
 LOCAL EXCHANGE SERVICES

Effective January 31, 2020, the services in this tariff are withdrawn for all customers except Federal, State and Local Government Agencies, and Educational Institutions (whether public or private, including elementary and secondary schools and colleges/universities). A reasonable transition period beyond January 31, 2020 may be permitted for those customers of withdrawn services that have contacted the Company prior to January 31, 2020 where the Company determines that additional time is needed to establish a replacement service or for complex services that the Company determines require additional time to complete the disconnection of all circuits.

Effective November 30, 2020, the services in this tariff are withdrawn for all Federal, State and Local Government Agencies, and Educational Institutions (whether public or private, including elementary and secondary schools and colleges/universities). A reasonable transition period beyond November 30, 2020 may be permitted for those customers of withdrawn services that have contacted the Company prior to November 30, 2020 where the Company determines that additional time is needed to establish a replacement service or for complex services that the Company determines require additional time to complete the disconnection of all circuits.

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SECTION 2 - RULES AND REGULATIONS

2.1 Undertaking of the Company

2.1.1 Scope

The Company undertakes to furnish communications service in connection with one-way and/or two-way information transmission between points within the State of Michigan under the terms of this tariff.

Customers may use Services and facilities provided under this tariff to obtain access to Services offered by other service providers. The Company is responsible under this tariff only for the Services and facilities provided herein, and it assumes no responsibility for any service provided by any other.

2.1.2 Shortage of Equipment or Facilities

- (A) The Company reserves the right to limit or allocate the use of existing facilities, or of additional facilities offered by the Company when necessary because of lack of facilities or due to some other cause beyond the Company's control.
- (B) The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's fiber optic cable facilities as well as facilities the Company may obtain from other carriers, from time to time, to furnish service as required at the sole discretion of the Company.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.1 Undertaking of the Company, (Cont'd.)

2.1.3 Terms and Conditions

- (A) Except as otherwise provided herein, Service is provided and billed on the basis of a minimum period of at least one month, and shall continue to be provided until canceled by the Customer, in writing, on not less than 45 days notice. Unless otherwise specified herein, for the purpose of computing charges in this tariff, a month is considered to have 30 days. All calculations of dates set forth in this tariff shall be based on calendar days, unless otherwise specified herein.
- (B) Customers may be required to enter into written Service Orders which shall contain or reference the name of the Customer, a specific description of the service ordered, the rate to be charged, the duration of the Services, and the terms and conditions in this tariff.
- (C) Any termination shall not relieve Customer of its obligations to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order shall survive such termination.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.1 Undertaking of the Company, (Cont'd.)2.1.3 Terms and Conditions (cont'd)

- (D) This tariff shall be interpreted and governed by the laws of the State of Michigan without regard to the State's choice of law provision.
- (E) Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company.
- (F) The Customer has no property right to the telephone number or any other call number designation associated with Services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.
- (G) The Customer agrees to operate Company-provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void Company liability for interruption of service and may make the Customer responsible for damage to equipment pursuant to section 2.1.3.(H) below.
- (H) The Customer agrees to return to the Company all Company-provided equipment delivered to the Customer within five (5) days of termination of the service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to the Customer, normal wear and tear only excepted. The Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to the Customer's failure to comply with this provision.
- (I) In the event the Company incurs fees or expenses, including without limitation attorneys' fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.1 Undertaking of the Company, (Cont'd.)2.1.4 Liability of the Company

Because the Customer has exclusive control of its communications over the Services furnished by the Company, and because interruptions and errors incident to these Services are unavoidable, the Services the Company furnishes are subject to the terms, conditions, and limitations specified in this tariff and to such particular terms, conditions, and limitations as set forth in the special regulations applicable to the particular Services and facilities furnished under this tariff.

- (A) The liability of the Company for damages arising out of the furnishing of these Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these Services or arising out of the failure to furnish the service, whether caused by acts of commission or omission, shall be limited to the extension of allowances for interruption. The extension of such allowances for interruption shall be the sole remedy of the Customer, Authorized User, or Joint User and the sole liability of the Company.
- (B) The Company shall not be liable or responsible for any special, consequential, exemplary, lost profits, or punitive damages, whether or not caused by the intentional acts or omissions or negligence of the Company's employees, agents or contractors.
- (C) The Company shall not be liable for any failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.1 Undertaking of the Company, (Cont'd.)2.1.4 Liability of the Company, (cont'd.)

