

**Lance J.M. Steinhart, P.C.**

Attorney At Law  
1720 Windward Concourse  
Suite 250  
Alpharetta, Georgia 30005

RECEIVED

NOV 21 2005

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

Telephone: (770) 232-9200

Facsimile: (770) 232-9208

Email: [lsteinhart@telecomcounsel.com](mailto:lsteinhart@telecomcounsel.com)

Also Admitted in New York  
and Maryland

November 18, 2005

**VIA OVERNIGHT DELIVERY**

Ms. Pamela Bonrud  
Executive Director  
South Dakota Public Utilities Commission  
Capitol Building, 1st Floor  
500 East Capitol Avenue  
Pierre, SD 57501-5070

Re: Petition of Budget Phone, Inc. (Budget Phone) for Exemption from Certain  
Administrative Rules and for Approval of Its Access Services Tariff

Dear Ms. Squire:

Enclosed please find for filing an original and ten (10) copies of the following:

1. Budget Phone's Petition for exemption from certain administrative rules and for approval of its access services tariff; and 2. Budget Phone's proposed access services tariff.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope. If you have any questions, or if I may provide you with additional information, please do not hesitate to contact me.

Respectfully Submitted,

Lance J.M. Steinhart  
Attorney for Budget Phone, Inc.

Enclosures

cc: Leigh Woodruff

**STATE OF SOUTH DAKOTA  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

**Petition of**

**Budget Phone, Inc.** )  
**for Exemption from Certain** )  
**Administrative Rules and for** ) **Docket No.** \_\_\_\_\_  
**approval of its access services tariff** )

**PETITION**

Budget Phone, Inc. ("Budget Phone"), pursuant to ARSD 20:10:27:11 and ARSD 20:10:27:02, hereby petitions the South Dakota Public Utilities Commission ("Commission") for exemptions or waivers from: 1) developing company-specific cost-based switched access rates; 2) use of the formula in ARSD 20:10:27:12, so that Budget Phone may mirror the Qwest Corporation tariffed access rates; 3) calculation of billing and collection costs as set forth in ARSD 20:10:27:13; and 4) the requirement, set forth in ARSD 20:10:27:07, that Budget Phone file cost data in support of its switched access service tariff no less than once every three years. Budget Phone also petitions the Commission for approval of its access services tariff, a copy of which is attached hereto as Exhibit A.

**I. PETITIONER**

Petitioner is a Louisiana corporation authorized to provide facilities-based local exchange service in South Dakota pursuant to the Certificate of Authority issued April 15, 1005 in Docket NO. TC04-260.

## II. CONTACT INFORMATION

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

R. Daniel Hyde, Jr.  
President  
6901 W. 70th Street  
Shreveport, Louisiana 71129  
e-mail: rhyde@budgetphone.com  
Tel: (318) 671-5000

and to:

Lance JM Steinhart  
Attorney to Budget Phone, Inc.  
Lance JM Steinhart, PC  
1720 Windward Concourse  
Suite 250  
Alpharetta, GA 30005  
email: lsteinhart@telecomcounsel.com  
tel: 770/232-9200

## III. DESCRIPTION OF PETITION

As a facilities-based local exchange service provider, Budget Phone also provides switched access services to non-facilities based carriers. Pursuant to Administrative Rule 20:10:27:11, a telecommunications company may petition the Commission to be exempted from the requirements of developing intrastate switched access rates based on company-specific costs. Pursuant to ARSD 20:10:27:02, the Commission may grant, for good cause, a waiver or suspension of any rule in chapters 20:10:27 to 20:10:29, inclusive.

In this petition, the Company demonstrates that it lacks the necessary financial, technical and managerial resources needed to determine company-specific cost-based intrastate switched access rates and that the additional costs associated with developing company-specific cost-based intrastate switched access rates outweigh any benefit to the consumer or customer. In addition, the

Company requests, for good cause, waiver or suspension of 1) ARSD 20:10:27:12 so that Budget Phone may mirror the Qwest Corporation tariffed access rates, 2) ARSD 20:10:27:13, so that Budget Phone will not be required to calculate billing and collection costs based on telecommunications companies with less than 100,000 access lines; and 3) ARSD 20:10:27:07, so that Budget Phone is not required to file cost data in support of its switched access service tariff once every three years.

