

**This tariff, California Tariff No. 2, cancels and replaces in its entirety
the current Teleconnect Company, Inc. tariff on file with the Commission.**

TARIFF SCHEDULE
APPLICABLE TO
CALIFORNIA INTRASTATE
INTEREXCHANGE TELEPHONE COMMUNICATIONS
OF
TELECONNECT COMPANY

California Tariff No. 2, (Continued on next Sheet)

CHECK SHEET

The Title Sheet and Sheets 1 through 34 inclusive of this Tariff are effective as of the date shown.

<u>Sheet</u>	<u>Revision</u>
Title	Original
1	1*
2	Original
3	Original
4	Original
5	1*
6	1*
7	Original
8	Original
9	Original
10	Original
11	Original
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* New or Revised Sheet

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APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate long distance telecommunications services by Teleconnect Company, Inc. within the State of California which are required to be tarified. Generally available rates, terms and conditions for services which are not described in this tariff can be found in the unfiled catalog schedule available at www.mci.com.

SYMBOLS USED IN THIS TARIFF

- (C) To signify changed listing, rule, or condition which may affect rates or charges.
- (D) To signify discontinued material, including listing, rate, rule, or condition.
- (I) To signify an increase.
- (L) To signify material relocated from or to another part of tariff schedule with no change in text, rate, rule, or condition.
- (N) To signify new material including listing, rate, rule, or condition.
- (R) To signify reduction.
- (T) To signify change in wording of text but not change in rate, rule, or condition.
- (M) To signify information moved to new location.
- (P) To signify material subject to change under a pending application or advice letter; Whenever the "P" designation is no longer valid, the utility shall remove the "P" designation by filing a substitute sheet.

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Specific Surcharges:

D/C

D/C

D/C
D/C

D/C
D/C

D/C
D/C

Date Filed: 8/28/08
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California Tariff No. 2
1st Revised Sheet No. 6
Cancels Original Sheet No. 6

D/C
D/C

D/C
D/C

$$\begin{array}{c} D/T \\ \vdots \\ D/T \end{array}$$

Date Filed: 8/28/08
Effective Date: 9/1/08
Resolution Number:

RULE NO. 1 – DEFINITIONS

Authorization code: The term "authorization code" means a numeric code which identifies an individual or company to be billed for calls charged by authorized users.

Automatic Number Identification: The term "automatic number identification" means a service offered by the local operating company which automatically identifies the telephone number for the line or trunk from which a call is originating.

Breaks: The term "breaks" means the number of divisional or departmental subtotals required under the corporate billing option.

Building: The term "building" means a structure occupied by a customer. Multi-occupant structures will be considered different buildings as to a customer when spaces of that customer are separated by space occupied by others.

Calls: The term "calls" means telephone messages completed by customers or users.

Casual Caller: Denotes any person who uses Company service from an equal access end office who does not have a current account with the Company for services subject to this tariff, to include: (i) any person who has not established an account with the Company who places calls over the Company's network from an equal access area; (ii) any presubscribed customer located in an equal access area who has either voluntarily terminated his Company account or has had his Company account terminated in accordance with the terms and conditions set forth in this tariff; and (iii) new or allocated customers whose accounts are not yet established in the Company's billing system.

Central Office: The term "central office" means a unit in a local utilities telephone system which provides service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting customer lines and trunks or trunks only. There may be more than one central office in a building.

Commercial Service: A switched network service which provides for dial station originations for which the subscriber pays a rate that is described as a business or commercial rate in the applicable local exchange service tariff for switched service.

Commission: The term "Commission" means the California Public Service Commission.

Customer: The person, firm, corporation or other entity which orders service -- either for its own use, as a resale carrier, or as a non-profit manager of a sharing group -- and which is responsible for the payment of charges and for compliance with Teleconnect Company, Inc. tariff regulations. The term "customer" also includes a casual caller (as defined previously in this tariff), person, firm, corporation or other entity that (1) has not presubscribed to Teleconnect Company, Inc. service, but accesses Teleconnect Company, Inc. Dial "1" by dialing the access number 1010826, or any other Teleconnect Company, Inc. carrier identification code, or (2) remains presubscribed to Teleconnect Company, Inc. service after its account is removed from Teleconnect Company, Inc. billing system, subsequently continues to use Teleconnect Company, Inc. network, and is billed by a local exchange service company in compliance with Teleconnect Company, Inc. tariff regulations. For billing purposes, a customer is considered to be an account. In the Metered Use Services, if a person, firm, corporation or other entity orders the service in more than one Teleconnect Company, Inc. originating city, or requests the assignment of more than one account number in a particular city, each such account is a separate customer for billing purposes.

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RULE NO. 1 – DEFINITIONS (Cont'd)

Customer Premises Equipment: The term "customer premises equipment" means all terminal equipment normally used on the customer's premises owned by the customer, or by the telephone utility or some other supplier and leased to the customer.

Deactivate or Deactivation: The terms "deactivate" and "deactivation" mean the removal of an authorization code from effectiveness.

Dedicated Access Line: The term "dedicated access line" means the line between the customer premise and Teleconnect that does not pass through the switched network of a local exchange utility.

Delinquent or Delinquency: The terms "delinquent" and "delinquency" mean an account for which an uncontested bill or payment agreement for regulated services has not been paid in full on or before the last day for timely payment. The term can also relate to a contested bill once the Commission finds the customer's complaint without merit.

Demarcation Point: The term "demarcation point" means the point of connection provided and maintained by the local utility to which existing or new inside station wiring becomes dedicated to an individual customer's use.

