

BILLING AND COLLECTION SERVICES -
BILLING SERVICE

A. GENERAL

At the request of a customer, the Telephone Company with reasonable notice and reasonable effort will provide Billing Service.

The Telephone Company will provide Billing Service in its operating territory. The minimum territory for which the Telephone Company will provide Billing Service is its state operating territory when the Telephone Company supplies the input records at the customer's request. When the customer supplies the input records, the Telephone Company will process the input records supplied by the customer as set forth in Section 8B, Division I and II following.

The Telephone Company will provide two types of Billing Service: 1) Message Billing Service as set forth in Section 8B, Division I and 2) Private Line Billing Service as set forth in Section 8B, Division II following.

The Telephone Company may, in its discretion, purchase the accounts receivable, if any, from the customer or act as agent or in some other capacity for the customer for billing and collection of amounts due the customer from the customer's end user. In such cases, the Telephone Company will settle with the customer as set forth in Section 8C following.

The Telephone Company will not render bills under this tariff for customer service deposits or the provision and/or delivery of telegrams, flowers, gifts, wine or other like services that a customer offers.

The Telephone Company may issue bills, to customer end users which contain billing information for the Telephone Company, the customer and others. When a customer's end user pays less than the full amount due on the bill, the Telephone Company may, at its option, apply the payment first to the Telephone Company charges on the bill. The Telephone Company will apply the remainder of the payment, if any, to the customer's charges on the bill in the same proportion as the amount due the customer represents to the total amount due the customer and others.

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MESSAGE BILLING SERVICE

Message Billing Service consists of Message Processing Service and Bill Processing Service. A customer may order Message Processing Service or Bill Processing Service or both services.

A. GENERAL

1. Message Processing Service

Message Processing Service is the transforming of the recorded customer call details into rated messages in preparation for billing. Message Processing Service includes initial data entry and rating of messages.

Initial data entry is the assembly of recorded customer call details into customer messages. This function includes editing and verification of recorded details to assure that the data required for rating are present.

Rating of customer messages is the computing of applicable charges for each customer message based on the customer provided schedule of rates. Rating also includes the preparation of customer message detail for input to Bill Processing Service, the customer, or other entities.

Further, rating is always performed and editing may be performed coincident with the implementation of a change in the customer's schedule of rates.

2. Bill Processing Service

Bill Processing Service is the preparation of bills for message-billed service and bulk-billed service, mailing of statements of the amounts due for service received from the customer and the collection of deposits and monies due from the end users. Bill Processing Service includes message-billed (when necessary) and bulk-billed account establishment, posting of rated messages and rate elements, rendering of bills, collection of deposits, receiving payments, maintenance of accounts, treatment of accounts, message investigation and inquiry (when ordered by the customer).

Bulk-billed service is a billing service for an end user account with a WATS Access Line where individual customer messages are not posted to the account and are not listed on the bill rendered to the end user.

Message-billed service is a billing service for an end user account with an end user common line where individual customer messages are posted to the account and are listed on the bill rendered to the end user. Message-billed service is also a billing service for a customer credit card end user account without an end user common line or WATS Access Line where individual messages or groups of messages are posted to the account and listed on the bill rendered to the end user.

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MESSAGE BILLING SERVICE (Cont'd)

A. GENERAL (Cont'd)

2. Bill Processing Service (Cont'd)

Account establishment is the preparation of a customer's end user record so that a bill can be sent to that end user.

Posting of rated messages is the processing for billing of rated messages. Posting also is the examination and identification of all the rateable elements specified by the customer to be billed to an end user. Application of appropriate customer rates and charges to all such rate elements is also included when requested by the customer. The rating may be performed by the Telephone Company, another entity or the customer. Editing and rating of rate elements is performed when customer services are established or changed. Rating is always performed and editing may be performed coincident with the implementation of a change in the customer's schedule of rates.

Rendering of bills is the preparation and mailing of statements of the amounts due from the end user for customer message-billed and bulk-billed services. These statements may, at Telephone Company choice, be included as part of the regular monthly bill for Exchange Service mailed to the end user.

Receiving payment and maintenance of accounts is the collecting of monies from end users for services furnished by the customer and maintenance of records of all transactions.

Treatment of accounts is the forwarding of notices of delinquent or unpaid end user accounts and posting of credits and adjustments, and when necessary and practicable as determined by the Telephone Company, denial of a customers' services to an end user. The determination of delinquent or unpaid end user accounts shall be based on billed amounts, including taxes, which are not in dispute between the customer and the end user of the customers services. Where Exchange Service access is denied, access to customers service will also be denied.

Message investigation is that activity undertaken by the Telephone Company to secure, or attempt to secure proper billing information for customer messages.

Inquiry is the answering of end user questions about charges billed for customer services and application of credits and adjustments to end user accounts and review of customer messages removed from an end user's bill.

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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS

1. Undertaking of the Telephone Company

a. Message Processing Service

- (1) When Message Processing is ordered by a customer, the Telephone Company will process all of the customer messages it possesses in a state as set forth in (2) through (12) following at rates and charges set forth in C. following.
- (2) The Telephone Company will provide Message Processing Service only for customer messages originating or recorded within the operating territory of the Telephone Company. The customer messages which the Telephone Company will process may be customer messages from Recording Service as set forth in Section 8A preceding or, at the direction of the customer, other customer messages which are chargeable in accordance with the rate schedule furnished by the customer.
- (3) A record of customer call details is required to provide Message Processing Service. Where a customer subscribes to Recording Service as set forth in Section 8A preceding, those recorded details may be used as the input. Where the customer provides the call details, the records must be in the standard format established by the Telephone Company. If the customer provided records must be converted by the Telephone Company to the standard format, and the Telephone Company agrees to make the conversion, program development charges as set forth in C.3 following apply for the hours required to design, develop, test and maintain the necessary programs. The assembling and editing charge, as set forth in Section 8A - C.2. preceding, applies in addition to all other charges for all such details converted by the Telephone Company. The Telephone Company will provide to the customer the precise details of the required standard format. If, in the course of Telephone Company business, it is necessary to change the standard format, the Telephone Company will provide notification to the involved customers two months prior to the change. If the customer does not make the change in the standard format and it is necessary for the Telephone Company to convert the customer provided records to standard format, and the Telephone Company agrees to make the conversion, Program Development charges as set forth in C.3 following apply for the hours required to design, develop, test and maintain the necessary programs.

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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

a. Message Processing Service (Cont'd)

(3) (Cont'd)

The assembling and editing charge as set forth in Section 8A-C.2. preceding, applies in addition to all other charges for all such details converted by the Telephone Company. If the customer requests the customer provided call details be reprocessed by the Telephone Company because of a customer error, the Telephone Company will reprocess the customer provided call details and the appropriate charges as set forth in C. following will apply.

- (4) The Telephone Company will develop the customer's schedule for rates into a rating program. Program development charges, as set forth in C.3. following, apply for the hours required to design, develop, test and maintain the necessary programs.
- (5) Upon acceptance by the Telephone Company of a Special Order for Message Processing Service from a customer, the Telephone Company will determine the period of time to implement such service on an individual order basis.
- (6) Changes in the rate levels of customer charges to be billed will normally be implemented within 30 days after receipt of a Special Order from the customer requesting such changes. Such changes will require modifications of the rating program. Program development charges, as set forth in C.3. following, apply for the hours required to design, develop, test and maintain the necessary program changes. If any customer message detail must be reprocessed in order to apply the rate changes, the appropriate message processing charge as set forth in C.1. and C.2. following apply for all customer messages reprocessed.

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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

a. Message Processing Service (Cont'd)

- (7) Changes in the rate structure for customer services to be billed also require a change in the rating program. When the Telephone Company determines that it can accommodate the changes, the conditions and the period of time required to make such changes will be determined on an individual order basis. Program development charges, as set forth in C.3. following, apply for the hours required to design, develop, test and maintain the necessary program changes. If any customer message detail must be reprocessed in order to apply the rate structure changes, the appropriate message processing charges as set forth in C.1. and C.2. following apply for all customer messages reprocessed.
- (8) Where the Telephone Company has rated customer messages which are to be billed to an end user by another Exchange Telephone Company, the Telephone Company will enter the messages on a data file which (C) can be used for data transmission of the details. When the customer has so arranged with an involved Exchange Telephone Company, the Telephone Company will transmit the rated message details to such other Exchange Telephone Company for billing to end users in its operating territories. When the customer does not have billing arrangements with an Exchange Telephone Company, rated messages for such an Exchange Telephone Company will be delivered to the customer. The charges as set forth in C.4. following apply to rated messages that are data-transmitted to the other Exchange Telephone Companies. The charges as set forth in C.5. following apply to rated messages that are delivered to the customer. When the message details are data-transmitted to the location designated by the customer, the data transmission charges will be determined on an Individual Case Basis. Program Development charges as set forth in C.3. following apply for the hours required to design, develop, test and maintain the necessary programs.
- (9) Where the rates for customer services have been implemented under an accounting order pending final approval from a regulatory agency, the Telephone Company will, upon written request from the customer, keep such records as may be required to make any adjustments to the end users as may be ordered by the regulatory agency. The charges for such a service will be determined on an Individual Case Basis.

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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

a. Message Processing Service (Cont'd)

- (10) The Telephone Company will, upon request, provide the customer the rated message detail.

The rated message detail will be provided on a request by request basis in a format similar to that used by the Telephone Company as input to Bill Processing Service. All rated message detail available to the Telephone Company will be provided to the customer. The rated message detail will not be sorted to furnish detail by specific end users, groups of end users, by office or by location.