#### **IV. REQUESTS FOR EXEMPTION**

##### **A. Request for Exemption from the Requirements of Developing Intrastate Switched Access Rates Based on Company-Specific Costs**

##### **1. Cost Studies are Applicable to Rate of Return Regulated Companies**

Pursuant to ARSD 20:10:27:06, each carrier's carrier or association shall file a tariff that is designed to recover no more than its intrastate switched access costs as determined by the Commission and developed pursuant to chapters 20:10:28 and 20:10:29, including a commission-approved return on investment. The evaluation of costs described in the Commission's Administrative Rules involves a cumbersome and complicated process of cost separations and allocation ("fully allocated" cost studies), which historically has been relevant only to rate of return companies. An integral part of the ratemaking process for these companies also has included a determination of a company-specific rate of return. Unlike Budget Phone, which utilizes Generally Accepted Accounting Principles ("GAAP") for its books, such companies utilize the Uniform System of Accounts ("USOA").

2. Budget Phone Does Not Have the Managerial or Technical Resources to Conduct Cost Studies

Budget Phone is a small competitive local exchange company formed on May 1, 1996. Unlike rate of return regulated Local Exchange Companies, Budget Phone does not have entire departments dedicated to the task of preparing fully allocated cost studies on a year-round basis. Consequently, Budget Phone does not have the personnel or expertise to prepare the cost studies that are contemplated under chapters 20: 10:28 and 20:10:29). Furthermore, as Budget Phone is not a rate of return regulated company, Budget Phone has never had any reason to evaluate its costs in the same manner as a rate of return regulated company. Finally, the results of such a cost study would be practically meaningless for a new market entrant that is not regulated on a rate of return basis.

3. The Costs Associated With Developing Company- Specific Cost-Based Intrastate Switched Access Rates Outweigh Potential Benefits to the Consumer or Customer

Requiring companies like Budget Phone to prepare cost studies would diminish the potential benefits of competition in the telecommunications market by making entry into the market prohibitively expensive.

B. Request for Waiver or Suspension of ARSD 20:10:27:12

ARSD 20:10:27:12 specifies that the intrastate switched access rates and the calculation thereof for a telecommunications company that is granted its petition for exemption pursuant to ARSD 20:10:27:11 are based on a formula utilizing the costs and no. of access lines of the telecommunications companies with less than 100,000 access lines that determine switched access costs pursuant to chapters 20:10:28 and 20:10:29. Budget Phone respectfully requests a waiver or suspension of ARSD 20:10:27:12 so that it may mirror the Qwest Corporation tariffed access rates. As Qwest's switched access rates are lower than those charged by the companies identified in ARSD 20:10:27:12, good cause is shown for the Commission's grant of a waiver of this rule.

C. Request for Waiver or Suspension of the Billing and Collection Requirements of ARSD 20:10:27:13

Assuming the Commission's grant of waiver from ARSD 20:10:27:12, Budget Phone requests a waiver from the requirement that it determine billing and collection costs based on the average of such costs for all telecommunications companies with less than 100,000 access lines.

D. Request for Waiver or Suspension of ARSD 20:10:27:07

Budget Phone respectfully requests a waiver or suspension of the requirement that it file cost studies in support of its access tariff no less than once every three years.

WHEREFORE, for the reasons state above, Budget Phone petitions the Commission for an exemption from developing company-specific cost-based switched access rates.

Respectfully this 15 day of March, 2005.

---

Lance JM Steinhart  
Attorney for Budget Phone, Inc.

Lance JM Steinhart, PC  
1720 Windward Concourse  
Suite 250  
Alpharetta, GA 30005  
email: lsteinhart@telecomcounsel.com  
tel: 770/232-9200  
fax: 770/232-9208

**VERIFICATION**

I, R. Daniel Hyde, Jr., declare under penalty of perjury, that I am President of Budget Phone, Inc., Petitioner in this proceeding; that I am authorized to make this verification on the Petitioner's behalf; that I have read the foregoing petition; and that the facts states therein are true and correct to the best of my knowledge, information and belief.

