SECTION 3 - DESCRIPTION OF SERVICE AND RATES

3.1 General

Presubscribed service is offered from locations served with equal access end offices.

The Company's service is available twenty-four hours per day, seven days a week except as otherwise provided in the Company's price lists.

3.2 Calculation of Distance

Usage charges for all mileage sensitive services are based on the airline distance between the rate center locations associated with the originating and terminating points of the call.

The distance between the originating and terminating points is calculated by using the "V" and "H" coordinates of the applicable rate centers as defined by Telecordia Technologies (formerly known as Bellcore) and on file with the FCC in NECA Tariff No. 4, in the following manner: (T) (T)

Step 1 Obtain the "V" and "H" coordinates for the rate center of the originating and the destination points.

Step 2 Obtain the difference between the "V" coordinates of each of the rate centers. Obtain the difference between the "H" coordinates.

Step 3 Square the differences obtained in Step 2.

Step 4 Add the squares of the "V" difference and "H" difference obtained in Step 3.

Step 5 Divide the sum of the square obtained in Step 4 by ten (10). Round to the next higher whole number if any fraction results from the division.

Step 6 Obtain the square root of the whole number obtained in Step 5. Round to the next higher whole number if any fraction is obtained. This is the distance between the originating and terminating rate centers of the call.

Formula:

$$\sqrt{\frac{|V_1 - V_2|^2 + |H_1 - H_2|^2}{10}}$$

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.3 Timing of Calls

Billing for calls placed over the network is based in part on the duration of the call.

3.3.1 Timing for all calls begins when the called party answers the call (i.e. when two way communications are established). Answer detection is based on standard industry answer detection methods, including hardware and software answer detection.

3.3.2 Chargeable time for all station-to-station calls begins when connection is established between calling party and the called party and ends when the calling party hangs up thereby releasing the network connection. If the called party hangs up but the calling station does not, chargeable time ends when the network connection is released either by automatic timing equipment in the network, or by an operator.

3.3.3 Minimum call duration for billing purposes is one minute unless otherwise specified in the individual rate schedules of this price list.

3.3.4 Calls are measured and billed in one minute increments on a per call basis, unless otherwise indicated in this price list. Fractional billing increments are rounded to the full billing increments as stated in the product description.

3.3.5 No charges apply to incomplete calls. An incomplete call is a station call in which the called station does not answer, or a person to person call in which the station does not answer or the requested person is unavailable, or a collect call for which the called party refuses to accept the charges.

3.3.6 Usage charges are computed on a per call basis. When computation of call charges result in fractional cents, the resulting charge is rounded to the nearest penny.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.4 [Reserved For Future Use] (T)
(D)

(D)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.5 PIC Change Waiver or Credit (T)

Where appropriate arrangements are in place between the Company and an affiliated local exchange carrier, the Company will incur the PIC (Primary Interexchange Carrier) change charge directly on the Customer's behalf. Where such an arrangement does not exist, or at the Company's discretion, the Company will issue a bill credit by the third full month's invoice.

The amount of the reimbursement will be based on the ordering method used. For example, Customers that place an order by speaking to an affiliated local exchange company representative will be reimbursed $5.50. Customer orders that are submitted through Verizon's website or through a telemarketer will be reimbursed $1.25.

The Customer who discontinues the Company's service, or whose service is discontinued by the Company, prior to receiving the credit will forfeit the credit.

This Business Sign-up Bonus Offer may be combined with other promotional offers for which the Customer is eligible. (T)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.6 Long Distance Message Telecommunications Service

3.6.1 General Description

Long Distance Message Telecommunications Service (LDMTS) is the basic long distance service offered to residential and business* Customer for outbound direct-dialed calling, utilizing Customer-provided switched access lines that are presubscribed to the Company. LDMTS may also be offered for casual (i.e. access code) calling where such service is provided.

This plan is an add-on service to the interstate LDMTS plan. A Minimum Spend Level Charge applies to Customers subscribing to this plan as specified in the Company's interstate Product Guide. See www.verizon.com/tariffs/productguide.