The Telephone Company will provide the customer detail on electronic format. When the information is data-transmitted to a location designated by the customer, the data transmission charges will be determined on an Individual Case Basis. (C)

- (11) If the customer makes a request within 30 days of the date the customer details were initially made available to the customer, the Telephone Company will make every reasonable effort to recover the customer detail and make it available again to the customer. The charges, as set forth in C.5. following, will apply for all such customer detail provided. When the customer details are data-transmitted to a location designated by the customer the data transmission charges will be determined on an Individual Case Basis.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

a. Message Processing Service (Cont'd)

(12) Customer messages which the Telephone Company processes that cannot be rated in accordance with the customer rate schedule will be reviewed by Telephone Company message investigation groups. Upon completion of the review, rated customer messages will be delivered to the customer when the customer orders such service or to Bill Processing Service when the customer orders such service. Unrated messages will be handled in accordance with instructions that have been mutually determined by the Telephone Company and the customer. At the request of the customer, the unrated customer messages will be reviewed for unauthorized use of the customer service by Telephone Company message investigation groups for a period of up to 90 days after the customer message was processed. The appropriate charges, as set forth in C.5. following or C.7. and C.8. following, will apply.

b. Bill Processing Service

(1) When Bill Processing Service is ordered by a customer, the Telephone Company will establish and maintain end user accounts and prepare and render bills for all customer messages, bulk-billed messages and related rate elements it possesses for a state as set forth in (2) through (15) following at rates and charges as set forth in (C.) following. The Telephone Company will not establish an end user account with any customer balance due. In addition, the Telephone Company will determine, in accordance with Telephone Company deposit regulations, if a deposit is required from the end user for the customer service. The Telephone Company may collect the service deposit when an end user account is established or for established accounts when the first message is posted to the end user account.

The Telephone Company will collect the deposit and will maintain a deposit balance for each end user account. Deposits will not be maintained by individual customer accounts but will be maintained for the end user account in general. The Telephone Company will provide the customer a copy of its deposit regulations upon request from the customer.

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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

b. Bill Processing Service (Cont'd)

- (2) The Telephone Company will provide Bill Processing Service for message-billed service, bulk-billed service and related rate elements which are posted to end user accounts located within the operating territory of the Telephone Company only. The Telephone Company will separate the rated customer messages into a message-billed group and a bulk-billed group for application of rates as set forth in C. following.
- (3) At the request of the customer, the Telephone Company will prepare and distribute customer credit cards by first class U.S. Mail service. The Telephone Company will assign the credit card number and will mark its records and files to show that an end user has been issued a customer credit card. The Telephone Company will specify the information it requires to issue a credit card and the format to be used by the customer in furnishing such information. The charges as set forth in C.13. following apply. Plastic coated paper cards will be distributed unless the customer requests another type of card be provided. Charges to prepare and distribute other such cards will be developed on an Individual Case Basis. When it becomes necessary as determined by the Telephone Company, to change the credit card number or discontinue the billing of credit card calls to an end user account because of nonpayment of charges or unauthorized use of Telephone Company and customer service offerings, the Telephone Company will notify the customer. The Telephone Company will provide the customer the credit card number, associated end user account name and billing address for the credit card number change or billing discontinued. All charges for calls associated with such a discontinued credit card after the customer has been notified will become the responsibility of the customer. Questions concerning the issuing of customer credit cards will not be handled by the Telephone Company.

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BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

b. Bill Processing Service (Cont'd)

- (4) Rated customer messages are required to provide Bill Processing Service. If the customer subscribes to Message Processing Service as set forth in a. preceding, the rated customer messages may be used as the input. If the customer provides the rated customer messages, those customer messages must be in the standard format established by the Telephone Company and delivered to the location specified by the Telephone Company. If the customer transmits its rated messages to the Telephone Company, the charge as set forth in C.12 following applies.

Such customer provided rated message data must identify the end user account to be billed. If the customer provided rated messages must be converted by the Telephone Company to the standard format and the Telephone Company agrees to make the conversion, program development charges as set forth in C.3. following apply for the hours required to design, develop, test and maintain the necessary programs. The assembling and editing charge, as set forth in Section 8A - C.2. preceding, applies in addition to all other charges for all such rated customer messages converted by the Telephone Company. The Telephone Company will provide to the customer the precise details of the required format. If, in the course of Telephone Company business, it is necessary to change the format, the Telephone Company will notify the involved customers two months prior to the change. If the customer does not make the change in the standard format and it is necessary for the Telephone Company to convert the customer-provided rated messages to standard format, and the Telephone Company agrees to make the conversion, Program Development charges as set forth in C.3. following apply for the hours required to design, develop, test and maintain the necessary programs. The assembling and editing charge, as set forth in Section 8A - C.2. preceding, applies in addition to all other charges for all such rated customer messages converted by the Telephone Company. If the customer requests the customer-provided rated messages be reprocessed by the Telephone Company because of a customer error, the Telephone Company will reprocess the customer provided rated messages and the appropriate charges as set forth in C. following will apply.

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BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

b. Bill Processing Service (Cont'd)

- (5) For end user accounts in its operating territory where the customer has ordered Bill Processing Service, the Telephone Company will bill all rated customer messages provided by the customer. The bill format will be determined by the Telephone Company.
- (6) Upon acceptance by the Telephone Company of a Special Order for Bill Processing Service from a customer, the Telephone Company will determine the conditions and the period of time to implement such service on an individual order basis. Program development charges, as set forth in C.3. following, apply for the hours required to design, develop, test and maintain the necessary programs including any programs to rate, change the rates of or change the rate structure of any rate elements associated with the customer services.
- (7) The Telephone Company will provide Bill Processing Service and may at its discretion purchase the accounts receivable from the customer as set forth in Section 8C following.
- (8) The Telephone Company will not provide any information related to Bill Processing Service accounts under this section of the tariff. Bill Processing Services information may be obtained as set forth in Section 8D following.
- (9) The Telephone Company will, at the option of the customer, provide message-billed Bill Processing Service with or without inquiry, and bulk-billed Bill Processing Service with or without inquiry. When the Telephone Company provides inquiry, the Telephone Company will be responsible for contacts and arrangements with the customer's end users concerning the billing, collecting, crediting and adjusting of the customer service charges, except prior customer balances due from end users, in accordance with written instructions furnished to the Telephone Company by the customer and which are agreeable to the Telephone Company. When a customer purchases Inquiry, the Charges as set forth in (10) following, do not apply. At the request of the customer when the customer has

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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

b. Bill Processing Service (Cont'd)

(9) (Cont'd)

ordered inquiry, the billed customer messages which are removed from an end user's bill in accordance with customer inquiry instructions will be reviewed for unauthorized use of customer service by Telephone Company message investigation groups for a period of up to 90 days after the billed customer message has been removed from an end user's bill.

For any billed customer messages removed from an end user's bill in accordance with customer inquiry instructions, the Telephone Company will make appropriate adjustments to the customer's accounts receivable settlement when appropriate.

When the Telephone Company provides Bill Processing Service without inquiry, all contacts from customer end users concerning the customer billed amounts will be referred to the customer, and the Telephone Company will only be responsible for contacts with customer's end users concerning the collection of customer service deposits and charges, except prior customer balances due from end users.

The Telephone Company reserves the right to recourse to the customer revenues in dispute between the customer and an end user of its services for those disputed amounts billed by the Telephone Company related specifically to the customer's services, charges, taxes or prior recourse adjustments. The Telephone Company will only affect recourse in those situations where the disputed amount exceeds \$10.00 for one of the customer end users or where the aggregate disputed amount exceeds \$1,000.00. In those cases where the Telephone Company has requested recourse from the customer in conjunction with billing disputes, the Telephone Company will make appropriate adjustments to the customer's accounts receivable settlement. Inquiry will only be provided when the customer has ordered Bill Processing Service for the same state operating area.

BILLING AND COLLECTION SERVICES -
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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

b. Bill Processing Service (Cont'd)

- (10) At the request of the customer, and under terms and conditions mutually determined by the Telephone Company and the customer, when the customer has ordered Bill Processing Service without Inquiry, the billed customer messages which are removed from an end user's bill in accordance with the customer's instructions, will be reviewed for unauthorized use of the customer's service by Telephone Company message investigation groups for a period of up to 90 days after the billed customer messages have been removed from an end user's bill. The charge, as set forth in C.17 following, will apply for the use of each Telephone Company employee for each hour of time spent on behalf of the customer.
- (11) The Telephone Company will accept customer gift certificates for payment from end users if the customer agrees in writing to redeem all such gift certificates. The format of the gift certificate must be acceptable to the Telephone Company.
- (12) Rated customer messages input to Bill Processing Service which the Telephone Company cannot bill for any reason will be reviewed by the Telephone Company's message investigation groups. Upon completion of the review, the billable messages will be posted and the appropriate charges, as set forth in C.7. and C.8. following, will apply. Unbillable messages will be handled in accordance with instructions that have been mutually determined by the Telephone Company and the customer. At the request of the customer, the rated customer messages which cannot be billed to an end user will be reviewed for unauthorized use of customer service by Telephone Company message investigation groups for a period of up to 90 days after the rated customer message was processed.
- (13) The Telephone Company will post rated customer messages to the appropriate end user account when it identifies a customer message to be billed to an end user and will mark the appropriate end user account when a customer credit card is issued to an end user. The Telephone Company will bill to an end user other customer message-billed service charges, such as provision of a credit card, issuing of a credit card, blocking of third number billing, time and rate charges, and subscription charges when it receives an order for such services from a customer.

BILLING AND COLLECTION SERVICES -
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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

b. Bill Processing Service (Cont'd)

(13) (Cont'd)

Other customer message-related charges, such as directory assistance charges, will be billed to the end user based on customer message data received from Message Processing Service or from the customer. The Telephone Company will make adjustments to end user balances due to account for application of credits authorized by customer inquiry instructions and customer furnished statements.

(14) The Telephone Company will establish an end user account for customer bulk-billed service when it receives an order from a customer to perform such activity for a specific end user and will bill customer bulk-billed charges to the end user. The Telephone Company will bill other customer bulk-billed rate elements, such as provision of a bulk-billed service access line, installation of an access line and provision of an access line extension, when it receives an order for such services from a customer. Other customer message-related charges for bulk-billed service, such as directory assistance charges, will be billed to the end user based on customer message data received from Message Processing Service or from the customer. The Telephone Company will make adjustments to end user balances due to account for application of credits authorized by customer inquiry instructions and customer furnished statements.

(15) Where the rates for customer services will be implemented under an accounting order pending final approval from a regulatory agency, the Telephone Company will, upon written request and reasonable notice from the customer, keep such records which, in the Telephone Company's determination in consultation with the customer, may be required to make subsequent rate adjustments to the end users as may be ordered by the regulatory agency. The charges for such records keeping service will be determined on an Individual Case Basis.