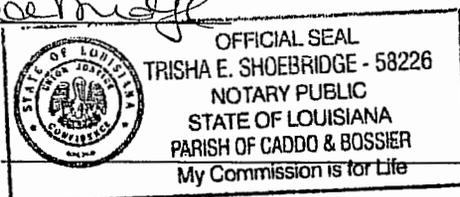


R. Daniel Hyde, Jr.  
President  
Budget Phone, Inc.

Sworn to and subscribed before me this 9<sup>th</sup> day of November, 2005.

Trisha E. Shoebriidge  
Notary Public

My commission expires:



Budget Phone, Inc.  
6901 W. 70th Street  
Shreveport, Louisiana 71129

South Dakota Tariff Number 3  
Original Page 1

**COMPETITIVE ACCESS PROVIDER SERVICES TARIFF**

**BUDGET PHONE, INC.**

**ACCESS SERVICES TARIFF**

Regulations and Schedule of Intrastate Access Rates

This tariff includes the rates, charges, terms and conditions of service for the provision of intrastate access telecommunications services by Budget Phone, Inc.. Copies are available for public inspection during normal business hours at the main office of Budget Phone, Inc. at 6901 W. 70th Street, Shreveport, Louisiana 71129. This tariff is on file with the South Dakota Public Utilities Commission.

Issued: November 21, 2005  
Issued by:

Art Magee, Comptroller  
Budget Phone, Inc.  
6901 W. 70th Street  
Shreveport, Louisiana 71129

Effective: January 20, 2006

COMPETITIVE ACCESS PROVIDER SERVICES TARIFF

CHECK SHEET

Sheets of this rate sheet are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original rate sheet and are currently in effect as of the date on the bottom of this sheet.

Page Number	Revision	Page Number	Revision	Page Number	Revision
1	Original	23	Original	45	Original
2	Original	24	Original	46	Original
3	Original	25	Original	47	Original
4	Original	26	Original	48	Original
5	Original	27	Original	49	Original
6	Original	28	Original	50	Original
7	Original	29	Original	51	Original
8	Original	30	Original	52	Original
9	Original	31	Original	53	Original
10	Original	32	Original	54	Original
11	Original	33	Original	55	Original
12	Original	34	Original	56	Original
13	Original	35	Original	57	Original
14	Original	36	Original	58	Original
15	Original	37	Original	59	Original
16	Original	38	Original	60	Original
17	Original	39	Original	61	Original
18	Original	40	Original	62	Original
19	Original	41	Original	63	Original
20	Original	42	Original	64	Original
21	Original	43	Original		
22	Original	44	Original		

\*- indicates pages included in this filing

Issued: November 21, 2005  
Issued by:

Art Magee, Comptroller  
Budget Phone, Inc.  
6901 W. 70th Street  
Shreveport, Louisiana 71129

Effective: January 20, 2006

EXPLANATION OF SYMBOL

- (C) To signify changed rate, regulation or condition.
- (D) To signify discontinued rate, regulation or condition.
- (I) To signify an increase.
- (M) To signify text relocated without change.
- (N) To signify new material, including a listing, rate, regulation, rule or condition.
- (R) To signify a reduction.
- (T) To signify a change in the word of text, but no change in the rate, rule or condition.

TABLE OF CONTENTS

CHECK SHEET..... 2  
EXPLANATION OF SYMBOL..... 3  
TABLE OF CONTENTS..... 4  
SECTION 1 - DEFINITIONS AND ABBREVIATIONS..... 5  
SECTION 2 - RULES AND REGULATIONS ..... 13  
SECTION 3 - SWITCHED ACCESS SERVICE..... 45  
SECTION 4 - DEDICATED ACCESS SERVICE..... 62  
SECTION 5 - SPECIAL CONTRACTS, ARRANGEMENTS & CONSTRUCTION ..... 63

## SECTION 1 - DEFINITIONS AND ABBREVIATIONS

**Access Code** -Denotes a uniform code assigned by the Company to an individual Customer. The code has the form 101XXXX or 950-XXXX.