3.6.2 Rates and Charges

Calls are billed in one (1) minute increments after an initial minimum call duration of (1) one minute. Any partial minute is rounded up to a full minute.

A. Customer Dialed Direct Station-to-Station

The Customer Dialed Direct Station-to-Station class of service applies when the person originating the call dials the telephone number desired without the assistance of an operator and the call is billed to the calling station. It does not include calls from public or semi-public coin telephones.

		Per Minute	
Residential	IntraLATA	$0.4000	
	InterLATA	$0.4000	
Business*	IntraLATA	$0.4200	(I)
	InterLATA	$0.4200	(I)

* Effective 7/19/14, Business LDMTS is grandfathered and no longer available to new Customers. No moves, changes or additions will be allowed for existing Customers.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services

3.7.1 e-Values Service

Effective 11/1/12 this service is available only to existing Customers, at existing locations, without modification.

A. General Description

e-Values Service is an optional calling plan offered to Residential Customers for outbound direct-dialed calling. Residential Customers enroll via the internet. e-Values Service Customers receive a flat rate per minute, 24 hours a day on Monday through Friday and a flat rate per minute, 24 hours a day on Saturdays and Sundays for all intrastate direct-dialed calling. e-Values Service utilizes Customer-provided switched access lines that are presubscribed to the Company. This Plan is only offered in conjunction with the corresponding interstate and international rate plans.

Calls are billed in one (1) minute increments after an initial minimum call duration of one (1) minute. Any partial minute is rounded up to a full minute. Calls that cross rate period boundaries for e-Values Service are billed the rate in effect at the time of call origination for the duration of the call.

B. Usage Rates

Rate Per Minute	
Monday - Friday	$0.120
Saturday & Sunday	$0.070

C. Monthly Recurring Charge

The Monthly Recurring Charge (MRC) is billed each month in advance and applies in full each month for each account, except in the case of first and last month partial billing cycles where the MRC will be prorated based on actual number of days the Customer had the service during the billing cycles. At the option of the Customer, the MRC can either apply per account, regardless of the number of lines on the account presubscribed to the Company's e-Values Service, or per line. The MRC is in addition to applicable usage rates. If the Customer elects to cancel e-Values Service, the MRC for the last month will prorated based on the time of disconnect.

Monthly Recurring Charge:	$10.50	(I)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.2 TalkTime Service

A. General Description

TalkTime Service is an optional calling plan offered to Residential Customers for outbound direct-dialed calling. TalkTime Service utilizes Customer-provided switched access lines that are presubscribed to the Company.

This plan is provided only in conjunction with the corresponding interstate TalkTime Service. A single Minimum Spend Level Charge applies to the 30 Minute Allotment for TalkTime Service as specified in the Company's interstate Product Guide. See www.verizon.com/tariffs/productguide.

Calls are billed in one (1) minute increments after an initial minimum call duration of one (1) minute. Any partial minute is rounded up to a full minute. A Monthly Recurring Chard (MRC) applies, as described below.

Any promotions that discount usage or apply free minutes are not allowed with this plan.

B. Usage Rates

Monthly Recurring Charge	Minutes Allotted in Monthly Recurring Charge *	Additional Per Minute Charge over Allotment
$6.50	30	$0.12 per minute

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.2 TalkTime Service, (Cont'd.)

C. Monthly Recurring Charge

The MRC is billed each month in advance and applies in full each month for each account*, regardless of whether or not the full allotment of minutes is used, except in the case of first and last month partial billing cycles where the MRC will be prorated based on actual number of days the Customer had the service during the billing cycles. One MRC applies per account, regardless of the number of lines presubscribed to the Company's TalkTime, in addition to the applicable usage rates. A fixed allotment of intrastate or interstate, interexchange interLATA and/or intraLATA domestic calling minutes (excluding minutes used for Operator Assisted Calls, Directory Assistance calls, and any International calling) is included in the MRC. Interstate service is provided in accordance with the corresponding posted Interstate Domestic Product Guide. When service is used for both interstate and intrastate calling, only one MRC applies. Additional minutes are available and billed on a per minute basis as described above. Unused minutes will not carry over to the next month.

