

GENERAL REGULATIONS TARIFF
P.S.C.-Md.-No. 201

Verizon Maryland LLC

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GENERAL REGULATIONS

A. APPLICATION OF TARIFF

1. The General Regulations specified herein govern the furnishing of intrastate intraLATA* communications services by Verizon Maryland LLC and are in addition to regulations, rates, terms and conditions set forth in the Company's Product Guides and the following tariffs of the Telephone Company:

Title	Tariff No.	
Access Service	P.S.C.-Md.-No. 217	(D)
		(D)
Connection With Telephone Company Facilities	P.S.C.-Md.-No. 205	
General Regulations	P.S.C.-Md.-No. 201	
General Services	P.S.C.-Md.-No. 203	
Local Exchange Services	P.S.C.-Md.-No. 202	(D)
Miscellaneous Service Arrangements	P.S.C.-Md.-No. 211	(D)
Network Interconnection Services	P.S.C.-Md.-No. 218	(D)
		(D)

2. The LATAs and their associated exchanges within which the Telephone Company provides intra-state communications services are as follows:

a. Baltimore LATA

Abeedeen	Glenwood	Prince Frederick
Annapolis	Hampstead	Rising Sun†
Baltimore Metropolitan Exchange Area	Havre de Grace	Sherwood Forest
Bel Air	Jarrettsville	Silver Run
Cardiff	Millersville	Solomons
Churchville	New Windsor	Sparks-Glencoe
Columbia	North Beach	Stewartstown
Crofton	North East	Sykesville
Darlington	Odenton	Taneytown
Edgewood	Parkton	Union Bridge
Elkton	Perryville	Westminster
Fallston	Port Deposit	West River
		Worthington

b. Hagerstown LATA

Accident	Flintstone	Highfield
Bitteringer	Frederick	Keedysville
Brunswick	Friendsville	Kiefer
Buckeystown	Frostburg	Kitzmiller
Clear Springs	Grantsville	Lonaconing
Cumberland	Hagerstown	McCoole
Emmitsburg	Hancock	Middletown

* Local Access and Transport Area

† Independent Telephone Company

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A. APPLICATION OF TARIFF (Cont'd)

2. The LATAs and their associated exchanges within which the Telephone Company provides intra-state communications services are as follows: (Cont'd)

b. Hagerstown LATA (Cont'd)

Mount Airy	Oakland	Walkersville
Mount Savage	Oldtown	Waynesboro
Myersville	Smithsburg	Westernport
New Market	Thurmont	Williamsport

c. Salisbury LATA

Berlin	Greensboro	St. Michaels
Bishopville	Hillsboro	Salisbury
Cambridge	Hurlock	Sharptown
Cecilton	Marion	Smith Island
Centreville	Millington	Snow Hill
Chesapeake City	Nanticoke	Stevensville
Chestertown	Ocean City	Still Pond
Church Hill	Oxford	Sudlersville
Crisfield	Pocomoke	Tilghman
Deal Island	Preston	Trappe
Delmar	Princess Anne	Vienna
Denton	Queenstown	Warwick
Easton	Ridgely	Willards
Federalburg	Rock Hall	Wingate
Galena		

d. Washington LATA

Ashton	Hyattsville*	Mechanicsville
Berwyn*	Indian Head	Nanjemoy
Bethesda*	Kensington*	Oxon Hill*
Bowie-Glenn Dale*	LaPlata	Poolesville
Brandywine	Laurel	Ridge
Capitol Heights*	Layhill	Silver Spring*
Clinton*	Leonardtown	Tomkinsville
Damascus	Lexington Park-	Waldorf
Gaithersburg	Great Mills	
Hughesville		

* Zones of the Washington Metropolitan Exchange Area

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B. EXPLANATION OF SYMBOLS

The following symbols apply to this tariff and the tariffs shown in paragraph A. preceding:

- (C) - To signify changed regulation.
- (D) - To signify discontinued rate or regulation.
- (I) - To signify increase in rate.
- (N) - To signify new rate or regulation.
- (R) - To signify reduction in rate.
- (T) - To signify a change in text but no change in rate or regulation.
- (U) - See USOC Manual.

C. ESTABLISHMENT AND FURNISHING OF SERVICE

1. Application of Service

The Telephone Company reserves the right to require applications for service to be made in writing. Upon the acceptance of an application for service, all the applicable provisions in the Telephone Company's tariffs and product guides lawfully on file become the contract between the customer and the Telephone Company. Requests for additional service and requests for changes in service shall be from the customer of the service and, upon acceptance thereof by the Telephone Company become a part of the original contract, except that each item of additional service so provided is subject to the appropriate initial contract period. Any change in regulations or rates authorized by legally constituted authorities effects a modification of all contracts for service to that extent, without further notice.