**Access Line** -An arrangement which connects the Customer's local exchange line to a Company 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 used by access service Customers and the Company to 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.

**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.

**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.

**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.

**Casual Calling** -Where access to the Company's network and the subsequent use of service by the Customer is initiated through the dialing of a toll-free number or Access Code. Casual Calling allows non-Pre-subscribed customers to utilize the services of the Company.

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.

**Channel** -A communications path between two or more points.

**CIC** -An interexchange carrier identification code.

**Commission** -Refers to the South Dakota Public Utilities Commission.

**Company or Carrier** -Used throughout this tariff to indicate Budget Phone, Inc..

**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 which 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 or Dedicated Access services described in this tariff to reach its End User customer(s).

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

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

**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.

**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 (AM) or Bipolar with 8 Zero Substitution (B8ZS) and either Superframe (D4) or Extended Superframe (ESF) formats. DS 1Service has the equivalent capacity of 24 Voice Grade or DSO services.

**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 which 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 IC's communication and switching systems.

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

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

**Equal Access** -Where the local exchange company central office provides interconnection to interexchange carriers with Feature Group D circuits. In such End Offices, Customers can presubscribe their telephone line(s) to their preferred interexchange carrier. A form of dialed access provided by local exchange companies whereby telephone calls dialed by the Customer are automatically routed to the Company's network. Customers may also route calls to the Company's network by dialing an access code provided by the Company.

**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.

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

**Host Office** -An electronic switching system which 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 one or more originating and terminating points located in different states within the United States or between one or more points in the United States and at least one international location.

**Intrastate** -For the purpose of this tariff, the term Intrastate applies to the regulatory jurisdiction of services used for communications between one or more originating and terminating points, all located within the same state.

**Interexchange Carrier (MC or IC)** -A long distance telecommunications services provider that furnishes services between exchange areas.

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

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

**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.

**LEC** -Local Exchange Company.

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

**Message** -See Call.

**N/A** -Not Applicable.

**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.

**OC-12** -A high capacity channel for full duplex, synchronous, optic transmission of digital signals based on the SONET Standard at a rate of 622.08 Mbps.

**OC-3**-A high capacity channel for full duplex, synchronous, optic transmission of digital signals based on the SONET Standard at a rate of 155.52 Mbps.

**OC-48** -A high capacity channel for full duplex, synchronous, optic transmission of digital signals based on the SONET Standard at a rate of 2.4 Gbps

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

**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.

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

**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 a Customer selects and designate to the Company or other LEC a carrier he or she wishes to access, without an access code, for completing interLATA and/or intraLATA toll calls. The selected carrier is referred to as the Primary Interexchange Carrier.

**Primary Interexchange Carrier** -The 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 which provides dedicated path between one or more Customer Premises.

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

**Query** -The inquiry to a Company data base 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 (RSMLRSS)** -Small remotely controlled electronic End Office Switching equipment which obtains its call processing capability from a Host Office. An RSMIRSS cannot accommodate direct trunks to a Customer.

**Service Commencement Date** -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. The Company and Customer may mutually agree on a substitute service commencement date.

**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 services offered under this tariff.

**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.

**Switched Access** -Where originating or terminating access between an end user and an interexchange carrier is provided via Feature Group facilities, circuits or channels provided by a local exchange carrier. 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 designate using services of the local switched network.

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

**Tandem Switch** -See Access Tandem.

**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.

**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.

**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.

SECTION 2 - RULES AND REGULATIONS

**2.1 Undertaking of the Company**

- 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 Recording of telephone conversations of service provided by the Company under this tariff is prohibited except as authorized by applicable federal, state and local laws.
- 2.2.4 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.

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 which 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.

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.

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

**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.

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 Board, 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.

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

2.7 Liability of the Company (Cont'd)

- 2.7.6 No liability shall attach to the Company by reason of any defacement or damage to the Customer's premise resulting from the existence of the Company's equipment or facilities on such premise, 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.