** The Existing Customer who wishes to retain usage and monthly fees on a per line basis may do so by establishing a separate billing account per line.*

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.3 [Reserved For Future Use] (M)

(M)

(M) - Material previously located on this page is now found on Page 91.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.3 [Reserved For Future Use] (M)

(M) - Material previously located on this page is now found on Page 92.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.3 [Reserved For Future Use] (M)

(M)

(M) - Material previously located on this page is now found on Page 93.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.3 [Reserved For Future Use] (M)

(M)

(M) - Material previously located on this page is now found on Page 94.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.3 [Reserved For Future Use] (M)

(M)

(M) - Material previously located on this page is now found on Page 95.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.4 Five Cents Plan Service

A. General Description

Five Cents Plan Service is an optional calling plan offered to Residential Customers for outbound direct-dialed calling. This flat rate plan is available 24 hours a day, seven days a week for all interexchange direct dialed calling. Five Cents Plan Service utilizes Customer-provided switched access lines that are presubscribed to the Company.

This plan is an add-on service to the interstate Five Cents Plan Service. A Minimum Spend Level Charge applies to Customers subscribing to this plan as specified in the Company's interstate Product Guide. See www.verizon.com/tariffs/productguide.

Calls are billed in one (1) minute increments after an initial minimum call duration of one (1) minute. Any partial minute is rounded up to a full minute.

This calling plan is only offered where billing and system capability exist.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.4 Five Cents Plan Service, (Cont'd.)

B. Rates and Charges

1. Application of Charges

A Monthly Recurring Charge (MRC) is billed each month in advance and applies per account, regardless of the number of lines presubscribed to the Company's Five Cents Plan Service. If there are multiple lines on an account, only one MRC will be assessed. Interstate and international services are provided in accordance with the corresponding interstate and international service terms and conditions. The MRC applies in full each month for each account, except in the case of the first and last month partial billing cycles where the MRC will be prorated based on the actual number of days the Customer had the service during the billing cycle. When service is used for both interstate and intrastate calling, the MRC applies only once.

Monthly Recurring Charge:

Per Account	$6.00

2. Usage Rates

Per Minute	$0.07

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.5 Verizon Single Rate Plan

A. General Description

Verizon Single Rate Plan is an optional calling plan offered to Residential Customers for outbound direct-dialed domestic calling, utilizing Customer-provided switched access lines that are presubscribed to the Company. Verizon Single Rate Plan Residential Customers receive a single flat rate per minute, 24 hours a day, seven days a week for all intrastate direct-dialed domestic calling.

Calls are billed in one (1) minute increments after an initial minimum call duration of one (1) minute. Any partial minute is rounded up to the next full minute.

The direct dial flat rate does not apply to international, directory assistance or operator assisted calls.

B. Rates and Charges

1. Application of Charges

A Monthly Recurring Charge (MRC) is billed each month in advance and applies to each line presubscribed to Verizon Single Rate Plan. The MRC applies in full each month for each line except in the case of the first and last month partial billing cycles where the MRC will be prorated based on the actual number of days the Customer had the service during the billing cycle. When service is used for both interstate and intrastate calling, the MRC applies only once.

Monthly Recurring Charge	$8.00	(I)
Per Minute Rate:	$0.12	

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.6 [Reserved For Future Use] (M)

(M)

(M) - Material previously located on this page is now found on Page 96.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.6 [Reserved For Future Use] (M)

(M)

(M) - Material previously located on this page is now found on Page 97.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.6 [Reserved For Future Use] (M)

(M)

(M) - Material previously located on this page is now found on Page 98.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.6 [Reserved For Future Use] (M)

(M)

(M) - Material previously located on this page is now found on Page 99.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.7 Discounted Plan for Disabled Customers

A. General Description

A discounted optional calling plan is available for residential Customers that have been certified as disabled by their local exchange carrier. The Customer must demonstrate their eligibility for this plan at the time of presubscription. This service utilizes Customer-provided switched access lines that are presubscribed to the Company.

B. Additional Terms and Conditions

If the Customer selects an alternative calling plan, no further discounts will be applied to that plan's rates.

