplex digital channel with line speeds of 2.4, 4.8, 9.6, 19.2, 56 or 64 Kbps. DS1 - Digital Signal Level 1; a dedicated, high capacity, full duplex channel with a line speed of 1.544 Mbps isochronous serial data having a line signal format of either Alternate Mark Inversion (AMI) or Bipolar with 8 Zero Substitution (B8ZS) and either Superframe (D4) or Extended Superframe (ESF) formats. DS1 Service has the equivalent capacity of 24 Voice Grade or DS0 services.

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SECTION 1 - DEFINITIONS AND ABBREVIATIONS, (CONT'D)

DS3 – Digital Signal Level 3; a dedicated, high capacity, full duplex channel with a line speed of 44.736 Mbps isochronous serial data having a line code of bipolar with three zero substitution (B3ZS). Equivalent capacity of 28 DS1 Services.

Dual Tone Multifrequency (DTMF) - Tone signaling, also known as touch tone signaling.

End Office - The Central Office from which the End User's Premises would normally obtain local exchange service and dial tone from the Company or other local exchange carrier.

End Office Switch - A Company switching system where Customer or End User station loops are terminated for purposes of interconnection to other station loops, trunks or access facilities. In most contexts, the End User is connected via station loops or trunks to an End Office Switch.

End User - Any person, firm, partnership, corporation or other entity that uses the service of the Company under the terms and conditions of this tariff. In most contexts, the End User is the customer of an Interexchange Carrier who in turn utilizes the Company's Switched or Dedicated Access services described in this tariff to provide the End User with access to the IXC's communication and switching systems.

End User Premises - The premises specified by the Customer or End User for termination of access services at the End User's physical location.

Exchange - A group of lines in a unit generally smaller than a LATA established by the Company or other local exchange carrier for the administration of communications service in a specified area. An Exchange may consist of one or more central offices together with the associated facilities used in furnishing communications service within that area.

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SECTION 1 - DEFINITIONS AND ABBREVIATIONS, (CONT'D)

Exchange Message Interface ("EMI") – The industry standard format used for exchange of telecommunications message information among carriers.

Facility (or Facilities) – Any item or items of communications plant or equipment used to provide or connect to the Company's Services.

FCC – Federal Communications Commission.

Gbps - Gigabits per second; billions of bits per second.

Holiday – The term "holiday" means 8:00 a.m. to, but not including 11:00 p.m. local time at the originating city on all Company-specific holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When holidays fall on Saturdays or Sundays, the holiday rate applies unless a larger discount would normally apply.

Host Office - An electronic switching system that provides call processing capabilities for one or more Remote Switching Modules or Remote Switching Systems.

Individual Case Basis or ICB - A process whereby the terms, conditions, rates and/or charges for a service provided under the general provisions of this tariff are developed or modified based on the unique circumstances in each case.

Interstate - For the purpose of this tariff, the term Interstate applies to the regulatory jurisdiction of services used for communications between originating and terminating points located in different states within the United States or between points in the United States and at least one international location, and the jurisdiction for all such traffic shall be computed pursuant to Section 2.9.2, following.

Intrastate - For the purpose of this tariff, the term Intrastate applies to the regulatory jurisdiction of all usage or services that are not Interstate.

Interexchange Carrier (IXC) - A long distance telecommunications services provider that furnishes services between exchange areas irrespective of the type(s) of facilities or technologies used. For the purposes of this Tariff, the term Interexchange Carrier is synonymous with the term Customer as defined herein.

Kbps - Kilobits per second; 1000s of bits per second.

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SECTION 1 - DEFINITIONS AND ABBREVIATIONS, (CONT'D)

LATA - Local Access and Transport Area. A geographic area for the provision and administration of communications services existing on February 8, 1996, as previously established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192; or established by a Bell operating company after February 8, 1996 and approved by the FCC; or any other geographic area designated as a LATA in the National Exchange Carrier Association (NECA) Tariff F.C.C. No. 4.

Local Access Facility – The channel provided by the LEC (or other local service provided) to connect the Point-of-Presence to a Customer location.

Local Exchange Company (LEC) – A company that furnishes local exchange telephone services.

Mbps - Megabits per second; millions of bits per second.

Message - See Call.

N/A - Not Applicable.

Night/Weekend – The words “night/weekend” mean 11:00 p.m. to, but not including, 8:00 a.m. local time in the originating city, all day on Saturday, and all day Sunday except from 5:00 p.m. to, but not including, 11:00 p.m.

Nonbusiness Hours – The phrase “nonbusiness hours” means the time period after 5:00 p.m. and before 8:00 a.m., Monday through Friday, all day Saturday, Sunday, and on holidays.

Non-Recurring Charge ("NRC") - The initial charge, usually assessed on a one-time basis, to initiate and establish a service or feature.

NPA - Numbering Plan Area or area code.

Off-Hook - The active condition of Switched Access service or a telephone exchange line.

On-Hook - The idle condition of Switched Access service or a telephone exchange line.

Originating Direction - The use of Switched Access Service for the origination of calls from an End User's Premises to a Customer's Point of Presence.

Other Common Carrier – Denotes a specialized or other type of common carrier authorized by the Federal Communications Commission to provide domestic or international communications service.

PIC Authorization - A Customer's or End User's selection of a PIC that meets the requirements of federal and state law.

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**SECTION 1 - DEFINITIONS AND ABBREVIATIONS, (CONT'D)**

PIC - Primary Interexchange Carrier.

Point of Presence or POP - The physical location associated with an Interexchange Carrier's communication and switching systems.

Point of Termination - The point of demarcation within a Customer or End User Premises at which the Company's responsibility for the provision of access service ends. The point of demarcation is the point of interconnection between Company communications facilities and Customer-provided or End User-provided facilities as defined in Part 68 of the Federal Communications Commission's Rules and Regulations.

Premises - A building, portion of a building in a multi-tenant building, or buildings on continuous property not separated by a highway. May also denote a Customer-owned enclosure or utility vault located above or below ground on private property or on Customer acquired right-of-way.

Presubscription - An arrangement whereby an End User selects and designates to the Company or to another LEC an Interexchange Carrier that he or she wishes to access, without an access code, for completing interLATA and/or intraLATA toll calls. The selected Interexchange Carrier, which may include the Company where capabilities exist, is referred to as the Primary Interexchange Carrier (PIC).

Primary Interexchange Carrier (PIC) - The Interexchange Carrier (IXC) designated by the Customer as its first routing choice and primary overflow carrier for routing of 1+ direct dialed and operator assisted non-local calls.

Private Line - A service that provides dedicated path between one or more Customer Premises.

Query - The inquiry to a Company database to obtain information, processing instructions or service data.

Recurring Charge - The charges to the Customer for services, facilities or equipment, which continue for the agreed upon duration of the service. Recurring charges do not vary based on Customer usage of the services, facilities or equipment provided.

Remote Switching Modules or Remote Switching Systems (RSM/RSS) - Small remotely controlled electronic End Office Switching equipment which obtains its call processing capability from a Host Office. An RSM/RSS cannot accommodate direct trunks to a Customer.

Services - The Company's common carrier communications services provided under this Tariff.

Service Commencement Date - In the case of a Constructive Order, the first day of use of the Company's facilities or services by the Customer. In the case of order types for which usage has not begun, the first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards in the service order or this tariff, in which case the service commencement date is the date of the Customer's acceptance. Except in the case of Constructive Orders, the Company and Customer may mutually agree on a substitute Service Commencement Date.

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SECTION 1 - DEFINITIONS AND ABBREVIATIONS, (CONT'D)

Service Order - A written request for network services executed by the Customer and the Company. The signing of a Service Order by the Customer and acceptance by the Company begins the respective obligations of the parties in that order for services offered under this tariff in the same manner in which first usage begins the Customer's obligations in the case of a Constructive Order.

Serving Wire Center Switch - A Company switching system where Customer or End User station loops are terminated for purposes of interconnection to other station loops, trunks or access facilities. In most contexts, the Customer is connected via station loops or trunks to a Serving Wire Center Switch.

Special Access - See Dedicated Access.

Station - Refers to telephone equipment or an exchange access line from or to which calls are placed.

Switch - The term "switch" denotes an electronic device that is used to provide circuit sharing, routing, and control.

Switched Access - Denotes a form of originating and/or terminating Access between an End User and an Interexchange Carrier as defined herein via facilities, circuits or channels provided by the Company or by another local exchange carrier. Switched Access provides a method of reaching the Customer's communication and switching systems whereby the End User is connected to the Customer's Point of Presence or other designated location using services of the local switched network. All Switched Access traffic is intended to be carried on Feature Group trunks, however, the delivery of Switched Access traffic over any other facilities or arrangements does not diminish the Customer's obligation to pay for the Switched Access service and further obligates the Customer that delivers Switched Access traffic over non-Feature Group facilities to immediately report all such usage to the Company in a manner that enables efficient and complete billing pursuant to this Tariff.

Tandem Switch - See Access Tandem.

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SECTION 1 - DEFINITIONS AND ABBREVIATIONS, (CONT'D)

Terminal Equipment - Telecommunications devices, apparatus and associated wiring on the Customer-designated premises.

Terminating Direction - The use of Switched Access Service for the completion of calls from a Customer's Point of Presence to an End User Premises.

Timely Payment - A payment on a Customer's account made on or before the due date.

Trunk - A communications path connecting two switching systems in a network, used in the establishment of an end-to-end connection.

Trunk Group - A set of trunks, which are traffic engineered as a unit for the establishment of connections between switching systems in which all of the communications paths are interchangeable.

Underlying Carrier - A provider of interstate telecommunications services from whom the Company acquires facilities or services that it utilizes to provide the Company's services to Customers.

V & H Coordinates - Geographic points which define the originating and terminating points of a call in mathematical terms so that the airline mileage of the call may be determined. Call mileage may be used for the purpose of rating calls.

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SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of Sage Telecom, Inc.

- 2.1.1 The Company undertakes to furnish switched or dedicated access communications service pursuant to the terms of this tariff.
- 2.1.2 The Company's services and facilities are available twenty-four (24) hours per day, seven (7) days per week.
- 2.1.3 The Company is responsible under this tariff only for the services and facilities provided hereunder, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own customers.
- 2.1.4 The Company arranges for installation, operation, and maintenance of the communications services provided in this tariff for Customers in accordance with the terms and conditions set forth under this tariff. The Customer shall be responsible for all charges due for such service arrangements.

2.2 Use of the Company's Service

- 2.2.1 Services provided under this tariff may be used by the Customer for any lawful telecommunications purpose for which the service is technically suited.
- 2.2.2 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- 2.2.3 Any service provided under this tariff may be resold to or shared (jointly used) with other persons at the Customer's option. The Customer remains solely responsible for all use of service ordered by it or billed to its account(s) pursuant to this tariff, for determining who is authorized to use its service, and for promptly notifying the Company of any unauthorized use. The Customer may advise its customers that a portion of its service is provided by the Company, but the Customer shall not represent that the Company jointly participates with the Customer in the provision of the service. The Company may require applicants for service who intend to use the Company's offerings for resale, shared and/or joint use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and the Commission's regulations, policies, orders, and decisions.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.3 Limitations

- 2.3.1 The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.3.2 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and equipment and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers, from time to time, to furnish service as required at the sole discretion of the Company.
- 2.3.3 The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.
- 2.3.4 The Company may block any signals being transmitted over its network by Customers that cause interference to the Company or other users. Customer shall not be relieved of all obligations to make payments for charges relating to any blocked service and shall indemnify the Company for any claim, judgment or liability resulting from such blockage.
- 2.3.5 The Company reserves the right to discontinue service when the Customer is using the service in violation of the provisions of this tariff, or in violation of the law.
- 2.3.6 The Company reserves the right to discontinue service, limit service, or to impose requirements as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.
- 2.3.7 No Company services specified herein shall be provided until after the Company has completed, to its satisfaction, testing of such services and of Company systems, processes and procedures.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.4 Assignment and Transfer

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties to a) any entity controlling, controlled by or under common control with the Company, whether direct or indirect; b) under any sale or transfer of all or substantially all the assets of the Company within the applicable state or states; or c) under any financing, merger or reorganization of the Company.

2.5 Application or Service

Customers may be required to enter into written or oral service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the services, and the terms and conditions in this tariff. Customers will also be required to execute any other documents as may be reasonably requested by the Company.