Depositor: The term "depositor" means the customer from whom a deposit is required.

Disconnect: The term "disconnect" means the disabling of circuitry preventing outgoing and/or incoming communications from the Teleconnect switch.

Dual Tone Multi-Frequency: The term "Dual Tone Multi-Frequency" means a protocol which uses two distinct frequency tones out of eight possible frequency tones to distinguish a number entered by a customer using a "Touch Tone" type instrument.

Due Date: The term "due date" means the last day for payment without unpaid amounts being considered delinquent or subject to additional collection efforts. The due date may be designated "due by," "pay by" or "if paid by" on the customer's bill.

Exchange: The term "exchange" means a unit established by the local exchange utility for the administration of local communication services.

Exchange Service: The term "exchange service" means a local communication service furnished by means of local exchange plant and facilities.

Exchange Service Area or Exchange Area: The terms "exchange service area" or "exchange area" refer to the general area in which the local telephone utility holds itself out to furnish exchange telephone service.

Extended Area Service: The term "extended area service" means telephone service, furnished at local rates, between customers located within an exchange area and all of the customers of an additional exchange area.

Feature Group D: The term "Feature Group D" means the type of access which provides for "1+" customer dialing through the IXC of the customer's choice. FGD is also known as equal access.

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RULE NO. 1 – DEFINITIONS (Cont'd)

Individual Case Basis: The term "individual case basis" means the application of a rate, charge, or condition of the tariff as determined by individual circumstances.

Initial Service Period: The term "initial service period" means the minimum period for which service will be installed and terminated without the application of an initial bill charge. Except as noted, the initial service period is one month from the initiation of service.

Inside Station Wiring: The term "inside station wiring" means wiring located on the premises beyond the demarcation point.

Installation Charge: The term "installation charge" means a nonrecurring charge associated with the installation of certain services or facilities either in lieu of or in addition to recurring monthly rates or service charges or rates.

Interexchange Service: The term "interexchange service" is the provision of intrastate telecommunications services and facilities between local exchanges and does not include EAS.

Interexchange Utility: The term "interexchange utility" means a utility, a resale carrier or other entity that provides intrastate telecommunications services and facilities between exchanges. A local exchange utility that provides interexchange service may also be considered an interexchange utility.

Local Exchange Utility: The term "local exchange utility" means a telephone utility that provides local service under a tariff filed with an appropriate state public utility commission. The utility may also provide other services and facilities such as access services.

Local Service: The term "local service" means telephone service furnished between customers or users located within an exchange area.

Local Service Area: The term "local service area" means the area within which are located the lines to which calls may be made under a specified schedule of exchange rates without payment of toll charges.

Local Utility: See "local exchange utility."

Message: The term "message" means "a" telephone call by a customer or user.

Premises: The term "premises" denotes the space occupied by an individual customer in a building, in adjoining buildings occupied entirely by that customer, or on contiguous property occupied by the customer separated only by a public thoroughfare, a railroad right-of-way, or a natural barrier.

Prorate: The term "prorate" means the basis sometimes used for determining the charge for service furnished for a period less than that used in specifying rates. The pro rata charge for a service for which the rate is specified on a monthly basis is 1/30 of the monthly rate times the number of days service was furnished.

Rates: The term "rates" shall mean recurring amounts billed to customers for regulated services and equipment.

Residential Service: A switched network service which provides for dial station originations for which the subscriber pays a rate that is described as a residential, non-commercial, or non-business rate in the applicable local exchange service tariff for switched service.

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RULE NO. 1 – DEFINITIONS (Cont'd)

Rotary Pulse: The term "rotary pulse" means the transmission of digital information from a customer's dial to the central office equipment. The numerical value of each digit in the dialed telephone number is determined by the number of on-hook intervals in a train of pulses. The on-hook intervals for each digit are separated by short off-hook intervals, and the digits themselves are separated by relatively long off-hook intervals.

Serving Exchange: The term "serving exchange" means a unit established for the administration of communication services in which Teleconnect holds itself out to provide service. The boundary of the serving exchange for Teleconnect is identical to that filed by the local utility.

Special Dialing Procedures: The term "special dialing procedures" means the dialing procedures which are an exception to the three step procedure. Special dialing procedures are available where a customer is in an equal access area and has registered specific lines with Teleconnect for "1+" dialing. When Teleconnect has been designated as the customer's primary interLATA carrier, and the call is an interLATA call, the call may be dialed in the following sequence: 1 + area code + long distance telephone number.

Suspend: The term "suspend" means temporary disconnection or impairment of service which shall disable either outgoing or incoming communications or both.

Switching Service: The term "switching service" means switching performed for the service lines.

Teleconnect Exchange: The term "Teleconnect exchange" means the serving exchange of the Metropolitan Los Angeles free calling area. Continued service to EAS exchanges may be contingent upon any and all conditions imposed by the tariff or the financial incentives or disincentives imposed by secondary exchange carrier tariffs.

Telephone Utility or Utility: The terms "telephone utility" or "utility" mean any person, partnership, business association, or corporation, domestic or foreign, owning or operating any facilities for furnishing communications service to the public for compensation.

Three-Step Dialing Procedure: The term "three-step dialing procedure" means Teleconnect access number + authorization code + area code + long distance telephone number.

Timely Payment: The term "timely payment" is a payment on a customer's account made on or before the due date shown: (1) on a current bill for rates and charges, or (2) by an agreement between the customer and utility for a series of partial payments to settle a delinquent account.

Toll Message: The term "toll message" means a message made between different exchange areas for which a charge is made.

Toll Rate: The term "toll rate" means the Tariff charge prescribed for toll messages, usually based upon the duration of the message, the distance between the exchanges, the day and time of the message.