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 to 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 provide 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 premise, 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.

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; placing any necessary orders; for complying with tariff regulations; and 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 premise, 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 premise of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premise;
- (c) obtaining, maintaining and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic 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 premise 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;

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

2.9 Obligations of the Customer (Cont'd)

2.9.1 (Cont'd)

- (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 (c); and granting or obtaining permission for Company agents or employees to enter the premise 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.

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

2.9 Obligations of the Customer (Cont'd)

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

The jurisdictional reporting requirements will be as specified below. When a Customer orders Access Service, its projected Percent Interstate Usage (PIU) must be provided in whole numbers to the Company. These whole number percentages will be used by the Company to apportion the use and/or charges between interstate and intrastate until a revised report is received as set forth herein. Reported or default PIU factors are used only where the call detail is insufficient to determine the appropriate jurisdiction of the traffic.

- 1) Originating Access: Originating access minutes consist of traffic originating from the Company Local Switching Center(s). The Customer must provide the Company with a projected PIU factor on an annual basis. If no PIU for originating minutes is submitted as specified herein, a default PIU of 50% will be applied by the Company.
- 2) Terminating Access: Terminating access minutes consist of traffic terminating to the Company Local Switching Center(s). The Customer must provide the Company with a projected PIU factor on an annual basis. If no PIU for terminating minutes is submitted as specified herein, a default PIU of 50% will be applied by the Company.

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

2.9 Obligations of the Customer (Cont'd)

2.9.2 (Cont'd)

(c) Jurisdictional Reports (continued)

- 3) Except where the Company measured access minutes are used as set forth above, the Customer reported Projected PIU factor as set forth above will be used until the Customer reports a different projected PIU factor, as set forth below.

(d) Jurisdictional Audits:

- 1) The Customer shall keep sufficient detail from which the percentages of interstate and intrastate use reported to the Company can be verified and upon request of the Company make such records available for inspection and audit. The customer must maintain these records for 24 months from the date the report became effective for billing purposes.
- 2) Initiation of an audit will be at the sole discretion of the Company. The audit shall be performed by an independent party selected by the Company. An audit may be initiated by the Company for a single customer no more than once per year. The customer shall supply the required data within 30 calendar days of the Company request.
- 3) In the event that an audit reveals that any customer reported PIU was incorrect, the Company shall apply the audit result to all usage affected by the audit. The customer shall be backbilled or credited, for a period retroactive to the date that the incorrect percentage was reported, but not to exceed 24 months. Backbilled amounts are subject to a late payment penalty and payment shall be made in immediately available funds, within 31 days from receipt of bill or by the following bill date, whichever is a shorter period.

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

2.9 Obligations of the Customer (Cont'd)

2.9.2 (Cont'd)

(d) Jurisdictional Audits (Cont'd)

- 4) Should an audit reveal that the misreported percentage(s) of use has resulted in an underpayment of access charges to the Company of five percent or more of the total Switched Access Services bill, the customer shall reimburse the Company for the cost of the audit. Proof of cost shall be the bills, in reasonable detail submitted to the Company by the auditor.
- 5) Within 15 days of completion of the auditor's report, the Company will furnish a copy of the audit results to the person designated by the customer to receive such results.

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 which 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 or by mutually agreed upon contract. When a service is discontinued prior to the expiration of the minimum period, charges are applicable, whether the service is used or not.

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 by the Customer are payable to the Company or any agent duly authorized to receive such payments. The Company shall bill on a current basis all charges incurred by, and credits due to, the Customer under this tariff. Any known unbilled charges for prior periods and any known unbilled adjustments also will be applied to this bill. 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.
- D. When billing is based upon Customer usage, usage charges will be billed monthly in arrears for service provided in the preceding billing period.
- 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 days.
- G. Amounts not paid within 30 days after the mailing date of invoice will be considered past due.

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 one hundred twenty (120) 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.

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 last calendar day for remittance falls on a 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 \$25.00, or the maximum amount allowed by South Dakota law, whichever is less, 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.

**2.11 Taxes, Surcharges and Fees**

2.11.1 All 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 Board 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.