2.6 Ownership of Facilities

2.6.1 The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, number, process, or code.

2.6.2 Title to all facilities utilized by the Company to provide service under the provisions of this tariff shall remain with the Company, its partners, agents, contractors or suppliers. Such facilities shall be returned to the Company, its partners, agents, contractors or suppliers by the Customer, whenever requested, within a reasonable period following the request in original condition, reasonable wear and tear expected.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.7 Liability of the Company**

- 2.7.1 The liability of the Company for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of the Company, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, changing or removing the service or facilities or equipment shall not exceed an amount equal to the charges applicable under this tariff (calculated on a proportionate basis where appropriate, at the sole discretion of the Company) to the period during which such error, mistake, omission, interruption or delay occurs.
- 2.7.2 In no event shall the Company be liable for any incidental, indirect, special, or consequential damages (including, without limitation, lost revenue or profits) of any kind whatsoever regardless of the cause or foreseeability thereof.
- 2.7.3 When the services or facilities of other common carriers are used separately or in conjunction with the Company's facilities or equipment in establishing connection to points not reached by the Company's facilities or equipment, the Company shall not be liable for any act or omission of such other common carriers or their agents, servants or employees.
- 2.7.4 The Company shall not be liable for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing service to restore service in compliance with FCC, or other relevant Commission, rules and regulations.
- 2.7.5 The Company shall not be liable for interruptions, delays, errors, or defects in transmission, or for any injury whatsoever, caused by the Customer, or the Customer's agents, End Users, or by facilities or equipment provided by the Customer.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.7 Liability of the Company (Continued)

- 2.7.6 No liability shall attach to the Company by reason of any defacement or damage to the Customer's premises resulting from the existence of the Company's equipment or facilities on such premises, or by the installation or removal thereof, when such defacement or damage is not the result of the gross negligence or intentional misconduct of the Company or its employees.
- 2.7.7 The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere.
- 2.7.8 The Company makes no warranties or representations, express or implied, either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.
- 2.7.9 Failure by the Company to assert its rights under a provision of this tariff does not preclude the Company from asserting its rights under other provisions.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.8 Liability of the Customer

- 2.8.1 The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the acts or omissions of the Customer, its officers, employees, agents, invites, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.
- 2.8.2 To the extent caused by the acts or omissions of the Customer as described in 2.8.1, preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, and (2) any liability incurred by any third party pursuant to this or any other tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided to such third party.
- 2.8.3 A Customer shall not assert any claim against any other Customer or user of the Company's services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this tariff including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other Customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other Customer or user and not by any act or omission of the Company. Nothing in this tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.
- 2.8.4 The Customer shall be fully liable for any damages, including, without limitation, usage charges, that the Customer may incur as a result of the unauthorized use of services provided to a Customer. Unauthorized use occurs when a person or entity that does not have actual, apparent, or implied authority to use the network, obtains the Company's services provided under this tariff. The unauthorized use of the Company's services includes, but is not limited to, the placement of calls from the Customer's premises, and the placement of calls through equipment controlled and/or provided by the Customer, that are transmitted over the Company's network without the authorization of the Customer. The Customer shall be fully liable for all such usage charges.

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## SECTION 2 - RULES AND REGULATIONS, (CONT'D)

## 2.9 Obligations of the Customer

- 2.9.1 The Customer is responsible for making proper application for service; for placing any necessary orders; for complying with tariff regulations; and for payment of charges for services provided. Specific Customer responsibilities include, but are not limited to the following:
- A. reimbursing the Company for damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the non-compliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer premises, unless caused by the gross negligence or intentional misconduct of the employees or agents of the Company;
  - B. providing at no charge, as specified from time to time by the Company, any needed equipment, secured space, power, supporting structures, and conduit to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
  - C. obtaining, maintaining and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of cable and associated equipment used to provide communications services to the Customer from the cable building entrance or property line to the location of the equipment space described in Section 2.9.1.B. Any and all costs associated with the obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company provided facilities, shall be borne entirely by, or may be charged by the Company, to the Customer; the Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;
  - D. providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment; the Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company; the Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g., friable asbestos) prior to any construction or installation work;

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.9 Obligations of the Customer (Continued)

2.9.1 (continued)

- E. complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer Premises or the rights-of-way for which Customer is responsible under Section 2.9.1.C.; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- F. not creating or allowing to be placed any liens or other encumbrances on the Company's equipment or facilities;
- G. making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer, such agreement not to be reasonably withheld or denied. No allowance will be made for the period during which service is interrupted for such purposes;
- H. taking all steps necessary to cancel or otherwise discontinue any service(s) to be replaced by any of the Company's service(s) as described herein; and
- I. ensuring that any Customer provided equipment and/or systems are properly interfaced with Company facilities or services, that the signals emitted into Company's network are of the proper mode, bandwidth, power, and signal level for the intended use of the Customer and in compliance with the criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, or degrade service to other Customers.

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## SECTION 2 - RULES AND REGULATIONS, (CONT'D)

## 2.9 Obligations of the Customer (Continued)

2.9.2 With regard to access services provided by the Company, specific Customer responsibilities include, but are not limited to the following:

A. Design of Customer Services

The Customer shall be responsible for its own expense for the overall design of its services and for any redesigning or rearrangements of its services which may be required because of changes in facilities, operations or procedures of the Company, minimum protection criteria, or operating or maintenance characteristics of the facilities.

B. Network Contingency Coordination

The Customer shall, in cooperation with the Company, coordinate in planning the actions to be taken to maintain maximum network capability following natural or man-made disasters which affect telecommunications service.

C. Jurisdictional Reports

(1) Report Requirements for Access Services

All charges (i.e. monthly rates, usage rates, and nonrecurring charges) are prorated between interstate and intrastate based on industry practices as set forth in this section.

(2) Procedure for Determining Call Jurisdiction

For traffic originated by the Customer and terminated by the Company, the Company shall compare the terminating NPA-NXX of the called Sage local service customer to the Local Routing Number ("LRN") field of the EMI access records, where such LRN field is properly populated. For wireless roaming traffic, the Customer shall, subject to audit by the Company, populate the LRN field of the EMI access records with a Jurisdictional Information Parameter (JIP) value that identifies the location of the cell site used to originate each call established while roaming and the Company shall use properly-populated LRN fields to jurisdictionally rate the usage. Where such LRN field is not properly populated, and for all other traffic, the Company shall compare its local service customer's NPA-NXX to the originating Automatic Number Identification ("ANI") or to the calling NPA-NXX, except that the Company shall use the Percent Interstate Use ("PIU") when the originating ANI is not available or when the jurisdiction of the call cannot otherwise be determined.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.9 Obligations of the Customer (Continued)****2.9.2 (continued)****D. Jurisdictional Percentages and Determination of Access Charges**

Usage-sensitive and non-usage-sensitive rates and nonrecurring charges, including those associated with optional features, shall be prorated based on the call jurisdiction determined through the procedure set forth in 2.9.2.C.(2), above. When a PIU must be used, it shall be expressed as a whole number between 0 and 100. The sum of the PIU and the intrastate jurisdictional percentage (IJP) must equal 100%. The IJP is determined by subtracting the PIU from 100. When a PIU must be used, the PIU factor and IJP factor serve as the basis for development of interstate and intrastate charges to the Customer pursuant to the procedure identified in 2.9.2.C.(2), above. When a PIU must be used for non-usage sensitive and nonrecurring rates, the quantity of service is multiplied by the PIU and IJP factors and by the applicable tariff rate to develop the charge. When a PIU must be used for usage sensitive rates, the quantity of usage-sensitive units is multiplied by the PIU and IJP factors and by the applicable tariff rate to develop the charge.

Separate PIU factors, when PIU factors are applicable pursuant to 2.9.2.C.(2) above, are required for originating or terminating usage.

**E. Interstate PIU**

The PIU will be established by the Company or provided by the Interexchange Carrier (IXC) customer as described following:

**(1) Company-Developed PIU**

Where the Company can, pursuant to 2.9.2.C.(2), above, adequately determine the jurisdiction of an originating or terminating call from the call detail, the Company will bill according to the jurisdiction of the call as determined from that call detail.

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## SECTION 2 - RULES AND REGULATIONS, (CONT'D)

## 2.9 Obligations of the Customer (Continued)

## 2.9.2 (continued)

## E. Interstate PIU (continued)

## (2) Customer-Provided PIU

Where the Company does not possess the capability to adequately determine the jurisdiction of a switched access service, a PIU factor must be reported by the Customer to the Company, as follows:

The Customer will provide a projected interstate usage percentage for originating access minutes for each LATA from which the Customer may originate or terminate traffic. The specified percentage must accurately reflect the jurisdiction of the traffic in accordance with applicable law and will be applied to all end offices to which the Customer may originate or terminate traffic within the LATA.

All PIU factors provided in a report update must be furnished via a letter. PIU factors provided via letter will be kept on file by the Company.

For FGA and FGB, pursuant to Federal Communications Commission Order FCC 85-145 (adopted April 16, 1985), when the Customer does not have sufficient data to determine jurisdiction, the PIU is to be developed as though every call that enters the Customer's network at a point within the same state as that in which the called station is situated (as designated by the called station number) is an intrastate communication. Every call for which the point of entry is in a state other than that where the called station is situated (as designated by the called station number) in an interstate communication.

## F. Intrastate IJP

## (1) Company-Developed IJP

Where the Company can, pursuant to 2.9.2.C.(2), above, adequately determine the jurisdiction of an originating or terminating call from the call detail, the Company will bill according to the jurisdiction of the call as determined from that call detail.

## (2) Customer-Provided IJP

Where the Company does not possess the capability to adequately determine the jurisdiction of a switched access service, the Company will determine the IJP for the service by subtracting the Customer-provided PIU from 100.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.9 Obligations of the Customer (Continued)****2.9.2 (continued)****G. Report Updates****(1) Annual Requirements**

The Customer shall provide to the Company by April 15 of each year a written report which provides the methodology utilized by the Customer to develop the PIU factors provided in the quarterly report.

If the Customer does not provide the annual report by April 15 of each year, the Customer will be notified by certified mail that if the annual report is not received within thirty (30) calendar days of the receipt of the notice, the Company will designate its default PIU factor of 50% for each service, with the exception of originating 700 Access Service which is arranged for interstate use. For originating 700 Access Service, the Company will designate a PIU factor of 0%. Such factors will be applied pursuant to 2.9.2.C.(2), above, to the next billing cycle following the thirty (30) day notice period and will be utilized until the Customer provides an annual report. Once the Customer does provide an annual report, the Company will update the Customer's PIU factors within fifteen (15) business days utilizing the most current PIU reported by the Customer.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.9 Obligations of the Customer (Continued)

2.9.2 (continued)

H. Quarterly Update Requirements

The Customer is required to provide updates to the PIU reports. Upon receipt by the Company, the revised report will serve as the basis for future billing pursuant to 2.9.2.C.(2), above, and will be effective on the next bill date for that service. No prorating or back billing will be done based on the report. The revised report will be used by the Company to apportion usage rates pursuant to 2.9.2.C.(2), above.

- (1) Effective on the first of January, April, July, and October of each year, the Customer will update the PIU reports. The Customer will forward to the Company, to be received no later than fifteen (15) business days after the first of each such month, a revised report showing the interstate and intrastate percentage of use for the past three months ending the last day of December, March, June and September, respectively, for each service arranged for interstate use. The revised report will serve as the basis for the next three months billing pursuant to 2.9.2.C.(2), above.
- (2) When the Customer does not provide a quarterly update report, but has complied with the annual report requirements, the Company will assume the percentages to be the same as those provided in the last quarterly update report received by the Company. When the Customer does not provide a quarterly update report and has not complied with the annual report requirements, the default PIU will be applied pursuant to 2.9.2.C.(2), above.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.9 Obligations of the Customer (Continued)

2.9.2 (continued)

I. Audit of Jurisdictional Accuracy

- (1) If the Company disputes the reasonableness of the PIU provided by the Customer as set forth in 2.9.2.G., preceding, or the reported PIU varies by more than five percentage points over the preceding PIU, the Company may ask the Customer to provide the data used by the Customer to determine the projected interstate percentage. The Customer shall retain, for a minimum of one year, accurate call detail records from which the percentage of interstate and intrastate use can be derived, and shall make such records available for inspection as reasonably necessary for PIU verification. Such records shall be made available for inspection and audit within fifteen (15) days of the Company's request for verification.

The Company shall limit audits to no more than one per year, except where additional audits may be required to verify allocation changes that represent a five percent shift from the Customer's most recent reported figures, and such change is not the result of seasonal shifts or other identifiable reasons. The Customer may request that verification audits be conducted by an independent auditor. In such cases the associated auditing expenses will be paid by the Customer.

