CENTREX SERVICE PRICING OPTIONS

A. PROVISIONS

1. GENERAL PROVISIONS

All of the provisions specified in Section 2 and Section 2A in this Informational Guide apply to Centrex systems covered by the Pricing Option term commitment provisions in this Section.

The Price Predictability term commitments in this Section apply only to the Centrex main station line monthly rate. The Sixty Month Price Stability term commitment in this Section applies to both the main station line and the common equipment monthly rate.

Beginning June 1, 1996 this service is offered on a Grandfathered (limited availability) basis to Centrex systems up to 75 lines. These systems are not available for new installations of systems up to 75 lines. Customers utilizing these systems up to 75 lines may continue the service at their present locations and may add lines at their present locations. Customers will not be permitted to move their service to a new location or add locations. Customers under term commitment can retain service until the term commitment term expires. Upon term commitment expiration, customer may continue service on a month-to-month billing basis or convert to a new service.

2. AVAILABILITY

On or after August 23, 1987 the Pricing Option term commitment provisions in this Section are available as follows:

a. To all existing and new Centrex Systems.

b. To systems with Centrex service at Hospitals and Medical Institutions. Customers with Centrex Service at Hospital and Medical Institutions that subscribe to the Pricing Option term commitment provisions must include all of their patient Centrex lines under a Pricing Option for which the rates and provisions in this Section apply, in place of the rates and provisions shown in Section 2, Paragraph C.3.

c. To Centrex systems covered by Section 2A provided and at such time as they convert their entire Centrex system to the appropriate provisions and rates shown in this Section. However, Educational/Medical Institutions, covered by Section 2A, that commit to a Pricing Option term commitment may convert their residence rated student/patient Centrex lines to regular Centrex lines. This conversion must occur within ten months of the Pricing Option term commitment effective date or at the same time as the student line bulk disconnect/reconnect and conversion to regular Centrex lines.

CENTREX SERVICE PRICING OPTIONS

A. PROVISIONS (Cont'd)

2. AVAILABILITY (Cont'd)

Customers that have a Pricing Option that are in Sections 2B and 2C have the option to convert to a Pricing Option in this Section. The effective date of the customer's Original Pricing Option will apply to the new term commitment period. After converting to a Pricing Option in this Section, customers may not convert back to plans in Sections 2B or 2C.

A customer who establishes a Pricing Option term commitment is covered by the provisions and rates of this Section until such time as the term commitment expires or the conditions surrounding cancellation by the customer have been met.

B. TERMS AND CONDITIONS

1. GENERAL

Rate stability provisions as specified in Section 2 in this Informational Guide for Centrex main station lines and provisions and rates for the optional Sixty Month term commitment, both of which expire December 4, 1987, are automatically superseded for customers agreeing to the provisions and rates of the Pricing Options in this Section. However, their termination liability provisions still apply until the expiration date of the optional Sixty Month term commitment if this amount is greater than the Pricing Option term commitment liabilities applicable in this Section.

2. LINE COST CHARGES

Rates specified for Centrex main station lines in Paragraphs C.1. and C.2. following include the amount of the applicable Centrex Line Cost Charge as specified in The Verizon Telephone Companies' Tariff F.C.C. No. 1.

3. OPTIONAL FEATURES

All present and future features in Section 2, Paragraph D in this Informational Guide, will be available to Centrex systems where facilities permit at the applicable rates.

4. PRICING OPTION TERM COMMITMENT PERIODS AND RATE COMPONENTS

The two Pricing Options available are Four through Ten Year Price Predictability term commitments as specified in Paragraph 4.a. following and a Sixty Month Price Stability term commitment as specified in Paragraph 4.b. following.

a. Provision I: Four Through Ten Year Price Predictability

A customer may select a four-, five-, six-, seven-, eight-, nine- or ten-year term commitment period which applies to all lines associated with each Centrex system. The Price Predictability main station line rate consists of three required components.

CENTREX SERVICE PRICING OPTIONS

B. TERMS AND CONDITIONS (Cont'd)

4. PRICING OPTION TERM COMMITMENT PERIODS AND RATE COMPONENTS (Cont'd)

a. Provision I: Four Through Ten Year Price Predictability (Cont'd)

(1) Component A represents the capital investment of the Centrex line rate. Component A will not increase over the life of the term commitment for the main station lines in service on the term commitment effective date as well as additional lines installed prior to the effective date of a rate increase in Component A. Lines installed after an increase in Component A has become effective will be added at the new Component A rate for their existing term commitment length.

