NETWORK SERVICES

7. RATES

7.1 Special Construction

7.1.1 Basis for Rates and Charges

Rates and charges for special construction will be based on the costs incurred by the Company and may include (1) non-recurring type charges, (2) recurring type charges, (3) termination liabilities, or (4) combinations thereof.

7.1.2 Basis for Cost Computation

The costs referred to in 7.1.1 may include one or more of the following items to the extent that they are applicable:

(a) Cost installed of the facilities to be provided, including estimated costs for the rearrangements of existing facilities. Cost installed includes the cost of:

(1) equipment and materials provided or used,

(2) engineering, labor and supervision,

(3) transportation, and

(4) rights-of-way;

(b) Cost of maintenance;

(c) Depreciation on the estimated cost installed of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage;

NETWORK SERVICES

7. RATES (Cont'd)

7.1 Special Construction(Cont'd)

7.1.2 Basis for Cost Computation (Cont'd)

(d) Administration, taxes and uncollectible revenue on the basis of reasonable average costs for these items;

(e) License preparation, processing and related fees;

(f) Tariff preparation, processing and related fees;

(g) Any other identifiable costs related to the facilities provided; or

(h) An amount for return and contingencies.

7.1.3 Termination Liability

To the extent that there is no other requirement for use by the Company, a termination liability may apply for facilities specially constructed at the request of the customer.

7.1.3.1 The termination liability period is the estimated service life of the facilities provided.

7.1.3.2 The amount of the maximum termination liability is equal to the estimated amounts for:

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7. RATES (Cont'd)

7.1 Special Construction (Cont'd)

7.1.3 Termination Liability (Cont'd)

7.1.3.2 (Cont'd)

(a) Cost installed of the facilities provided including estimated costs for rearrangements of existing facilities and/or construction of new facilities as appropriate, less net salvage. Cost installed including the cost of:

(1) equipment and materials provided or used,
(2) engineering, labor and supervision,

(3) transportation, and

(4) rights-of-way;

(b) License preparation, processing, and related fees;

(c) Tariff preparation, processing, and related fees;

(d) Cost of removal and restoration, where appropriate; and

(e) Any other identifiable costs related to the specially constructed or rearranged facilities.

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7. RATES (Cont'd)

7.1 Special Construction(Cont'd)

7.1.3 Termination Liability (Cont'd)

7.1.3.3 The applicable termination liability charge is based on the normal method for calculating the unpaid balance of a term obligation. The amount of such charge is obtained by multiplying the sum of the amounts determined as set forth in section 7.1.3.2 preceding by a factor related to the unexpired period of liability and the discount rate for return and contingencies. The amount determined in section 7.1.3.2 preceding shall be adjusted to reflect the redetermined estimate net salvage, including any reuse of the facilities provided. This product is adjusted to reflect applicable taxes.

7.2 Transmission Service

The ranges of recurring and nonrecurring rates applicable to the company's services are as specified below:

7.2.1 Voice Grade Service

Rates for Voice Grade channels as described in 6.2.2 preceding are as follows:

7.2.1.1 This service consists of making Voice Grade capacity available on a 24-hour per day, 7 days per week basis.

7.2.1.2 Voice Grade service consists of two Voice Grade Channel Terminations. The total recurring charge for each Voice Grade circuit will be the sum of two Voice Grade Channel Termination Rates.

NETWORK SERVICES

7. RATES (Cont'd)

7.2 Transmission Service(Cont'd)

7.2.1 Voice Grade Service(Cont'd)

7.2.1.3 Voice Grade Channel Termination Rate:

Non-Recurring	Per Voice Grade Channel Termination Min.	Max.
Initial installation	$ 70.00	$100.00
Additional installation at same location	50.00	75.00
Recurring		
Charge per Channel Termination	$ 28.00	$ 38.00

7.2.2 Digital Data Services

Rates for Digital Data Service as described in 6.2.2 preceding are as follows:

7.2.2.1 This service consists of making capacity available on a 24 hour per day, 7 day per week basis.

7.2.2.2 Digital Data Service consists of two Channel Terminations.

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7. RATES (Cont'd)

7.2 Transmission Services(Cont'd)

7.2.2 Digital Data Service (Cont'd)

7.2.2.3 Digital Data Service Channel Termination Rate:

Non-Recurring	Per Point of Termination
Initial installation	ICB
Additional installation at same location	ICB
Recurring	
2.4 kbps	ICB
4.8 kbps	ICB
9.6 kbpS	ICB
19.2 kbps	ICB
56.0 kbps	ICB

7.2.3 High Capacity Channels

Rates for digital channels as described in 6.2.2 preceding are as follows:

7.2.3.1 DS-1 Service

7.2.3.1.1 This service consists of making capacity available on a 24 hour per 7 day per week basis.

7.2.3.1.2 The Basic DS-1 service consists of two DS-1 Channel Terminations. The total recurring charge for each DS-1 service will be the sum of two channel termination rates.

NETWORK SERVICES

7. RATES (Cont'd)

7.2 Transmission Services(Cont'd)

7.2.3 High Capacity Channels(Cont'd)

7.2.3.1 DS-1 Service (Cont'd)

7.2.3.1.3 DS-1 Channel Termination Rate

Non-Recurring	Per DS-1 Channel Termination	
	Min.	Max.
Initial installation	$300.00	$500.00
Additional installation at same location	150.00	500.00
Recurring	Per Month	
Charge per Channel Termination	$150.00	$350.00

7.2.3.2 DS-3 Service

7.2.3.2.1 This service consists of making DS-3 capacity available 24 hours per day, 7 days per week.

7.2.3.2.2 The Basic DS-3 service consists of two DS-3 channel terminations. The total recurring charge for each DS-3 service will be the sum of two channel termination rates.

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7. RATES (Cont'd)

7.2 Transmission Service(Cont'd)

7.2.3 High Capacity Channels(Cont'd)

7.2.3.2 DS-3 Service (Cont'd)

7.2.3.2.3 DS-3 Channel Termination Rates

Non-Recurring	Per DS-3 Channel Termination
Initial installation	ICB
Additional installation at same location	ICB
Recurring	
Charge per Channel Termination	ICB

7.2.3.3 Individual Case Basis Arrangements

Where the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariffs, charges will be determined on an Individual Case Basis.

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