In the event that the Customer fails to provide adequate records to enable the Company or an independent auditor to conduct an audit verifying the Customer's PIU, the Company will bill the usage for all the contested periods using the PIU reported by the Customer for the previous period pursuant to 2.9.2.G., above. This PIU will remain in effect until the Customer provides the call detail records from which the percentage of interstate and intrastate use can be derived. No prorating or back billing will be done based on the newly derived factor.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.10 Billing and Payment For Service****2.10.1 Responsibility for Charges**

The Customer is responsible for payment of all charges for services and equipment furnished to the Customer for transmission of calls via the Company. In particular and without limitation to the foregoing, the Customer is responsible for any and all cost(s) incurred as the result of:

- A. any delegation of authority resulting in the use of Customer's communications equipment and/or network services that result in the placement of calls via the Company;
- B. any and all use of the service arrangement provided by the Company, including calls which the Customer did not individually authorize;
- C. any calls placed by or through the Customer's equipment via any remote access feature(s);

**2.10.2 Minimum Period**

The minimum period for which services are provided and for which rates and charges are applicable is one (1) month unless otherwise specified in this tariff. When a service is discontinued prior to the expiration of the minimum period, charges are applicable, whether the service is used or not.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.10 Billing and Payment For Service (Continued)

2.10.3 Payment for Service

- A. All charges due from the Customer are payable to the Company or any agent duly authorized to receive such payments. Terms of payment shall be according to the rules and regulations of the agent and subject to the rules of regulatory bodies having jurisdiction.
- B. Non-recurring charges for installations, service connections, moves or rearrangements are due and payable upon receipt of the Company's invoice by the Customer. At the Company's discretion, payment of all or a portion of any non-recurring charges may be required prior to commencement of facility or equipment installation or construction required to provide the services requested by the Customer.
- C. The Company shall present invoices for recurring charges monthly to the Customer, in advance of the month in which service is provided, and recurring charges shall be due and payable as specified on the bill.
- D. When billing is based upon Customer usage, usage charges will be billed monthly in arrears for service provided in the preceding billing period. Charges shall be due and payable as specified on the bill.
- E. Customer billing will begin on the service commencement date, which is the day the Company determines in its reasonable sole discretion that the service or facility is available for use, except that the service commencement date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards under this tariff or the service order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.
- F. When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rata basis. For this purpose, every month is considered to have 30 (thirty) days.
- G. Amounts not paid within 30 (thirty) days after the mailing date of invoice will be considered past due.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.10 Billing and Payment For Service (Continued)****2.10.4 Disputed Charges**

- A. Any objections to billed charges must be reported to the Company or its billing agent within sixty (60) days of the invoice of the bill issued to the Customer. Adjustments to Customers' bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.
- B. In the event that a billing dispute occurs concerning any charges billed to the Customer by the Company, the Customer must submit a documented claim for the disputed amount. The Customer will submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within sixty (60) days of the invoice date of the bill for the disputed services. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.
- C. If the dispute is resolved in favor of the Customer and the Customer has withheld the disputed amount, no interest credits or penalties will apply.
- D. If the dispute is resolved in favor of the Company and the Customer has withheld the disputed amount, any payments withheld pending settlement of the disputed amount shall be subject to the late payment penalty as set forth in 2.10.5.
- E. If the dispute is resolved in favor of the Customer and the Customer has paid the disputed amount, the Customer will receive an interest credit from the Company for the disputed amount times a late factor as set forth in 2.10.5.
- F. If the dispute is resolved in favor of the Company and the Customer has paid the disputed amount on or before the payment due date, no interest credit or penalties will apply.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.10 Billing and Payment For Service (Continued)

2.10.5 Late Payment Fees

A late payment charge of 1.5% per month, or the highest rate permitted by applicable law, whichever is less, shall be due to the Company for any billed amount for which payment has not been received by the Company within thirty (30) days of the invoice date of the Company's invoice for service, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentment. If the payment due date falls on a Saturday, Sunday, legal holiday or other day when the offices of the Company are closed, the date for acceptance of payments prior to assessment of any late payment fees shall be extended through to the next business day.

2.10.6 Returned Check Charge

A service charge equal to \$30.00, or the actual fee incurred by Company from a bank or financial institution, whichever is greater, will be assessed for all checks returned by a bank or other financial institution for: insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or other financial institution.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.11 Taxes, Surcharges and Fees

- 2.11.1 All taxes, including state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax), are listed as separate line items on the Customer's bill and are not included in the quoted rates and charges set forth in this tariff. To the extent that a municipality, other political subdivision or local agency of government, or Commission imposes upon and collects from the Company a gross receipts tax, sales tax, occupation tax, license tax, permit fee, rights-of-way fee, franchise fee, or other regulatory fee or tax, such and fees and taxes shall, insofar as practicable and allowed by law, be billed pro rata to Customers receiving service from the Company within the territorial limits of such municipality, other political subdivision or local agency of government. It shall be the responsibility of the Customer to pay any such taxes and fees that subsequently become applicable retroactively.
- 2.11.2 The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amounts it is required by governmental or quasi-governmental authorities to collect from or pay to others in support of statutory or regulatory programs.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.12 Deposits and Advanced Payments****2.12.1 General**

The Company reserves the right to validate the creditworthiness of Customers and billed parties through available verification procedures. Where a Customer's creditworthiness is unacceptable to the Company, Company may refuse to provide service, require a deposit or advance payment, or otherwise restrict or interrupt service to a Customer.

**2.12.2 Deposits**

- A. The Company may, in order to safeguard its interests, require a Customer which has a proven history of late payments to the Company or does not have established credit or has a bad credit rating to make a deposit prior to or at any time after the provision of service to the Customer to be held by the Company as a guarantee of the payment of rates and charges. No such deposit will be required of a Customer that has established satisfactory credit and has no history of late payments to the Company.
- B. The amount of deposit may be adjusted at the request of the Customer at any time when the character, purpose, or degree of the Customer's use of the service has materially changed, or when it is indicated that it will change.
- C. The making of a deposit shall not relieve any Customer of the obligation to pay current bills when due. A deposit shall only be applied to the indebtedness of the Customer for jurisdictional telecommunications services of the provider.
- D. The rate of interest paid on any security deposit received from a Customer for each calendar year shall be not less than the deposit index as defined in the South Dakota Public Utilities Commission's rules.

**2.12.3 Advance Payments**

To safeguard its interests, the Company may require a Customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount equal to two (2) month's estimated billing. This will be applied against the next month's charges and a new advance payment may be collected for the next month, if necessary. Advance payments do not accrue interest. An advance payment may be required in addition to a deposit.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.13 Cancellation by Customer****2.13.1 General**

- A. Customers of the Company's service may cancel service by providing the Company with written notification thirty (30) days prior to the requested cancellation date. The Company shall hold the Customer responsible for payment of all bills for service furnished until the cancellation date specified by the Customer or until thirty (30) days after the date that the cancellation notice is received, whichever is later.
- B. Customers seeking to cancel service have an affirmative obligation to block traffic originating from or terminating to the Company's network. By originating traffic from or terminating traffic to the Company's network, the Customer will have constructively ordered the Company's switched access service.

**2.13.2 Cancellation of Contract Services**

- A. If a Customer cancels a service order or terminates services before the completion of the term or where the Customer breaches the terms in the service contract, the Customer may be requested by the Company to pay to Company termination liability charges. These charges shall become due and owing as of the effective date of the cancellation or termination. Unless otherwise specified in this tariff, the termination liability shall be equal to:
  - (1) all unpaid nonrecurring charges reasonably expended by the Company to establish service to Customer, plus;
  - (2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of Customer, plus;
  - (3) all recurring charges specified in the applicable service order for the balance of the then current term.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.13 Cancellation by Customer (Continued)

2.13.3 Cancellation of Application for Service

- A. Where the Company permits the Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.
- B. Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.
- C. Where the Company incurs any expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, may apply. In such cases, the charge will be based on such elements as the cost of the equipment, facilities, and material, the cost of installation, engineering, labor, and supervision, general and administrative expense, other disbursements, depreciation, maintenance, taxes, provision for return on investment, and any other costs associated with the special construction or arrangements.
- D. The charges described above will be calculated and applied on a case-by-case basis.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.14 Cancellation by Company**

- 2.14.1 Service continues to be provided until canceled by the Customer pursuant to Section 2.13 or until discontinued by the Company. The Company may render bills subsequent to the termination of service for charges incurred before termination. The Customer shall pay such bills in full in accordance with the payment terms of this tariff.
- 2.14.2 The Company may refuse or discontinue service to a Customer without notice under the following conditions:
- A. For violation of law or this tariff: Except as provided elsewhere in this tariff, the Company may refuse, suspend or cancel service, without notice, for any violation of terms of this tariff, for any violation of any law, rule, regulation, order, decree or policy of any government authority of competent jurisdiction, or by reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such service or prohibits Customer from subscribing to, using, or paying for such service.
  - B. For the Company to comply with any order or request of any governmental authority having jurisdiction: The Company may refuse, suspend or cancel service, without notice, in order to permit the Company to comply with any order or request of any governmental authority having jurisdiction.
  - C. In the event of a national or local emergency in which the Company has reason to believe that its services may be used for causing terrorist acts or harm to citizens.
  - D. In the event of Customer or Authorized User use of equipment in such a manner as to adversely affect the Company's equipment or service to others.
  - E. In the event of tampering with the equipment or services of the Company or its agents.
  - F. In the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of service, the Company may, to the extent that Company opts to restore such service, require the Customer to make, at Customer's own expense, all changes in facilities or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the loss in revenues resulting from such fraudulent use.
  - G. If any of the facilities, appliances, or apparatus on Customer's premises are found to be unsafe or causing harm to the Company's facilities, and may refuse to furnish service until the applicant or Customer shall have remedied the condition.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.14 Cancellation by Company (Continued)

2.14.3 The Company may refuse or discontinue service provided that, unless otherwise stated, the Customer shall be given five (5) days written notice to comply with any rule or remedy any deficiency:

- A. For nonpayment: The Company, by written notice to the Customer and in accordance with applicable law, may refuse, suspend or cancel service without incurring any liability when there is an unpaid balance for service that is past due.
- B. For returned checks: The Customer whose check or draft is returned unpaid for any reason, after two attempts at collection, may, at the Company's discretion, be subject to refusal, suspension or cancellation of service in the same manner as provided for nonpayment of overdue charges.
- C. For neglect or refusal to provide reasonable access to the Company or its agents for the purpose of inspection and maintenance of equipment owned by the Company or its agents.
- D. For Customer use or Customer's permitting use of obscene, profane or grossly abusive language over the Company's facilities, and who, after five (5) days notice, fails, neglects or refuses to cease and refrain from such practice or to prevent the same, and to remove its property from the premises of such person.
- E. For use of telephone service for any property or purpose other than that described in the application.
- F. For Customer's breach of any contract for service between the Company and the Customer.
- G. For periods of inactivity in excess of sixty (60) days.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.15 Restoration of Service**

- 2.15.1 If service has been discontinued for nonpayment or as otherwise provided herein and the Customer wishes service continued, service may be restored at the Company's sole discretion, when all past due amounts are paid or the event giving rise to the discontinuance (if other than nonpayment) is corrected. Customers whose service was disconnected for non-payment may be required to pay a deposit and/or advance payment prior to service restoration.
- 2.15.2 A restoration fee of \$25.00, or the actual costs incurred by the Company plus an administrative charge, whichever is greater, applies to Customers whose service is restored following disconnection by the Company.
- 2.15.3 Restoration of disrupted services shall be in accordance with applicable Commission and/or Federal Communications Commission Rules and Regulations specified in 47 C.F.R., Chapter I, Part 64, Appendix A, which specify the priority system for such activities.

**2.16 Provision of Company Equipment and Facilities**

- 2.16.1 The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not nor may the Customer permit others to rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- 2.16.2 The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided to the Customer except following required notice procedures.
- 2.16.3 Equipment the Company provides or installs at the Customer premises shall not be used for any purpose other than that for which the equipment is provided.
- 2.16.4 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished under this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
- A. the transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or
  - B. the reception of signals by Customer-provided equipment; or
  - C. network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.17 Interconnection**

- 2.17.1 Service furnished by the Company may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to technical limitations established by the Company. Service furnished by the Company is not part of a joint undertaking with such other common carriers or systems. Any special interface equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers shall be provided at the Customer's expense.
- 2.17.2 Connection with the facilities or services of other carriers shall be under the applicable terms and conditions of the other carriers' tariffs. The Customer is responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment or systems with Company's facilities. Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection.
- 2.17.3 The Customer shall ensure that the facilities or equipment provided by another carrier are properly interconnected with the facilities or equipment of the Company. If the Customer maintains or operates the interconnected facilities or equipment in a manner which results or may result in harm to the Company's facilities, equipment, personnel, or the quality of service, the Company may, upon five (5) days written notice, require the use of protective equipment at the Customer's expense. If this written notice fails to eliminate the actual or potential harm, the Company may, upon additional five (5) days written notice, terminate the existing service of the Customer.
- 2.17.4 If harm to the Company's network, personnel or services is imminent due to interconnection with another carrier's services, the Company reserves the right to shut down Customer's service immediately, with no prior notice required.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.18 Customer-Provided Equipment**

- 2.18.1 The Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this tariff. A user may transmit any form of signal that is compatible with the Company's equipment, but the Company does not represent that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this tariff.
- 2.18.2 Terminal equipment on the user's premises and the electric power consumed by such equipment shall be provided by and maintained at the expense of the Customer. The Customer is responsible for the provision of wiring or cable to connect its terminal equipment to the Company's network.
- 2.18.3 The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense, subject to prior Customer approval of the equipment expense.
- 2.18.4 Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements under this Section 2.18 for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.
- 2.18.5 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action, as it deems necessary to protect its facilities, equipment, and personnel. The Company may, upon five (5) days written notice, require the use of additional protective equipment at the Customer's expense. If this written notice fails to remedy any protective deficiencies or potential harm, the Company may, upon additional five (5) days written notice, terminate the existing service of the Customer.
- 2.18.6 If harm to the Company's network, personnel or services is imminent, the Company reserves the right to shut down Customer's service immediately, with no prior notice required.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.19 Inspection, Testing and Adjustments

- 2.19.1 The Company may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the terms and conditions of this tariff are being complied with in the installation, operation or maintenance of the Customer's or the Company's facilities or equipment. The Company may interrupt service at any time, without penalty or liability, due to the departure from or reasonable suspicion of the departure from any of these terms and conditions.
- 2.19.2 Upon reasonable notice, the facilities or equipment provided by the Company shall be made available to the Company for such tests and adjustments as may be necessary for their maintenance in a condition satisfactory to the Company. No interruption allowance shall be granted for the time during which such tests and adjustments are made, unless such interruption exceeds twenty-four (24) hours in length and is requested by the Customer.
- 2.19.3 The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period applies to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.20 Allowances for Interruptions in Service

2.20.1 General

- A. Upon the written request of the Customer, delivered to the Company no later than thirty (30) days following the date of service interruption, a credit allowance will be given when service is interrupted, except as specified in Section 2.20.2 following. A service is interrupted when it becomes inoperative to the Customer, e.g., the Customer is unable to transmit or receive, because of a failure of a component furnished by the Company under this tariff.
- B. An interruption period begins when the Customer reports to the Company a service, facility or circuit is inoperative and, if necessary, releases it for testing and repair by the Company, as determined in its sole and reasonable discretion. An interruption period ends when the service, facility or circuit is operative.
- C. If the Customer reports a service, facility or circuit to be interrupted but declines to release it for testing and repair, refuses access to its premises for test and repair by the Company, or continues to make voluntary use of the service, the service, facility or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility or circuit considered by the Company to be impaired.
- D. The Customer shall be responsible for the payment of service charges for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.20 Allowances for Interruptions in Service (Continued)

2.20.2 Limitations of Allowances

A. No credit allowance will be made for any interruption in service:

- (1) due to the negligence of or noncompliance with the provisions of this tariff by any person or entity other than the Company, including but not limited to the Customer;
- (2) due to the failure of power, equipment, systems, connections or services not provided by the Company;
- (3) due to circumstances or causes beyond the reasonable control of the Company;
- (4) during any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;
- (5) during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (6) when the Customer is known to have planned or participated in terrorism or in acts that may cause harm to citizens;
- (7) that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- (8) that was not reported to the Company within thirty (30) days of the date that service was affected.

