3. APPLICATION OF RATES

3.1 Introduction

The regulations set forth in this section govern the application of rates for services contained in other sections of this tariff.

3.2 Charges Based on Duration of Use

Where charges for a service are specified based on the duration of use, such as the duration of a telephone call, the following rules apply:

3.2.1 Calls are measured in durational increments identified for each service. All calls which are fractions of a measurement increment are rounded-up to the next whole unit.

3.2.2 Timing on completed calls begins when the call is answered by the called party. Answering is determined by hardware answer supervision in all cases where this signaling is provided by the terminating local carrier and any intermediate carrier(s). Timing for operator service person-to-person calls start with completion of the connection to the person called or an acceptable substitute, or to the PBX station called.

3.2.3 Timing terminates on all calls when the calling party hangs up or the Company's network receives an off-hook signal from the terminating carrier.

3.2.4 Calls originating in one time period and terminating in another will be billed in proportion to the rates in effect during different segments of the call.

3.2.5 All times refer to local time.

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3. APPLICATION OF RATES (CONT.)

3.3 Rates Based Upon Distance

Where charges for a service are specified based upon distance, the following rules:

3.3.1 Distance between two points is measured as airline distance between the rate centers of the originating and terminating telephone lines. The rate center is a set of geographic coordinates, as referenced in Local Exchange Routing Guide issued by Bellcore, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven-digit telephone number). Where there is no telephone number associated with an access line on the Company's network (such as a dedicated Toll Free line or WATS access line), the Company will apply the rate center of the Customer's main billing telephone number.

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3. APPLICATION OF RATES (CONT.)

3.2 Rates Based Upon Distance (Cont'd)

3.3.2 The airline distance between any two rate centers is determined as follows:

A) Obtain the "V" (vertical) and "H" (horizontal) coordinates for each Rate Center from the above-referenced Bellcore document.

B) Compute the difference between the "V" coordinates of the two rate centers; and the difference between the two "H" coordinates.

C) Square each difference obtained in step (b) above.

D) Add the square of the "V" difference and the square of the "H" difference obtained in step (c) above.

E) Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained.

F) Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

G) FORMULA =

$$\sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

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