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. To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges under Board 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 bills on presentation. A deposit may be required in addition to an advance payment.

B. The maximum amount of any deposit shall not exceed the equivalent of the customers estimated liability for two months service.

C. The Company will pay interest on deposits, to accrue from the date the deposit is made until it has been refunded, or until a reasonable effort has been made to effect refund. The Company will pay interest at the rate prescribed by the Board or as otherwise permitted by applicable law.

D. If the amount of a deposit is proven to be less than required to meet the requirements specified above, the Customer shall be required to pay an additional deposit upon request.

E. Upon discontinuance of service, the Company shall promptly and automatically refund the Customer's deposit plus accrued interest, or the balance, if any, in excess of the unpaid bills including any penalties assessed for service furnished by the Company.

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

2.12 Deposits and Advanced Payments (Continued)

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 one (1) 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.

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:
  - (a) all unpaid nonrecurring charges reasonably expended by the Company to establish service to Customer, plus;
  - (b) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by the Company on behalf of Customer, plus;
  - (c) all recurring charges specified in the applicable service order for the balance of the then current term.

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

2.13 Cancellation by Customer (Cont'd)

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.

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 Customer or Authorized User use of equipment in such a manner as to adversely affect the Company's equipment or service to others.
  - (d) In the event of tampering with the equipment or services of the Company or its agents.
  - (e) 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.
  - (f) If any of the facilities, appliances, or apparatus on Customer's premise 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.

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

**2.14 Cancellation by Company (Cont'd)**

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 premise 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.

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 disconnect 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 Part 64, Subpart D, which specify the priority system for such activities.

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

**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 the Customer.
- 2.16.3 Equipment the Company provides or installs at the Customer premise 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.

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.

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 premise 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.

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 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.

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. n
- 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 premise 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.

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

2.20 Allowances for Interruptions in Service (Cont'd)

2.20.2 Limitations of Allowances

- A. No credit allowance will be made for any interruption in service:
- (a) 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;
  - (b) due to the failure of power, equipment, systems, connections or services not provided by the Company;
  - (c) due to circumstances or causes beyond the reasonable control of the Company;
  - (d) 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;
  - (e) 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;
  - (f) that occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
  - (g) that was not reported to the Company within 30 days of the date that service was affected.
  - (h) Cellular and other wireless transmission 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 which experience problems related to cellular (wireless) transmissions.

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.

Issued: November 21, 2005  
Issued by:

Art Magee, Comptroller  
Budget Phone, Inc.  
6901 W. 70th Street  
Shreveport, Louisiana 71129

Effective: January 20, 2006

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

2.20 Allowances for Interruptions in Service (Cont'd)

2.20.4 Application of Credits for Interruptions in Service

- A. Except as provided in Section 2.10.2 A., if a Customer's service is interrupted, and it remains interrupted for eight 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.

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.
- 2.21.5 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.

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, will be prorated between interstate and intrastate. The percentage provided in the reports as set forth in 2.9.2 preceding will serve as the basis for prorating the charges. The percentage of an access service to be charged as interstate is applied in the following manner:

- (a) For nonrecurring chargeable rate elements, multiply the PIU times the quantity of chargeable elements times the interstate tariff rate per element.
- (b) For usage sensitive chargeable rate elements, multiply the PIU times actual use (measured or Company assumed average use) times the interstate rate.

2.22.2 A similar calculation is then performed to determine the intrastate portion of the bill.

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

**2.23 Determination of Jurisdiction of Mixed Interstate and Intrastate Dedicated Facilities**

2.23.1 When mixed interstate and intrastate service is provided over a dedicated facility, the jurisdiction will be determined as follows. For jurisdictional reports required for switched access, see Section 2.9.2.

- (a) If the Customer's estimate of the interstate traffic on the service equals 10% or more of the total traffic on that service, the service will be provided according to the applicable rules and regulations of the appropriate interstate tariff.
- (b) If the Customer's estimate of the interstate traffic on the service is less than 10% of the total traffic on that service, the service will be provided according to the applicable rules and regulations of the appropriate intrastate tariff.
- (c) If the percentage of interstate traffic on the service changes to the extent that it alters the jurisdiction of the service, the Customer must notify the Company of any required change in status. The affected service will revert to the appropriate jurisdictional tariff within the next full billing cycle. Any applicable termination liability will be transferred with the jurisdictional change of the service.