2.20.3 Use of Another Means of Communications

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.20 Allowances for Interruptions in Service (Continued)

2.20.4 Application of Credits for Interruptions in Service

- A. Except as provided in Section 2.20.2 A., if a Customer's service is interrupted, and it remains interrupted for eight (8) normal working hours or longer after access to the premises is made available and after being reported to be out of order, appropriate adjustments or refunds shall be made to the Customer, when such adjustment exceeds \$1.00.
- B. The amount of adjustment or refund shall be determined on the basis of the known period of interruption; generally beginning from the time the service interruption is first reported. The refund to the Customer shall be a pro rata part of the month's flat rate charges (if any) for the period of days and that portion of the service facilities rendered useless or inoperative. The refund may be accomplished by a credit on a subsequent bill for the service.
- C. For purposes of credit computation every month shall be considered to have seven hundred and twenty (720) hours. For services with a monthly recurring charge, no credit shall be allowed for an interruption of continuous duration of less than eight (8) hours. The Customer shall be credited for an interruption of eight (8) or more hours at the rate of 1/720th of the monthly charge for the services affected for each day that the interruption continues. The formula used for computation of credits is as follows:  
  

$$\text{Credit} = A/720 \times B$$

A = outage time in hours (must be 8 or more)  
 B = total monthly recurring charge for affected service.
- D. No credits will be provided for usage sensitive services.
- E. Cellular and other wireless transmission and Internet-based calling is subject to interruptions including but not limited to, dropped calls, interrupted calls, unintelligible calls, one-way audio and other problems created by factors beyond Company's control. Under no circumstances will Company provide credit or payment of any kind for calls that experience problems related to cellular or other wireless transmissions or for calls that experience problems related to Internet-based communications including but not limited to those calls that transcend wireline and Voice over Internet Protocol ("VoIP") networks.

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**SECTION 2 - RULES AND REGULATIONS, (CONT'D)****2.21 Notices and Communications**

- 2.21.1 The Customer shall designate on the service order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.
- 2.21.2 The Company shall designate on the service order an address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on bills for service to which the Customer shall mail payment on that bill.
- 2.21.3 Notice of a pending disconnection of a Customer's service may contain the reason for the notice, the date of the notice, a description of any remedies the Customer may make, the time allotted for the Customer to make remedies (if any), and a toll free customer service number the Customer may call to obtain additional information.
- 2.21.4 Except as otherwise stated in this tariff, all other notices or communications required to be given under this tariff will be in writing.
- 2.21.5 Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the second business day following placement of the notice, communication or bill with the U.S. mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.21.6 The Company or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.22 Mixed Interstate and Intrastate Switched Access Services

2.22.1 When mixed interstate and intrastate switched access service is provided, all charges, including nonrecurring charges, usage charges, and optional features changes shall be determined through the procedure set forth in 2.9.2, above.

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SECTION 3 - SWITCHED ACCESS SERVICE

3.1 General

- 3.1.1 Switched Access Service, which is available to Customers for their use in furnishing their services to End Users, provides a two-point communications path between a Customer's Premises and an End User's Premises. It provides for the use of common terminating, switching and trunking facilities, and for the use of common subscriber plant of the Company. Switched Access Service provides for the ability to originate calls from an End User's Premises to a Customer's Premises and to terminate calls from a Customer's Premises to an End User's Premises in the LATA where it is provided.
- 3.1.2 When a rate as set forth in this tariff is shown to more than two decimal places, the charges will be determined using the rate shown. The resulting amount will then be rounded to the nearest penny (i.e., rounded to two decimal places).
- 3.1.3 In the absence of an ASR as described in Section 3.4, delivery of calls to, or acceptance of calls from, the Customer's End User location(s) via Company-provided switched access services shall constitute a Constructive Order and an agreement by the Customer to purchase the Company's switched access services as described and priced herein.

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**SECTION 3 - SWITCHED ACCESS SERVICE, (CONT'D)****3.2 Manner of Provision**

- 3.2.1 Switched Access is furnished for originating and terminating calls by the Customer to its End User.
- 3.2.2 Switched Access is furnished on a per-line or per trunk basis.
- 3.2.3 Originating traffic type represents access capacity within a LATA for carrying traffic from the End User to the Customer; and Terminating traffic type represents access capacity within a LATA for carrying traffic from the Customer to the End User. When ordering capacity for Switched Access, the Customer must at a minimum specify such access capacity in terms of originating traffic type and/or terminating traffic type.
- 3.2.4 Switched Access is provisioned, at minimum, at the DS-1 level and provides line-side or trunk-side access to End Office switches for the Customer's use in originating and terminating communications. Basic Switched Access service will be provided with Multi-Frequency In Band Signaling (SS7 is also available, where capabilities exist).
- 3.2.5 Two types of Switched Access are available:
- A. Tandem Connect Access: This option applies when the Customer has no direct facilities to the End Office. Traffic is routed to and from the End Office via the Access Tandem. Delivery of calls to, or acceptance of calls from, the Customer's End User location(s) via Company-provided Tandem Connect Access services shall constitute a Constructive Order and an agreement by the Customer to purchase the Company's switched access services as described and priced herein.
  - B. Direct Connect Access: This option applies when the Company or another service provider provides dedicated facilities between the Customer's premises and the End Office. This transmission path is dedicated to the use of a single Customer. The Customer is responsible for providing such facilities itself or for negotiating such arrangements with possible suppliers. To the extent that the Company is able to provide such arrangements, the dedicated portion of Direct Connect Access would be provided on an Individual Case Basis as Special Service Arrangements pursuant to Section 6 of this tariff.

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SECTION 3 - SWITCHED ACCESS SERVICE, (CONT'D)

3.3 Switched Access Service

3.3.1 Switched Transport

For traffic that EMI records indicate was tandem switched (for example, when traffic is not routed via a direct end office trunk), switched transport rate elements shall apply. As used in this Section 3.3.1, "switched transport rate elements" include (without limitation) tandem switched termination rate elements, tandem switched facility rate elements, tandem switching rate elements, and common transport multiplexing rate elements.

3.3.2 End Office Switching

The End Office Switching rate category establishes the charges related to the use of end office switching equipment, the terminations in the end office of End User lines, the terminations of calls at Company Intercept Operators or recordings, the Signaling Transfer Point (STP) costs, and the SS7 signaling function has between the end office and the STP.

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**SECTION 3 - SWITCHED ACCESS SERVICE, (CONT'D)****3.4 Access Ordering****3.4.1 General**

- A. Customers may order switched access through a Constructive Order, as defined herein, or through an ASR. The format and terms of the ASR will be as specified in the Industry Access Service Order Guidelines, unless otherwise specified herein.
- B. A Customer may order any number of services of the same type and between the same premises on a single ASR. All details for services for a particular order must be identical.
- C. The Customer shall provide all information necessary for the Company to provide and bill for the requested service. When placing an order for Access Service, the Customer shall provide the following minimum information:
  - (1) Customer name and Premises address(es);
  - (2) Billing name and address (when different from Customer name and address); and
  - (3) Customer contact name(s) and telephone number(s) for the following provisioning activities: order negotiation, order confirmation, interactive design, installation and billing.

**3.4.2 Access Service Date Intervals**

- A. Access Service is provided with Standard or Negotiated Intervals.
- B. The Company will specify a firm order confirmation date and Service Commencement Date contingent on the ASR being complete as received. To the extent the Access Service can be made available with reasonable effort, the Company will provide the Access Service in accordance with the Customer's requested interval, subject to the following conditions:
  - (1) For service provided under a Standard Interval: The Standard Interval for Switched Service will be sixty (60) business days from the Application Date. This interval only applies to standard service offerings where there are pre-existing facilities to the Customer Premises. Access Services provided under the Standard Interval will be installed during Company business hours.

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## SECTION 3 - SWITCHED ACCESS SERVICE, (CONT'D)

## 3.4 Access Ordering (Continued)

## 3.4.2 Access Service Date Intervals (continued)

## B. (continued)

(2) For service provided under a Negotiated Interval: The Company will offer a Service Date based on the type and quantity of Access Services the Customer has requested. The Negotiated Interval may not exceed by more than six (6) months the Standard Interval Service Date, or, when there is no Standard Interval, the Company offered Service Date, except as otherwise agreed by the Company in writing. The Company will negotiate a Service Date interval with the Customer when:

- (a) The Customer requests a Service Date before or beyond the applicable Standard Interval Service Date; or
- (b) There is no existing facility connecting the Customer Premises with the Company; or
- (c) The Customer requests a service that is not considered by the Company to be a standard service offering (for example, if additional engineering or special construction is required to complete the order); or
- (d) The Company determines that Access Service cannot be installed within the Standard Interval.

C. All services for which rates are applied on an Individual Case Basis are provided with a Negotiated Interval.

## 3.4.3 Access Service Request Modifications

The Customer may request a modification of its ASR prior to the Service Commencement Date. All modifications must be in writing using the industry ASR process. The Company, in its sole discretion, may accept a verbal modification from the Customer. The Company will make every effort to accommodate a requested modification when it is able to do so with the normal work force assigned to complete such an order within normal business hours.

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SECTION 3 - SWITCHED ACCESS SERVICE, (CONT'D)

3.5 Special Construction or Special Service Arrangements

3.5.1 Subject to the agreement of the Company and to all of the regulations contained in this tariff, special construction of Company facilities or development of special service arrangements may be undertaken by the Company on a reasonable-efforts basis at the request of the Customer. Such construction or arrangements will be provided pursuant to regulations contained in Section 6 of this tariff.

3.6 Obligations of the Company

3.6.1 With regard to access services provided by the Company, specific Company responsibilities include, but are not limited to the following:

A. Network Management

The Company will administer its network to ensure that provision of acceptable service levels to all telecommunications users of the Company's network services. Generally, service levels are considered acceptable only when both End Users and Customers are able to establish connections with minimal delay encountered within the Company network. The Company maintains the right to apply protective controls, i.e., those actions, such as call gapping, which selectively cancel the completion of traffic, over any traffic carried over its network, including that associated with a Customer's Switched Access Service. Generally, such protective measures would only be taken as a result of occurrences such as a failure or overload of Company or Customer facilities, natural disasters, mass calling or national security demands.

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**SECTION 3 - SWITCHED ACCESS SERVICE, (CONT'D)****3.6 Obligations of the Company (Continued)****3.6.1 (continued)****B. Design and Traffic Routing of Switched Access Service**

The Company shall design and determine the routing of Switched Access Service, including the selection of the first point of switching and the selection of facilities from the interface to any switching point and to the End Offices. The Company shall also decide if capacity is to be provided by originating only, terminating only, or two-way trunk groups. Finally, the Company will decide whether trunk side access will be provided through the use of two-wire or four-wire trunk terminating equipment.

Selection of facilities and equipment and traffic routing of the service are based on standard engineering methods, available facilities and equipment and the Company's traffic routing plans. If the Customer desires different routing or directionality than that determined by the Company, the Company will work cooperatively with the Customer in determining (1) whether the service is to be routed directly to an end office or through an access tandem switch and (2) the directionality of the service.

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SECTION 3 - SWITCHED ACCESS SERVICE, (CONT'D)

3.7 Obligations of the Customer

3.7.1 The Customer has certain specific obligations pertaining to the use of Switched Access Service. These obligations are in addition to obligations specified in Section 3.9 of this tariff and are as follows:

A. Report Requirements

Customers are responsible for providing the following reports to the Company, when applicable:

Jurisdictional Reports

When a Customer orders Switched Access Service that may be used for both interstate and intrastate traffic, the Customer is responsible for providing reports as set forth in Section 2.9.2, preceding. Charges will be apportioned in accordance with those reports.

B. On and Off-Hook Supervision

The Customer's facilities shall provide the necessary on and off-hook supervision for accurate timing of calls.

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Robert W. McCausland  
Vice President and Secretary  
Sage Telecom, Inc.  
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Allen, Texas 75013-2789

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**SECTION 3 - SWITCHED ACCESS SERVICE, (CONT'D)****3.8 Rate Regulations****3.8.1 General**

There are three types of rates and charges that apply to Switched Access Service provided by the Company. These are monthly recurring charges, usage charges, and nonrecurring charges.

**3.8.2 Types of Charges**

- A. Nonrecurring charges are one-time charges that apply for a specific work activity (e.g., installation or change to an existing service). Non-recurring charges may apply for installation of service, installation of optional features and service rearrangements.
- B. Recurring Charges are flat monthly rates that apply for each month or fraction thereof that a specific rate element is provided. For billing purposes, each month is considered to have thirty (30) days.
- C. Usage Charges are rates that apply only when a specific rate element is used. These are applied on a per-access minute, a per-call or per-query basis. Usage rates are accumulated over a monthly period.

