

4. PAYMENT AND CREDIT REGULATIONS

4.1 ADVANCE PAYMENTS

1. At the time an application for service is made, an applicant may be required to pay an amount equal to at least one month's service and/or installation charges which may be applicable, in addition to such special construction and installation charges as are to be borne by the applicant. The amount of the advance payment is credited to the customer's account on the first bill rendered.
2. Federal, State or Municipal governmental agencies may not be required to make advance payments.
3. When required, a customer may assure payment by submitting a deposit. A deposit shall not exceed an estimated two months' gross bill or existing two months' bill where applicable. All deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility, except where such bill has been discharged in bankruptcy. A utility shall not require a deposit or a guarantee of payment without explaining in writing why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon return. The deposit shall be refunded to the customer after 12 consecutive months of prompt payment of all bills to that utility. The utility may, at its option, refund the deposit by direct payment or as a credit on the bill. With notice any deposit of a customer shall be applied by the utility to a bill when the bill has been determined by the utility to be delinquent. Each utility shall issue a written receipt of deposit to each customer from who a deposit is received and shall provide a means whereby a depositor may establish a claim if the receipt is unavailable.

Interest shall be paid on deposits at a rate of 7% per annum. Upon termination of service, the deposit with accrued interest shall be credited to the final bill and the balance shall be returned within 45 days to the customer.

4. PAYMENT AND CREDIT REGULATIONS (cont.)

4.2 CREDIT POLICY

1. **Deposit and Guarantee**

Midcontinent Communications may require a deposit or guarantee of payment from any customer or applicant who has not established good credit. Deposit or guarantee of payment requirements as prescribed by Midcontinent is based upon standards which bear a reasonable relationship to the assurance of payment. Midcontinent may determine whether a customer has established good credit, except as herein restricted:

- 1) A customer, who within the last 12 months has not had service disconnected for nonpayment of a bill and has not been liable for disconnection of service for nonpayment of a bill, and the bill is not in dispute, shall be deemed to have established good credit.
- 2) Midcontinent will not require a deposit or a guarantee of payment based upon income, home ownership, residential location, employment tenure, nature of occupation, race, color, creed, sex marital status, age, nation origin, or any other criteria which does not bear a reasonable relationship to the assurance of payment or which is not authorized by this chapter.
- 3) Midcontinent will not use any credit reports other than those reflecting the purchase of telecommunication services to determine the adequacy of a customer's credit history without the permission in writing of the customer.

Refund of Deposit:

The deposit shall be refunded or credited to the Customer after not more than twelve (12) consecutive months of prompt payment (which may be eleven (11) timely payments and one automatic forgiveness of late payment). The account shall be reviewed after twelve (12) months of service, and if the deposit is retained, it shall again be reviewed at the end of the Midcontinent's accounting year or on the anniversary date of the account.

4. PAYMENT AND CREDIT REGULATIONS (cont.)

4.3 Rendering and Payment of Bills

1. Service Dates:

(i) For all usage sensitive charges, accrual will begin immediately upon access to the service.

(ii) For local service and all services requiring dedicated access connections, accrual of monthly recurring charges will begin the day of the installation of the facilities.

(iii) The minimum service period is one month.

2. Rendering of Bills:

(i) All monthly usage charges are billed monthly for the preceding billing period.

(ii) All monthly recurring fees are billed one month in advance of the month for which the fee is applied.

(iii) All charges stated anticipate normal installation and maintenance of the channel(s). In situations where unusual installations or customized maintenance of the channel(s) is requested, additional Special Service charges may apply.

3. Payment of Bills:

(i) As provided by the administrative rules for the South Dakota Public Utilities Commission, each customer is afforded a payment period of 15 days from the time bills are sent and an additional payment period of 5 days during which the bill is owing. At the conclusion of these two periods, all bills are due and payable. Midcontinent reserves the right to put any customer on an "early pay" list in accordance with those same administrative rules. The customer is responsible for payment of all charges for services and equipment provided to the customer or his authorized user(s). This includes any use of an authorization or access code, by the customer or charges incurred as a result of any

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4.3.3 Payment of Bills (cont.)

delegation of authority resulting in use of the Midcontinent service(s), and/or authorization codes.

Customer is also responsible for payment of charges resulting from unauthorized use of authorization or access codes caused by loss or theft of the codes.

(ii) The Company reserves the right to charge a \$5.00 fee upon any unpaid amount commencing 30 days after the date of billing for all monthly recurring and non-recurring charges as a late pay penalty on any billing or account which is in delinquent status.

(iii) The customer is liable for all reasonable expenses and fees, including attorney's fees, incurred by the Company in connection with the collection or attempted collection of any unpaid amount owed, that have been ordered by a court of law.

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4.4 Cancellation of Application for Service by Subscriber

1. **Cancellation of Application for Service by Subscriber.**

(i) If a customer cancels his/her request for service prior to the time that any costs have been incurred by Midcontinent, directly related to the furnishing of that service, no charge applies.

(ii) If a customer cancels his/her request for service after Midcontinent has incurred costs directly related to furnishings such service, there will be a charge equal to the costs incurred up to a total of the installation charge and one month's recurring charge, and a minimum usage charge if applicable.

(iii) In the event that customer induced delays prevent the activation of service for more than 30 days beyond the scheduled installation date, Midcontinent may consider the delay a cancellation of application for service.

2. **Discontinuance of Service by Midcontinent**

A. The company may discontinue service to a customer without notice under the following conditions:

1. in the event of tampering with the company's equipment;
2. in the event of a condition determined to be hazardous to the customer, to other customers of the company, to the company's equipment, the public, or to employees of the company; or
3. in the event of a customer's use of equipment in such a manner as to adversely affect the company's equipment or the company's service to others.

B. The company may discontinue service to a customer under the following conditions after giving customer five (5) days' (excluding Sundays and legal holidays) notice:

1. for failure of the customer to pay a bill for service when due;
2. for failure of the customer to meet the company's deposit and credit requirements;

4. PAYMENT AND CREDIT REGULATIONS (cont.)

4.4 Cancellation of Application for Service by Subscriber  
(cont.)

4.4.2. Discontinuance of Service By Midcontinent (cont.)

3. for failure of the customer to make proper application for service;
  4. for customer's violation of any of the company's rules on file with the Commission;
  5. for failure of the customer to provide the company reasonable access to its equipment and property;
  6. for customer's breach of the contract for service between the company and the customer;
  7. for a failure of the customer to furnish such service, equipment, and/or rights-of-way necessary to serve said customer as shall have been specified by the utility as a condition of obtaining service; or
  8. When necessary for the utility to comply with any order or request of any governmental authority having jurisdiction.
- C. Service will not be disconnected on any Friday, Saturday, Sunday or legal holiday, or at any time when the company's business offices are not open to the public, except where an emergency exists.