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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

b. Bill Processing Service (Cont'd)

(16) When a regulatory agency issues a final decision on customer rates implemented under an accounting order and the decision requires the customer to adjust monies to end users, the Telephone Company will, at the written request of the customer, determine if it can accommodate the changes and conditions and determine the period of time required to implement such changes. The customer shall meet the following requirements: 1) the customer requesting adjustment implementation is currently subscribing to records keeping service under (15) preceding for this accounting order, and 2) the customer agrees to defend before the regulatory agency the time-frames and conditions required by the Telephone Company to implement the adjustment. The charges for this service will be determined on an Individual Case Basis.

c. Message Billing Service Ordering

(1) The Telephone Company will provide Message Billing Services under a Special Order. For all Message Billing Service, other than establishment of end user accounts or changes to end user account data or changes to end user account rate elements, the Message Billing Service Special Order charge as set forth in C.14. following will apply to orders accepted by the Telephone Company. The format of this Special Order will be specified by the Telephone Company.

(2) The Telephone Company will arrange with the customer to accept under an Account Data Order end user account information to establish and change end user accounts and establish and change end user account rate element rates and balances due. The methods, procedures and manner in which the end user account data and changes are forwarded to the Telephone Company must be agreeable to the Telephone Company. The charges to handle such Account Data Orders are as specified in C.11 following.

2. Liability of the Telephone Company

See Section 8 preceding

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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

3. Obligations of the Customer

- a. The customer shall order Message Billing Services under a Special Order for each state where service is desired. The customer shall be responsible for all balances due from end users that exist prior to ordering Bill Processing Service.

When Message Processing Service and/or Bill Processing Service is initially ordered the customer shall order the service for at least one year. Thereafter, upon six months written notice, additional service may be ordered for a minimum of a year at the rates and charges, as set forth in C. following, and in effect on the day the new service period begins. The customer may also order inquiry for the same period. However, the customer shall not order inquiry unless the customer also has ordered Bill Processing Service in the same state operating area. Not later than six months prior to the end of a one-year order period, the customer shall notify the Telephone Company in writing if any service is to be discontinued at the end of the period. If no notice is received from the customer, the Telephone Company will automatically extend the services for another year, at the currently effective rates for a new subscriber, using the most recent 12 months of capacity provided. The customer will be notified by the Telephone Company when such an extension is made. All appropriate charges, as set forth in C. following, for another year will apply and the minimum charges will be based on the most recent 12 months of message capacity and/or bill capacity provided.

- b. When Message Processing Service is ordered, the customer shall furnish the Telephone Company, for each state, a yearly estimate of the number of messages (message capacity), including those messages which will be bulk billed, to be processed. In addition, when Bill Processing Service is ordered, the customer shall furnish the Telephone Company, for each state, a yearly estimate of the number of message-billed and/or bulk-billed messages (bill capacity) for which billing is to be provided. Separate estimates shall be furnished by the customer for message-billed Bill Processing Service messages and bulk-billed Bill Processing Service messages. The capacity yearly estimate for inquiry for each state shall be the same as that for message-billed and/or bulk-billed messages. The customer may revise the estimates, provided they do so in writing within 30 calendar days from the initial order date.

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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

3. Obligations of the Customer (Cont'd)

- c. The customer shall furnish all information necessary for the Telephone Company to provide the Message Billing Service, including any per-month service charges applicable to an end user and an affidavit that states whether the customer service is subject to any Federal taxes and/or State taxes. When customer messages are to be billed by an entity other than the Telephone Company, the customer shall furnish written instructions as to how the rated customer messages are to be provided to that other entity. If the customer does not furnish complete instructions, all resulting unbillable messages will be delivered to the customer. The information shall be furnished by the customer in a timely manner.
- d. The customer shall furnish to the Telephone Company a written schedule of its rates and charges in sufficient time to allow the Telephone Company to establish a rating program. The customer's rate structure must be consistent with established Telephone Company rating methodologies. The interval required to establish a rating program must be mutually agreeable to the Telephone Company and the customer.
- e. When the customer orders Bill Processing Service, it shall authorize the Telephone Company in writing to deny service to end users for nonpayment. If that authorization is not received, Bill Processing Service will not be provided.
- f. The customer shall be responsible for all contacts and arrangements, including customer deposits and prior customer balances due from end users, with its end users concerning the provision and maintenance of the customer's service.
- g. When the customer orders message-billed or bulk-billed Bill Processing Service with inquiry, the customer shall furnish to the Telephone Company written instructions, which are agreeable to the Telephone Company, for the handling of end user questions about bills.

When the customer orders message-billed or bulk-billed Bill Processing Service without inquiry, the customer shall furnish the Telephone Company with written instructions as to where inquiries are to be referred.

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MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

3. Obligations of the Customer (Cont'd)

g. (Cont'd)

When the customer does not order inquiry service and desires credit adjustments be made to the end user balance due, the customer shall furnish a statement for each end user account where the credit is desired. These statements shall show the customer message, the date the message was billed and the amount of the credit. These statements shall be furnished to the Telephone Company under an Account Data Order as set forth in 1.c.(2) preceding.

The customer shall notify its end users through its tariff or other appropriate means when the customer handles the bill inquiries. The customer shall furnish the Telephone Company in writing all end user bill adjustment statements.

- h. The customer will immediately redeem all customer gift certificates the Telephone Company receives in payment for any end user charges. The customer agrees to use a gift certificate format which is agreeable to the Telephone Company.
- i. The customer agrees to permit the Telephone Company to determine the requirement for deposits, in accordance with Telephone Company regulations, and to collect customer service deposits from all end users of the customer's services for which the Telephone Company provides billing for the customer. The customer will notify its end users through its tariffs or other means that the Telephone Company may collect customer service deposits. The customer will also include in its tariff and service arrangements and obtain regulatory concurrence for the Telephone Company deposit regulations that the Telephone Company will use to determine end user service deposits.
- j. When the customer desires that a credit card be issued by the Telephone Company for an end user, the customer shall furnish the credit card information as specified by the Telephone Company. The information shall include a statement from the customer that the end user has requested the credit card. When the customer is notified by the Telephone Company that a customer credit card billing is discontinued, the customer shall notify the appropriate end user. The customer also agrees to be responsible for all charges to the discontinued credit card after receipt of notice of discontinuance and all charges to a customer credit card where the end user states in writing to the Telephone Company that the end user did not request the credit card.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

3. Obligations of the Customer (Cont'd)

- k. When the customer furnishes recorded customer detail for Message Processing Service and/or rated customer message detail for Bill Processing Service, it shall retain a copy of the detail furnished for at least 60 days. Failure by the customer to retain a copy of its recorded details for the required 60 days will abrogate Telephone Company liability specified in Section 8 preceding.

4. Payment Arrangements

a. Minimum Period

The minimum period for which Message Billing Service is provided and for which charges apply is one year. A minimum period of 1 year applies for each additional period of service ordered.

If the service is discontinued prior to the end of the period ordered, monthly charges apply for each remaining month and fraction of a month. The monthly charge will be one-twelfth of the minimum yearly charge.

b. Minimum Order Capacities and Minimum Yearly Charges

Message Billing Service is subject to minimum order capacities and minimum yearly charges. The minimum order capacities are the message capacity and bill capacity as specified in (1) following. The minimum yearly charges as specified in (2) following shall apply.

- (1) The message capacity ordered by the customer for Message Processing Service will be based on the estimate the customer furnished as set forth in 3.b. preceding. The minimum yearly bill capacity for message-billed messages and bulk-billed messages will be determined separately based on the estimates the customer furnishes as set forth in 3.b. preceding. The minimum yearly capacity ordered for inquiry shall be the same as that for message-billed and/or bulk-billed messages.
- (2) For Message Processing Service, the minimum yearly charge is the product of the yearly message capacity furnished by the customer as set forth in 3.b. and (1) preceding and the appropriate Message processing Service rate times 0.90. The appropriate Message Processing Service rate is the Message Processing Service rate as set forth in C.1. following.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

4. Payment Arrangements (Cont'd)

b. Minimum Order Capacities and Minimum Yearly Charges (Cont'd)

(2) (Cont'd)

For Bill Processing Service, the minimum yearly charge is the product of the yearly message-billed bill capacity and/or bulk-billed bill capacity furnished by the customer as set forth in 3.b. and (1) preceding and the appropriate Bill Processing Service message-billed and/or bulk-billed rate times 0.90. The minimum yearly charge for message-billed messages and bulk-billed messages will be determined separately based on the estimates the customer furnishes as set forth in 3.b. and (1) preceding. The appropriate Bill Processing Service message-billed rate is the weighted average of the message-billed rates as set forth in C.7. following which is \$.0726. The appropriate Bill Processing Service bulk-billed rate is the bulk-billed rate as set forth in C.7.following.

For inquiry, the minimum yearly charge will be determined for the year by using the message-billed bill capacity and/or bulk-billed capacity times the appropriate inquiry rate times 0.90. The minimum yearly charge for message-billed inquiry and bulk-billed inquiry will be determined separately based on the estimates the customer furnishes as set forth in 3.b. and (1) preceding. The appropriate message-billed inquiry rate is the weighted average of the message-billed inquiry rate as set forth in C.7. following which is \$.0716. The appropriate bulk-billed inquiry rate is the bulk-billed inquiry rate as set forth in C.7. following.

c. Cancellation of A Special Order

A customer may cancel a Special Order for Message Billing Service on any date prior to the service date. The cancellation date is the date the Telephone Company receives written or verbal notice from the customer that the Special Order is to be cancelled. The verbal notice must be followed by written confirmation within 10 days. The service date for Message Billing Service is the date the customer and the Telephone Company mutually agree the service is to start.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

4. Payment Arrangements (Cont'd)

c. Cancellation of A Special Order (Cont'd)

When a customer cancels a Special Order for Message Billing Service after the order date, but prior to the start of service, a charge equal to the Special Order charges, program development costs and any nonrecoverable capital costs incurred by the Telephone Company will apply to the customer.

d. Changes to Special Orders

When a customer requests changes to a pending Special Order for Message Billing Service, such changes will be undertaken if they can be accommodated by the Telephone Company. A charge equal to any costs incurred by the Telephone Company because of the change will apply.