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**SECTION 3 - SWITCHED ACCESS SERVICE, (CONT'D)****3.8 Rate Regulations (Continued)****3.8.3 Measurement of Access Minutes**

- A. When recording originating calls over Switched Access Service with multi-frequency address signaling, usage measurement begins when the first wink supervisory signal is forwarded from the Customer's facilities. The measurement of originating call usage over Switched Access Service ends when the originating Switched Access Service entry switch receives disconnect supervision from either the originating End User's End Office (indicating that the originating End User has disconnected), or from the Customer's facilities, whichever is recognized first by the entry switch.
- B. For terminating calls over Switched Access Service with multi-frequency address signaling, the measurement of access minutes begins when a seizure signal is received by the Company from the Interexchange Carrier's trunk group at the Point of Presence within the LATA. The measurement of terminating call usage over Switched Access Service ends when a disconnect signal is received by the Company, indicating that either the originating or terminating user has disconnected.
- C. When recording originating calls over Switched Access Service with SS7 signaling, usage measurement begins with the transmission of the initial address message by the switch for direct trunk groups and with the receipt of an exit message by the switch for tandem trunk groups. The measurement of originating Switched Access Service usage ends when the entry switch receives or sends a release message, whichever occurs first.
- D. For terminating calls over Switched Access Service with SS7 signaling, the measurement of access minutes begins when the terminating recording switch receives the initial address message from the terminating End User. On directly routed trunk groups or on tandem routed trunk groups, the Company switch receives the initial address message and sends the indication to the Customer in the form of an answer message. The measurement of terminating Switched Access Service call usage ends when the entry switch receives or sends a release message, whichever occurs first.
- E. Mileage, where applicable, will be measured in accordance with standard industry practices.

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**SECTION 3 - SWITCHED ACCESS SERVICE, (CONT'D)****3.8 Rate Regulations (Continued)****3.8.3 Measurement of Access Minutes (Continued)**

- F. The Company will use the Small Exchange Carrier Access Billing ("SECAB") guidelines, or the Carrier Access Billing System ("CABS") guidelines, or other system that emulates or otherwise produces a reasonable substitute for the output of SECAB or CABS, for billing all charges under this tariff. The Company will provide billing using a hardcopy format or upon request, a mechanized medium (e.g., cartridge tape, CD ROM, etc.). Bills will be accurate and contain sufficient supporting details to allow Customers to account for the charges and to verify their accuracy in a reasonable and timely fashion. Requests for additional bill detail will be handled and priced on an Individual Case Basis (ICB).

**3.8.4 Moves**

- A. A move of services involves a change in the physical location of one of the following:
- (1) The point of termination at the Customer's Premises, or
  - (2) The Customer's Premises
- B. The charges for the move are dependent on whether the move is to a new location within the same building or to a different building as described below:
- (1) Moves Within the Same Building  

When the move is to a new location within the same building, the charge for the move will be an amount equal to one half of the nonrecurring charge for the capacity affected. There will be no change in the minimum period requirements.
  - (2) Moves to a Different Building  

Moves to a different building will be treated as a discontinuance and start of service and all associated nonrecurring charges will apply. New minimum period requirements will be established for the new service. The Customer will also remain responsible for satisfying all outstanding minimum period charges for the discontinued service.

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SECTION 3 - SWITCHED ACCESS SERVICE, (CONT'D)

3.8 Rate Regulations (Continued)

3.8.5 Installation of Optional Features

- A. If a separate nonrecurring charge applies for the installation of an optional feature available with Switched Access Service, the charge applies whether the feature is installed coincident with the initial installation of service or at any time subsequent to the initial installation of service.
- B. For all other changes, including the addition of, or modifications to, optional features without separate nonrecurring charges, a charge equal to one half the Switched Transport nonrecurring (i.e. installation) charge will apply. When an optional feature is not required on each transmission path, but rather for an entire transmission path group, an end office or an access tandem switch, only one such charge will apply.

3.8.6 Service Rearrangements

- A. Service rearrangements are changes to existing services which do not result in either a change in the minimum period requirements or a change in the physical location of the point of termination at the Customer's premises or the Customer's End User's premises. Changes, which result in the establishment of new minimum period obligations, are treated as disconnects and starts.
- B. The charge to the Customer for the service rearrangement is dependent on whether the change is administrative only in nature or involves an actual physical change to the service.
- C. Administrative changes will be made without charge(s) to the Customer. Such changes require the continued provision and billing of the Access Service to the same entity or change in jurisdiction.

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## SECTION 4 – RATES AND CHARGES

4.1 Carrier Common Line Access

Originating Per Access Minute	\$0.03842
Terminating Per Access Minute	\$0.03842
800 Database Query, Per Call	\$0.007500

4.2 Switched Access Service4.2.1 Switched Transport

Tandem-Switched Termination (per access minute)	\$0.000237
Tandem-Switched Facility (per access minute per mile)	\$0.000015
Tandem Switching (per access minute per tandem)	\$0.007700
Common Transport Multiplexing (per access minute)	\$0.000000

4.2.2 End Office Switching

Local Switching (per access minute)	\$0.008610
Common Trunk Port (per access minute)	\$0.000000
Information Surcharge	\$0.000000
Interconnection (per access minute)	\$0.004681

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SECTION 5 - MISCELLANEOUS SERVICES AND CHARGES

[Reserved for Future Use]

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**SECTION 6 - SPECIAL CONTRACTS, ARRANGEMENTS, AND CONSTRUCTION****6.1 Special Contract Arrangements**

At the option of the Company, services may be offered on a contract basis to meet specialized pricing requirements of the Customer not contemplated by this tariff. The terms of each contract shall be mutually agreed upon between the Customer and Company and may include discounts off of rates contained herein and waiver of recurring, nonrecurring, or usage charges. The terms of the contract may be based partially or completely on the term and volume commitment, type of access arrangement, mixture of services, or other distinguishing features. Service shall be available to all similarly situated Customers for a fixed period of time following the initial offering to the first contract Customer as specified in each individual contract.

**6.2 Special Service Arrangements**

6.2.1 If a Customer's requirements cannot be met by services included in this tariff, or pricing for a service is shown in this tariff as ICB, the Company will provide, where practical and at its sole discretion, special service arrangements at charges to be determined on an Individual Case Basis. These special service arrangements will be provided if the provision of such arrangements is not detrimental to any other services furnished under the Company's tariffs.

6.2.2 Special service arrangement rates are subject to revision depending on changing costs or operating conditions.

6.2.3 If and when a special service arrangement becomes a generically tariffed offering, the tariffed rate or rates will apply from the date of tariff approval.

**6.3 Non-Routine Installation Charges**

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays or night hours, additional charges may apply.

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**SECTION 6 - SPECIAL CONTRACTS, ARRANGEMENTS, AND CONSTRUCTION, (CONT'D)****6.4 Special Construction Charges****6.4.1 General**

- A. Special construction charges may apply for services provided to the Customer by the Company. Special construction includes but is not limited to that construction undertaken:
- (1) where facilities are not presently available, and there is no other requirement for the facilities so constructed;
  - (2) of a type other than that which the Company would normally utilize in the furnishing of its services;
  - (3) over a route other than that which the Company would normally utilize in the furnishing of its services;
  - (4) in a quantity greater than that which the Company would normally construct;
  - (5) on an expedited basis;
  - (6) on a temporary basis until permanent facilities are available;
  - (7) involving abnormal costs;
  - (8) in advance of its normal construction; or
  - (9) when the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariff.
- B. Where the Company furnishes a facility or service requiring special construction, charges will be determined by the Company and may include: (1) non-recurring charges; (2) recurring charges; (3) usage charges; (4) termination liabilities; or (5) a combinations thereof.
- C. Rates and charges for special construction shall be determined and presented to the Customer for its approval prior to the start of construction. No construction will commence until and unless the Customer accepts in writing the rates and charges as presented by the Company.

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**EXHIBIT G**

Interexchange Tariff

## **SAGE TELECOM, INC.**

### **INTRASTATE INTEREXCHANGE TELECOMMUNICATIONS SERVICES**

Regulations and rates applying to intrastate interexchange telecommunications services within the State of South Dakota.

This tariff is on file with the South Dakota Public Utilities Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business, 805 Central Expressway South, Suite 100, Allen, TX, 75013. This tariff complies with the South Dakota Public Utilities Commission rules and statutes applicable to the Company.

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CHECK SHEET

Pages 1 through 28, inclusive of this Tariff are effective as of the date shown. Revised sheets as named below contain all changes from the original tariff that are in effect on the date thereof.

<u>Page</u>	<u>Number of Revisions Except as Indicated</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
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10	Original
11	Original
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13	Original
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28	Original

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## TARIFF FORMAT SHEET

1. Page Numbering. Page numbers appear in the upper-right corner of the page. Pages are numbered sequentially. New pages may occasionally be added to the tariff. When a new page is added, the page appears as a decimal. For example, a new page added between pages 34 and 35 would be 34.1.
2. Page Revisions Numbers. Page Revision Numbers also appear in the upper-right corner of the page. These numbers are used to determine the most current page revision on file with the South Dakota Public Utilities Commission. For example, the fourth revised Page 34 cancels the third revised Page 34. Because of deferrals, notice periods, *etc.*, the most current page number on file with the Commission is not always the tariff page in effect. Business Customers should consult with check sheet for the page currently in effect.
3. Paragraph Numbering Sequence. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
  - 1.
  - 1.1.
  - 1.1.1.
  - 1.1.1.A.
  - 1.1.1.A.1.
  - 1.1.A.1.(a)
  - 1.1.1.A.1.(a)(I)
  - 1.1.1.A.1.(a)(I)(i)
  - 1.1.1.A.1.(a)(I)(i)(1)
4. Check List of Effective Pages. When a tariff filing is made with the Commission, an updated Check List of Effective Pages ("Check List") accompanies the tariff filing. The Check List lists the pages contained in the tariff, with a cross-reference to the current revision number. When new pages are added, the Check List is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on the Check List if these are the only changes made to it (i.e., the format, *etc.*). Customers should refer to the latest Check List to find out if a particular page is the most current page on file with the Commission.
5. Symbols Used in This Tariff.
  - (C) - To signify changed regulation.
  - (D) - To signify discontinued rate or regulation.
  - (I) - To signify increased rate.
  - (M) - To signify a move in the location of text.
  - (N) - To signify new rate or regulation.
  - (R) - To signify reduced rate.
  - (T) - To signify a change in text but no change in rate or regulation.

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 Vice President and Secretary  
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APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of local exchange telecommunications services by Sage Telecom, Inc., hereinafter referred to as the "Company" or "Sage", to end-user customers within the State of South Dakota.

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SECTION 1 - DEFINITIONS

Account - Either a Customer's physical location or individual Service represented by a unique account number within the Billing Hierarchy. Multiple Services each with a unique account number may be part of one physical location.

Alternative Local Exchange Carrier ("ALEC") or Competitive Local Exchange Carrier ("CLEC") - means any entity or person providing local exchange services in competition with an ILEC or LEC.

Application for Service - The Company's order process that includes technical, billing and other descriptive information provided by Customer that allows the Company to provide requested or constructively-ordered communications Services for Customer and Customer's Authorized Users. Upon acceptance by the Company, the Application for Service or Constructive Order becomes a binding contract between Customer and the Company for the provision and acceptance of Service.

Authorization Code - A multi-digit code that enables a Customer to access Sage's network and enables Sage to identify the Customer's use for proper billing. Also called a Personal Identification Code or PIN.

Authorized User - A person, firm, corporation, or other entity that is authorized by the Customer to be connected to the service of the Customer. In the case of Presubscription, the person, firm, corporation, or other entity that presubscribes through the standard industry process shall be deemed an Authorized User unless the Customer specifies in writing in advance that the person, firm, corporation, or other entity is not to become an Authorized User.

Business Hours - The phrase "Business Hours" generally means the time after 8:00 a.m. and ending at 5:00 p.m. local time at the place of Company operation, Monday through Friday excluding holidays.

Business Office - The phrase "Business Office" means the primary location where the business operations of the Company are performed and where a copy of the Company's tariffs are made available for public inspection. The address of the business office is 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789.

Called Station - The terminating point of a call (*i.e.*, the called number).

Calling Station - The originating point of a call (*i.e.*, the calling number).

Calling Area - A specific geographic area so designated for the purpose of applying a specified rate structure.

Carrier - The term "Carrier" means Sage Telecom.

Central Office - The premises of the Company or another local exchange carrier containing one or more switches where Customer or End User station loops are terminated for purposes of interconnection to other station loops, trunks or access facilities.

Competitive Local Exchange Carrier ("CLEC") or Alternative Local Exchange Carrier ("ALEC") - means any entity or person providing local exchange services in competition with an ILEC or LEC.

Commission - Refers to the South Dakota Public Utilities Commission.

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SECTION 1 - DEFINITIONS

Company - Used throughout this tariff to indicate Sage Telecom, Inc.

Customer - Any person, firm, partnership, corporation or other entity that uses service under the terms and conditions of this tariff and is responsible for the payment of charges.

Customer-Provided Equipment - All Terminal Equipment or other communications equipment and/or systems provided by the Customer for use with the Company's facilities and services.

Day - The term "day" means 8:00 a.m. to, but not including, 5:00 p.m. at the originating city, Monday through Friday, excluding Company specific holidays.