C. Operator Service Discounts

Rates for usage associated with operator assisted calling will also be reduced by applying the direct dial rates described in Rates and Charges instead of the Operator Services usage rate, unless the operator assisted rate is lower. In those cases, the lower rate will apply. In addition, the disabled Residential Customer who places a call from the presubscribed line with the assistance of an operator will receive the operator assistance at no charge.

D. Directory Assistance Discount

Directory Assistance Charges will be waived for any Customer presubscribed to the Discounted Plan for Disabled Customers.

E. Rates and Charges

Each call is billed in one (1) minute increments after an initial minimum call duration of one (1) minute. Any partial minute is rounded up to a full minute. The Customer must be presubscribed to the Discounted Plan for Disabled Customers to obtain the discounted rates for Operator Services and Directory Assistance.

Rate Per Minute	$0.10
Monthly Recurring Charge	$0.00

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.8 RESERVED FOR FUTURE USE (T)

(D)

(D)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.) (T)

3.7.8 RESERVED FOR FUTURE USE (D)

(D)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.8 RESERVED FOR FUTURE USE (T)

(D)

(D)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.7 Optional Residential Services, (Cont'd.)

3.7.8 RESERVED FOR FUTURE USE (T)

(D)

(D)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services

3.8.1 FirmRate Plus Plan* (C)

***Effective 8/21/16 the One Year Term and the Three Year Term Rates are only available to existing Customers, at existing locations, without modification.** (C) (C)

The FirmRate Advantage Plan* is offered to Business Customers for outbound direct dialed calling from presubscribed switched access lines at one flat per minute rate. Inbound (toll free) calling is also available for termination on switched access lines. Customers may select a one or three year term* commitment in order to obtain lower rates. (C) (C)

This plan is an add-on service to the interstate FirmRate Plus Plan*. A Minimum Spend Level Charge applies to Customers subscribing to this plan as specified in the Company's interstate Product Guide. See www.verizon.com/tariffs/productguide. (C)

A. Billing Increments

The billing increment and minimum call duration of each call is determined by the access method selected by the Customer and the call type. Partial increments are rounded to the next increment.

Access Type/Call Type	Initial Increment	Additional Increment
Switched Access	18 Seconds	6 seconds
Operator Assisted	1 minute	1 minute

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.1 FirmRate Plus Plan*, (Cont'd.) (C)

***Effective 8/21/16 the One Year Term and the Three Year Term Rates are only available to existing Customers, at existing locations, without modification.** (C) (C)

B. Termination Liability

When the Customer terminates service under this plan prior to the expiration of the Customer's selected term commitment, a termination charge will be assessed. The termination charge is calculated by multiplying 35 percent (35%) of the Customer's Minimum Spend Level times the number of months remaining in the term.

The early termination charge will apply under the following circumstances:

- When the Customer disconnects its entire account; or
- When the Customer selects a shorter term.

The early termination charge will not apply under the following circumstances:

- When the Customer's physical location changes, but the term plan is continued at the new location;
- When the Customer negotiates the term plan for a longer term;
- When the Customer moves to a jurisdiction where the Company is prohibited from offering service;
- When the Customer changes plan prior to 60 days of service;
- When the Customer returns to the Company and the same term length agreement as a result of a winback program; or
- When the Customer moves from a one or three year term* on FirmRate Plus Plan* to a one or three year term on FlexDistance Plan. (C) (C)

At the expiration of the term commitment, the Customer will continue at the same commitment and usage rate unless they choose to make a change, either to a different term commitment or to a different plan.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.1 FirmRate Plus Plan*, (Cont'd.)

***Effective 8/21/16 the One Year Term and the Three Year Term Rates are only available to existing Customers, at existing locations, without modification.**

C. Usage Rates

Usage Rates are determined according to the Term Commitment selected by the Customer.