Tone: The term "tone" means a DTMF signal.

Traffic: The term "traffic" means telephone call volume, based on number and duration of calls.

WATS Access Line: The term "WATS Access Line" means the special access line between the customer premise and the WATS serving office.

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RULE NO. 1 – DEFINITIONS (Cont'd)

EXPLANATION OF ABBREVIATIONS

ANI	Automatic Number Identification
BPS	Bits per Second
BPI	Bits per Inch
Cal PUC	California Public Utility Commission
CO	Central Office
CPE	Customer Premises Equipment
DAL	Dedicated Access Line
DDD	Direct Distance Dialing
DTMF	Dual Tone Multi-Frequency
EAS	Extended Area Service
FCC	Federal Communications Commission
FGD	Feature Group D
ICB	Individual Case Basis
LATA	Local Access and Transport Area
LMS	Local Measured Service
OCC	Other Common Carriers
OS	Operating Systems
P.U.C.	Public Utility Commission
WAL	Wats Access Line

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RULE 2 – DESCRIPTION OF SERVICE

DAYSAVER, DAYSAVER PLUS, AND MAX-SAVE

- a. Nature of Service. DAYSAVER, DAYSAVER PLUS and MAX-SAVE Services are interexchange telephone services, which allow customers to originate calls from any specified Teleconnect exchange, as listed in the Tariff, and terminate calls in any intrastate location within the State of California. Usage charges are generally based on the distance, duration and time of day for each call.
- b. Dialing Procedure. The DAYSAVER Plans and MAX-SAVE may be accessed only through the special dialing procedures.

Smart Minutes

- a. Nature of Service Smart Minutes (an add-on to interstate service) is an outbound Residential Service that allows customers to originate intrastate calls via Local Exchange Carrier Feature Group D access lines. A customer may pre-subscribe up to two lines for Smart Minutes or may access the Service by dialing 1010826.¹
- b. Availability: Service is available on a limited geographic basis and for customers of certain local exchange carriers.

SUPERWATS PLUS

- a. Nature of Service: SUPERWATS PLUS is an interexchange telephone service which allows customers to complete interstate and/or intrastate calls on the same access line. The rates and charges set forth in this Tariff are in payment for the usage furnished between the calling and the called stations on California intrastate basis. Other charges, as described in Teleconnect's FCC Tariff No. 1, are also appropriate.
- b. Dialing Procedure: SUPERWATS PLUS may be accessed by:
 - 1) 1 + area code + long distance telephone number (for Feature Group D.)
- c. Availability: Teleconnect offers intrastate SUPERWATS PLUS Service only as an add-on service to customers who subscribe to Teleconnect's interstate SUPERWATS PLUS Service. It is available under two methods of access; Feature Group D (FGD) and Dedicated Access Line (DAL).

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¹If a customer dials 1010826, Smart Minutes rates apply only when a call is placed from a pre-subscribed Smart Minutes phone.

RULE 2 – DESCRIPTION OF SERVICE (Cont'd)

800 SERVICE

- a. Nature of Service. 800 Service is an interexchange telephone service which allows a customer to receive calls from any station within the state of California at no toll charge to the calling party. The customer is responsible for all calls placed to the customer's 800 number.
- b. Dialing Procedure. The dialing procedure for 800 Service is 1-800-NXX-XXXX, where the NXX-XXXX is the 800 number assigned to the customer.
- c. Specific Plans Included in the 800 Service Family: 800 Services are comprised of the following play types:
 - .01 Profit Line*
 - .02 Profit Line Plus*
 - .03 Personal Hotline*
 - .04 800 SUPERWATS PLUS*

* Profit Line, Profit Line Plus, Personal Hotline and 800 SUPERWATS PLUS are registered Service Marks of Teleconnect Company
- d. Determination of Duration
 - .01 The duration of a call begins when the connection is established between the calling station and the desired telephone attendant board or PBX console.
 - .02 The duration of a call ends when the connection is terminated.
 - .03 The duration of a call does not include time lost because of faults or defects in service.
- e. Determination of Time of Day
 - .01 Day. Daytime rates shall apply from 8:00 a.m. until 5:00 p.m., Monday through Friday.
 - .02 Evening. Evening rates shall apply from 5:00 p.m. until 11:00 p.m., Monday through Friday.
 - .03 Night/Weekend. Night/Weekend rates shall apply from 11:00 p.m. until 8:00 a.m., Monday through Friday. Saturday and Sunday applies to all day.
- f. Availability. Teleconnect only offers its individual intrastate 800 services only as add-ons to Teleconnect's interstate 800 services.

California Tariff No. 2, (Continued on next Sheet)

RULE 2 – DESCRIPTION OF SERVICE (Cont'd)

OPERATOR SERVICES

- a. Applicability: Operator Services applies to all interexchange telephone services messages made between two or more points within the State of California.
- b. Description: Operator Services provides telecommunications on an intrastate basis to the customer. Operator Services charges cover the service furnished between the calling and called stations of service points, this includes all methods of originating and terminating operator services calls.
- c. Provision of Service: Operator Services is available to and from customers of other carriers and telephone utilities with an arrangement for interchange of telephone traffic. This service is furnished through interconnecting equipment and local connecting facilities.
- d. Type of Service
 - .01 Customer Dialed Calling Card Station Service - The customer dialed calling card station rate applies when the person originating the call:
 - (a) Dials zero (0) plus the desired number and the commercial credit card or Local Exchange Utility calling card number (where equipment is available) to complete the call without operator assistance, or
 - (b) Dials zero (0) plus the telephone number to complete the call. In such, cases operator assistance is limited to recording the commercial credit card or Local Exchange Utility calling card number for billing purposes, or
 - (c) Inserts a commercial credit card or Local Exchange Utility calling card into a telephone equipped card reader (where equipment is available), dials zero (0) plus the called telephone number to complete the call without operator assistance.
 - .02 Operator-Handled Station Service - An operator-handled station rate applies when calls are completed with the assistance of an operator (except in f. below).

