

**SOUTH DAKOTA TARIFF NO. 2  
ACCESS SERVICE**

South Dakota Network, LLC

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2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances (Cont'd)

2.4.1 Payment of Rates, Charges, and Deposits (Cont'd)

(B) SDN shall bill on a current basis all rates and charges incurred by and credits due to the customer under this tariff attributable to services established or discontinued during the preceding billing period. In addition, SDN shall bill in advance, charges for all services to be provided during the ensuing billing period except for charges associated with service usage which will be billed in arrears. The bill day (i.e., the billing date of a bill for a customer for Access Service under this tariff), the period of service each bill covers and the payment date will be as follows:

(1) SDN will establish a bill day each month for each customer account. The bill will cover non-usage sensitive service rates for the ensuing billing period for which the bill is rendered, any known unbilled non-usage sensitive rates for prior periods after the last bill day through the current bill day. Any known unbilled usage rates for prior periods and any known unbilled adjustments will be applied to this bill. Payment for such bills is due as set forth in (2) following. If payment is not received by the payment date, as set forth in (2) following, in immediately available funds, a late payment penalty will apply as set forth in (2) following. In addition, SDN may take the actions specified Section 2.1.8 (Refusal and Discontinuance of Service).

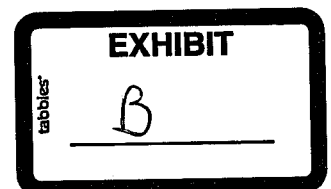
(2) All bills dated, as set forth in (1) preceding, for service provided to the customer by SDN, are due thirty-one (31) days (Payment date) after the bill day or by the next bill date (i.e., same date in the following month as the bill date) whichever is the shortest interval, except as provided herein, and are payable in immediately available funds. If the customer does not receive a bill at least twenty (20) days prior to the thirty-one (31) day payment due date, then the bill shall be considered delayed. When the bill has been delayed, upon request of the customer the due date will be extended by the numbers of days the bill was delayed. Such request of the customer must be accompanied with proof of late bill receipt.

If such payment date would cause payment to be due on a Saturday, Sunday or legally observed Federal Holiday (i.e., New Year's Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, Veterans Day, Washington's Birthday, Memorial Day Martin Luther King, Jr's Birthday or Columbus Day) payment for such bills will be due from the customer as follows:

Issued: September 12, 2007

Effective: October 1, 2007

By: SDN Chief Executive Officer  
2900 West 10th Street  
Sioux Falls, South Dakota 57104



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(B) (Cont'd)

(2) (Cont'd)

If such payment date falls on a Sunday or on a Holiday which is observed on a Monday, the payment date shall be the first non-Holiday day following such Sunday or Holiday. If such payment date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the payment date shall be the last non-Holiday day preceding such Saturday or Holiday.

Further, if any portion of the payment is received by SDN after the payment date or if any portion of the payment is received by SDN in funds which are not immediately available to SDN, then a late payment penalty shall be due to SDN. The late payment penalty shall be the portion of the payment not received by the payment date times a late factor. The late factor shall be the lesser of:

- (a) the highest interest rate (in decimal value) which may be levied by law for commercial transactions, compounded daily for the number of days from the payment date to and including the date that the customer actually makes the payment to SDN, or
- (b) 0.000590 per day, compounded daily for the number of days from the payment date to and including the date that the customer actually makes the payment to SDN.

In the event that a billing dispute concerning any rates or charges billed to the customer by SDN is resolved in favor of SDN, any payments withheld pending settlement of the dispute shall be subject to the late payment penalty. If the customer disputes the bill on or before the payment date, and pays the undisputed amount on or before the payment date, any late payment charge for the disputed amount will not start until ten (10) days after the payment date.

In the event of a dispute concerning the bill, SDN may require the customer to pay a sum of money equal to the amount of the undisputed portion of the bill. Following payment of the undisputed amount, efforts to resolve the complaint, shall continue and for not less than forty-five (45) days after the rendering of the disputed bill, the service shall not be disconnected for nonpayment of the disputed amount.

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(B) (Cont'd)

(2) (Cont'd)

If the billing dispute is resolved in favor of the customer, no late payment penalty will apply to the disputed amount. In addition, if the customer disputes the billed amount and pays the total amount (i.e., the undisputed amount and the disputed amount) on or before the payment date and the billing dispute is resolved in favor of the customer, the customer will receive a credit for a disputed amount penalty from SDN if the billing dispute is not resolved within ten (10) working days following the payment date or the date the customer furnishes to SDN documentation to support its claim plus ten (10) working days, whichever date is the later date. The disputed amount penalty shall be the disputed amount resolved in the customer's favor times a penalty factor.

No collection fee may be levied in addition to the late payment penalty. This does not prohibit cost-justified charges for disconnection and reconnection of service.

If the customer makes a partial payment in a timely manner, and does not designate the service for which payment is made, the payment shall be credited prorated between the bill for SDN's services and related taxes. The late payment charge will be applied to only the outstanding balance for SDN's services.

SDN may initiate collection efforts with the issuance of a final bill when the termination of service is at the customer's request. For all other bills, no collection effort other than rendering of the bill shall be undertaken until the delinquency date

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