5. Rate Regulations

a. The Message Processing and Bill Processing Service message charges apply during the yearly periods ordered by the customer. The Telephone Company will not initiate rate changes to the Message Processing Service charges as set forth in C.1. following or the Bill Processing Service charges as set forth in C.7. following that apply to the customer order during the yearly periods for that specific order. For the purpose of determining the charges applicable to bulk-billed service for Bill Processing Service, a bulk-billed message is a customer message which is used by the Telephone Company to develop the customer bulk-billed service charge.

b. During the yearly period in which the actual customer messages processed and/or billed exceeds the message capacity as stated following, additional charges apply. For Message Processing Service, for each customer message processed that exceeds 120 percent of the message capacity ordered for the year, the appropriate charges for the specific service ordered as set forth in C.2. following apply.

For Bill Processing Service, for each message-billed customer message processed that exceeds 120 percent of the message-billed bill capacity ordered, the appropriate charges for the specific service ordered as set forth in C.8. following apply.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

5. Rate Regulations (Cont'd)

b. (Cont'd)

For Bill Processing Service, for each bulk-billed customer message processed that exceeds 120 percent of the bulk-billed bill capacity ordered, the appropriate charges for the specific service ordered as set forth in C.8. following apply.

For each year for message-billed inquiry, the additional charges will apply for the same capacity that additional charges apply for message-billed messages. The appropriate charges for inquiry ordered, as set forth in C.8. following, apply.

For bulk-billed inquiry, the additional charges will apply for the same capacity that additional charges apply for bulk-billed messages. The appropriate charges for inquiry ordered, as set forth in C.8. following, apply.

For each customer message processed and/or billed between the message capacity ordered and the allowance (i.e. 120 percent level) specified in the preceding paragraphs, the appropriate rate, as set forth in C.1. or C.7. following, will apply.

The customer, at its option, may order additional capacity for inquiry and capacity required to process and/or bill the additional messages at the rates as set forth in C. following subject to the minimum period and minimum yearly charges as set forth in B.4.a. and B.4.b. preceding. When more than one order exists at the same time for a customer, the rates for inquiry, customer messages processed and/or billed that exceed the total inquiry, message and/or bill capacity, respectively, for all existing orders will be the appropriate rates for the most recent order, plus the appropriate additional inquiry message and/or bill processing charge as set forth in C.2. and C.8. following for the most recent order.

- c. The Message Billed Service charge applies each month that one or more messages or related rate elements are billed to an End User. When both interstate and intrastate customer messages are billed by the Telephone Company to the End User on the same bill for the customer, the Message Billed Service charge times 0.4 applies each month.

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BILLING AND COLLECTION SERVICES -
BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

5. Rate Regulations (Cont'd)

- d. A Bulk-Billed Service charge applies each month that one or more charges are billed to an end user. When both interstate and intrastate customer bulk-billed charges are billed by the Telephone Company to the end user on the same bill for the customer the Bulk-Billed Service Charge times 0.5 applies for each month.
- e. When message detail is data-transmitted to or received from an Exchange Telephone Company location by the Telephone Company, a charge as set forth in C.4. following, on a per-record basis will apply. A record is a logical grouping of information as described in the program that processes the information and loads the data file used to supply the message detail which is data-transmitted. The Telephone Company will determine this charge based on its count of the records transmitted and received. (C)
- f. When message detail is data-transmitted to or received from a customer location by the Telephone Company, a charge, as set forth in C.6. and/or C.12. following, on a per-record basis will apply. A record is a logical grouping of information as described in the program that processes the information and loads the data file used to supply the message detail which is data-transmitted. The Telephone Company will determine this charge based on its count of the records received and transmitted. (C)
- g. The Message Billing Service Special Order charge applies for each Special Order to establish or change Message Processing Service and/or Bill Processing Service, other than establishment of end user accounts or changes to end user account data or changes to end user account rate element rates and balance due, accepted by the Telephone Company.

The end user account activity charges apply whenever an end user account is established or changed pursuant to an Account Data Order from a customer and/or whenever a balance due, nonrecurring or recurring customer rate element is added or changed in the account.

An end user account is a record for message-billed service or a bulk-billed service which has a unique name and address and billing identification number, assigned by the Telephone Company, to which a bill is rendered.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

5. Rate Regulations (Cont'd)

g. (Cont'd)

The appropriate End User Account Activity Account Data Order charge, specified in C.11 following, always applies when the End User Account Establishment and Change charge applies as set forth in (1) and (2) following. The applicable rate level for the End User Account Activity Data Order Charge is dependent on the activity ordered by the customer. Customer requests resulting in service order activity (e.g. establish or change rate elements on an end user account) will generate an Account Data Order Charge - Establish or Change End User Account Data or Rate Element. Customer requests to change the balance due on an end user's account will cause the Account Data Order Charge - Change Balance Due to be applied.

The End User account establishment and change charge, End User account rate element rate level change charge or the End User account rate element rate structure change charge may apply depending on the activity ordered by the customer as set forth in (1), (2), (3), and (4) following.

- (1) The end user account activity Account Data order is required and a charge applies whenever the customer furnishes to the Telephone Company end user account information that establishes or changes the information, rates or balance due associated with an end user account.
- (2) The end user account establishment and change charge applies whenever customer furnished information is used by the Telephone Company to establish or change end user account data or rate elements, or balance due, except for information to change end user account rate element rate levels or rate structure. End user account rate element rate level and rate structure change charges are applied as set forth in (3) and (4) following.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

5. Rate Regulations (Cont'd)

g. (Cont'd)

(2) (Cont'd)

In addition, the end user account establishment and change charge does not apply when rated customer messages are posted to a message-billed account associated with an end user common line. The end user account establishment and change charge does not apply when a customer credit card is listed on a message-billed account associated with an end user common line and does not apply for any subsequent preparation or distribution of a customer credit card. The end user account establishment and change charge does apply when the Telephone Company, at the request of a customer, establishes or changes a message-billed account with a credit card but without an associated end user common line. The end user account establishment and change charge applies for each account established, rate element established, account changed (except for credit card changes), rate element changed and balance due changed.

- (3) The end user account rate element rate level change charge applies whenever customer furnished information is used by the Telephone Company to change an end user account rate element rate level. The charge to change each end user account rate element rate level will be determined on an Individual Case Basis.
- (4) The end user account rate element rate structure change charge applies whenever customer furnished information is used by the Telephone Company to change an end user account rate element rate structure. The charges to make the end user account rate element rate structure changes will be determined on an Individual Case Basis.

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BILLING AND COLLECTION SERVICES -
BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

5. Rate Regulations (Cont'd)

- h. When message detail is entered on a data file to be provided to a customer, the data file charge applies for each data file prepared and the per-record charge applies for each record processed. A record is a logical grouping of information as described in the programs that process the information and load the data file. The Telephone Company will determine the charges based on the number of data files prepared and on its count of the records processed. The number of records processed will be determined using the numbered records input to or the number of records output from the programs that process the information and load the data file whichever number of records is higher. (C)

- i. Different rates apply for Bill Processing Service for a customer message-billed service depending on the total (i.e., sum of interstate and intrastate customer messages) number of messages billed for an end user account per month. The rate groups are as specified in C.7. following. The rate for the largest number of customer messages billed for the end user account in a month will be used to determine the Bill Processing Service charges for that end user account for the month. The Telephone Company will determine the charges based on its count of customer messages billed each bill day to an end user account. (C)

Originating Directory Assistance Calls - Bulked - Single Rate Entry are those originated interstate and intrastate Directory Assistance calls transported by the customer and shown as a single charge entry, not exceeding three print lines on the bill. These calls will not be individually itemized.

- j. When the Telephone Company receives an order from the customer to issue a customer credit card to an end user, Credit Card Issuance preparation and distribution charges apply. If the customer requests another card to be issued for any reason, the preparation and distribution charges apply. If for any reason the customer requests a change to be made in the credit card information maintained on an end user account by the Telephone Company, including the marking of the account to show issuance of a credit card by the customer or discontinuance of an existing card, and the customer does not request the distribution of a credit card, only the preparation charge applies. The Telephone Company will determine the charges based on its record of the Special Orders to prepare and distribute customer credit cards received from the customer.

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BILLING AND COLLECTION SERVICES -
BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

5. Rate Regulations (Cont'd)

- k. The per hour rate for the investigation of billed customer messages, which are removed from an end user's bill in accordance with the customer's instructions, is for the use of each Telephone Company employee for each hour of time spent on behalf of the customer. The Telephone Company will keep a count of the hours used by all Telephone Company personnel to provide this service and will bill the customer in accordance with these records. The time for each service ordered will be summed and then rounded to the nearest hour, except that when the total is less than one hour, one hour will be used to determine the charges.

C. RATES

	<u>FID</u>		<u>USOC</u>
1. Message Processing Service, per message	-	\$.0154	BABM1
2. Additional Message Processing, per message above the message capacity and allowance, each	CAP	*	-
3. Program Development			
Basic (applicable to work performed within the Telephone Company's normal work schedule and using the normal work force), per hour, each employee	AHM N	\$75.00	PRDMN
Premium (applicable to work performed outside the Telephone Company's normal work schedule and/or which requires additions to the work force), per hour, each employee	AHM P	\$95.00	PRDMP
4. Data Transmission of Rated Customer Message Details Between Other Exchange Telephone Company Locations			
Per record transmitted	-	\$.0035	RART
Per record received	-	\$.0035	TRARR

* The rate is 1.5 times the rate specified in 1. preceding.

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BILLING AND COLLECTION SERVICES -
BILLING SERVICES

C. RATES (Cont'd)

† Rates and charges apply on an individual case basis.

The rate is 1.5 times the appropriate rate specified in 7. preceding.

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BILLING AND COLLECTION SERVICES -
BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

C. RATES (Cont'd)

USOC

11. End User Account Activity

Account Data Order Charge

To establish or change end user account data or rate element, per order	\$10.08	E39
To change balance due, per adjustment	\$7.00	E3K
End User Account Establishment and Change, except rate element rate level changes and rate structure, charge per end user account established or changed and per recurring or nonrecurring rate element established or changed, per balance due changed, each	\$5.00	EAE
End User Account Rate Element Rate Level Change Charge, per rate element changed, each	*	EU9++
End User Account Rate Element Rate Structure Change Charge, per rate element changed, each	*	EUM++

12. Data Transmission From a Customer Location of Message Billing Service Detail or Information, per record received	*	DT4++
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13. Credit Card Issuance		
Preparation, per end user account	\$25.00	CCV
Distribution, per record	\$.30	CBZ

14. Message Billing Service Special Order Charge, per special order	\$25.00	
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15. Retention of Records Under Accounting Orders, per accounting order per month	*	BAQ++
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16. Implementation of Accounting Order Adjustments, per accounting order	*	AOG++
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17. Billed Message Investigation, per hour, each employee ..	\$28.00	E25
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* Rates and charges apply on an individual case basis.