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RULE 2 – DESCRIPTION OF SERVICE (Cont'd)

OPERATOR SERVICES (Cont'd)

d. Type of Service (Cont'd)

.03 Operator-Handled Person Service - An operator-handled person rate applies when:

- (a) A calling person names the particular party to be reached by an operator, including such a call paid for by coin deposit. The party may be.
 - A person.
 - A mobile station.
 - A station, department or office reached through a PBX attendant.
- (b) The calling party cannot speak to the intended person or station, but agrees to speak to someone else.
- (c) The calling party requests an operator to make arrangements with a person to receive a call at a specified time.

e. Timing of Calls

On customer dialed calling card station and operator-handled station, the timing of a call begins when the calling and called stations are connected.

On Person calls, the timing of a call begins when the calling party is connected to a specified person, number, or an agreed-upon alternate.

The timing for all calls ends when the calling party hangs up the telephone. If the called party hangs up, but the calling party does not, the timing of the calls ends when the automatic timing equipment or the Company operator releases the network connection.

The timing of a call does not include time lost because of service faults or defects that are reported to the Company.

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RULE 2 – DESCRIPTION OF SERVICE (Cont'd)

OPERATOR SERVICES (Cont'd)

f. Collection of Charges

Charges for all Teleconnect Operator Services messages are billed to the calling telephone number, except where the messages are billed to:

- .01 The called party as a collect call, and the charge is accepted by the called party. This does not apply if the called number is a coin telephone. In this case, the charge may be accepted, but must be billed to a commercial credit card or Local Exchange Utility calling card number or third number which the called party is authorized to use, otherwise the called party must originate a new call.
- .02 A third telephone number, except a coin telephone number, which the calling party is authorized to use, anywhere in the United States or Canada.
- .03 A commercial credit card or Local Exchange Utility calling card account when the party requesting such billing is authorized to use such a card. In order to control fraud, the Company may refuse to accept calling cards which it determines to be invalid.
- .04 Call Authorization
 - (a) To ensure billing is authorized, verification is made by the Company on all collect calls and periodically on third number calls.
 - (b) A call is authorized if the customer accepts the call, either by a live response or an answering device recording which states that calls are accepted, or if the billing is accepted by the customer.
 - (c) Calls that have been placed but are found to be unauthorized, will be rebilled to the number where the call originated.

g. Payment of Charges

The customer is responsible for payment of all charges for operator services furnished. This responsibility includes charges for all:

- a. Messages originated at the customer's number.
- b. Collect messages accepted at the customer's number.
- c. Authorized messages billed to the customer's number.
- d. Authorized messages billed to the customer's Local Exchange Utility calling card or commercial credit card.

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RULE 2 – DESCRIPTION OF SERVICE (Cont'd)

OPTIONAL SERVICES

ACCOUNT CODES

a. Description.

01. General. An Account Code Package is a service providing the customer with control, within prescribed limits, over the format of the bill. Account Codes can vary in length between two and four digits and are used by the customer to identify charge-back accounts and/or individuals.
02. Variable Length Account Codes. The customer may choose between three Account Code package sizes.

If this service is ordered, the customer must enter a valid Account Code at the end of the normal dialing sequence to complete a call.

When codes are ordered without the screened function, any digit meeting the package's parameters can be entered and will be registered as valid. Teleconnect is not responsible for invalid assignment of usage to a valid code.

03. "SECURE-CALL" Codes.

- (a) General. In addition to subscribing to a variable-length Account Code package, the customer may request that the codes be "screened." The process of screening account codes is called SECURE-CALL Service. SECURE-CALL Service packages have certain specific codes within the parameters of the package invalidated. If one of these invalidated Account Codes is used in an attempt to place a call, the call will not be completed. Again, Teleconnect is not responsible for invalid assignment of usage to a valid code.

Charges for screened accounts codes are in addition to charges for the initial account code package.

- (b) Packaging. Predetermined packages of randomly selected 2, 3 and 4 digit account codes are available. Valid Codes can range from 25 to 1,000 codes for screened accounts.
04. Customized Screened Account Codes. Instead of using a predetermined package, customers are allowed to have specific account codes validated or invalidated according to their unique needs or wants. In this case the special packages of account codes are called Customized Screened Account Codes.

The customer must first subscribe to Account Codes and pay the premiums for SECURE-CALL Codes in order to receive Customized Screened Account Codes.

California Tariff No. 2, (Continued on next Sheet)

RULE 2 – DESCRIPTION OF SERVICE (Cont'd)

OPTIONAL SERVICES (Cont'd)

SPEED CODES

- a. Description. Speed Codes are 3-digit codes representing frequently called long distance numbers. They are provided in packets of 16 Speed Codes, or, in limited instances, in packets of 50 Speed Codes.

Fifty packet Speed Codes are available only to customers accessing the Teleconnect system with a DAL. Customers are limited to one Speed Code packet per authorization code.

AUTHORIZATION CODES

- a. Description. Service under all plans includes one Authorization Code at no additional charge. Additional authorization codes may be supplied on request at an additional charge.
- b. Availability. Any Teleconnect customer can purchase additional authorization codes.

