

VARIABLE TERM PAYMENT PLAN

A. GENERAL

This Section contains regulations applicable to a Variable Term Payment Plan (VTPP) for specific services as indicated in the appropriate Section(s) elsewhere in this Tariff. Unless specifically exempted, services furnished under the Variable Term Payment Plan are also subject to all general and specific regulations applicable to the provision of service by the Telephone Company as stated elsewhere in this Tariff.

Recurring, non-recurring and termination liability charges are not included in this Section but are applied in accordance with the regulations in the appropriate Tariff Section(s) which offer the applicable service(s).

The Variable Term Payment Plan is a payment plan which allows customers to pay a fixed monthly rate for service over one of several optional payment periods. A different monthly rate applies for the duration of each optional payment period.

B. REGULATIONS

1. RATE APPLICATION

The minimum period available for the Variable Term Payment Plan is one month, unless otherwise specified in the Tariff for a specific service.

Monthly rates for the one month payment period are subject to change. Monthly rates for payment periods of more than one month are fixed and not subject to Telephone Company-initiated changes during the effective term of the selected payment plan.

Installation, Service Establishment, Service Charges and all other applicable non-recurring charges will be billed after the service has been rendered and are payable in full upon request. Certain non-recurring charges specified in Paragraph 9. following may be deferred according to the terms and conditions contained therein.

2. ADDITIONS

Additions may be made to an existing system at the customer's option subject to the specific regulations and rates currently in effect in the appropriate Tariff Section(s) which offer the applicable service.

3. DISCONNECTIONS PRIOR TO THE EXPIRATION OF THE SELECTED PAYMENT PERIOD

In the event a customer should disconnect all or any part of the service prior to the expiration of a selected payment period of greater than one month's duration, the customer will be required to pay termination charges as indicated in the appropriate Section of the Tariff for the service provided.

VARIABLE TERM PAYMENT PLAN

B. REGULATIONS (Cont'd)

4. MOVES

a. Moves of Equipment (Lapse-in-Service)

(1) Within the Territory of the Telephone Company

The customer may arrange to have the same equipment moved to locations of the same customer, within the territory of The Bell Telephone Company of Pennsylvania, on a lapse-in-service basis at charges based on costs without interruption or change of Variable Term rate levels or progression of payments.

Installation charges as specified in the Tariff for services covered by the Variable Term Payment Plan will not be applicable. Appropriate non-recurring charges for all other connecting services will be applicable at the new location.

Complete arrangements or systems must be moved in lieu of individual components, where components are dependent on host units for operation unless otherwise specified in the Tariff for the specific service. Where components operate independently and are covered by individual Tariff charges, the customer may select units to be moved subject to any restriction(s) in product Tariffs.

A service must have been billed to the same customer at the original location for a period of at least four months to qualify for a lapse-in-service move. Transfer of service between two customers, within four months of a lapse-in-service move, is not permitted.

VARIABLE TERM PAYMENT PLAN

B. REGULATIONS (Cont'd)

4. MOVES (Cont'd)

a. Moves of Equipment (Lapse-in-Service) (Cont'd)

(2) To Locations Outside the Territory of the Telephone Company

Customer requests for lapse-in-service moves of the same equipment to locations of the same customer in another Bell Operating Telephone Company may be provided upon acceptance of the other Bell Operating Telephone Company, and under the same conditions as described in 1.a.(1) preceding, except as follows.

- (a) Variable Term Tariffs for the same service must exist in both Companies at the time of the move.
- (b) Billing for the original location will apply up to and including the date service is discontinued.
- (c) The Telephone Company must be adequately compensated by the Bell Operating Telephone Company for the equipment moved and all costs associated with the move.

(3) To the Telephone Company from another Bell Operating Company

Customer requests for lapse-in-service moves of the same equipment from another Bell Operating Telephone Company to a location of the same customer may be accepted by The Telephone Company under the same conditions as described in 4.a.(1) preceding, except as follows.

- (a) Variable Term Tariffs for the same service must exist in both locations at the time of the move. Where Tariffs exist for the same service, but the lengths of payment periods available are different, the customer must select a new payment period from those available. The new payment period must be of an equal or longer length than the time remaining in the current selected period, subject to the conditions covered in 5. following.
- (b) The rates in the new location will be those in effect for new customers. The Telephone Company will begin billing these rates the day following the discontinuance of service in the previous Company.
- (c) Equipment moved must be in good working condition and transferred at reasonable costs as determined by The Telephone Company.

VARIABLE TERM PAYMENT PLAN

B. REGULATIONS (Cont'd)

4. MOVES (Cont'd)

b. Moves of Equipment (In-Service)

An In-service move under the plan will be considered a termination of service with applicable termination charges. The customer will be required to select a currently available payment period at the new location, including applicable one-time charges.

5. REQUEST FOR CHANGES IN LENGTH OF PAYMENT PERIOD

Subsequent to the establishment of service for a system furnished under a Variable Term Payment Plan period of more than one month and prior to the completion of that period, the existing payment period may be replaced by:

A currently offered payment period at the current rate with a length equal to, longer than, or shorter than the time remaining in the existing service agreement, subject to the following conditions:

- No credit will be given for payments made during the formerly selected period. However, non-recurring charges will not be reapplied.
- The new payment period begins on the date agreed upon by the customer and the Telephone Company.
- When the payment period selected is of shorter duration than the time remaining in the existing agreement, termination charges apply for the former payment period as appropriate at the time of the change.