- (D) The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for or with the Services the Company offers.
- (E) The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer provided equipment or facilities.
- (F) The Company shall not be liable for the claims of vendors supplying equipment to Customers of the Company which may be installed at premises of the Company nor shall the Company be liable for the performance of said vendor or vendor's equipment.
- (G) The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided.
- (H) The Company is not liable for any defacement of or damage to the premises of a Customer (or Authorized or Joint User) resulting from the furnishing of Services or equipment on such premises or the installation or removal thereof, when such defacement or damage is not the result of negligence or willful misconduct on the part of the agents or employees of the Company.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.1 Undertaking of the Company, (Cont'd.)2.1.4 Liability of the Company, (cont'd.)

- (I) The Company shall not be liable for any damages resulting from delays in meeting any service dates due to delays resulting from normal construction procedures. Such delays shall include, but not be limited to, delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals and delays in actual construction work.
- (J) The Company shall not be liable for any damages whatsoever to property resulting from the installation, maintenance, repair or removal of equipment and associated wiring unless the damage is caused by the Company's willful misconduct or negligence.
- (K) The Company shall not be liable for any damages whatsoever associated with service, facilities, or equipment which the Company does not furnish or for any act or omission of Customer or any other entity furnishing Services, facilities or equipment used for or in conjunction with the service.
- (L) The Company shall not incur any liability, direct or indirect, to any person who dials or attempts to dial the digits "9-1-1" or to any other person who may be affected by the dialing of the digits "9-1-1".
- (M) THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.1 Undertaking of the Company, (Cont'd.)2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many Customer's Services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notifications requirements. With some emergency or unplanned service-affecting conditions, such as outage resulting from cable damage, notification to the Customer may not be possible.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.1 Undertaking of the Company, (Cont'd.)2.1.6 Provision of Equipment and Facilities

- (A) Where construction is required, the Company shall use reasonable efforts to make available Services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
- (B) The Company shall use reasonable efforts to maintain facilities that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities installed by the Company, except upon the written consent of the Company.
- (C) Equipment installed at the Customer Premises for use in connections with the Services the Company offers shall not be used for any purpose other than that for which the Company provided it.
- (D) The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:
 - (1) the transmission of signals by Customer provided equipment or for the quality of, or defects in, such transmission; or
 - (2) the reception of signals by Customer provided equipment; or
 - (3) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.1 Undertaking of the Company, (Cont'd.)2.1.7 Non-routine Installation

At the Customer's request, non-routine installation may be provided by the Company. Non-routine installation may include, but not be limited to, installation and/or maintenance performed outside the Company's regular business hours, on an expedited basis outside of the standard installation intervals, or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. The Customer will be charged a non-recurring charge to recover these costs incurred by the Company. Where an expedited installation due date is requested, these charges will be applied even if installation is not completed by the expedited installation due date. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

2.1.8 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains in the Company, its agents or contractors.

2.1.9 Telecommunications Service Priority

The Telecommunications Service Priority System is the regulatory, administrative and operational system authorizing and providing for priority treatment, to provide and restore National Security Emergency Preparedness Telecommunications service. Under the rules of the Telecommunications Service Priority System, The Telephone Company is authorized and required to provide and restore Services with Telecommunications Service Priority assignments before Services without such assignments. The provision and restoration of Telecommunications Service Priority System Services shall be in compliance with applicable federal law and industry standards.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.2 Prohibited Uses

- 2.2.1 The service the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.
- 2.2.2 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.3 Obligations of the Customer2.3.1 General

The Customer shall be responsible for:

- (A) the payment of all applicable charges pursuant to this tariff;
- (B) reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer shall be subrogated to the Company's right of recovery of damages to the extent of such payment;
- (C) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises;
- (D) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide local exchange service to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(c). Any costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.3 Obligations of the Customer, (Cont'd.)2.3.1 General, (cont'd.)