CORPORATE BILLING

- a. Availability. Corporate Billing is available to all customers having Authorization Codes and/or Account Codes.

MULTIPLE BILLING

- a. Description. At a customer's request, multiple copies of that customer's bills will be furnished.
- b. Availability. Multiple billing is available to any Teleconnect customer.

MAG TAPE/DISKETTE BILLING

- a. Description

.01 Teleconnect will provide billing information and call detail on magnetic tape or diskette.

.02 Magnetic tape or diskette billings will be provided in the following formats:

- | | | | |
|-----|----------|---|--|
| (a) | Tape | - | 1600 or 6420 bpi |
| | | - | 9 track |
| | | - | standard OS labels or unlabeled |
| | | - | IBM EBCDIC |
| (b) | Diskette | - | IBM 8-inch double sided double density |
| | | - | floppy diskette |
| | | - | Basic Exchange Format |

- b. Availability. Mag tape/diskette billing is available to all Teleconnect customers.

California Tariff No. 2, (Continued on next Sheet)

RULE 3 – APPLICATION FOR SERVICE

Teleconnect does not differentiate between a business or residential customer in any manner.

Information Required. When applying for interexchange service each prospective customer will be required to furnish Teleconnect the following information:

- .01 Name of the party who will be responsible for payment for the interexchange service provided.
- .02 Address or exact location of the premises where interexchange service is to be provided and billed.
- .03 Any information required to make a proper determination of appropriate credit worthiness.

Selection of Service Type. Teleconnect offers several different types of service. Each is set forth separately in this Tariff. The customer is responsible for the selection of the service and the options.

Change of Service. The customer may change the service received and transfer to another service otherwise available to them. In such a case the customer will receive a credit against any one-time set-up fees for the new service in the amount of any one-time set-up fees paid upon the origination of the service being discontinued. If the one-time set-up fees for the new service are less than the one-time set-up fees for the service being discontinued, the customer shall pay no one-time set-up fee for the new service but shall not otherwise be entitled to any credits or remission from charges.

Additional Lines Required. When Teleconnect's interexchange service to the public is impaired by a customer's use of telephone service, Teleconnect shall have the right to require the customer to contract for and properly attend as many additional telephone lines as needed to adequately serve the customer's requirements, or to discontinue the service of the customer in question.

TRANSFERS OF SERVICE/RESPONSIBILITY FOR CHARGES ASSOCIATED WITH REQUESTED AUTHORIZATION CODES

Transfers. Transfers of service are not allowed. Service can be expanded to include use by the new spouse of an existing customer.

Requested Authorization Codes. When a customer requests that service be established by means of a specific, previously used authorization code or codes, all ongoing rates and charges associated with such code or codes will be made known to the prospective customer. Assignment of the code or codes to the prospective customer will be contingent upon the customer's acceptance of responsibility for all such ongoing rates and charges.

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RULE 4 – CONTRACTS

At present, Teleconnect serves no end-user customers via contractual agreements.

Teleconnect does hold itself out as acting as a carrier's carrier with other parties engaged interexchange service. Under these circumstances, Teleconnect does not hold itself as the responsible carrier to the end user customer. Instead, our obligations are to the carrier with whom Teleconnect has contracted. Under no circumstances should end-user parties served in such an arrangement be viewed as Teleconnect customers.

If and when other utilities provide Teleconnect with facilities and impose individual case basis installation charges or contracts requiring basic termination liabilities, Teleconnect will pass these obligations on to those customers who make use of such facilities. Teleconnect will use the same type of instruments of obligation with the customers as the utility providing the facilities imposes on Teleconnect.

Service may be terminated prior to the expiration of the initial service period may be terminated at the end of a billing period, without charge except for payment of all rates and charges due for service which has been already furnished.

California Tariff No. 2, (Continued on next Sheet)

RULE 5 – SPECIAL INFORMATION REQUIRED ON FORMS

Teleconnect requires its prospective customers to provide all information shown on any form Teleconnect submits to a prospective customer. Also, the applicant will need to provide any additional information necessary to perform a credit check. Finally, Teleconnect may demand written clarification or written support of contested facts concerning any aspect of the customer's application.

California Tariff No. 2, (Continued on next Sheet)

RULE 6 – ESTABLISHMENT AND REESTABLISHMENT OF CREDIT

Teleconnect reserves the right to examine the credit record of all applicants and customers.

Teleconnect may examine the credit profile/record of any applicant prior to accepting the subscription order. Negotiation of customer's advance payment shall not in itself obligate the carrier to providing services, if a later check of applicant's credit record is, in the opinion of Teleconnect contrary to the best interest of Teleconnect. In the event Teleconnect denies an applicant, then the applicant shall be notified in writing and refunded any monies paid within five days, or upon notification by the carrier's bank that applicant's check (if previously deposited) has been paid by applicant's bank.