Delinquent or Delinquency - An account for which payment has not been made in full on or before the last day for timely payment.

End User - Any person, firm, partnership, corporation or other entity that uses the service of the Company under the terms and conditions of this tariff.

Exchange - A group of lines in a unit generally smaller than a LATA established by the Company or other local exchange carrier for the administration of communications service in a specified area. An Exchange may consist of one or more central offices together with the associated facilities used in furnishing communications service within that area.

Facility (or Facilities) - Any item or items of communications plant or equipment used to provide or connect to the Company's Services.

FCC - Federal Communications Commission.

Holiday - The term "holiday" means 8:00 a.m. to, but not including, 11:00 p.m. local time at the originating city on all Company-specific holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. When holidays fall on Saturdays or Sundays, the holiday rate applies unless a larger discount would normally apply.

Incumbent Local Exchange Carrier ("ILEC") or Local Exchange Carrier ("LEC") - is any local exchange carrier that was as of February 8, 1996 deemed to be a member of the Exchange Carrier Association as set forth in 47 C.F.R. 69.601(b) of the FCC's regulations.

Incomplete Call - Any call where voice transmission between the calling party and the called station is not established (*i.e.*, busy, no answer, etc.).

Interexchange Carrier (IXC) - A long distance telecommunications services provider that furnishes services between exchange areas irrespective of the type(s) of facilities or technologies used. For the purposes of this Tariff, the term Interexchange Carrier is synonymous with the term Customer as defined herein.

Local Access Transport Area ("LATA") - A geographic area for the provision and administration of communications services existing on February 8, 1996, as previously established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192; or established by a Bell operating company after February 8, 1996 and approved by the FCC; or any other geographic area designated as a LATA in the National Exchange Carrier Association (NECA) Tariff F.C.C. No. 4.

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SECTION 1 - DEFINITIONS

Local Exchange Company (LEC) - A company that furnishes local exchange telephone services.

Local Exchange Service - is an arrangement which connects the residential End User's location to the LEC's network switching center, thereby allowing End User to transmit and receive local calls within the End User's local calling area, or mandatory expanded area service (EAS) area, as defined by State of South Dakota or, if not defined by State of South Dakota, then defined in the LEC's State Tariffs.

Location - A physical premise to or from which Sage provides Service.

NXX - The designation for the first three digits of a local telephone number where N represents 2-9 and X represents 0-9.

Night/Weekend - The words "night/weekend" mean 11:00 p.m. to, but not including, 8:00 a.m. local time in the originating city, all day on Saturday, and all day Sunday, except from 5:00 p.m. to, but not including, 11:00 p.m.

Non-Business Hours - The phrase "nonbusiness hours" means the time period after 5:00 p.m. and before 8:00 a.m., Monday through Friday, all day Saturday, Sunday, and on holidays.

NPA -Numbering Plan Area or area code.

Other Common Carrier - Denotes a specialized or other type of common carrier authorized by the Federal Communications Commission to provide domestic or international communications service.

Premises - A building or buildings on contiguous property (except railroad rights-of-way, etc.).

PIC - Primary Interexchange Carrier.

Regular Billing - A standard bill sent in the normal monthly Sage billing cycle. This billing consists of one bill for each account assigned to the Customer with explanatory detail showing the derivation of the charges.

Residential Service - The phrase "residential service" means telecommunication services used primarily as non-business service.

Services - The Company's common carrier communications services provided under this Tariff.

Subscriber - The term "Customer" is synonymous with the term "subscriber".

Switch - The term "switch" denotes an electronic device that is used to provide circuit sharing, routing, and control.

Timely Payment - A payment on a Customer's account made on or before the due date.

Underlying Carrier - A provider of interstate and intraLATA telecommunications services from whom the Company acquires facilities or services that it utilizes to provide the Company's services to Customers.

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**SECTION 2 - RULES AND REGULATIONS****2.1. Undertaking of Sage**

- 2.1.1. Sage undertakes to provide interexchange telecommunications services within the State of South Dakota on the terms and conditions and at the rates and charges specified herein. The Company's intrastate interexchange services are only provided to customers subscribed to the Company's local exchange services.
- 2.1.2. Sage installs, operates and maintains the communication Services provided hereunder in accordance with the terms and conditions set forth under this Tariff. It may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer to allow connection of a Customer's location to the Sage network. The Customer shall be responsible for all charges due for such service arrangements.
- 2.1.3. Sage's Services and facilities are available twenty-four (24) hours per day, seven (7) days per week.

**2.2. Use of Service**

- 2.2.1. Services provided under this Tariff may be used only for the transmission of communications in a manner consistent with the terms of this Tariff and regulations of the Federal Communications Commission.
- 2.2.2. Services provided under this Tariff shall not be used for unlawful purposes. Service will not be furnished if any law enforcement agency, acting within its jurisdiction, advises that such services are being used in violation of the law.

**2.3. Limitations**

- 2.3.1. Service is offered subject to the availability of the necessary facilities or equipment, or both facilities and equipment, and subject to the provisions of this Tariff. The obligation of Sage to provide Service is dependent upon its ability to procure, construct, and maintain facilities that are required to meet the Customer's order for Service. Sage will make all reasonable efforts to secure the necessary facilities.
- 2.3.2. Sage reserve the right to limit or to allocate the use of existing facilities, or to additional facilities offered by Sage, when necessary because of lack of facilities, relevant resources, or due to causes beyond Sage's control. In addition, Sage reserves the right to discontinue Service when the Customer is using the Service in violation of law or the provisions of this Tariff.
- 2.3.3. Sage does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission nor for failure to establish connections.
- 2.3.4. Sage reserves the right to refuse service to Customers due to insufficient or invalid charging information.
- 2.3.5. Sage may block calls that are made to certain cities or central office exchanges, or use certain Authorization Codes as Sage, in its sole discretion, deems reasonably necessary to prevent unlawful or fraudulent use of Service.

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SECTION 2 - RULES AND REGULATIONS2.3. Limitations (cont'd)

- 2.3.6. Sage will use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. Sage may substitute, change, or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer. Sage shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making the necessary repairs or changes in its system. When such suspension or interruption of service for any appreciable period is necessary, Sage will give the Customers who may be affected reasonable notice thereof as circumstances will permit, and will prosecute the work with reasonable diligence, and if practicable at time that will cause the least inconvenience. When Sage is repairing or changing its facilities, it shall take appropriate precautions to avoid unnecessary interruptions of Customer's service.

2.4. Liabilities of Sage

- 2.4.1. Sage's liability for damages arising out of mistakes, omissions, interruptions, delays, errors, or defects in the installation, provision, termination, maintenance, repair, or restoration occurring in the course of furnishing service, channels, or other facilities, and not caused by the negligence of the subscribers, commences upon activation of service. In no event does Sage's liability exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors or defects occur. For the purposes of computing such amount, a month is considered to have thirty (30) days. Credit will be calculated pursuant to Section 2.9 of this Tariff.
- 2.4.2. When the facilities of other carriers are used in establishing connections to points not reached by Sage's facilities, Sage is not liable for any act or omission of the other carrier(s). The Customer will indemnify and save harmless Sage from any third-party claims for such damages referred to in Section 2.4.1.
- 2.4.3. Sage will not be responsible for consequential damages or lost profits suffered by a Customer as a result of interrupted or unsatisfactory service. Sage will not be liable for claims or damages resulting from or caused by: (i) Customer's fault, negligence or failure to perform Customer's responsibilities; (ii) claims against Customer by another party; (iii) any act or omission of any other party; or (iv) equipment or service furnished by a third party.
- 2.4.4. Sage does not guarantee or make any warranty with respect to any equipment provided by it or leased on the Customer's behalf where such equipment is used in locations containing an atmosphere which is explosive, prone to fire, dangerous or otherwise unsuitable for such equipment. The Customer shall indemnify and hold Sage harmless from any and all loss, claims, demands, suits or other actions, or any liabilities whatsoever, whether suffered, made, instituted or asserted by the Customer or by any other party or persons, for any personal injury or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of such equipment so used.

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SECTION 2 - RULES AND REGULATIONS2.4. Liabilities of Sage (cont'd)

- 2.4.5. Sage is not liable for any defacement of, or damage to, the premises of a Customer resulting from the furnishing of services or the attachment of equipment, instruments, apparatus, and associated wiring furnished by Sage on such Customer's premises or by the installation or removal thereof, when such defacement or damage is not the result of Sage negligence. No agents or employees of other participating carriers shall be deemed to be agents or employees of Sage without written authorization. The Customer will indemnify and save harmless Sage from any claims of the owner of the Customer's premises or other third party claims for such damages.
- 2.4.6. Sage and Customer shall be excused from performance under this Tariff and under the application for service for any period, and to the extent that the party is prevented from performing any service pursuant hereto, in whole or in part, as a result of delays caused by the other party or an Act of God, governmental agency, war, civil disturbance, court order, lockouts or work stoppages or other labor difficulties, third party nonperformance (including the failure of performance for reasons beyond the control of common carriers, interexchange carriers, local exchange carriers, suppliers and subcontractors), or other cause beyond its reasonable control, including failures or fluctuations in electrical equipment, and such nonperformance shall not be deemed a violation of this Tariff or of the application for service or grounds for termination of service. Both parties retain all rights of recourse against any third parties for any failures that may create a force majeure condition for the other party.
- 2.4.7. Sage is not liable for any damages, including toll usage charges, the Customer may incur as a result of the unauthorized use of its telephone facilities. This unauthorized use of the Customer's facilities includes, but is not limited to, the placement of calls from the Customer's premises, and the placement of calls through Customer-provided equipment that are transmitted or carried on the Sage network.
- 2.4.8. Where there is a connection via Customer-provided terminal equipment or Customer-provided communications systems, the point of demarcation shall be defined as the Sage facility that provides interconnection. Sage shall not be held liable for Customer-provided access media or equipment. Any maintenance service or equipment arrangements shall be addressed on an individual case basis.
- 2.4.9. Sage will not be responsible if any changes in its service cause hardware or software not provided by Sage to become obsolete, require modification or alternation, or otherwise affect the performance of such hardware or software.
- 2.4.10. The Company shall use reasonable efforts to make services available by the estimated service date. The Company shall not be liable for any damages whatsoever resulting from delays in meeting the estimated service date due to delays resulting from normal installation procedures. Such delays shall include, but not be limited to delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals, delays in actual construction work being done by our vendor(s), and any delays due to any LEC where the Company is relying solely upon such LEC to meet such estimated due date which is beyond the Company's control.

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**SECTION 2 - RULES AND REGULATIONS****2.4. Liabilities of Sage (cont'd)**

- 2.4.11. With respect to the services, materials and equipment provided hereunder, Sage makes no promises, agreements, understandings, representations or warranties, expressed or implied, and hereby expressly disclaims all warranties, expressed or implied, not stated in this Tariff, and in particular disclaims all warranties of merchantability and fitness for a particular purpose.
- 2.4.12. For errors or omissions in listings in alphabetical telephone directories and information records furnished without additional charge, the Company shall have no liability.

Subject to the provision of Section 2.4 of this Tariff, the Company shall allow, for errors or omissions in alphabetical telephone directories (excluding the use of bold face type), or in information records, an amount within the following limits:

1. For listings in alphabetical telephone directories furnished at additional charge, as set forth herein, an amount not in excess of the charge for that listing during the effective life of the directory in which the error or omission occurred.
2. For listings in the information records furnished at additional charge, as set forth herein, an amount not in excess of the charge for the listing during the period of omission or error.

**2.5 Responsibilities of the Customer**

- 2.5.1. The Customer must initiate a service order pursuant to Section 2.6 of this Tariff.
- 2.5.2. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by Sage, except upon the written consent of Sage. The equipment Sage provides or installs at the Customer premises for use in connection with the service Sage offers shall not be used for any purpose other than for which it was provided.
- 2.5.3. The Customer shall ensure that the equipment and/or system is properly interfaced with Sage's facilities or service. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Sage will permit such equipment to be connected with its channels without the use of protective interface devices.
- 2.5.4. The Customer shall be responsible for securing its telephone equipment against being used to place fraudulent calls using Sage's service. The Customer shall be responsible for payment of all applicable charges for services provided by Sage and charged to the Customer's accounts, even where those calls are originated by fraudulent means either from Customer's premises or from remote locations.
- 2.5.5. Sage shall be indemnified and held harmless by the Customer against claims of liable, slander, or the infringement of copyright, or for the unauthorized use of any trademark, trade name, or service mark, arising from the material transmitted over Sage's service, against claims for infringement of patents arising from, combining with, or using in connection with, service, Sage's apparatus and systems of the Customer; against all other claims arising out of any act or omission of the member in connection with Sage's service. The Customer shall be liable for:

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SECTION 2 - RULES AND REGULATIONS2.5. Responsibilities of the Customer (cont'd)

- 2.5.5.A. Loss due to theft, fire, flood, or other destruction of Sage's equipment or facilities on Customer's premises.
  - 2.5.5.B. Reimbursing Sage for damages to facilities or equipment caused by the negligence or willful acts of the Customer's officers, employees, agents or contractors.
  - 2.5.5.C. Charges incurred with interconnect or local operating companies for service or service calls made to the Customer's premises or on the Customer's leased or owned telephonic equipment unless Sage specifically authorizes said visit or repairs in advance of the occurrence and Sage agrees in advance to accept the liability for said repairs or visit.
  - 2.5.5.D. Payment for all Sage service charges incurred through usage or direct action on the part of the Customer.
- 2.5.6. The Customer may be required to verify in writing that it is duly authorized to order service at all locations designated by the Customer for service, and assumes financial responsibility for all locations designated by the Customer to receive Sage's services. If the verification (*i.e.*, a letter of authorization) cannot be produced within five (5) calendar days of the request, the pre-subscription of the Customer's locations are considered unauthorized.
- 2.5.7. The Customer shall not use the Sage name, logo or trademark in any promotional materials, contracts, Tariffs, service bills, etc., without expressed written authorization from Sage. The Customer shall not use the Sage name, logo or trademark in any pre-sale activities. The Customer is prohibited from using Sage's name or trademark on any of the Customer's products or services.
- 2.5.8. Customer may not assign or transfer any of its rights or services ordered without the prior written consent of Sage. Sage may assign any service orders to its parent company or any affiliate. Sage will notify Customers of any such assignment.