1. Switched Access Outbound Rates

	Month to Month	One Year Term*	Three Year Term*	
Rate Per Minute:	$0.150	$0.080	$0.070	(I)

2. Switched Access Inbound (Toll Free) Rates

	Month to Month	One Year Term*	Three Year Term*	
Rate Per Minute:	$0.150	$0.080	$0.070	(I)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.2 FirmRate Advantage Plan* (C)

***Effective 8/21/16 the One Year Term and the Three Year Term Rates are only available to existing Customers, at existing locations, without modification.** (C) (C)

A. General Description

The FirmRate Advantage Plan* is offered to Business Customers for outbound direct dialed calling from presubscribed switched access lines at one flat per minute rate. Inbound (toll free) calling is also available for termination on switched access lines. Customers may select a one or three year term* commitment in order to obtain lower rates. (C) (C)

This plan is an add-on service to the interstate FirmRate Advantage Plan*. A Minimum Spend Level Charge applies to Customers subscribing to this plan as specified in the Company's interstate Product Guide. See www.verizon.com/tariffs/productguide. (C)

B. Billing Increments

The billing increment and minimum call duration of each call is determined by the access method selected by the Customer and the call type. Partial increments are rounded up to the next increment.

Access Type/Call Type	Initial Increment	Additional Increment
Switched Access (Month to Month)	60 seconds	6 seconds
Switched Access (1 & 3 Year Term)	18 seconds	6 seconds
Operator Assisted	60 seconds	60 seconds

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.2 FirmRate Advantage Plan*, (Cont'd.) (C)

***Effective 8/21/16 the One Year Term and the Three Year Term Rates are only available to existing Customers, at existing locations, without modification.** (C) (C)

C. Termination Liability

When the Customer terminates service under this plan prior to the expiration of the Customer's selected term commitment, a termination charge will be assessed. The termination charge is calculated by multiplying 35 percent (35%) of the Customer's Minimum Spend Level times the number of months remaining in the term.

The early termination charge will apply under the following circumstances:

- When the Customer disconnects its entire account; or
- When the Customer selects a shorter term.

The early termination charge will not apply under the following circumstances:

- When the Customer's physical location changes, but the term plan is continued at the new location;
- When the Customer negotiates the term plan for a longer term;
- When the Customer moves to a jurisdiction where the Company is prohibited from offering service;
- When the Customer changes plan prior to 60 days of service;
- When the Customer returns to the Company and the same term length agreement as a result of a winback program; or
- When the Customer moves from a one or three year term* on FirmRate Advantage Plan* to a one or three year term on FlexDistance Plan. (C) (C)

At the expiration of the term commitment, the Customer will continue at the same commitment and usage rate unless they choose to make a change, either to a different term commitment or to a different plan.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.2 FirmRate Advantage Plan*, (Cont'd.)

***Effective 8/21/16 the One Year Term and the Three Year Term Rates are only available to existing Customers, at existing locations, without modification.**

D. Rates and Charges

1. Usage Rates

Usage Rates are determined according to the Term Commitment selected by the Customer.

a. Switched Access Outbound Rates

	Month to Month	One Year Term*	Three Year Term*	
Rate Per Minute:	$0.074	$0.070	$0.065	(I)

b. Switched Access Inbound (Toll Free) Rates

	Month to Month	One Year Term*	Three Year Term*	
Rate Per Minute:	$0.074	$0.070	$0.065	(I)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.3 FlexDistance Plan

A. General Description

The FlexDistance Plan is offered to Business Customers for outbound direct dialed calling from presubscribed switched access lines at one flat per minute rate, regardless of distance. A Monthly Usage Guarantee (MUG) applies to the monthly billing. The FlexDistance Customer may choose to commit to a higher spend level in exchange for a lower per minute usage rate. Inbound (toll free) calling is also available for termination on switched access lines. Customers may select a one or three year term commitment in order to obtain lower rates.

This plan is an add-on service to the interstate FlexDistance Plan. See www.verizon.com/tariffs/productguide.

B. Rates and Charges

1. Billing Increments

The billing increment is determined by the MUG selected by the Customer. Partial increments are rounded to the next increment.