**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.

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

**3.2 Manner of Provision**

- 3.2.1 Switched Feature Group (FG) Access is furnished for originating and terminating calls by the Customer to its End User. FG Access is furnished on a per-line or per trunk basis.
- 3.2.2 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 FG Access, the Customer must at a minimum specify such access capacity in terms of originating traffic type and/or terminating traffic type.
- 3.2.3 Feature Group 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 FG Access service will be provided with Multi-Frequency In Band Signaling (SS7 is also available, where capabilities exist).
- 3.2.4 Two types of Feature Group Access are available:
- 1) Tandem Connect Access: This option applies when the customer has no direct facilities to the Company. All traffic is routed to and from Company's End Office via the Customer's tandem provider. 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.
  - 2) Direct Connect Access: The Company will provide facilities between the Customer's premises and a Company End Office. This transmission path is dedicated to the use of a single Customer. The Company requires the Customer to submit an ASR or comparable documentation for Direct Connect Access. Direct Connect Access is provided on an Individual Case Basis as Special Service Arrangements pursuant to Section 6 of this tariff.

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

3.3 Rate Categories

There are three rate categories which apply to Switched Access Service:

- End Office Switching (includes Common Line and Switched Transport)
- Toll-Free 8XX Data Base Access Service
- Optional Features

3.3.1 End Office Switching

The Company combines traditional per minute switched access rate elements into a single composite per minute rate element. This element includes the following rate categories:

A. Common Line

The Common Line rate category establishes the charges related to the use of Company-provided end user common lines by customers and end users for intrastate access.

B. Switched Transport

The Switched Transport rate category establishes the charges related to the transmission and tandem switching facilities between the customer designated premises and the end office switch(es) where the customer's traffic is switched to originate or terminate the customer's communications. The Switched Transport rate category also includes transport between an end office which serves as host for a remote switching system or module (RSS or RSM) and the RSS or RSM.

C. 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 between the end office and the STP.

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

3.3 Rate Categories

3.3.2 Toll-Free 8XX Data Base Query

The Toll-Free 8XX Data Base Query Charge, will apply for each Toll-Free 8XX call query received at the Company's (or its provider's) Toll-Free 8XX data base.

3.3.3 Switched Access Optional Features

Various optional features may be available and will be priced on an individual case basis.

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:
  - (a) Customer name and Premises address(es);
  - (b) Billing name and address (when different from Customer name and address); and
  - (c) 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:
  - (a) 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.

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

3.4 Access Ordering (Cont'd)

3.4.2 Access Service Date Intervals (Cont'd)

B. (Cont'd)

(b) 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 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:

- 1) The Customer requests a Service Date before or beyond the applicable Standard Interval Service Date; or
- 2) There is no existing facility connecting the Customer Premises with the Company; or
- 3) 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
- 4) 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.

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.

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

3.6 Obligations of the Company (Cont'd)

3.6.1 (Cont'd)

(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.

**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 2.9 of this tariff and are as follows:

(a) Report Requirements

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

1) Jurisdictional Reports

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

2) Code Screening Reports

When a Customer orders service call routing, trunk access limitation or call gapping arrangements, the customer must report the number of trunks and/or the appropriate codes to be instituted in each end office or access tandem switch, for each of the arrangements ordered.

(b) On and Off-Hook Supervision

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

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

3.8 Rate Regulations

3.8.1 General

There are three type 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 (eg., 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 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.

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

3.8 Rate Regulations (Cont'd)

3.8.3 Measurement of Access Minutes

- A. When recording originating calls over FG Access 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 FG Access ends when the originating FG Access 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 FG Access with multi-frequency address signaling, the measurement of access minutes begins when a seizure signal is received from the Carrier's trunk group at the Point of Presence within the LATA. The measurement of terminating call usage over FG Access ends when a disconnect signal is received, indicating that either the originating or terminating user has disconnected.
- C. When recording originating calls over FG Access 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 FG Access usage ends when the entry switch receives or sends a release message, whichever occurs first.
- D. For terminating calls over FG Access 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 FG Access 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.