2.6 Application for Service

- 2.6.1. Applicants wishing to obtain service must initiate a service order which may include the Customer's authorization for Sage to instruct other carriers and vendors and the appropriate LEC to provide certain services on the Customer's behalf. Sage will obtain the proper authorization from the Customer where necessary, pursuant to Commission regulations. Applications for initial or additional service made verbally or in writing become a contract upon the establishment of the service or facility.

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SECTION 2 - RULES AND REGULATIONS

## 2.6. Application for Service (cont'd)

- 2.6.2. An Application for Service may be changed by Customer upon written notice to Sage, subject to acceptance and confirmation by Sage, provided that a charge shall apply to any change when the request is received by Sage after notification by Sage of the acceptance and confirmation. Such charge shall be the sum of the charges and costs for access facilities and other services and features and the lesser of (i) the monthly recurring rate for each service component that has been canceled as a result of the change times the appropriate minimum service period, plus the applicable installation or non-recurring charges, and (ii) the costs incurred by Sage in accommodating each change, less net salvage. The costs incurred by Sage will include the direct and indirect cost of facilities specifically provided or used, the costs of installation, including design preparation, engineering, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort.
- 2.6.3. Where the Customer or applicant cancels an Application for Service prior to the start of installation of service, prior to the lease of network elements, or prior to the start of special construction, no charge applies. Where installation of service has been started prior to the cancellation, a cancellation charge equal to the costs incurred by Sage shall apply, but in no case shall such charge exceed the charge for the minimum period of the service ordered, plus applicable installation charges, if any, plus costs associated with Special Construction, if any. The costs incurred by Sage will include the direct and indirect costs of facilities specifically leased, provided or used; the cost of installation, including design preparation, engineering, permits, supply expense, labor and supervision, general and administrative, and any other costs resulting from the preparation, installation and removal effort.

2.7. Establishing Credit, Deposits and Advance Payments

## 2.7.1. Credit Requirement

- 2.7.1.A. Sage may require an applicant for service to satisfactorily establish credit, pursuant to applicable South Dakota Public Utilities Commission rules and regulations, but such establishment of credit shall not relieve the end-user from complying with Sage's policy regarding the prompt payment of bills.
- 2.7.1.B. For the purposes of this rule, "applicant" is to be defined as a person who applies for service for the first time or reapplies at a new or existing location after a previous discontinuance of service; "customer" is defined as someone who is currently receiving service.

## 2.7.2. Reestablishment of Credit

Any applicant who previously has been an end-user of Sage and whose service has been discontinued for nonpayment of bills shall be required, before service is rendered, to pay all amounts due Sage.

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SECTION 2 - RULES AND REGULATIONS

## 2.7.3. Deposits and Interest

- 2.7.3.A.. To safeguard its interest, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges in accordance with the PUC's rules. A deposit may be required if the Customer's financial condition is not acceptable to the Company or is not a matter of general knowledge. A deposit does not relieve the Customer of the responsibility for the prompt payment of bill on presentation. The deposit will not exceed an amount equal to two regular billing periods. A deposit may be required in addition to an advance payment.
- 2.7.3.B. Where it has been established that a Customers is a high credit risk, the amount of the deposit shall not exceed an amount equal to two (2) months local exchange charges and/or two (2) months toll charges determined by actual or anticipated usage, or \$130.00 whichever is less. The Company may require a deposit in the amount of \$25.00 in cases where it has determined that the customer is not a high credit risk. Where local exchange charges are billed in advance, the deposit shall include only one (1) month's such charges.
- 2.7.3.C. A present end-user may be required to post a deposit as a condition of continued service if undisputed charges have become delinquent, with delinquent meaning a payment not received on or before the due date as posted on the bill, in two (2) out of the last twelve (12) billing periods or if the end-user has had service disconnected during the last twelve (12) months or has presented a check to Sage that was subsequently dishonored.

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SECTION 2 - RULES AND REGULATIONS, (CONT'D)

2.7. Establishing Credit, Deposits and Advance Payments (cont'd)

2.7.3. Deposits and Interest (cont'd)

- 2.7.3.D. Interest on cash deposits shall be paid by Sage at no less than the rate calculated pursuant to South Dakota Public Utilities Commission's rules or, in the absence of applicable rules, the interest rate shall be established the first day of January of each year to equal the average of the weekly percent annual yields of one (1) year U. S. Treasury Securities for September, October and November of the preceding year. The interest rate shall be rounded to the nearest basis point.
- 2.7.3.E. Sage shall provide payment of accrued interest for all end-users annually by negotiable instrument or by credit against current billing. The deposit shall cease to draw interest on the date it is returned or credited to the end-user's account.
- 2.7.3.F. The amount of the deposit, with accrued interest, shall be applied to any unpaid charges at the time of a discontinuance of services. The balance, if any, shall be returned to the end-user within thirty (30) days after settlement of the consumer's account, either in person or by mailing it to the end-user's last known address.
- 2.7.3.G. Sage will keep records to show the name, account number, and address of each depositor, the amount and date of the deposit and each transaction concerning the deposit. Sage shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is lost. Such records shall be retained for two (2) years after deposit and/or interest is refunded or applied. The deposit made by the end-user with Sage at the time of application for telephone service shall not constitute an advance payment to cover service bills, but for all purposes it is to be considered as security for payment of monthly bills or other proper charges.

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## SECTION 2 - RULES AND REGULATIONS

2.8. Billing and Payment Procedures

- 2.8.1. A. Sage shall render a bill during each billing period to every customer. The billing period shall be monthly.
- B. At a minimum, each residential customer bill rendered by the Company shall clearly state all of the following information:
1. the beginning and ending dates of the billing period
  2. the due date
  3. any previous balance
  4. the telephone number for which the bill is rendered
  5. the amount for basic local exchange service and regulated toll service
  6. an itemization of all taxes due
  7. the total amount due
  8. the statement that rate schedules for basic local exchange service are available and will be mailed by the Company upon request at no cost to the customer
  9. the address and telephone number of the Company, designating where the customer may initiate an inquiry or informal complaint regarding the bill as rendered or the service provided
- C. Not later than 15 days after the completion of an order for new service, Sage provides each residential customer an insert or other written notice that contains an itemized account of the charges for the equipment and service for which the customer has contracted.
- D. A residential customer in good standing shall have the right, within one billing period of receiving a bill for new services or changed services, to cancel, reduce, or modify a service or a portion of a service without further service charge.
- 2.8.1. The Customer is responsible for the payment of all charges for facilities and services furnished by Sage to the Customer and to all Users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.
- 2.8.2. For billing of monthly charges, service is considered to be established upon the day in which Sage notifies the Customer of installation and testing of the Customer's services or the day on which the Customer first utilizes the services, whichever comes first.
- 2.8.3. Except where otherwise specified, usage charges will be billed monthly in arrears. Customer will be billed for all usage accrued beginning immediately upon access to the service. Customers will be billed for usage occurring during their specific 30-day billing cycle, which for purposes of computing charges shall be considered a month. The rates charged to a Customer will be the rates in effect on the first day of the Customer's billing cycle, except that changes to taxes, government fees, and reimbursement-type surcharges may take place at any time concurrent with the effectiveness of such taxes, government fees and reimbursements.

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SECTION 2 - RULES AND REGULATIONS2.8. Billing and Payment Procedures (Cont'd)

- 2.8.4. Monthly charges for all access service components, provided hereunder, are billed in advance of service and reflect the rates in effect as of the date of the invoice. A Customer's first invoice may contain charges from previous periods for service provided from the date of installation through the current invoice period.
- 2.8.5. Bills are due and payable as specified on the bill. Bills may be paid by mail, by telephone, online or in person at the business office of Sage or an agency authorized to receive such payment. All charges for service are payable only in United States currency. Payment may be made by check, money order, cashier's check, or certain major credit cards. Customer payments are considered prompt when received by Sage or its agent by the due date on the bill. Amounts not paid within fifteen (15) days after the mail date of invoice will be considered past due. In the event that a postmark on a customer's payment received after the due date is not discernible, a three-day mailing period will be presumed. If the last calendar day for remittance falls on a Sunday, legal holiday, or other day when the offices of Sage are not open to the general public, the final payment date shall be extended through the next business day. If Sage becomes concerned at any time about the ability of a Customer to pay its bills, Sage may require that the Customer pay its bills and make such payments in cash or the equivalent of cash.

Any disputed charge may be brought to Sage's attention by verbal or written notification. In the case of a billing dispute between the Customer and Sage that cannot be settled to their mutual satisfaction, the undisputed portion and subsequent bills must be paid on a timely basis, or the service may be subject to disconnection. The Customer may request an in-depth investigation into the disputed amount and a review by a Sage manager. During the period that the disputed amount is under investigation, Sage shall not pursue any collection procedures or assess late fees with regard to the disputed amount. The Customer shall be required to pay the undisputed part of the bill, and if not paid, Sage may discontinue service. In the event the dispute is not resolved, Sage shall inform the customer that the customer has the option to pursue the matter with the South Dakota Public Utilities Commission.

- 2.8.6. The Customer is responsible to pay Sage for all toll calls or other third party charges resulting from the origination of calls to points outside the local exchange and for charges or calls billed to the Customer's number.
- 2.8.7. Sage may assess up to a thirty dollar (\$30) charge for each returned check or credit card chargeback.
- 2.8.8. If service is suspended/disconnected by Sage in accordance with the provisions of the Tariff and later restored, restoration of service will be subject to all applicable installation charges if service was disconnected, or a reconnect fee if service was suspended.

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SECTION 2 - RULES AND REGULATIONS**2.8. Billing and Payment Procedures (Cont'd)**

2.8.9. When a customer is unable to pay a charge in full when due, Sage shall permit the customer to enter into an initial customer-accommodation agreement under which the charge may be paid as mutually agreed by both Sage and the customer. A copy of the customer-accommodation agreement shall be delivered or mailed to the customer upon request by the customer. Customer-accommodation agreements are only set up at the request of the customer. Customer-accommodation agreements are intended to function as a short-term solution and will be reviewed and approved on an individual case basis. The failure of a customer to meet all terms agreed upon within a customer-accommodation agreement shall result in service suspension or disconnection pursuant to Commission rules.

**2.9. Interruption of Service**

2.9.1. Credit allowance for the interruption of service that is not due to Sage's testing or adjusting, negligence of the Customer or to the failure of channels or equipment provided by the Customer, are subject to the general liability provisions set forth herein. It shall be the obligation of the Customer to notify Sage immediately of any interruption in service for which a credit allowance is desired. Before giving such notice, the Customer or end-user shall ascertain that the trouble is not being caused by any action or omission by the Customer within his or her control, or is not in wiring or equipment, if any, furnished by the Customer and connected to Sage's facilities.

An adjustment or refund shall be made:

1. Automatically, if the service interruption lasts for more than forty-eight (48) hours after being reported to the company and the adjustment or refund exceeds \$1.00 in amount; and
2. Upon subscriber oral or written request, if the service interruption lasts twenty-four (24) to forty-eight (48) hours after being reported to the company and the adjustment or refund exceeds \$1.00 in amount.

2.9.2. If such mistake, omission, interruption, delay, error, or defect in transmission, or failure or defect in facilities occurs and results in a customer remaining out of service for more than 24 hours, then one (1) of the following adjustments shall be made to the customer's bill in the next billing period in which it is practical to do so:

1. If the duration of the outage is less than five (5) days, the appropriate credit shall be the prorated amount of the customer's monthly service rate.
2. If the duration of the outage is five (5) days or longer, the appropriate credit is the prorated amount of the customer's monthly service rate for the first four (4) days of the outage, plus an additional \$5.00 per day for the fifth day and each subsequent day of the outage, up to the amount of the customer's recurring monthly service rate. In all instances of outage, the Customer shall remain liable for paying all usage charges.

SECTION 2 - RULES AND REGULATIONS

2.9. Interruption of Service (Cont'd)

2.9.3. If written notice of a dispute as to charges is not received by the Company within 180 days of the date a bill is issued, such charges shall be deemed to be correct and binding on the Customer.

2.10. Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

2.11. Disconnection of Service by Customer

2.11.1. By giving notice, Customer may disconnect service at any time following its minimum service requirement(s).

2.11.2. Except as otherwise specified in this Tariff, the Customer will be responsible for all charges until the disconnect is effected. The Customer remains liable for all usage-based fees so long as usage is generated. For non-usage-sensitive charges, the Customer will be liable for the entire monthly recurring charge during the month Customer's service terminates. If the Customer disconnects service prior to the end of a term plan, the termination liabilities associated with the term plan will apply. In instances where Special Construction was performed to establish the service, Special Construction charges may apply.