- (E) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work;
- (F) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which the Customer is responsible under Section 2.3.1 (d) above; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- (G) not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's equipment or facilities; and
- (H) making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance for interruptions in service will be made for the period during which service is interrupted for such purposes.
- (I) Customer shall not route calls to a Public Safety Answering Point ("PSAP") or other emergency answering point over XO services from any location other than the Customer Premises at which XO's local voice service is established, unless Customer has subscribed to XO's PS/ALI service as set forth in Section 4.4.
- (J) Dedicated long distance is to be used for long distance service only. Customers of dedicated long distance service, who elect to place local calls across such service, either intentionally or unintentionally, will be billed at the applicable dedicated long distance intrastate rate per minute and the associated charges will not be included toward any Customer long distance commitment level.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.3 Obligations of the Customer, (Cont'd.)2.3.2 Claims

With respect to any service or facility provided by the Company, Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

- (A) any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to, employees or invitees of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- (B) any claim, loss damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's Services and facilities in a name not contemplated by the agreement between the Customer and the Company.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.3 Obligations of the Customer, (Cont'd.)2.3.3 Jurisdictional Nature of Traffic

- (A) Customer agrees, represents and warrants that all traffic being delivered by Customer to Company for local termination, and all traffic that Company delivers to Customer that has originated in the same local calling area in which Customer's NXX is assigned and/or in which such traffic is terminated to Customer, is local traffic or is legally entitled to be treated as local traffic under all applicable federal, state and local laws, administrative and regulatory requirements and any other authorities having jurisdiction.
- (B) Customer further agrees to indemnify, defend and hold harmless Company and its parent company, affiliates, employees, directors, officers, and agents from and against all claims, demands, actions, causes of actions, damages, liabilities, losses, and expenses (including reasonable attorney's fees) incurred in connection with: Customer's breach or failure of any representation or warranty; Customer's traffic being processed through the Company switch/node; or the effect of any regulatory or legal modifications/change of law.
- (C) If Customer defaults in fulfilling any material obligation of the Service Order Agreement, any Amendments or this Tariff, Company shall have the right to terminate the Agreement and the Customer shall pay Company, in addition to any other amounts then owing under the Agreement, a cancellation charge equal to the monthly recurring charge times the number of months remaining in the contract. These charges are intended to establish liquidated damages in the event of early termination and are not intended as a penalty.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.3 Obligations of the Customer, (Cont'd.)2.3.4 Identification and Rating of Toll VoIP-PSTN TrafficA. Scope

1. Toll VoIP-PSTN Traffic is a Customer's interexchange voice traffic that (1) is exchanged with the Company in Time Division Multiplexing ("TDM") format over Public Switched Telephone Network ("PSTN") facilities and (2) originates and/or terminates in Internet Protocol ("IP") format. Toll VoIP-PSTN Traffic originates and/or terminates in IP format when it originates from and/or terminates to an end user of a service that requires IP-compatible customer premises equipment.
2. In the absence of an agreement between the Company and the Customer specifying the treatment of Toll VoIP-PSTN Traffic, this section governs the treatment of Toll VoIP-PSTN Traffic pursuant to 47 C.F.R. §51.913 and the Federal Communications Commission's orders adopting and amending those rules (:Section 51.913").
3. This section will be applied to identify intrastate Toll VoIP-PSTN Traffic exchanged with a Customer or its affiliate that is a local exchange carrier only to the extent that the Customer or its local exchange carrier's affiliate has also implemented billing for intrastate Toll VoIP-PSTN Traffic in accordance with Section 51.913.

B. Rating of Toll VoIP-PSTN Traffic

All interstate Toll VoIP-PSTN Traffic and intrastate terminating Toll VoIP-PSTN Traffic will be billed at rates equal to the Company's relevant interstate switched access rates as provided in Section 6.

Any intrastate originating Toll VoIP-PSTN Traffic identified in accordance with this tariff section will be billed at rates equal to the Company's relevant interstate originating switched access rates.

(T)
(T)C. Calculation and Application of Percent-VoIP-Usage Factor

The Company will determine the number of intrastate originating Toll VoIP-PSTN Traffic minutes of use ("MOU") to which the relevant interstate originating switched access rates will be applied under section 2.3.4.B, above, by applying a Percentage VoIP Usage ("PVU") factor to the total intrastate originating switched access MOU sent by the Company from the Customer. The PVU will be derived and applied as follows:

1. The Customer will calculate and furnish to the Company a factor (the "PVU-C") representing the percentage of the total intrastate originating switched access MOU that the Customer receives from the Company in the state and terminates in IP format; This PVU-C shall be based on information such as the number of the Customer's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.3 Obligations to the Customer (Cont'd)2.3.4 Identification and Rating of Toll VoIP-PSTN Traffic (Cont'd)C. Calculation and Application of Percent-VoIP-Usage Factor (Cont'd)