(2) Component B represents the expense portion of the Centrex line rate. The applicable rate for Component B may vary during a customer's term commitment no more than once per year. Furthermore, the Telephone Company agrees not to initiate any rate increase in Component B in excess of the cumulative annual increase in the Consumer Price Index for All Urban Consumers (CPIU), as published by the U.S. Department of Labor Bureau of Labor Statistics, while these Pricing Options are in effect.

(3) Component C represents the Exchange Access portion of the Centrex line rate. Component C is subject to change and subject to federal excise tax.

b. Provision II: Sixty Month Price Stability

The Telephone Company agrees not to initiate any increases in monthly rates for a period of sixty months. This includes the main station line and common equipment.

The charges for Price Predictability and Price Stability term commitments for Basic Centrex Systems are shown in Paragraph C.1 and for Grandfathered Centrex Systems in Paragraph C.2 of this Informational Guide.

5. TERM COMMITMENT EFFECTIVE MARCH 2, 1995. DATE AND EXPIRATION DATE

For all existing Centrex systems, and for new Centrex systems, the term commitment effective date is the completion date of the initial Centrex system's installation.

6. MINIMUM LINE REQUIREMENT

The customer agrees to pay for the number of Centrex main station lines in service. However, on a recurring basis, regardless of changes, the customer agrees to pay for no less then 85% of the largest quantity of lines that were in service thus far during the term commitment. The minimum line requirement will be reviewed the second workday in February of each year and updated accordingly.

CENTREX SERVICE PRICING OPTIONS

B. TERMS AND CONDITIONS (Cont'd)

7. ADDITIONS

Over the course of all Pricing Option term commitment periods, the customer may add main station lines over and above the quantity of main station lines in service on the effective date of the particular customer's original Pricing Option term commitment, as follows:

a. Provision I

Under the four-, five-, six-, seven-, eight-, nine-, and ten-year Price Predictability term commitment periods, customers may add lines at the original Component A rate for two years from the term commitment effective date. Beyond the second year of the term commitment, if an increase in Component A has become effective, lines must be added at the new term commitment rates for the customer's existing term commitment period. Current Components B and C rates will apply.

b. Provision II

Under the sixty (60) month Price Stability term commitment period, customers may add lines at the original term commitment monthly per line rate throughout the life of the term commitment.

The Product/Service charges specified in Sections 2 and 2A in this Informational Guide as appropriate, also apply for the installation of each Centrex main station line and common equipment.

8. MOVES AND UPGRADES

a. If a Centrex customer under a Pricing Option term commitment moves or upgrades service and retains the same or greater minimum line requirement, termination liability will not apply, as long as the customer fulfills the terms of a new Pricing Option term commitment of the same or greater duration. However, the customer must still pay the nonrecurring charges applicable to the installation of service. An example of an upgrade includes but is not limited to a customer's change in technology where facilities permit.

b. All systems covered by a Pricing Option term commitment are subject to the terms and conditions of the Pricing Option termination liability as stated in this Section. No credit for previous service will apply.

c. When an educational institution exercises the Bulk Partial Disconnect/Reconnect Charge Option as provided for in Section 2, the lines affected will be considered in service for purposes of the minimum line requirement.

CENTREX SERVICE PRICING OPTIONS

B. TERMS AND CONDITIONS (Cont'd)

8. MOVES AND UPGRADES (Cont'd)

b. (Cont'd)

The Pricing Option term commitment's termination liability is based on the following calculation:

Average number of lines over the life of the Pricing Option term commitment multiplied by the applicable Pricing Option term commitment rate multiplied by 10 percent multiplied by the remaining months of the term commitment.

The Pricing Option rate to be applied in the above calculation is the under 100 rate for systems under 100 lines and the over 100 rate should be applied to all lines for systems over 100 lines.

Pricing Option termination liability also applies to common equipment based on the following formula:

Ten Percent of the rate in effect at the time the system is disconnected multiplied by the remaining months in the term commitment
period.

c. Attendant common equipment, attendant positions, Basic Private Line Terminations, Basic Senderized Private Line Terminations, Advanced Private Line Terminations and Digital Facility Terminations are furnished under individual three-year term periods. In the event that any of these items of equipment are disconnected within the term period, the established charges apply for the unit(s) for the period the unit(s) was in service, plus termination liability. Fifty percent (50%) of the rate in effect at the time the respective unit(s) is disconnected is used to compute the termination charges due for the remainder of the term period.