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BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

C. RATES (Cont'd)

Rates and Charges (Cont'd)

11. End User Account Activity

	<u>Rates</u>	<u>USOC</u>
Account Data Order Charge to		
- Establish or Change End User Account Data or Rate Element, per order	\$10.08	E39
- Change Balance Due, per adjustment	3.36	E3K
End User Account Establishment and Change, except rate element rate level changes and rate structure, charge per end user account established or changed and per recurring or nonrecurring rate element established or changed, per balance due changed, each	\$ 1.12	EAE
End User Account Rate Element Rate Level Change Charge, per rate element changed, each	ICB rates and charges apply.	EU9++
End User Account Rate Element Rate Structure Change Charge, per rate element changed, each	ICB rates and charges apply.	EUM++
12.yData transmission from a customer location of Message Billing Service detail or info@rmation, per record received	ICB rates and charges apply.	DT4++
13.yCredit Card Issuance Preparation, per end user accountT	25.00	CCV
Distribution, per record	.30	CBZ
14.yMessage Billing Service Special Order Charge, per special Order Charge, per special order	20.00	-

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BILLING SERVICES

MESSAGE BILLING SERVICE (Cont'd)

C. RATES (Cont'd)

Rates and Charges (Cont'd)

	<u>Rates</u>	<u>USOC</u>
15. Retention of Records Under Accounting Orders, per accounting order per month	ICB rates and charges apply.	BAQ++
16. Implementation of Accounting Order Adjustments, per accounting order	ICB rates and charges apply.	AOG++
17. Billed Message Investigation per hour, each employee	28.00	E25

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE

A. GENERAL

The Telephone Company will provide Private Line Billing Service only for those customer private line services for which the Telephone Company is providing Special Access Service. The Telephone Company will not render bills for customer private line services for which it does not provide Special Access Service that are connected at end user premises to customer private line services for which it does render bills.

The Telephone Company will not render bills for usage based rate elements under this section of the tariff. Usage based rate elements will be billed as set forth in Section 8B, Division I preceding.

General Description

Private Line Billing Service includes editing and rating, account establishment, rendering of bills, receiving payments, maintenance of accounts, treatment of accounts and inquiry (when ordered by the customer).

Editing and rating is the examination and identification of all the rateable elements of a customer private line service and the application of the appropriate customer rates and charges to the service. These functions are performed when private line services for a customer's end user are established or changed. Rating is always performed, and editing may be performed, coincident with the implementation of a change in the customer's schedule of rates.

Account establishment is the preparation of a customer end user record so that a bill can be sent to that end user.

Rendering of bills is the preparation and mailing of statements of the amounts due from end users for service received from the customer. These statements may, at Telephone Company choice, be included as part of the regular monthly bill for Exchange Service mailed to the end user.

Receiving payment and maintenance of accounts is the collecting of deposits and monies from end users for services furnished by the customer and maintenance of records of all transactions.

Treatment of accounts is the forwarding of notices of delinquent or unpaid end user accounts, posting credits and adjustments, and when necessary as determined by the Telephone Company, denial of the customer's Special Access Service.

Inquiry is the answering of end user questions about charges for customer services and negotiating of credits and adjustments to end user accounts and review of customer charges which are removed from an end user's bill.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

B. REGULATIONS

1. Undertaking of the Telephone Company

- a. When Private Line Billing Service is ordered by a customer, the Telephone Company will establish a Private Line Account, edit and rate the billing detail, bill the end user and maintain and treat the Private Line Account (based on the rate and end user data supplied by the customer) at the rates and charges set forth in C. following, and as set forth in b. through o. following. The Telephone Company will not establish a Private Line end user account with any customer balance due. In addition, the Telephone Company will determine, in accordance with Telephone Company Deposit Regulations, if a deposit is required from the end user for the customer service. The Telephone Company may collect the deposit and will maintain a deposit for each end user account. The Telephone Company will provide the customer a copy of its deposit regulations upon request from the customer.

The Telephone Company will make adjustments to end user balances due to account for application of credits authorized by customer-furnished statements.

- b. Private Line Billing Service records and end user accounts will be maintained by the Telephone Company in a standard format in order to identify the end user and bill the rateable elements. The Telephone Company will establish this format and provide it to the customer. The Telephone Company will also establish the format it will use to bill private line services and provide it to the customer. If, in the course of Telephone Company business, it is necessary to change these formats, the Telephone Company will notify the customer involved two months prior to the change.
- c. The Telephone Company will develop the customer's schedule of rates and charges into a rating program. Program development charges, as set forth in C.3. following, apply for the hours required to design, develop, test and maintain the necessary programs.
- d. Upon acceptance by the Telephone Company of a Special Order to establish or change Private Line Billing Service from a customer, the Telephone Company will determine the period of time to implement such service on an Individual Case Basis.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

- e. Changes in the rate levels of customer services to be billed will normally be implemented within 60 days after receipt of a Special Order from the customer requesting such changes. Such changes will require modifications of the rating program. Program development charges, set forth in C.3. following, apply for the hours required to design, develop, test and maintain the necessary program changes.
- f. Changes in the rate structure of the customer services to be billed also require a change in the rating programs. When the Telephone Company determines that it can accommodate the changes, the conditions and the period of time required to make such changes will be determined on an Individual Case Basis. Program development charges, as set forth in C.3. following, apply for the hours required to design, develop, test and maintain the necessary program changes.
- g. The Telephone Company will not provide any information related to Private Line Billing Service accounts under this section of the tariff. Private Line Billing Service information may be obtained as set forth in Section 8E following.
- h. The Telephone Company will, at the option of the customer, provide Private Line Billing with or without inquiry. When the Telephone Company provides Private Line Billing with inquiry, the Telephone Company will be responsible for contacts and arrangements with the customer's end users concerning the billing, collecting, crediting and adjusting of the customer service charges, except prior customer balances due from end users, in accordance with written instructions furnished to the Telephone Company by the customer and which are agreeable to the Telephone Company.

For any billed customer charges which are removed from an end user's balance due in accordance with the customer's instructions, the Telephone Company will make an appropriate adjustment to the customer's accounts receivable settlement if appropriate.

When the Telephone Company provides Private Line Billing without inquiry, all contacts from customer end users concerning the customer's billed amounts will be referred to the customer and the Telephone Company will only be responsible for contacts with customer's end users concerning the collection of customer service charges, except prior customer balances due from end users.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

h. (Cont'd)

The Telephone Company reserves the right to recourse to the customer revenues in dispute between the customer and an end user of its services for those disputed amounts billed by the Telephone Company related specifically to the customer's services, charges, taxes or prior recourse adjustments. The Telephone Company will only effect recourse in those situations where the disputed amount exceeds \$10.00 for one of the customers end users or where the aggregate disputed amount exceeds \$1,000.00. In those cases where the Telephone Company has requested recourse from the customer in conjunction with billing disputes, the Telephone Company will make appropriate adjustments to the customer's accounts receivable settlement.

Inquiry will only be provided for those end user accounts for which the customer has ordered Private Line Billing.

- i. When the Telephone Company encounters bills which are to be rendered to end users or end user billing addresses not located in the Telephone Company's operating territory or in a state where Private Line Billing Service has not been ordered, such bills will be handled as follows:
 - (1) If the bill to the end user is for a service for which the Telephone Company provides a Special Access Service to the customer and the customer has ordered the appropriate Private Line Billing Service, the Telephone Company will bill the end user.
 - (2) In all other situations, the bill will be delivered to the customer and the customer shall be responsible to furnish an accounts receivable settlement adjustment, if appropriate, to the Telephone Company as set forth in Section 8C following.
- j. The Telephone Company will accept customer gift certificates for payment from end users if the customer agrees in writing to redeem all such gift certificates. The format of the gift certificates must be acceptable to the Telephone Company.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

- k. Where the rates for customer services will be implemented under an accounting order pending final approval from a regulatory agency, the Telephone Company will, upon written request and reasonable notice from the customer, keep such records which in the Telephone Company's determination in consultation with the customer, may be required to make subsequent rate adjustments to the end users as may be ordered by the regulatory agency. The charges for such records keeping service will be determined on an Individual Case Basis.
- l. When the regulatory agency issues a final decision on customer rates implemented under an accounting order and the decision requires the customer to adjust monies to end users, the Telephone Company will, at the written request of the customer, determine if it can accommodate the changes and conditions and determine the period of time required to implement such changes. The customer shall meet the following requirements: 1) the customer requesting adjustment implementation is currently subscribing to records keeping service under k. preceding for this accounting order, and 2) the customer agrees to defend before the regulatory agency the time frames and conditions required by the Telephone Company to implement the adjustment. The charges for this service will be determined on an Individual Case Basis.
- m. The Telephone Company will provide Private Line Billing Services under a Special Order. For all Private Line Billing Services other than establishment of end user accounts or changes to end user account data or changes to end user account rate elements, the Private Line Billing Service Special Order Charge as set forth in C.5. following will apply to orders accepted by the Telephone Company to establish or change the service. The format of this Special Order will be specified by the Telephone Company.
- n. The Telephone Company will arrange with the customer to accept under an Account Data Order end user account information required to establish and change end user accounts and establish and change end user account rate element rates and balances due. The methods, procedures and manner in which the end user account data and changes are forwarded to the Telephone Company must be agreeable to the Telephone Company. The charges to handle such Account Data Orders will be determined on an Individual Case Basis.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

1. Undertaking of the Telephone Company (Cont'd)

- o. If the customer requests the Private Line bills be reprocessed by the Telephone Company because of a customer error, the Telephone Company will treat the reprocessing as a rate level or rate structure change. Determination of whether the reprocessing is a rate level change or rate structure change will be made by the Telephone Company based on the Account Data Order the Telephone Company receives from the customer. All appropriate charges as set forth in C. following will apply.

2. Liability of the Telephone Company

See Section 8 preceding

3. Obligations of the Customer

- a. The customer shall order Private Line Billing Service under a Special Order for each state where service is desired.