Customers who selected the one-month payment period for their system and subsequently wish to choose a different payment period, may choose any currently offered payment period at the currently effective rates.

Individual items changing from a one-month payment period to a different payment period are subject to the conditions described in "Additions" in the appropriate Tariff Section(s) which offer the applicable service.

6. RENEWAL OPTIONS

The customer has the following renewal options:

- Prior to completion of the current payment period, any period available under the VTPP may be selected at the rates in effect for new customers at the time of renewal. The customer will be charged the current rate for the newly selected payment period, commencing the day following completion of the prior payment period.

VARIABLE TERM PAYMENT PLAN

B. REGULATIONS (Cont'd)

6. RENEWAL OPTIONS (Cont'd)

- Service may be continued on a month-to-month basis at the current rate for the one-month payment period, unless otherwise specified in product Tariffs. The customer has no additional service commitment and, consequently, when service is terminated will not be subject to any termination charge.
- If the customer does not elect an additional payment period and does not request discontinuance of service, service will be continued at the monthly rate currently in effect for the one-month payment period under the terms described above.

7. SUPERSEDURE

Service billed under the Variable Term Payment plan, with a selected payment period of more than one month, may be transferred to a new customer at the same location except as prohibited in 4. a. above. Written concurrence by the Telephone Company and the customers involved and payment of a transfer charge by the new customer, as specified in specific Tariffs, is required. The new customer will be subject to all provisions of the previous customer's service, including the selected payment period, unexpired termination liability and other aspects of the equipment configuration in effect at the time of the transfer.

8. SUSPENSION OF SERVICE

Temporary suspension of service, as provided elsewhere in this Tariff, is not applicable to service furnished under the Variable Term Payment Plan.

VARIABLE TERM PAYMENT PLAN

B. REGULATIONS (Cont'd)

9. DEFERRED PAYMENT OPTION

Payment of certain non-recurring charges for equipment, products, systems or service, hereinafter referred to as service, may be deferred by credit worthy Business customers, as determined by the Telephone Company, subject to the following terms and conditions:

- a. The charges which may be deferred are limited to total non-recurring charges associated with the installation of service. (C)
- b. A customer must select a deferred payment period in annual increments equal to or shorter than the payment period for service for which charges are deferred.
- c. The minimum amount that can be deferred is \$3,000 per service.
- d. The interest rate to be charged on deferred payments will be reviewed periodically by the Telephone Company. If, at any time, the rate to be charged by the Telephone Company exceeds the maximum interest rate allowed by applicable law, the Telephone Company will suspend the availability of the Deferred Payment Option until such time as the rate to be charged does not exceed any such allowable interest rate. Suspension of the Deferred Payment Option will not affect customers who have executed a Hardware Letter of Election-Deferred Payment Addendum prior to the effective date of such suspension.
- e. Customers who elect the Deferred Payment Option will sign a Hardware Letter of Election-Deferred Payment Addendum at the time of installation. The customer will then be charged the interest rate which is in effect at the time the Hardware Letter of Election-Deferred Payment Addendum is signed. Said interest rate will not be modified by the Telephone Company during the deferred period which the customer has selected.
- f. Interest will be calculated and applied in accordance with the rate set forth in the Hardware Letter of Election-Deferred Payment Addendum to be executed by the customer. The interest rate to be charged will be calculated by the Telephone Company using a formula which includes the following factors:
 - Treasury Note rates
 - Administrative costs
 - Risk premium

The interest rate to be charged on deferred payments will be revised periodically by the Telephone Company.

(C) Indicates change.

ISSUED DECEMBER 19, 1986.

EFFECTIVE JANUARY 1, 1987.

By J. J. Doherty, Jr., Vice-President, One Parkway, Philadelphia, Pa.
In compliance with the Order of the Pennsylvania Public Utility
Commission of November 26, 1986 in I-840386.

VARIABLE TERM PAYMENT PLAN

B. REGULATIONS (Cont'd)

9. DEFERRED PAYMENT OPTION (Cont'd)

- g. The payment schedule will be developed based on a Telephone Company method. Under this method, the customer's payment remains constant for each month of the deferred payment period except for the first month when no interest is charged. As the amount due on deferred payments decreases, the amount charged as interest also decreases, and the excess payment is applied against the outstanding non-recurring charges.
- h. All deferred charges must be paid in full when the customer:
 - (1) Upgrades, downgrades or converts the service for which the charges were deferred.
 - (2) Selects a payment period with an expiration date prior to the expiration date of the deferral period.
 - (3) Moves equipment, for which charges had been deferred, between jurisdictions as set forth in Paragraph 4.a. (2) preceding.
 - (4) Completely disconnects the service, for which charges had been deferred, prior to expiration of the selected deferral period.
 - (5) Executes a supersedure of service as set forth in Paragraph 7. preceding.
 - (6) Fails to pay any monthly amount specified in the Hardware Letter of Election-Deferred Payment Addendum when due.
- i Customer may prepay the total outstanding amount deferred at any time during the selected deferral period. Customer may not prepay less than the total of the outstanding amount deferred.

10. PREPAYMENT OPTION

For payment periods longer than one month, customers have the option of prepaying the total outstanding recurring charges. Customers who select the VTPP Prepayment Option must prepay the total outstanding recurring charges applicable to each service. For those customers who prepay six months or more of outstanding recurring charges, an allowance factor, as determined by the Telephone Company, will be applied. Subsequent additions to an existing prepaid VTPP service will only be provided on a prepaid basis.

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