2. The Company will, likewise, calculate a factor (the "PVU-X") representing the percentage of the Company's total intrastate originating switched access MOU in the state that the Company originates on its network in IP format. This PVU-X shall be based on information, such as the number of the Company's retail VoIP subscriptions in the state (e.g., as reported on FCC Form 477), traffic studies, actual call detail, or other relevant and verifiable information. (C)
3. The Company will use the PVU-C and PVU-X factors to calculate a PVU factor that represents the percentage of total intrastate originating switched access MOU sent by the Company to the Customer that is originated or terminated in IP format, whether at the Company's end, at the Customer's end, or at both ends. The PVU factor will be calculated as the sum of: (A) the PVU-C factor and (B) the PVU-X factor times (1.0 minus the PVU-C factor). (C)
4. The Company will apply the PVU factor to the total intrastate originating switched access MOU received by the Customer in order to determine the number of intrastate originating Toll VoIP-PSTN Traffic MOU. (C)

Example 1: The PVU-C is 40% and the PVU-X is 10%. The PVU factor is equal to $40\% + (10\% \times 60\%) = 46\%$. The Company will bill 46% of the Customer's intrastate originating switched access MOU at the Company's tariffed interstate originating switched access rates. (C)

Example 2: The PVU-C is 0% and the PVU-X is 10%. The PVU factor is equal to $0\% + (10\% \times 100\%) = 10\%$. The Company will bill 10% of the Customer's intrastate originating switched access MOU at the Company's tariffed interstate originating switched access rates. (C)

Example 3: The PVU-C is 100%. No matter what the PVU-X factor is, the PVU is 100%. The Company will bill 100% of the Customer's intrastate originating switched access MOU at the Company's tariffed interstate originating switched access rates. (C)

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.3 Obligations to the Customer (Cont'd)

2.3.4 Identification and Rating of Toll VoIP-PSTN Traffic (Cont'd)

C. Calculation and Application of Percent-VoIP-Usage Factor (Cont'd)

- 5. The Customer shall not modify its reported PIU factor to account for Toll VoIP-PSTN Traffic.
- 6. The Customer shall retain any call detail, work papers and information used to develop the PVU-C factor for a minimum of one year.
- 7. If the Customer does not furnish the Company with a PVU-C pursuant to section 2.3.4.C.1, above, the Company will utilize a PVU-C equal to zero.

D. Initial PVU factor

- 1. If the PVU factor cannot be implemented in the Company's billing systems by July 1, 2014, once the factor can be implemented, the Company will adjust the Customer's bills to reflect the PVU factor retroactively to July 1, 2014. In calculating the initial PVU, the Company will take the Customer-specified PVU-C into account retroactively to July 1, 2014, provided that the Customer provides the PVU-C factor to the Company no later than October 15, 2014; otherwise, the Company will set the initial PVU-C equal to zero and calculate the PVU accordingly. (C)
(C)
(C)
(C)
- 2. The Company may choose to provide credits based on the PVU-C and PVU-X factors on a quarterly basis until such time as billing system modifications can be implemented.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.3 Obligations to the Customer (Cont'd)2.3.4 Identification and Rating of Toll VoIP-PSTN Traffic (Cont'd)E. PVU Factor Updates

1. The Customer may update the PVU-C factor quarterly using the method set forth in section 2.3.4.C.1, above. If the Customer chooses to submit such updates, it shall provide to the Company, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVU-C factor based on data for the prior three months, ending the last day of December, March, June, and September, respectively.
2. The Company may, likewise, update the PVU-X factor quarterly based on data for the prior three months.
3. The Company will use any revised PVU-C and/or PVU-X factors to calculate a revised PVU that will apply prospectively and serve as the basis for subsequent billing until superseded by a new PVU. No prorating or backbilling will be done based on the updated PVU-C or PVU-X factors.