Switched Access Monthly Usage Guarantee	Initial Increment	Additional Increment
$24.00	1 minute	6 seconds
$40.00	1 minute	6 seconds
$65.00	1 minute	6 seconds
$150.00	30 Seconds	6 seconds
$300.00	30 Seconds	6 seconds
$500.00	30 Seconds	6 seconds
$750.00	30 Seconds	6 seconds
$1,000.00	30 Seconds	6 seconds
$1,500.00	30 Seconds	6 seconds

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.3 FlexDistance Plan, (Cont'd.)

B. Rates and Charges, (Cont'd.)

2. Monthly Usage Guarantee

Customers whose total monthly long distance usage charges do not meet their subscribed Monthly Usage Guarantee (MUG) level will be assessed the difference between their total long distance usage charges and their subscribed MUG level.

Direct dialed calls, operator assisted calls, directory assistance calls, Toll Free calls and Monthly Recurring Charges, International Plan Monthly Recurring Charges, free minute promotions and percentage discount promotions will contribute toward meeting the MUG. Only charges of the Company will contribute to the MUG. Taxes, surcharges, Federal Access Charges and charges billed by other carriers, including charges billed by Company's affiliates, on the Customer's bill will not contribute to the MUG.

Usage Rates are determined according to the Term Commitment and MUG selected by the Customer.

Monthly Usage Guarantee	Month to Month Usage Rate Per Minute	1 Year Term Usage Rate Per Minute	3 Year Term Usage Rate Per Minute	
$24.00	$0.070	$0.067	$0.061	(I)
$40.00	$0.067	$0.064	$0.058	
$65.00	$0.065	$0.062	$0.057	
$150.00	$0.063	$0.060	$0.055	
$300.00	$0.061	$0.058	$0.053	
$500.00	$0.058	$0.056	$0.051	
$750.00	$0.057	$0.054	$0.050	
$1,000.00	$0.056	$0.053	$0.049	
$1,500.00	$0.055	$0.052	$0.048	(I)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.3 FlexDistance Plan, (Cont'd.)

B. Rates and Charges, (Cont'd.)

3. Supplemental Discount

The Supplemental Discount is available to new and returning Customers who establish new service with a one or three year term. Existing Customers who agree to modify their service by accepting a new contract term of one or three years will also be offered the Supplemental Discount.

The Supplemental Discount applies to the cumulative usage each billing cycle and is at the percent shown below.

Term Level	Supplemental Discount
One Year	25%
Three Year	25%

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.3 FlexDistance Plan, (Cont'd.)

C. Termination Liability

When the Customer terminates service under this plan prior to the expiration of the Customer's selected term commitment, a termination charge will be assessed. The termination charge is calculated by multiplying 35 percent (35%) of the Customer's Monthly Usage Guarantee multiplied times the number of months remaining in the term.

Early termination charge will apply in all instances where the Flex Plan is terminated by the Customer, including:

- When the Customer disconnects its entire account;
- When the Customer selects a shorter term; or
- When the Customer negotiates a reduction in their monthly spending commitment more than one level during a billing cycle.

Early termination charge will not apply under the following circumstances:

- When the Customer's physical location changes, but the term plan is continued at the new location;
- When the Customer negotiates the term plan for a longer term;
- When the Customer moves to a jurisdiction where the Company is prohibited from offering service;
- When the Customer changes plan prior to 60 days of service;
- When the Customer returns to the Company as a result of a winback program;
- When the Customer reduces their term monthly spend level one level during a billing cycle; or
- When the Customer moves from a one or three year term on Flex Distance Service to Unlimited Long Distance Service.

At the expiration of the term commitment, the Customer will continue at the same commitment and usage rate unless they notify the Company of a change to a different term commitment/minimum usage guarantee or to a different plan. If the Customer continues without notifying the Company of any changes, the Customer will remain liable for the MUG to which they were originally subscribed.

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.4 RESERVED FOR FUTURE USE (T)

(D)

(D)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.4 RESERVED FOR FUTURE USE (T)

(D)

(D)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.4 RESERVED FOR FUTURE USE (T)

(D)

(D)

SECTION 3 - DESCRIPTION OF SERVICE AND RATES, (Cont'd.)

3.8 Optional Business Services, (Cont'd.)

3.8.4 RESERVED FOR FUTURE USE (T)

(D)

(D)