California Tariff No. 2, (Continued on next Sheet)

RULE 7 – DEPOSITS

APPLICATION OF DEPOSITS

- a. A carrier may require a deposit to establish or re-establish service if and only if an applicant for service is unable to demonstrate acceptable credit to the satisfaction of the carrier. Failure to provide a social security number shall not be cause for requiring a deposit. A carrier may not require for its own benefit a deposit for services provided by another carrier, or refuse to accept a deposit in lieu of demonstrating satisfactory credit.
- b. Amount. The amount of the deposit shall not be more than the total of two months tariffed services. The amount of tariffed services may be estimated from past toll usage, customer estimated anticipated usage or Teleconnect network average toll usage considering type and nature of service. The amount of deposit may exceed this total when service is provided for short periods of time or special occasions.
- c. Existing Customer. An existing customer may be required to make a deposit or to increase a deposit presently held when a deposit is inadequate to cover two months interexchange service, interexchange usage is abnormal or the customer's credit is impaired. Service may be disconnected unless the new or additional deposit is made within 12 days after written notification.
- d. Abnormal Usage After Six Months. For customers with at least six consecutive months of service, abnormal usage of interexchange service is defined as at least a twenty-five percent increase in monthly interexchange charges amounting to at least twenty dollars. The customer's average monthly interexchange bills for not less than the prior three months shall be used in determining the increase.
- e. Abnormal Usage Before Six Months. For customers with less than six consecutive months of service, abnormal usage of interexchange service is defined as when one month's interexchange service exceeds the deposit attributable to interexchange service by at least twenty-five percent, amounting to at least twenty-five dollars.
- f. Handling of Deposits. Deposits shall be sent to: Teleconnect Company, 500 Second Avenue S.E., Cedar Rapids, Iowa 52401. Teleconnect will maintain records which show the name and address of each depositor, the amount and date of the deposit and each transaction concerning the deposit. Unclaimed deposits together with accrued interest shall be credited to an appropriate account and shall be disposed of in accordance with the law.
- g. Receipts. A receipt of deposit will be furnished to each customer from whom a deposit is received. Upon customer request, duplicate receipts will be provided to customers who have lost their receipt if the deposit is substantiated by Teleconnect's records.
- h. Customer Obligations. The fact that a deposit has been made in no way relieves the customer from complying with Teleconnect's regulations as to the prompt payment of bills.
- i. Interest. Deposits shall earn on the monthly, unused balance not less than simple annual interest based on the three-month financial commercial paper rate published by the Federal Reserve Board, on November 30th, of the prior year.

California Tariff No. 2, (Continued on next Sheet)

RULE 7 – DEPOSITS (Cont'd)

APPLICATION OF DEPOSITS (Cont'd)

- j. Refund or Credit. The deposit shall be refunded or credited to the customer after not more than twelve consecutive months of prompt payment. Within thirty days of issuance of the final bill, the amount of the deposit plus any accrued interest is credited to the customer's account and any credit balance is refunded.
- k. Re-establishment of Deposit. If the customer is delinquent one or more months during any twelve month period, Teleconnect may implement or re-implement a deposit as set forth in this Tariff.

ADVANCE PAYMENTS

- a. Applicants. Applicants for interexchange service who are required to make a deposit may be required to pay in advance of installation any service connection or installation changes.
- b. Existing Customers. Existing customers who apply for additional interexchange service or changes in their existing service may be required to make advance payments, as described above, when the customer does not meet Teleconnect's credit standards or a sufficient credit history is unavailable.

California Tariff No. 2, (Continued on next Sheet)

RULE 8 – RENDERING AND PAYMENT OF BILLS

BILLS

- a. Regular Bills. Regular customer bills are issued monthly. Each bill contains the dates included in the billing period, dates for service charges associated with work performed and the last date for timely payment. Bills include the amount the customer is charged, stated by category, sales tax and excise tax, with separate entries for total amounts current or in arrears.
- b. Customer Requested Adjustments. Reasonable customer requested adjustments to monthly bills may be made if the customer brings the desired adjustment to Teleconnect's attention within 60 days of issuance of the bill. Teleconnect reserves the right to extend the period for adjustments beyond the 60 day period if, in Teleconnect's judgment, the situation so warrants.

TERMS AND CONDITIONS

Service is provided and billed on the basis of a minimum period of at least one month beginning on the date that billing becomes effective, and continues to be provided until the customer requests cancellation or until Teleconnect disconnects service pursuant to the provisions of this Tariff.

PAYMENT FOR SERVICE

The rates specified in this Tariff are generally rates based on usage, billed monthly, and generally payable in arrears except as otherwise provided.

All customers shall be permitted to have a last date for timely payment changeable for cause in writing. Such a change will become effective when acknowledged by Teleconnect. Until acknowledged, no change in date of timely payment is recognized by Teleconnect.

Customer payments are considered prompt when received at Teleconnect or its agent by the due date on the bill. The due date is 20 days after the bill is rendered and may be designated "due by," "pay by," or "if paid by" on the customer bill. Any customer not paying within 20 days is considered delinquent.

Teleconnect does not assess a late payment charge except for forfeiture of High Volume Discounts (including multi-location discounts) as applicable to any service. In such cases, the late payment charge is forfeiture of the High Volume Discount applicable to all calls. This late charge will be assessed beginning with the first delinquent payment in any twelve month period. Teleconnect may request payment upon issuance of a final bill when service is terminated at the customer's request. For all other bills, payment will not be requested until the due date.

The customer is held responsible for all charges for services furnished at the customer's request and for all toll service furnished. Failure to receive a bill does not exempt the customer from prompt payment of the account. It is the customer's responsibility to contact Teleconnect when no bill is received.

Except as provided elsewhere in this Tariff, the rate for a fractional part of a billing period is a pro rata share of the rates for a full billing period as specified in this Tariff. If the prorating indicates a refund is due, the refund is applied as a bill credit.

California Tariff No. 2, (Continued on next Sheet)

RULE 8 – RENDERING AND PAYMENT OF BILLS (Cont'd)

PAYMENT

Bills may be paid by mail or in person at the sales office of Teleconnect. All charges for service are payable only in United States Currency. Payment may be made by cash or check. A penalty charge of \$10.00 will apply on all returned checks.