F. PVU Factor Verification

1. Not more than twice in any year, the Company may request from the Customer an overview of the process used to determine the PVU-C factor, the call detail records, description of the method for determining how the end user originates or terminates calls in IP format, and other information used to determine the Customer's PVU-C factors furnished to the Company in order to validate the PVU-C factor supplied. The Customer shall supply the requested data and information within 30 days of the Company's request.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.3 Obligations to the Customer (Cont'd)2.3.4 Identification and Rating of Toll VoIP-PSTN Traffic (Cont'd)F. PVU Factor Verification (Cont'd)

2. The Company may dispute the Customer's PVU-C factor based upon:

- (a) A review of the requested data and information provided by the Customer.
 - (b) The Company's review of other market information, FCC reports on VoIP lines, such as FCC Form 477 or state level results based on FCC Local Competition Report or other relevant data.
 - (c) A change in the reported PVU-C factor by more than five percentage points from the preceding quarter.
3. If, after review of the data and information, the Customer and the Company agree upon a revised PVU-C factor, the Customer and the Company will begin using that revised PVU-C factor with the next bill period.
 4. If the dispute is unresolved, the Company may initiate an audit. The Company shall limit audits of the Customer's PVU-C factor to no more than two times per year. The Customer may request that the audit be conducted by an independent auditor. In such cases, the associated auditing expenses will be paid by the Customer.
 - (a) In the event that the Customer fails to provide adequate records to enable the Company or an independent auditor to conduct an audit verifying the Customer's PVU-C factor, the Company will bill the usage for all contested periods using the most recent undisputed PVU-C factors reported by the Customer. This PVU-C factor will remain in effect until the audit can be completed.
 - (b) The Company will adjust the Customer's PVU-C factor based on the results of the audit and implement the revised PVU-C in the next billing period or quarterly report date, whichever is first. The revised PVU-C factor will apply for the next two quarters before new factors can be submitted by the Customer.
 - (c) If the audit supports the disputed PVU-C factor submitted by the Customer, the usage for the contested periods will be adjusted to reflect such PVU-C factor.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.3 Obligations to the Customer (Cont'd)2.3.5 Call Signaling

Depending on the signaling system used by the Customer in its network, the Customer's facilities shall transmit the following call signaling information, consistent with the requirements of 47 C.F.R. § 64.1600 et seq, as may be amended by the Federal Communications Commission, to the Company on traffic that the Customer delivers for termination on the Company's network.

A. Signaling System 7 (SS7) Signaling

When the Customer uses SS7 signaling, it will transmit the Calling Party Number (CPN) or, if different from the CPN, the Charge Number (CN) information in the SS7 signaling stream.

B. Multi-Frequency (MF) Signaling

When the Customer uses MF signaling, it will transmit the number of the calling party or, if different from the number of the calling party, the Charge Number (CN) information in the MF Automatic Number Identification (ANI) field.

C. Internet Protocol (IP) Signaling

When the Customer uses IP signaling, it will transmit the telephone number of the calling party or, if different from the telephone number, the billing number of the calling party.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)**2.4 Customer Equipment and Channels****2.4.1 General**

A Customer may transmit or receive information or signals via the facilities of the Company.

2.4.2 Station Equipment

- (A) The Customer is responsible for providing and maintaining any terminal equipment on the Customer premises. The electric power consumed by such equipment shall be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be properly registered with the FCC and all wiring must be installed and maintained in compliance with the FCC's regulations. The Company will, where practicable, notify the Customer that temporary discontinuance of the use of a service may be required; however, where prior notice is not practicable, nothing contained herein shall be deemed to impair the Company's right to discontinue forthwith the use of a service temporarily if such action is reasonable under the circumstances. In case of such temporary discontinuance, the Customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the temporary discontinuance. During such period of temporary discontinuance, credit allowance for service interruptions as set forth in Section 2.6 following is not applicable.
- (B) The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)

2.4 Customer Equipment and Channels, (Cont'd.)

2.4.3 Interconnection of Facilities

- (A) Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing local exchange service and the channels, facilities, or equipment of others may be provided at the Customer's expense.
- (B) Local Service may be connected to the Services or facilities of other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.
- (C) Facilities furnished under this tariff may be connected to Customer provided terminal equipment in accordance with the provisions of this tariff.

LOCAL EXCHANGE SERVICES

SECTION 2 - RULES AND REGULATIONS, (CONT'D.)2.4 Customer Equipment and Channels, (Cont'd.)2.4.4 Inspections

- (A) Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.B for the installation, operation, and maintenance of Customer-provided facilities and equipment to Company-owned facilities and equipment. No credit will be allowed for any interruptions occurring during such inspections.

- (B) If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice the customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.