When Private Line Billing Service is ordered initially, the customer shall order the service for at least one year. Thereafter, upon six months written notice, additional service may be ordered for a minimum of one year and the rates and charges as set forth in C. following will apply. Not later than six months prior to the end of an order period, the customer shall notify the Telephone Company in writing if service is to be discontinued at the end of the period. If no notice is received from the customer, the Telephone Company will automatically extend the service for an additional year, using the most recent 12 months of bill capacity provided. All appropriate rates and charges as set forth in C. following for another year will apply and the minimum monthly charges will be based on the most recent 12 months of bill capacity provided. The customer will be notified by the Telephone Company when such an extension is made.

- b. When Private Line Billing Service is ordered, the customer shall furnish the Telephone Company for each state and for each year in the order an estimate of the average number of bills (bill capacity) to be rendered each year.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

3. Obligations of the Customer Cont'd)

- c. The customer shall furnish as an Account Data order, in the format specified by the Telephone Company, all information on the end user necessary for the Telephone Company to provide the Private Line Billing Service including an affidavit that states whether the customer Private Line Service is subject to any Federal Taxes and/or State Taxes. When customer bills are to be rendered to locations not in the operating territory of the Telephone Company, the customer shall furnish an address where the bills are to be sent. If the customer does not furnish an address, all unaddressable bills will be delivered to the customer. The information shall be furnished by the customer in a timely manner.
- d. The customer shall furnish to the Telephone Company a written schedule of its service rates and charges in sufficient time to allow the Telephone Company to establish a rating program. The interval required to establish a rating program must be mutually agreed to by the Telephone Company and the customer.
- e. When the customer orders Private Line Billing Service, it shall authorize the Telephone Company in writing to deny service to end users for nonpayment. If that authorization is not received, Private Line Billing Service will not be provided.
- f. The customer shall be responsible for all contacts and arrangements, including prior customer balances due from end users, with its end users concerning the provision and maintenance of the customer's intrastate services.
- g. When the customer orders Private Line Billing Service with inquiry, the customer shall furnish the Telephone Company written instructions which are agreeable to the Telephone Company, for the handling of end user questions about bills.

When the customer orders Private Line Billing Service without inquiry, the customer shall furnish the Telephone Company with written instructions as to where inquiries are to be referred. When the customer does not order Telephone Company Inquiry Service and desires credit adjustments to be made to the balances due from an end user, the customer shall furnish a statement for each end user account where the credit is desired. These statements shall show the rate element to be credited, the date the rate element was billed and the amount of the credit.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

3. Obligations of the Customer Cont'd)

g. (Cont'd)

The customer shall notify its end users through its tariff or other appropriate means when the customer handles the bill inquiries. The customer shall furnish the Telephone Company in writing all bill adjustments as set forth in Section 8C following.

- h. The customer will redeem all customer gift certificates that the Telephone Company receives in payment for end user charges. The customer agrees to use a gift certificate format which is agreeable to the Telephone Company.
- i. The customer agrees to permit the Telephone Company to determine the requirement for deposits, in accordance with Telephone Company regulations, and collect customer service deposits from all end users of the customer's services for which the Telephone Company provides billing for the customer. The customer will notify its end users through its tariffs or other means that the Telephone Company may collect customer service deposits. The customer will also include in its tariff and service arrangements and obtain regulatory concurrence for the Telephone Company deposit regulations that the Telephone Company will use to collect end user service deposits.

4. Payment Arrangements

a. Minimum Periods

The minimum period for which Private Line Billing Service is provided, and for which charges apply, is one year.

A minimum period of one year applies for each additional period of service ordered.

When service is discontinued prior to the expiration of a minimum period, the minimum monthly charge is applicable for each month and fraction of month remaining in the minimum period.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

4. Payment Arrangements (Cont'd)

b. Minimum Monthly Charges

- (1) During the initial year minimum period, there is a minimum monthly charge based on the customer's estimate of the number of bills to be rendered during that period. The minimum monthly charge is the charge for Bill Rendering, as set forth in C.2. following, for 75 percent of the monthly volume. The monthly volume is 1/12 of the bill capacity ordered during the initial year. If the actual monthly volume during any consecutive three month period exceeds 1/12 of the bill capacity ordered by 50 percent or more per month, a new minimum monthly charge will be established. The new charge is the charge for Bill Rendering, as set forth in C.2. following, for the monthly average of the actual volume used during those three months.
- (2) During each additional yearly minimum period, the minimum monthly charge is the charge for Bill Rendering, as set forth in C.2. following, for the monthly average of the actual volume of bills rendered during the previous 12 months.

If the actual monthly volume during any consecutive three-month period exceeds the monthly average by 50 percent or more per month, a new minimum monthly charge will be established. The new charge is the charge for Bill Rendering, as set forth in C.2. following, for the monthly average of the actual volume used during those three months.

c. Cancellation of a Special Order

A customer may cancel a Special Order for Private Line Billing Service on any date prior to the service date. The cancellation date is the date the Telephone Company receives written or verbal notice from the customer that the Special Order is to be cancelled.

The verbal notice must be followed by written confirmation within 10 days. The service date for Private Line Billing Service is the date that the customer and the Telephone Company mutually agree service is to start. When a customer cancels a Special Order for Private Line Billing Service after the order date but prior to the start of service, a charge equal to the Special Order charges, program development costs and any nonrecoverable capital costs incurred by the Telephone Company will apply to the customer.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

4. Payment Arrangements (Cont'd)

d. Changes to Special Orders

When a customer requests changes to a pending Special Order for Private Line Billing Service, such changes will be undertaken if they can be accommodated by the Telephone Company. A charge equal to any costs incurred by the Telephone Company because of the change will apply.

5. Rate Regulations

- a. The Private Line Billing Service Special Order charge applies for each Special Order for Private Line Billing Service, other than establishment of end user accounts or changes to end user account data or changes to end user account rate element rates or changes to balances due, accepted by the Telephone Company.
- b. The end user account activity charge applies whenever an end user account is established or changed pursuant to an Account Data Order from a customer and/or whenever a nonrecurring or recurring customer rate element or balance due is added to or changed in the account.

An end user account is a record for a Private Line Billing Service which has a unique name and address and billing number identification, assigned by the Telephone Company, to which a bill is rendered.

The end user account activity Account Data Order charge, always applies and the end user account establishment and change charge, end user account rate element rate level change charge or the end user account rate element rate structure change charge may apply depending on the activity ordered by the customer as set forth in (1), (2), (3) and (4) following.

- (1) The end user account activity Account Data Order charge applies whenever the customer furnishes to the Telephone Company end user account information that establishes or changes the information or rates or balance due associated with an end user account.

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BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

B. REGULATIONS (Cont'd)

4. Payment Arrangements (Cont'd)

b. (Cont'd)

- (2) The end user account establishment and change charges applies whenever customer furnished information is used by the Telephone Company to establish or change end user account data or rate elements or balance due, except for information to change end user account rate element rate levels or rate structure. End user account rate element rate level and rate structure change charges are applied as set forth in (3) and (4) following.

The end user account establishment and change charge applies for each account established, rate element established, account changed and rate element changed and balance due changed.

- (3) The end user account rate element rate level change charge applies whenever customer furnished information is used by the Telephone Company to change an end user account rate element rate level. The charge to change each end user account rate element rate level will be determined on an Individual Case Basis.

- (4) The end user account rate element rate structure change charge applies whenever customer furnished information is used by the Telephone Company to change an end user account rate element rate structure. The charges to make the end user account rate element rate structure changes will be determined on an Individual Case Basis.

- c. The bill rendering charge applies each month that one or more charges is billed by the issuing of a statement to an end user account. When both interstate and intrastate private line service charges are billed by the Telephone Company to the end user on the same bill for the customer, the bill rendering charge times 0.5 applies each month.

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BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

C. RATES

The rates and charges are:

	<u>Rates</u>	<u>USOC</u>
1. End User Account Activity		
- Account Data Order to receive end user account data, per account data order	ICB rates and charges apply.	EUO++
End User Account Establishment and Change, except rate element rate level changes and rate structure changes, charge per end user account established or changed and per recurring and nonrecurring rate element established or changed, or per balance due changed, each.....	5.00	EAZ
End User Account Rate Element Rate Level Change Charge, per rate element changed, each.....	ICB rates and charges apply.	EU9++
End User Account Rate Element Rate Structure Change Charge, per rate element changed, each.....	ICB rates and charges apply.	EUM++
2. Bill Rendering Charge, per bill rendered for an end user account, each.....	1.10	BABPR

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BILLING AND COLLECTION SERVICES -
BILLING SERVICES

PRIVATE LINE BILLING SERVICE (Cont'd)

C. RATES (Cont'd)

The rates and charges are: (Cont'd)

	<u>FID</u>	<u>Rates</u>	<u>USOC</u>
3. Program Development Charge			
Basic, per hour, each employee..... (applicable to work performed within the Telephone Company's normal work schedule and using the normal work force)	AHM N	\$75.00	PRDPN
Premium, per hour, each employee..... (applicable to work performed outside the Telephone Company's normal work schedule and/or which requires additions to the work force)	AHM P	95.00	PRDPP
Per-hour Charge, all other Telephone Company personnel.....		ICB rates and charges apply.	BAT++
4. Inquiry, per bill rendered for an end user account, each.....		.16	BABPQ
5. Private Line Billing Special Order Charge, per special order.....		25.00	-
6. Retention of Records Under Accounting Orders, per accounting order per month.....		ICB rates and charges apply.	BAQ++
7. Implementation of Accounting Order Adjustments, per accounting order.....		ICB rates and charges apply.	AOG++

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER

A. GENERAL

The Telephone Company may purchase from the customer its accounts receivable or act as agent for the collection of the customer's accounts receivable. Payment for the purchase of accounts receivable or transfer of amounts collected by the Telephone Company when the Telephone Company acts as agent for the customer are herein after referred to as settlements that arise from bills rendered by the Telephone Company to that customer's end users. The settlement for accounts receivable will be limited to amounts due the customer when the Telephone Company provides Bill Processing Service and/or Private Line Billing Service for that customer. Messages to be billed on the customer's behalf may be provided to the Telephone Company via subscription to Recording and Message Processing Services or transmission of rated record files. Settlement with customers who subscribe to Recording and Message Processing Services will be as described in B.1 following. Settlement with customers who provide rated message detail to the Telephone Company for Bill Processing will be as described in B.2 following. After a customer orders Bill Processing Service and the Telephone Company is purchasing the customer's accounts receivable, or acting as agent, the customer is prohibited from assigning, transferring, selling, exchanging or giving these accounts receivable to any other entity or person. The customer will provide a written assurance to the Telephone Company as such forbearance and any such assignment, transfer, sale, exchange or gift is null and void and will subject the customer to all liabilities, expenses, costs including attorney fees expended and incurred by the Telephone Company in pursuing exclusive ownership or collection of the accounts.