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SECTION 2 - RULES AND REGULATIONS**2.12. Cancellation for Cause**

- 2.12.1 The Company may disconnect service or cancel an application for service, pursuant to applicable Commission rules, without incurring any liability for any of the following reasons:
- A. Nonpayment of a delinquent account for basic local exchange service.
  - B. Nonpayment of a delinquent account with a delinquent balance of \$150 or more for basic local exchange service and regulated toll service in the name of the customer.
  - C. Maintaining a delinquent balance of \$125 or more for three consecutive months for basic local exchange service and regulated toll service.
  - D. Unauthorized tampering or interference with facilities and equipment owned by a provider of basic local exchange service that are situated on or about the customer's premises.
  - E. Refusal to grant access at reasonable times to equipment installed upon the premises of the customer for the purpose of inspection, maintenance, or replacement.
  - F. Misrepresentation of the customer's identity for the purpose of obtaining basic local exchange service.
  - G. A violation of a tariff provision of the provider of basic local exchange service that is on file with or approved by the South Dakota Public Utilities Commission that adversely affects the safety of the customer or other persons or the integrity of the provider's basic local exchange system.
  - H. Any other unauthorized use or interference with basic local exchange service.
  - I. Any use of service or known plans to use the service in a manner contrary to the security of the United States of America or contrary to the safety or security of its citizens.
- 2.12.2 Service may be disconnected during normal business hours on or after the date specified in the notice of disconnection. Except as directed by Law Enforcement, service shall not be shut off on a day when the offices of the Company are not available to facilitate reconnection of service or on a day immediately preceding such a day.
- 2.12.3 Except as directed by Law Enforcement, service shall not be disconnected unless written notice by first-class mail is sent or delivered to the customer at least 5 days prior to the date of the proposed disconnection. If a disconnection of service is sought for nonpayment of a delinquent account, then a notice of disconnection will not be sent before the time the account becomes delinquent. Service of notice by mail is complete upon mailing, unless proven otherwise by the customer. The Company will maintain an accurate record of the date of mailing. The Company is responsible for the accurate and timely notice of disconnection.

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SECTION 2 - RULES AND REGULATIONS2.12. Cancellation for Cause (Cont'd)

- 2.12.4 A notice of disconnection of service shall not be issued if a customer has a pending formal complaint before the South Dakota Public Utilities Commission concerning the bill upon which the notice is based.
- 2.12.5 Basic local exchange service shall not be disconnected while a complaint related to the reason for the disconnection is pending.
- 2.12.6 Notwithstanding any other provision of this tariff, the Company will postpone the disconnection of basic local exchange service and regulated toll service to a residential customer for not more than 15 days if the customer produces a physician's certificate stating that the current mental or physical condition of the customer, a member of the customer's family, or another permanent resident of the premises where service is rendered who is suffering from an existing mental illness or medical condition will be endangered by a disconnection of service. The certificate shall identify the mental illness or medical condition of the customer, the member of the customer's family. Or other permanent resident of the premises where service is rendered. If the Company is notified telephonically or in writing that a psychiatric or medical emergency exists, then the Company will permit seven days for the residential customer to produce the certificate or notice. The postponement may be extended for one additional 15-day period by the renewal and the resubmission of the certificate or notice.
- 2.12.7 After basic local exchange service has been disconnected to a customer, the Company will restore service promptly, but not later than one working day after the customer's request, when the cause for the disconnection of service has been cured or credit arrangements satisfactory to the Company have been made.
- 2.12.8 Any payments required for service restoration may be made by the customer in any reasonable manner. Payment by personal check may be refused by the Company if the customer has tendered payment in this manner and the check has been dishonored during the last 3 years, excluding bank error.
- 2.12.9 Before restoring service, the Company at its option may require one or more of the following: (a) payment of the total amount due on all of the customer's delinquent and disconnection accounts for basic local exchange service and regulated toll service owed to the Company; (b) an arrangement or customer-accommodation agreement pursuant to Section 2.8, preceding, requiring the payment of all amounts owed to the Company for basic local exchange service and regulated toll service; (c) payment of an amount provided by tariff for basic local exchange service restoration.

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SECTION 2 - RULES AND REGULATIONS

2.12. Cancellation for Cause (Cont'd)

2.12.10 Sage Notices of disconnection shall contain the following information:

- A. the name and the billing address of the customer and, to the extent possible, the address of the service, if different
- B. a clear and concise statement of the reason for the proposed disconnection of service
- C. the date after which service will be subject to disconnection without further notice unless the customer takes appropriate action
- D. the right of the customer to file a formal complaint with the South Dakota Public Utilities Commission if the dispute cannot be otherwise resolved and a statement that the customer must pay to the provider of basic local exchange service that portion of the bill for basic local exchange service and regulated toll service that is not in dispute within 3 days of the date that the formal complaint is filed
- E. a statement that service will not be disconnected pending the resolution of a formal complaint that is filed and prosecuted in conformity with all applicable statutes, rules, regulations, and orders of the South Dakota Public Utilities Commission.
- F. the telephone number and address of the Company where the customer may make inquiry or enter into a settlement agreement.

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**SECTION 2 - RULES AND REGULATIONS****2.13. Notice and Communication**

- 2.13.1. The Customer shall designate on the Application for Service an address to which Sage shall mail or deliver all notices and other communications, except that Sage may also designate a separate address to which Sage's bills for service shall be mailed.
- 2.13.2. Sage shall designate on the Application for Service an address to which the Customer shall mail or deliver all notices and other communications, except that Sage may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 2.13.3. All notices or other communications required to be given pursuant to this Tariff shall be made in writing to Sage at 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789 or by calling (214) 495-4700. Notices and other communications of either party, and all bills mailed by Sage, shall be presumed to have been delivered to the other party on the third business day following placement of the notice, communication or bill with the U. S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.13.4. Sage or the Customer shall advise the other party of any changes to the addresses designated for notices, other communications or billing, by following the procedures for giving notice set forth herein.

**2.14. Taxes, Surcharges and Utility Fees**

Customer is responsible for the payment of all federal, state and local taxes, surcharges, utility fees, or other similar fees (*e.g.*, gross receipts tax, sales tax, municipal utilities tax, 911 surcharges or fees) that may be levied by a governing body or bodies in conjunction with or as a result of the service furnished under this Tariff, in addition to non-government fees and surcharges required by Tariff. These charges will appear as separate line items on the Customer's bill and are not included in the rates contained in this Tariff. There shall be added to the Customer's bill for service, an additional charge equal to the pro rata share of any occupation, franchise, business, license, excise privilege or other similar charge or tax, now or hereafter imposed upon the gross receipts or revenue of Sage by any municipal taxing body or municipal authority whether by statute, ordinance, law or otherwise, and whether presently due or to hereafter become due. The charge applicable to each Customer will appear as a separate line item on the Customer's regular monthly bill and shall be determined on a basis equal to the tax levied by each municipal taxing body or municipal authority, plus any permissible recovery costs.

**2.15. Customer Billing Inquiries**

Any customer who has a question regarding his/her telephone bill may contact Sage toll free at (888) 449-4940, or by writing to Sage Customer Service at 805 Central Expressway South, Suite 100, Allen, Texas 75013-2789.

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SECTION 3 - DESCRIPTION OF SERVICES**3.1 General**

Residential service offerings that include unlimited usage are limited to use for residential voice applications. This includes service offerings providing for unlimited local usage, unlimited intraLATA usage and/or unlimited interLATA usage. No commercial use of any form is permitted for such unlimited service offerings. Incidental calling for dial-up internet access, for data and fax type applications and for other similar restricted uses reflected in this tariff is permitted up to a maximum of 1200 minutes within any thirty-day period; any such usage beyond this threshold shall be presumed to be non-residential in nature. If, at any time, the Company determines that the Customer's usage is non-residential or is not consistent with use for residential voice applications, the Company may immediately take actions to enforce adherence to this tariff and to the Company's Statement of Terms and Conditions of Service that are applicable to interLATA, interstate and international long distance. Such actions may include the transition to a higher tier within the customer's existing service plan and the application of an High Usage Charge as specified in Section 4.6, following:

The High Usage Charge is applicable to all service plans whenever usage thresholds established in Section 4.6, following, are exceeded, including plans that offer unlimited usage and plans that do not offer unlimited usage. The existence of the High Usage Charge shall be communicated to the Customer in advance of its initial application, and shall thereafter apply automatically whenever the threshold is exceeded. Upon request, usage information will be provided pursuant to Section 4.6 of the Company's Local Exchange Tariff.

For residential service offerings that include unlimited usage, the Company will notify the Customer in writing when the previous month's usage exceeds that normally associated with residential voice applications. Such written notice will inform the Customer that a higher tier rate will apply if, after two additional months, the usage remains above usage thresholds established in the existing service plan. Customers whose excessive usage levels resulted in a higher rate will, upon request, qualify for the lower-tier rate(s) after three consecutive months of usage below usage thresholds established in the existing service plan.

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SECTION 3 - DESCRIPTION OF SERVICES**3.2 Charges Based on Duration of Use**

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

- 3.2.1 Calls are measured in duration increments identified for each service. All calls which are fractions of a measurement increment are rounded up to the next whole unit
- 3.2.2 Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s).
- 3.2.3 Timing terminates on all calls when the calling party hangs up or the Company's network receives an on-hook signal from the terminating carrier.
- 3.2.4 Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.
- 3.2.5 All times refer to local times.
- 3.2.6 Rates contained herein are not distance sensitive. As such, unless otherwise indicated, mileage bands are not applicable to the services offered.
- 3.2.7 Unless otherwise indicated, rates do not vary depending upon day or the time of day (Day, Evening, and Night/Weekend).
- 3.2.8 Each call is rated and billed in whole cents. Any rated call with a fraction of a cent less than \$0.004 will be rounded down to the nearest whole cent. Any rated call with a fraction of a cent \$0.005 or greater will be rounded up to the nearest whole cent.

**3.3 Product Descriptions****3.3.1 Switched Outbound (1+)**

Service provides Sage customers with the ability to originate calls from a Sage-provided access line, and, where available, from access lines of other local service providers, to all other stations on the public switched telephone network bearing the designation of any central office exchanges outside the customer's local calling area. This service is available on a switched basis only.

This service is available to Local Exchange Telecommunications Services customers of Sage and, where available, to other customers on a presubscribed basis, pursuant to the terms and conditions of Sage's South Dakota Tariff No. 2.

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SECTION 3 - DESCRIPTION OF SERVICES3.3 Product Descriptions (Cont'd)3.3.2 Toll Free Service (8xx)

Toll Free Service is an inbound-only service that allows callers located anywhere in the State of South Dakota to place Toll Free Calls to Customers by dialing an assigned telephone number with an 8XX area code. The Company provides Switched Toll Free Service only. Calls may be terminated either to the Customer's local exchange telephone service or dedicated access line.

3.3.3 [Reserved for Future Use]3.3.4 Directory Assistance

Directory Assistance ("DA") is a Service that provides Customers with access to telephone number information. Access is obtained by direct dialing 1 + (Area Code) 555-1212 or 1-411.

3.3.5 Operator Services

Operator Services involve assisting Customers with the placement of telephone calls, including collect calls, calling cards, credit card calls, person-to-person calls, third party calls, and other related operator services as well as the obtaining of related information. Where available, the Company provides this service for local and intraLATA calls. All other operator assisted calls will be routed to the Company's underlying carrier.

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SECTION 4 - RATES AND CHARGES4.4 Directory Assistance4.4.1 InterLATA Directory Assistance calls, other than calls placed to 8xx toll free DA:

Per call rate: \$ 2.00

4.4.2 IntraLATA Directory Assistance

Direct Dialed	\$ 2.00 per call
Via Operator	\$ 2.00 per call
Fully-Automated	
Sent-Paid	\$ 2.00 per call
Collect	\$ 3.00 per call
Bill to 3 <sup>rd</sup> Number	\$ 4.00 per call
Semi-Automated	
Sent-Paid	\$ 2.00 per call
Collect, Bill to 3rd Numbers	\$ 3.00 per call
Bill to 3 <sup>rd</sup> Number	\$ 4.00 per call
Person-to-Person	\$ 7.00 per call

4.4.3 Calls placed to 800/888 toll free DA

Calls placed to 800/888 toll free DA are provided at no charge to the Customer.

4.5 Operator Services

4.5.1 All usage associated with operator assisted calls will be charged the per minute rates as stated in Section 4.1.

4.5.2 In addition to applicable usage charges, the following operator-assisted charges will apply:

<u>Person-to-Person</u>	
IntraLATA	\$ 7.00 per call
<u>Station-to-Station</u>	
IntraLATA	\$ 2.00 per call

4.6 High Usage Charge \$0.0025 per MOU

Applicable to all residential service rate plans; per MOU in excess of 6,000 MOUs during any consecutive 30 day period.

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SECTION 5 - PROMOTIONS AND DISCOUNTS

5.0. General

The Company, from time to time, may make promotional offerings of its services, which may include waiving or reducing the applicable charges for the promoted service. Promotions will be filed as separate tariff sheets under this Section 5. Company will not have special promotional offerings for more than 90 days in any 12 month period. In all such cases, the rates charged will not exceed those specified in Section 4 hereof.

All promotions will be limited in duration, and will identify a definite, reasonable time period during which the promotion will be in effect. A promotion may also be limited as to the locations where the offerings are made. A promotion may also, if so designated, provide for its conclusion upon the occurrence of a promotion-related event that is reasonable certain to occur, although the timing may not be certain.

Promotions will be implemented with at least one day's notice prior to the effective date of each promotion.

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