LATE PAYMENT

- a. Legal Fees, Costs. The customer is liable for any legal fees incurred by Teleconnect in the process of collecting a past-due amount. The amount of these fees can be determined by officers of the court if the proceedings are fully litigated. If the customer acquiesces to Teleconnect's demand for payment before a judgment is rendered, Teleconnect will bill the delinquent customer for costs incurred to that point. The customer is entitled to a statement of legal fees that are being assessed.
- b. Customer Deposits. Teleconnect will apply a customer's deposit on file toward that customer's delinquent payment amount.
- c. High Volume Discount. DaySaver Plus and SUPERWATS PLUS customers who submit delinquent payments shall forfeit the High Volume Discount as specified in this tariff.

INITIAL SERVICE PERIODS AND TERMINATION OF SERVICE

Subscribers may cancel without termination fees or penalties any new tariffed service or any new contract for service within 30 days after the new service is initiated. This Rule does not relieve the subscriber from payment for per use and normal recurring charges applicable to the service incurred before canceling, or for the reasonable cost of work done on the customer's premises (such as wiring or equipment installation) before the subscriber canceled.

OTHER COMPANIES' CHARGES

Teleconnect is not in all cases responsible for local telephone charges incurred by the customer in gaining access to the carrier's network. Only when Teleconnect is the designated agent of the customer for ordering DALs, WALs, etc. does such an obligation exist.

PAYMENT FOR USAGE

Usage is billed in arrears.

California Tariff No. 2, (Continued on next Sheet)

RULE 9 – DISPUTED BILLS

All disputed charges for any telecommunications service are subject to a rebuttable presumption that the charges are unauthorized unless there is (i) a record of affirmative subscriber authorization; (ii) a demonstrated pattern of knowledgeable past use; or (iii) other persuasive evidence of authorization.

CUSTOMER COMPLAINTS

A customer or prospective customer may initiate a complaint with Teleconnect on any relevant matter by telephone, in person, or in writing directed to Teleconnect at any of its offices. Teleconnect's response to the complaint will generally be in the same form used by the customer. However, Teleconnect may respond to written complaints by telephone or personal visits when it believes such communications will be effective in resolution of the issues.

The customer may at any point during resolution of the complaint seek review by a supervisor or manager. If the customer is still not satisfied, the nature of the complaint with sufficient detail to afford an investigation should be documented and addressed to: Director of Customer Service, Teleconnect Company, 500 Second Avenue S.E., Cedar Rapids, Iowa 52401.

In the event of a billing dispute between the customer and Teleconnect for services furnished to the customer which cannot be settled to their mutual satisfaction, the customer may appeal to the Commission for its investigation and decision. The addresses of the California Public Utilities Commission are (1) 505 Van Ness Avenue, San Francisco, California 94102, and (2) State Office, 107 South Broadway, Los Angeles, California 90012.

California Tariff No. 2, (Continued on next Sheet)

RULE 10 – DISCONTINUANCE AND RESTORATION OF SERVICE

DISCONNECTION OF SERVICE

Teleconnect will follow the appropriate state requirements.

- a. Without Prior Notice. Interexchange service may be refused or disconnected without prior notice by Teleconnect for the following reasons:

- .01 In the event of a condition on the customer's premises determined by Teleconnect to be hazardous.
- .02 In the event of customer's user in such a manner as to adversely affect Teleconnect's facilities or Teleconnect's service to others.
- .03 In the event of tampering with facilities leased or owned by Teleconnect.
- .04 In the event of interexchange service being used by a customer in connection with a plan or contrivance to secure a large volume of interexchange calls to be directed to such customer or the telephone service of any designated customer at or about the same time, resulting in preventing, obstructing, or delaying the interexchange service of others.
- .05 In the event of unauthorized use.

Following the disconnection of service for any of these reasons, Teleconnect will notify the telephone customer that service was disconnected and why. The notice will include all reasons for the disconnection and will include a toll-free number where a customer can obtain additional information. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the customer's last known address.

- b. With Prior Notice. Service can be disconnected with prior notice for the following reasons:

- .01 In the event the customer is indebted to Teleconnect for the same type of telephone service previously furnished.
- .02 In the event the customer supplied false or inaccurate information of a material nature in order to obtain telephone service.
- .03 For failure of the customer or prospective customer to furnish service equipment, permits, certificates, rights of way necessary to obtain service, or for the withdrawal of that same equipment or the termination of those permissions or rights, or for the failure of the customer or prospective customer to fulfill the contractual obligations imposed upon him or her as conditions of obtaining service by a contract filed with and subject to the regulatory authority of the Commission.
- .04 For failure of the customer to permit Teleconnect reasonable access to its facilities on the customer's premises.
- .05 For nonpayment of a bill, where a reasonable attempt has been made at collection, except bills for: merchandise purchased from Teleconnect or a different class of service.
- .06 For nonpayment of deposit as specified.

California Tariff No. 2, (Continued on next Sheet)

RULE 10 – DISCONTINUANCE AND RESTORATION OF SERVICE (Cont'd)

DISCONNECTION OF SERVICE (Cont'd)

b. With Prior Notice (Cont'd)

- .07 In the event the service is or is likely to be used for unlawful purposes.
- .08 Any other violation of the conditions governing the furnishing of service.
- .09 For violation or noncompliance with Teleconnect's rule on file with the Commission, the requirements on any municipal ordinance, regulation or law pertaining to the service.

c. Notice. For disconnection with prior notice, written notice of a pending disconnect will be rendered five days prior to the disconnection. The notice will include all reasons for the disconnect and the final date by which payment is to be made or specific action taken. The notice will include a toll-free number where a customer can obtain additional information. A notice of disconnect based upon nonpayment will not be issued until the bill becomes delinquent. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the customer's last known address.

d. Unusual Circumstances. In unusual credit circumstances or abnormal usage of service which would result in undue revenue loss, disconnection may occur prior to the expiration of the seven-day notice.

e. Time Restrictions on Disconnection. Except as provided for disconnect without prior notice or in unusual credit circumstances or abnormal usage of service, no calls will be disconnected on the day preceding or the day on which Teleconnect is closed. Service will not be disconnected on a weekend, holiday, or after 2 p.m. unless service can be reconnected the same day.