The Telephone Company's settlement of a customer's accounts receivable shall be discounted for uncollectibles as set forth in B.1.a.(2)(c). This is to account for amounts due the customer that the Telephone Company is unable to collect from the customers end users.

B. REGULATIONS

1. Customer Subscribing to Recording and/or Message Processing Services

a. Amounts due the Customer Subscribing to Recording and/or Message Processing Service

For a customer subscribing to recording and rating services, the amount due for the settlement of its accounts receivable will be determined as follows:

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

1. Customer Subscribing to Recording and/or Message Processing Services
(Cont'd)

a. Amounts due the Customer Subscribing to Recording and/or Message
Processing Service (Cont'd)

(1) Total Current Amount Billed

The Telephone Company, for each end user bill day (i.e., the day a bill is rendered to an end user for a customer's service), will determine from its records the total current amount lawfully billed to the customer's end users for the customer's or its predecessor company's services, including all directly billed taxes or any additional taxes applicable to such services. A total current amount billed will be determined for each customer for each end user bill day.

(2) Adjustments

For each bill day, the Telephone Company will make adjustments to the total current amount billed as follows:

(a) End User Adjustments

For each bill day, the Telephone Company will subtract from the total current amount billed the lawfully billed amounts which the Telephone Company removes from end users balances due in accordance with Telephone Company inquiry operations and/or with customer inquiry instructions to correct charges.

(b) Telephone Company and Customer Adjustments

For each bill day, the Telephone Company will subtract from the total current amount billed, bill amounts on end user bills which the Telephone Company has elected to recourse to the customer in conjunction with disputes related specifically to the customer's services, charges, taxes, or prior recourse adjustments. In addition, for each bill day, the Telephone Company may make adjustments to the total current amount billed to account for amounts on statements received from the customer for additions or subtractions to an end user balance due for the customer's services billed in prior billing periods where the customer performs inquiry.

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BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

1. Customer Subscribing to Recording and/or Message Processing Services
(Cont'd)

a. Amounts due the Customer Subscribing to Recording and/or Message
Processing Service (Cont'd)

(2) Adjustments (Cont'd)

(b) Telephone Company and Customer Adjustments (Cont'd)

Also, each bill day, the Telephone Company may make adjustments to the total current amount billed to account for additions and subtractions for customer or Telephone Company prior billing period errors.

(c) Uncollectible Adjustments

For each bill day, the Telephone Company will subtract from the total current amount billed an estimated amount for uncollectibles. Uncollectibles are amounts billed by the Telephone Company to end users on final bills that are unpaid. The Telephone Company will determine the customer amount for the uncollectible adjustment by multiplying the current amount billed plus or minus adjustments by the current uncollectible factor as determined in (I) or (II) following.

Retroactive adjustment may be made for each one to three month period to adjust for uncollectible written-off amounts versus the estimated uncollectible adjustment amounts for the one to three month period.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

1. Customer Subscribing to Recording and/or Message Processing Services
(Cont'd)

a. Amounts due the Customer Subscribing to Recording and/or Message
Processing Service (Cont'd)

(2) Adjustments (Cont'd)

(c) Uncollectible Adjustments (Cont'd)

- (I) To determine the customer uncollectible factor, except for the initial three to six months that Bill Processing Service and/or Private Line Billing Service is provided to the customer, the Telephone Company will determine from its records the uncollectible amount experienced in a three to six month period. This uncollectible amount will be reduced by any payments received by the Telephone Company for outstanding final end user bill amounts. This net uncollectible amount will be used by the Telephone Company in a uncollectible apportionment study to determine the net uncollectible amount for each customer which is provided Bill Processing Service and/or Private Line Billing Service by the Telephone Company. The resulting net uncollectible amount for a customer will be divided by the total amount billed for the customer by the Telephone Company for the same three to six month period to develop an uncollectible factor. This factor should be computed five decimal places with rounding down from four (4) and up from five (5). The factor will be used by the Telephone Company to determine the customer amount for uncollectibles. This factor may be changed by the Telephone Company at its discretion, but not more frequently than once a month and no less frequently than once every three months. The Telephone Company will determine a new customer uncollectible factor in the same manner as preceding for the next ensuing 1 to 3 month period.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

1. Customer Subscribing to Recording and/or Message Processing Services
(Cont'd)

a. Amounts due the Customer Subscribing to Recording and/or Message
Processing Service (Cont'd)

(2) Adjustments (Cont'd)

(c) Uncollectible Adjustments (Cont'd)

(II) When a customer orders Bill Processing Service and/or Private Line Billing Service, the customer at the time such services are ordered shall provide to the Telephone Company a history of its or its predecessor company's uncollectibles. This history of uncollectibles shall indicate by month its total amounts billed and its uncollectible amounts. The Telephone Company may use this data to develop the customer uncollectible factor for the initial six month or subsequent three month periods. To the extent that such customer or its predecessor company data do not exist, then the customer uncollectible factor for the first six month period will be determined based on the Telephone Company's history of uncollectibles applicable to the provision of billing and collecting services. The customer uncollectible factor developed either from customer or Telephone Company history, will be used to determine the customer amount for estimated uncollectibles for the initial six month or subsequent three month periods.

b. Settlement for Amounts Due to the Customer Who is Subscribing to
Recording and/or Message Processing Services

The Telephone Company will purchase accounts receivable from the customer or be assigned as agent for the customer on each end user bill day. Settlement amounts will equal the total current amount billed as set forth in a. (1) preceding after known adjustments as set forth in a.(2) preceding have been made.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

1. Customer Subscribing to Recording and/or Message Processing Services
(Cont'd)

b. Settlement for Amounts Due to the Customer Who is Subscribing to
Recording and/or Message Processing Services (Cont'd)

(1) Determination of the Settlement Date

The settlement dates will be determined by adding the number of days determined to be the Average Customer Payment Availability Period to the end user bill day. Except as provided herein, the Telephone Company will remit settlement to the customer on said settlement dates. Settlement will be made by electronic funds transfer or other means of transferring funds or by check postmarked 2 days prior to the payment date for amounts not to exceed \$100,000. If such settlement date would cause settlement to be due on a Saturday, Sunday, or Telephone Company or bank Holiday, (e.g., New Year's Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, Election Day, the second Tuesday in November and a day when Washington's Birthday, Memorial Day or Columbus Day is legally observed), settlement for the net settlement amount will be due to the customer as follows:

If such payment date falls on a Sunday or on a Telephone Company or bank holiday which is observed on a Monday, the settlement date shall be the first non-holiday day following such Sunday or holiday. If such settlement date falls on a Saturday or on a Telephone Company or bank Holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the settlement date shall be the last non-holiday preceding such Saturday or holiday.

(2) Late Payment Charges

Further, if any portion of the net settlement amount is received by the customer after the settlement date as set forth in 1. preceding, then a late payment penalty shall be due the customer. The customer will have the responsibility of billing the Operating Telephone Company for any applicable late payment charges.

The Operating Telephone Company will remit the agreed upon late payment charge within 30 days of the receipt of the invoice. The late payment penalty shall be the portion of the net purchase amount not received by the payment date times a late factor. The late factor shall be the lesser of:

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

1. Customer Subscribing to Recording and/or Message Processing Services
(Cont'd)

b. Settlement for Amounts Due to the Customer Who is Subscribing to
Recording and/or Message Processing Services (Cont'd)

(2) Late Payment Charges (Cont'd)

(a) The highest interest rate (in decimal value) which may be levied by law for commercial transactions in the state in which the Telephone Company provides Bill Processing Service to the customer, compounded daily for the number of days from the payment date to and including the date that the Telephone Company actually makes the payment to the customer, or

(b) 0.000590 per day, compounded daily for the number of days from the payment date to and including the date that the Telephone Company actually makes the payment to the customer.

(3) Penalties Applicable to End User Balance Adjustments

Also, if any adjustment to an end user balance due is received by the Telephone Company from the customer 45 days after the date the Telephone Company billed the charges to be adjusted to end user (bill plus date), then a late payment penalty shall be the adjustment amount times a late factor. The late factor shall be the lesser of:

(a) The highest interest rate (in decimal value) which may be levied by law for commercial transactions in the state in which the Telephone Company provides Bill Processing Service to the customer, compounded daily for the number of days from the billed plus date to and including the date that the Telephone Company posts the end user account, or

(b) 0.000590 per day, compounded daily for the number of days the billed plus date to and including the date that the Telephone Company posts the end user account.

Any late payment penalty will be included with the adjustment made by the Telephone Company to the customer total current amount billed on the next scheduled settlement date.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

2. Customers Providing Files of Rated Records

a. Amounts Due the Customer Providing Files of Rated Records

For customers providing the Telephone Company with files of rated records, the amount due for the settlement of its accounts receivable will be determined at the option of the Telephone Company as described in B.1 preceding or as follows:

(1) Total Amount of Billable Revenue

The Telephone Company will, upon receipt of files of rated records, determine from its records the total amount lawfully billable to the customer's end users for the customer or its predecessor company's services. A total amount of billable revenue will be determined for each file receipt date. The bill date for this revenue will be extended by 15 calendar days to provide an "averaged" bill date. This extension will make allowances for the time period existing between the receipt of the file and the actual billing of the end users for charges appearing on the file.

This revenue will serve as the base for that which is hereinafter referred to as the "file receipt" purchase of the accounts receivable.

(2) Taxes and Adjustments

For each bill day, the Telephone Company will determine the taxes and adjustments associated with the total current amount billed.