CENTREX SERVICE PRICING OPTIONS

B. TERMS AND CONDITIONS (Cont'd)

8. MOVES AND UPGRADES (Cont'd)

d. In addition, any existing or new Centrex customer subscribing to any Pricing Option term commitment (Provisions I or II) is subject to the Pricing Option Termination Liability regardless of the number of Centrex lines in the system. As a result, all Pricing Option term commitment customers are subject to all terms and conditions of the Pricing Option termination liability including the termination charges as calculated in this Section.

CANCELLATION OF TERM COMMITMENT

Cancellation of a Pricing Option term commitment is effective upon receipt by the Telephone Company of written notification from the customer.

The customer agrees to pay Pricing Option term commitment liability as specified in B.8. preceding as if its service had been disconnected on the effective date of such cancellation. The system then converts to the provisions specified in Sections 2 or 2A as appropriate, of this Informational Guide.

10. RENEWAL OPTIONS AND REQUESTS FOR CHANGE IN TERM COMMITMENT PERIOD

a. At any time during the customer's term commitment period, the customer may renew its present Pricing Option term commitment by entering into a new term commitment to take effect at the expiration of its current Pricing Option term commitment or rescind its present Pricing Option term commitment and select a Pricing Option term commitment of a greater duration without incurring Pricing Option termination liability charges. However, the minimum line requirement must remain the same or greater as the original term commitment for the subsequent term commitment. No credits or adjustments will be given for payments made to an existing or prior term commitment, nor will any Product/Service charges specified in Section 2 be reapplied for existing Centrex main station lines which remain in place.

b. Customers that have a Pricing Option that are in Sections 2B and 2C have the option to convert to a Pricing Option in this Section. The effective date of the customer's original Pricing Option will apply to the new term commitment period. After converting to a Pricing Option in this Section customers may not convert back to plans in Sections 2B or 2C.

CENTREX SERVICE PRICING OPTIONS

B. TERMS AND CONDITIONS (Cont'd)

11. LIABILITY ON DISCONNECTS/CANCELLATIONS AFTER RENEWALS

a. If the customer has fulfilled the original Pricing Option term commitment, the effective date and the rates of the new Pricing Option term commitment will be used to calculate the Pricing Option termination liability.

b. If the customer has not fulfilled the original or subsequent Pricing Option term commitment, the effective date of the customer's original Pricing Option term commitment and the rates of the subsequent Pricing Option term commitment will be used to calculate the Pricing Option termination liability as specified in B.8. preceding.

c. If the customer has fulfilled the original and subsequent Pricing Option term commitments, the Pricing Option termination liability will not apply. However, if the system remains in service, provisions and rates of Sections 2 or 2A, as appropriate, will apply. If the system is disconnected concurrently with the expiration date of the Pricing Option term commitment Pricing Option termination liability does not apply.

12. PREPAYMENT

At any time during their term commitment period, customers under Pricing Option term commitment Provision I in Paragraph 4.a. may prepay the entire Component A rate for the life of the term commitment. Should the customer decide to disconnect before the end of their term commitment period, no Pricing Option term commitment liability will apply for the lines, however, the prepaid amount will not be refunded.

If the customer wishes to add lines, they may be prepaid in groups of 20 (or more) or added monthly at current Provision I rates for the customer's existing term commitment period. Additional lines paid monthly will be subject to the Pricing Option termination liability stated in Paragraph B.8. Additional lines which are prepaid are not subject to termination liability, however, the prepaid amount will not be refunded.

The minimum line requirement specified in Paragraph B.6 applies to Components B and C for lines that have been prepaid and for Components A, B and C for additional lines paid monthly.

Termination liability as specified in Paragraph B.8 preceding applies to additional lines paid monthly and to other items of service. Components B and C for lines that have been prepaid are not subject to termination liability.

When a customer has prepaid Component A under a former payment plan and selects a new payment plan prior to completion of the prepaid plan period, the Telephone Company will determine the adjustment to the charges applicable under the new payment plan.

CENTREX SERVICE PRICING OPTIONS

C. RATES

1. BASIC CENTREX

a. Main Station Lines

(1) Provision I: Price Predictability Term Commitments

COMPONENTS:	Monthly Rate(1)			
	A(2)	B	C(3)	Total(2)
Measured:				
- 4 year				
1st 100, each	$10.40	$3.25	$1.30	$14.95
Over 100, each	6.15	4.15	.35	10.65
- 5 year				
1st 100, each	10.35	3.25	1.30	14.90
Over 100, each	6.10	4.15	.35	10.60
- 6 year				
1st 100, each	10.30	3.25	1.30	14.85
Over 100, each	6.05	4.15	.35	10.55
- 7 year				
1st 100, each	10.25	3.25	1.30	14.80
Over 100, each	6.00	4.15	.35	10.50
- 8 year				
1st 100, each	10.20	3.25	1.30	14.75
Over 100, each	5.95	4.15	.35	10.45
- 9 year				
1st 100, each	10.15	3.25	1.30	14.70
Over 100, each	5.90	4.15	.35	10.40
- 10 year				
1st 100, each	10.10	3.25	1.30	14.65
Over 100, each	5.85	4.15	.35	10.35