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

3.8 Rate Regulations (Cont'd)

3.8.4 Moves

A. A move of services involves a change in the physical location of one of the following:

- (a) The point of termination at the Customer's Premises, or
- (b) 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:

- (a) 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.

- (b) 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.

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

3.8 Rate Regulations (Cont'd)

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.

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

3.9 Rates and Charges

3.9.1 Common Line Access Service

A. Carrier Common Line

Per Originating Minute: \$0.03842000  
 Per Terminating Minute: \$0.03842000

3.9.2 Switched Transport -- DS1

Entrance Facility \$150.00

Mileage Bands	Direct- Transport Fixed	Direct Transport per Mile	Tandem Switched per Minute	Tandem Switched per Minute per Mile
0	0.00	0.00	0.00	0.00
Over 0 to 8	150.00	11.00	0.00023700	0.00001500
Over 8 to 25	200.00	15.00	0.00027300	0.00001800
Over 25 to 50	250.00	17.00	0.00030800	0.00001900
Over 50	250.00	17.00	0.00031100	0.00002000

Tandem Switching

Per Minute: \$0.0077000

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

3.9 Rates and Charges (Cont'd)

3.9.3 Local Switching

Per Minute: \$0.00861000

3.9.4 Information Surcharge

Per Minute: N/A

3.9.5 Interconnection, per minute

Per Minute: \$0.00468100

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

3.9 Rates and Charges (Cont'd)

3.9.4 Toll-Free 8XX Data Base Access Service

Per Query: \$0.00331200

3.9.5 Switched Access Optional Features

Optional Features are provided on an Individual Case Basis as Special Service Arrangements pursuant to Section 5 of this tariff.

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

3.9 Rates and Charges (Cont'd)

3.9.6 Service Order Charges

Service Order Charges are non-recurring charges to recover the administrative costs associated with initiating Access Service.

1.	Service Implementation	
1.	Access Order Charge, per Access Request	\$ 60.00
2.	Installation Charge, per Trunk	\$115.00
2.	Service Date Change, per Access Order	\$ 25.00
3.	Design Change/Partial Cancellation Charge Per Access Order	\$ 50.00

SECTION 4 - DEDICATED ACCESS SERVICE

4.1 General

4.1.1 The Company, at its discretion may provide intrastate Dedicated Access Services with transmission speeds ranging from 2.4 Kbps to 2.4 Gbps. Dedicated Access Services are offered on a point-to-point basis only. Each Dedicated Access Service is dedicated to a single Customer and the entire usable bandwidth for each service is available to that Customer for their exclusive use.

4.1.2 All Dedicated Access Services, if offered, will be provided on an individual case basis.

## SECTION 5 - SPECIAL CONTRACTS, ARRANGEMENTS & CONSTRUCTION

### 5.1 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.

### 5.2 Special Service Arrangements

5.2.1 If a Customer's requirements cannot be met by services included in this tariff, or pricing for a service is shown & this tariff as "ICB", the Company will provide, where practical, 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 are not detrimental to any other services furnished under the Company's tariffs.

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

5.2.3 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.

### 5.3 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.

SECTION 5 -SPECIAL CONTRACTS, ARRANGEMENTS, AND CONSTRUCTION, (CONT'D)

5.4 Special Construction Charges

5.4.1 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:
- (a) where facilities are not presently available, and there is no other requirement for the facilities so constructed;
  - (b) of a type other than that which the Company would normally utilize in the furnishing of its services;
  - (c) over a route other than that which the Company would normally utilize in the furnishing of its services;
  - (d) in a quantity greater than that which the Company would normally construct;
  - (e) on an expedited basis;
  - (f) on a temporary basis until permanent facilities are available;
  - (g) involving abnormal costs;
  - (h) in advance of its normal construction; or
  - (i) 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.