This bill day activity will serve as the base for what is here and after referred to as the "billing" purchase of accounts receivable. The amounts due the customer for the statement of the "billing" purchase of the accounts receivable will be determined as follows:

(a) Taxes

All directly billed taxes or any additional taxes applicable to such services are included. A total current amount for billed taxes will be determined for each customer for each end user bill day.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

2. Customers Providing Files of Rated Records (Cont'd)

a. Amounts Due the Customer Providing Files of Rated Records (Cont'd)

(2) Taxes and Adjustments (Cont'd)

(b) End User Adjustments

For each bill day, the Telephone Company will determine lawfull billed amounts which the Telephone Company removes from end users balances due in accordance with Telephone Company inquiry operations and/or with customer inquiry instructions to correct charges.

(c) Telephone Company and Customer Adjustments

For each bill day, the Telephone Company will subtract bill amounts for which the Telephone Company has requested recourse from the customer in conjunction with end user disputes related specifically to the customer's services, charges, taxes, or prior recourse adjustments. In addition, for each bill day, the Telephone Company may make adjustment to the total current amount billed to account for amounts on statements received from the customer for additions or subtractions to an end user balance due for the customer's services billed in prior periods where the customer performs inquiry.

Also, each bill day, the Telephone Company may make adjustments to the total current amount billed to account for additions and subtractions for customer or Telephone Company prior period errors.

(d) Uncollectible Adjustments

The Telephone Company will subtract from the "file receipt" and "billing" purchases estimated amounts for uncollectibles. Uncollectible are amounts billed by the Telephone Company to end users on final bills that are unpaid. The Telephone Company will determine the customer amount for uncollectibles for each purchase. The Telephone Company will determine the customer amount for uncollectibles for each purchase by multiplying the purchase activities by the customer

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

2. Customers Providing Files of Rated Records (Cont'd)

a. Amounts Due the Customer Providing Files of Rated Records (Cont'd)

(2) Taxes and Adjustments (Cont'd)

(d) Uncollectible Adjustments (Cont'd)

uncollectible factor computed to five decimal places with rounding down from four (4) and up from five (5) as determined in 1.a.(2)(c) preceding.

b. Settlement for Amounts Due to the Customer Who Provides Files of Rated Records

The Telephone Company may purchase accounts receivable or be assigned as an agent for a customer who provides the Telephone Company with files of rated records. Settlements may occur with the same frequency with which the files are delivered to the Telephone Company (e.g., one file delivery/month - one settlement/month, two file deliveries/month - two settlements/month).

The Telephone Company will effect an aggregated settlement for "file receipt" and "billing" purchases (as defined in a.(1) and a.(2) preceding). Therefore, any "billing" purchase information billed (dated) prior to or on the averaged bill date (as set forth in a.(1) preceding) of a "file receipt" purchase will be coupled with that "file receipt" purchase information; aggregated settlement will be effected.

(1) Determination of Settlement Date

The settlement date for the aggregated purchase will be determined by adding the number of days determined to be the average customer payment availability period to the averaged bill day of the "file receipt" purchase. Except as provided herein, the Telephone Company will remit settlement to the customer on said settlement dates. Settlement will be made by electronic funds transfer or other means or transferring funds or by check postmarked two (2) days prior to the payment date for amounts not to exceed \$100,000. If such settlement date would cause settlement to be due on a Saturday, Sunday or Telephone Company or bank holiday, (e.g., New Year's Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, Election Day, and a day when Washington's Birthday, Memorial Day or Columbus Day is legally observed), settlement for the net settlement amount will be due to the customer as follows:

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

2. Customers Providing Files of Rated Records (Cont'd)

b. Settlement for Amounts Due to the Customer Who Provides Files of Rated
Records (Cont'd)

(1) Determination of Settlement Date (Cont'd)

If such payment date falls on a Sunday or on a Telephone Company or bank holiday which is observed on a Monday, the settlement date shall be the first non-holiday day following such Sunday or holiday. If such settlement date falls on a Saturday or on a Telephone Company or bank holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the settlement day shall be the last non-holiday preceding such Saturday or holiday.

(2) Late Payment Charges

Further, if any portion of the net settlement amount is received by the customer after the settlement date as set forth above, then a late payment penalty shall be due the customer. The customer will have the responsibility of billing the Operating Telephone Company for any applicable late payment charge.

The Operating Telephone Company will remit the agreed upon late payment charge within 30 days of the receipt of the invoice. The late payment penalty shall be the portion of the net purchase amount not received by the payment date times a late factor. The late factor shall be the lesser of:

- (a) the highest interest rate (in decimal value) which may be levied by law for commercial transactions in the state in which the Telephone Company provides Bill Processing Service to the customer, compounded daily for the number of days from the payment date to and including the date that the Telephone Company actually makes the payment to the customer, or
- (b) 0.000590 per day, compounded daily for the number of days from the payment date to and including the date that the Telephone Company actually makes the payment to the customer.

BILLING AND COLLECTION SERVICES -
BILLING SERVICES

SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

2. Customers Providing Files of Rated Records (Cont'd)

b. Settlement for Amounts Due to the Customer Who Provides Files of Rated Records (Cont'd)

(3) Penalties Applicable to End User Balance Adjustments

Also, if any adjustment to an end user balance due is received by the Telephone Company from the customer forty-five days after the date the Telephone Company billed the charges to be adjusted to the end user (billed plus date), then a late payment penalty shall be due the Telephone Company. The late payment penalty shall be the adjustment amount times a late factor. The late factor shall be the lesser of:

- (a) the highest interest rate (in decimal value) which may be levied by law for commercial transactions in the state in which the Telephone Company provides Bill Processing Service to the customer, compounded daily for the number of days from the billed plus date to and including the date that the Telephone Company posts the end user account, or
- (b) 0.000590 per day, compounded daily for the number of days the billed plus date to and including the date that the Telephone Company posts the end user account.

Any late payment penalty will be included with the adjustment made by the Telephone Company to the customer's total current amount billed on the next scheduled settlement date.

3. Netting of Customer Access Charges and Net Settlement Amounts

When a payment for customer access service charges under this tariff is due to the Telephone Company from the customer on the same settlement date that a net settlement amount is due to the customer from the Telephone Company, the Telephone Company may, with at least 31 calendar days notice, provide the customer with the net settlement amount due (i.e., net of the payment for the customer access and billing services charges and the net purchase amount). The Telephone Company will pay the net amount to the customer on the payment date when such net amount is due the customer or require the customer to pay the Telephone Company the net amount when such net amount is due the Telephone Company. If either party does not make the payment date, a late payment penalty as set forth in 1.b.(2) preceding, or 2.b.(2) preceding, whichever is appropriate, applies.

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SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

3. Netting of Customer Access Charges and Net Settlement Amounts (Cont'd)

The Telephone Company will provide a copy of its methods and procedures used to determine the uncollectible amounts and the Average Customer Payment Availability Period named in this section to the authorized representative of the customer who is responsible to audit the amounts upon request from the customer.

4. Taxes

a. Billing of Taxes

The Customer will advise the Telephone Company of details or amounts of Taxes to be billed or collected in connection with the Customer services and new services introduced from time to time by the Customer. By advance written notice to the Telephone Company, the Customer may request that the Telephone Company adjust the bills of the Customer's end users who protest against, claim exemption from and/or refuse to pay any Tax billed to them; provided, however, that the Telephone Company shall comply with such request only to the extent permitted by law and only to the extent the Telephone Company has such correspondence and/or forms as it deems necessary from such customers documenting their protest, exemption claim and/or refusal to pay any Tax. The Telephone Company shall not be entitled to retain or receive from the Customer any statutory fee or share of Taxes to which the person collecting such Taxes is entitled under applicable law.

b. Indemnity

- (1) The Customer agrees to pay, indemnify and save the Telephone Company harmless from any liabilities, claims, or demands (including costs, expenses and reasonable attorney's fees) resulting from any Tax, penalties, interest, additions to tax, surcharges or other charges which are either payable by the Telephone Company or required to be collected by the Telephone Company as a result of (i) delay or failure of the Customer, for any reason, to pay any Tax or other such item or file any return or other information as required by law or this Tariff; (ii) the Telephone Company complying with this Tariff (including without limitation the application of the Telephone Company's end users' tax exemptions and/or exemption certificates to the customer's services, any action taken by the Telephone Company to adjust the

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SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

4. Taxes

b. Indemnity (Cont'd)

(1) (Cont'd)

amount of Taxes billed to the Customer's end users as instructed by the Customer, and the billing of Taxes by the Telephone Company) or complying with any determination or direction by or advice of the Customer or using information provided by the Customer in performing any tax-related service hereunder; or (iii) in the absence of any such direction or advice by the Customer in this Tariff or otherwise, the Telephone Company taking or failing to take any action with respect to any Tax unless such action or inaction constitutes willful misconduct or gross negligence by the Telephone Company.

- (2) If the Customer disagrees with the Telephone Company's determination that any Taxes are payable by the Telephone Company, or disagrees with an assessment of any additional Tax, penalty, addition to tax, surcharge and/or interest due by the Telephone Company as a result of the Telephone Company's performance of any obligation under this tariff, the Customer shall, at its option and expense (including payment for any such assessment prior to final resolution of the issue), have the right to seek a ruling as to the applicability of any such Tax or additional charge or to protest any assessment and participate in any legal challenge to such assessment, but shall be liable for any Tax or additional charge, penalty, surcharge and interest ultimately determined to be due. The Telephone Company shall, when requested by the Customer and at the Customer's expense, cooperate or participate with the Customer in any such proceeding, protest or legal challenge to the extent such cooperation or participation is not inconsistent with the interests of the Telephone Company's other customers. The Telephone Company may participate, at its own expense, in any such proceeding, protest or legal challenge.
- (3) The indemnity payable hereunder shall be payable in all events and without regard to any determination that the Telephone Company is the party obligated to collect and remit such Taxes or file the Tax returns.

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BILLING AND COLLECTION SERVICES -
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SETTLEMENT BETWEEN TELEPHONE COMPANY AND CUSTOMER (Cont'd)

B. REGULATIONS (Cont'd)

4. Taxes

c. Notice of Assessment of Proposed Settlement

If a Tax is assessed or proposed to be assessed against the Telephone Company, the Telephone Company shall give the customer notice within a reasonable time after such assessment or proposed assessment. If the Telephone Company proposes to settle any such assessment or proposed assessment, the Telephone Company shall give the Customer notice within a reasonable time after such settlement is proposed.