NOTES:

(1) Product/Service charges, Centrex Common Equipment charges and Centrex Station Mileage charges specified in Section 2 in this Informational Guide apply in addition to the monthly rate.
(2) The amount shown includes the applicable Interstate Centrex Line Cost Charge as specified in The Verizon Telephone Companies' Tariff F.C.C. No. 1.
(3) Exchange Access subject to Federal Excise Tax.

CENTREX SERVICE PRICING OPTIONS

C. RATES (Cont'd)

1. BASIC CENTREX (Cont'd)

a. Main Station Lines (Cont'd)

(1) Provision I: Price Predictability Term Commitments (Cont'd)

COMPONENTS:	Monthly Rate(1)			
	A(2)	B	C(3)	Total(2)
Flat:(4)				
- 4 year				
1st 100, each	$11.50	$3.90	$3.85	$19.25
Over 100, each	6.15	6.60	1.15	13.90
Flat:(4)				
- 4 year				
1st 100, each	11.45	3.90	3.85	19.20
Over 100, each	6.10	6.60	1.15	13.85
- 5 year				
1st 100, each	11.40	3.90	3.85	19.15
Over 100, each	6.05	6.60	1.15	13.80
- 6 year				
1st 100, each	11.35	3.90	3.85	19.10
Over 100, each	6.00	6.60	1.15	13.75
- 7 year				
1st 100, each	11.25	3.90	3.85	19.00
Over 100, each	5.95	6.60	1.15	13.70
- 8 year				
1st 100, each	11.25	3.90	3.85	19.00
Over 100, each	5.90	6.60	1.15	13.70
- 9 year				
1st 100, each	11.25	3.90	3.85	19.00
Over 100, each	5.90	6.60	1.15	13.65
- 10 year				
1st 100, each	11.25	3.90	3.85	19.00
Over 100, each	5.85	6.60	1.15	13.60

NOTES:

(1) Product/Service charges, Centrex Common Equipment charges and Centrex Station Mileage charges specified in Section 2 in this Informational Guide apply in addition to the monthly rate.
(2) The amount shown includes the applicable Interstate Centrex Line Cost Charge as specified in The Verizon Telephone Companies' Tariff F.C.C. No. 1.
(3) Exchange Access subject to Federal Excise Tax.
(4) Not available for new Centrex systems or existing measured rated Centrex systems.

CENTREX SERVICE PRICING OPTIONS

C. RATES (Cont'd)

1. BASIC CENTREX (Cont'd)

a. Main Station Lines (Cont'd)

(2) Provision II: Price Stability Term Commitments

	Monthly Rate(1)		
	Intercommunication Charge(2) (applies in addition to Exc. Acc. Chg.)	Exchange Access Charge(3)	Total(2)
Measured:			
- Sixty (60) Month			
1st 100 Station Lines	$ 13.60	$1.30	$14.90
over 100 Station Lines	10.35	.35	10.70
Flat:(4)			
- Sixty (60) Month			
1st 100 Station Lines	15.45	3.85	19.30
over 100 Station Lines	12.85	1.15	14.00

b. Common Equipment, per System

	Monthly Rate	USOC
Up to 20 Station Lines	$ 26.65	CKC
21 to 50 Station Lines	53.30	CKCX3
51 to 100 Station Lines	80.00	CKCX4
More than 100 Station Lines	106.60	CKCX1

NOTES:

(1) Product/Service charges and Centrex Station Mileage charges specified in Section 2 in this Informational Guide apply in addition to the monthly rate.
(2) The amount shown includes the applicable Interstate Centrex Line Cost Charge as specified in The Verizon Telephone Companies' Tariff F.C.C. No. 1.
(3) Exchange Access subject to Federal Excise Tax.
(4) Not available for new Centrex systems or existing measured rated Centrex systems.