SUSPENDED SERVICE

Teleconnect may suspend service when a customer is delinquent in payment. Teleconnect will issue the same five-day notice for suspension of service as is issued for termination of service. If Teleconnect and the customer cannot resolve payment of the delinquent bill, service may be terminated without any additional notice, and without service being reestablished.

DEACTIVATION OF SERVICE

If a customer's Teleconnect service is unused for a period of six consecutive months, the customer's authorization code may be deactivated. Deactivation of an authorization code under this section will be done only upon five days notice to the customer. Service will be restored by issuance of a new authorization code without charge upon subsequent written request of the customer.

PAYMENT TO HAVE SERVICE RESTORED

The maximum payment required for restoration of service that existed prior to disconnection shall be the total past-due amount, applicable charges, an Advance Payment and Deposit as specified elsewhere in this Tariff and where permitted by state tariff, a restoration of service charge.

RESTORAL OF SERVICE CHARGE

If a subscriber has had service disconnect involuntarily and has been properly noticed, Teleconnect may assess a reasonable restoral of service charge to reconnect service. The restoral of service charge will be applicable in an amount up to \$50.00.

California Tariff No. 2, (Continued on next Sheet)

RULE 11 – OPTIONAL RATES AND INFORMATION TO BE PROVIDED TO THE PUBLIC

In the event of adoption by the carrier of new or optional schedules of rates, the carrier will advise its customers through bill stuffers that they are available.

A copy of this tariff schedule and advice letters will be available for public inspection in the carrier's sales office during regular business hours.

The carrier will post in a conspicuous place in its business office, a notice to the effect that a copy of this tariff schedule and advice letters as filed with the Cal. P.U.C. are available for public inspection.

California Tariff No. 2, (Continued on next Sheet)

RULE 12 – TEMPORARY SERVICE

Temporary service or service to speculative projects will be provided if consistent with the best interest of Teleconnect. Rates and conditions for such service will be those published in this tariff schedule. Any customer paying the normal subscription fees shall be eligible to utilize the service.

From time to time Telecom*USA may provide certain special, temporary promotional offerings to its customers. These offerings may be limited to certain dates, times and locations.

California Tariff No. 2, (Continued on next Sheet)

RULE 13 – CONTINUITY OF SERVICE

GENERAL

Teleconnect offers its services 24 hours a day, seven days a week, 365 days a year.

California Tariff No. 2, (Continued on next Sheet)

RULE 14 – BACKBILLING PROCEDURE

A bill shall not include any previously unbilled charge for service furnished prior to three (3) months immediately preceding the date of the bill.

The following are exceptions which would allow backbilling beyond the prior three months:

- 1) Collect Calls
- 2) Credit Card Calls
- 3) Third Party Calls
- 4) "Error File" Calls (calls which cannot be billed due to the unavailability of complete billing information to the LEC).
- 5) Backbilling for a period of one and one-half (1-1/2) years will be permitted in cases involving toll fraud.

California Tariff No. 2, (Continued on next Sheet)

RULE 15 – CANCELLATION AND RESTORATION OF SERVICE

CANCELLATION

a. Cancellation of Service by a Customer

- .01 If a customer cancels his order for service before the service begins, before completion of the minimum period or before completion or some other period mutually agreed upon by the customer and MCI, a charge will be levied upon the customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the customer by MCI and not fully reimbursed by installation and monthly charges. If, based on an order by a customer, any construction has either begun or been completed, but no service provided, the nonrecoverable cost of such construction shall be borne by the customer.
- .02 If an order for installation is delayed for more than 30 days beyond the due date, and such delay is not requested or caused by the customer, the customer may cancel the order without incurring cancellation charges.

b. Cancellation for Cause by MCI

- .01 MCI may discontinue the furnishing of any and/or all service(s) to a customer, without incurring any liability:
 - .011 Immediately and without notice if MCI deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or services, MCI may discontinue service pursuant to this sub-section A.2.011 if:
 - .0111 The customer refuses to furnish information to MCI regarding the customer's credit-worthiness, its past or current use of common carrier communications services or its planned use of service(s); or
 - .0112 The customer provided false information to MCI regarding the customer's identity, address, credit-worthiness, past or current use of common carrier communications services, or its planned use of MCI service(s); or
 - .0113 The customer states that it will not comply with a request of MCI for security for the payment for service(s) in accordance with Rule No. 7; or
 - .0114 The customer has been given written notice by MCI of any past due amount, which remains unpaid in whole or in part, for any of MCI's other common carrier communications services to which the customer either subscribes or had subscribed or used; or
 - .0115 The customer either (1) accesses MCI service by dialing 1010222, or any other MCI carrier identification code, or (2) having presubscribed to MCI's Dial "1" Long Distance Service (Option A), has had its account(s) canceled and has been removed from MCI's billing system and is being billed for its subsequent use of MCI's network by the local exchange carrier, and either refuses to pay when billed for MCI service(s) or indicates to MCI or its billing entity that it will not pay for MCI services(s) used by it.

California Tariff No. 2, (End)