DEFINITIONS OF TERMS

C. RATES (Cont'd)

2. GRANDFATHERED CENTREX

a. Main Station Lines

(1) Provision I: Price Predictability Term Commitments

COMPONENTS:	Monthly Rate(1)			
	A(2)	B	C(3)	Total(2)
Measured:				
- 4 year				
1st 100, each	$9.45	$4.05	$1.30	$14.80
Over 100, each	7.35	5.00	.35	12.70
- 5 year				
1st 100, each	9.40	4.05	1.30	14.75
Over 100, each	7.30	5.00	.35	12.65
- 6 year				
1st 100, each	9.35	4.05	1.30	14.70
Over 100, each	7.25	5.00	.35	12.60
- 7 year				
1st 100, each	9.30	4.05	1.30	14.65
Over 100, each	7.20	5.00	.35	12.55
- 8 year				
1st 100, each	9.25	4.05	1.30	14.60
Over 100, each	7.15	5.00	.35	12.50
- 9 year				
1st 100, each	9.20	4.05	1.30	14.55
Over 100, each	7.10	5.00	.35	12.45
- 10 year				
1st 100, each	9.10	4.05	1.30	14.45
Over 100, each	7.00	5.00	.35	12.35

NOTES:

(1) Product/Service charges, Centrex Common Equipment charges and Centrex Station Mileage charges specified in Section 2A in this Informational Guide apply in addition to the monthly rate.
(2) The amount shown includes the applicable Interstate Centrex Line Cost Charge as specified in The Verizon Telephone Companies' Tariff F.C.C. No. 1.
(3) Exchange Access subject to Federal Excise Tax.
(4) Not available for new Centrex systems.

DEFINITIONS OF TERMS

C. RATES (Cont'd)

2. GRANDFATHERED CENTREX (Cont'd)

a. Main Station Lines (Cont'd)

(1) Provision I: Price Predictability Term Commitments (Cont'd)

COMPONENTS:	Monthly Rate(1)			
	A(2)	B	C(3)	Total(2)
Flat:(4)				
- 4 year				
1st 100, each	$10.55	$2.05	$3.85	$16.45
Over 100, each	7.40	4.70	1.15	13.25
- 5 year				
1st 100, each	10.45	2.05	3.85	16.35
Over 100, each	7.30	4.70	1.15	13.15
- 6 year				
1st 100, each	10.35	2.05	3.85	16.25
Over 100, each	7.20	4.70	1.15	13.05
- 7 year				
1st 100, each	10.25	2.05	3.85	16.15
Over 100, each	7.15	4.70	1.15	13.00
- 8 year				
1st 100, each	10.15	2.05	3.85	16.05
Over 100, each	7.00	4.70	1.15	12.85
- 9 year				
1st 100, each	10.00	2.05	3.85	15.90
Over 100, each	6.90	4.70	1.15	12.75
- 10 year				
1st 100, each	9.95	2.05	3.85	15.85
Over 100, each	6.80	4.70	1.15	12.65

NOTES:

(1) Product/Service charges, Centrex Common Equipment charges and Centrex Station Mileage charges specified in Section 2A in this Informational Guide apply in addition to the monthly rate.
(2) The amount shown includes the applicable Interstate Centrex Line Cost Charge as specified in The Verizon Telephone Companies' Tariff F.C.C. No. 1.
(3) Exchange Access subject to Federal Excise Tax.
(4) Not available for new Centrex systems or existing measured rated Centrex systems.

DEFINITIONS OF TERMS

C. RATES (Cont'd)

2. GRANDFATHERED CENTREX (Cont'd)

a. Main Station Lines (Cont'd)

(2) Provision II: Price Stability Term Commitments

	Monthly Rate(1)		
	Intercom-munication Charge(2) (applies in addition to Exc. Acc. Chg.)	Exchange Access Charge(3)	Total(2)
Measured:(4)			
- Sixty (60) Month			
1st 100 Station Lines	$ 13.70	$1.30	$15.00
over 100 Station Lines	12.45	.35	12.80
Flat:(5)			
- Sixty (60) Month			
1st 100 Station Lines	12.90	3.85	16.75
over 100 Station Lines	12.35	1.15	13.50

b. Common Equipment, per System

	Monthly Rate	USOC
Up to 20 Station Lines	$ 26.65	CKC
21 to 50 Station Lines	53.30	CKCX3
51 to 100 Station Lines	80.00	CKCX4
More than 100 Station Lines	106.60	CKCX1

NOTES:

(1) Product/Service charges and Centrex Station Mileage charges specified in Section 2A in this Informational Guide apply in addition to the monthly rate.
(2) The amount shown includes the applicable Interstate Centrex Line Cost Charge as specified in The Verizon Telephone Companies' Tariff F.C.C. No. 1.
(3) Exchange Access subject to Federal Excise Tax.
(4) Not available for new Centrex Systems.
(5) Not available for new Centrex systems or existing measured rated Centrex systems.