When an application or request for service, including additions and changes, is cancelled or changed in whole or in part before service is established, the customer may be required to reimburse the Telephone Company for all costs incurred in connection with that part of the application or request, including additions and changes, which is cancelled or changed, except as otherwise specified in the Telephone Company's applicable tariffs. The charge to the customer shall not exceed the charges which would apply if the service had been established as originally ordered and then terminated, subject to the regulation pertaining to Initial Contract Periods and Termination of Service.

The Telephone Company reserves the right to refuse service to applicants previously having service terminated for reasons specified in the regulation entitled Cancellation for Cause until all charges due have been paid and all violations have ceased.

GENERAL REGULATIONS

C. ESTABLISHMENT AND FURNISHING OF SERVICE (Cont'd)

2. Availability of Facilities

The Telephone Company's obligation to furnish service or continue to furnish service is dependent upon its ability to obtain, retain and maintain, without unreasonable expense, suitable rights and facilities and to provide for the installation of those facilities required incident to the furnishing and maintenance of that service.

Certain technologies and serving arrangements that may be used by the Telephone Company to provide voice-grade lines over fiber-to-the-premises facilities will not support more than two such lines per service address. Where such technologies and serving arrangements are utilized, the number of lines provided at a single service address will be limited to two. (N)

In case a shortage of facilities exists at any time, either for temporary or protracted periods, the establishment of Long Distance and Local Exchange Telephone Service shall take precedence over all other types of service. (N)

3. Construction Charges

The rates and charges quoted in the tariffs and product guides of the Telephone Company provide for the furnishing of service and facilities where suitable plant facilities are available or when the construction of the necessary facilities does not involve excessive costs.

When excessive costs are involved for the construction of facilities, charges for such construction will be determined in accordance with the regulations as set forth in the Construction Charges section of this Company's product guide.

4. Initial Contract Periods and Termination of Service

a. Initial Contract Periods

- (1) The initial contract period for all services will be one month except as otherwise specified in the Telephone Company's applicable tariffs and product guides.
- (2) For the purpose of administering this regulation and all other applicable regulations and rates of the Telephone Company's tariffs, every month is considered to have thirty days.
- (3) Initial contract periods begin on and include the day following the establishment of service.
- (4) Where the initial contract period for service is more than one month and a termination charge is included in the schedule of rates, the initial contract period, in months, is specified in parenthesis following the termination charge, i.e., (60).

GENERAL REGULATIONS

C. ESTABLISHMENT AND FURNISHING OF SERVICE (Cont'd)

4. Initial Contract Periods and Termination of Service (Cont'd)

b. Termination of Service

- (1) Service may be terminated prior to the expiration of the initial contract period after the Telephone Company has been notified a reasonable period in advance by the customer. The Telephone Company may require notification to be in writing.

Subscribers of services based on packet, optical and wave technology, including Frame Relay Service, Transparent LAN Services, Asynchronous Transfer Mode Cell Relay Service (ATMCRS), and data services in bandwidths greater than 1.5 Mbps may terminate such services by giving 30 days' notice, either written or electronic. Subscriber requests to disconnect services should be submitted via the Telephone Company's online account management tool, at <https://enterprisecenter.verizon.com>. Notice is deemed effective only if the subscriber receives confirmation of receipt from the Telephone Company; subscriber should contact its account representative or Telephone Company's customer service if it does not receive such confirmation within two business days.

Upon such termination, the customer shall be responsible for the payment of all charges due for the period service has been rendered in addition to the payment of charges applicable as determined below:

- (a) In the case of service for which the initial contract period is one month - the charges due for the balance of that month.
- (b) In the case of service for which the initial contract period is more than one month - the charges due are as determined below except as otherwise specified in the Telephone Company's applicable tariffs and product guides: (C)
- (I) Where the service is subject to a minimum revenue guarantee - the charges due for the unexpired portion of the contract period.
- (II) Where a termination charge is specifically included in the schedule of rates for service at the same location - such proportion of the termination charge as the unexpired portion of the initial contract period bears to the full initial contract period.

GENERAL REGULATIONS

C. ESTABLISHMENT AND FURNISHING OF SERVICE (Cont'd)

4. Initial Contract Periods and Termination of Service (Cont'd)

b. Termination of Service (Cont'd)

(1) (Cont'd)

(b) (Cont'd)

(III) Where a termination charge is not specifically included in the schedule of rates for service at the same location - such proportion of the sum of the cost of installing and removing the service plus the cost of nonsalvage material, as the unexpired portion of the initial contract period bears to the full initial contract period, not to exceed a sum equivalent to the monthly charges for the unexpired portion of the initial contract period.

The charges due, as specified in (I), (II) and (III) preceding, apply to the same customer at the same location. The assumption of an existing initial contract period by a new customer without a lapse in the rendition of service is to be considered as a continuation of the same initial contract period. Any equipment rearrangements or additions are subject

GENERAL REGULATIONS

- C. ESTABLISHMENT AND FURNISHING OF SERVICE (Cont'd)
4. Initial Contract Periods and Termination of Service (Cont'd)
- b. Termination of Service (Cont'd)
- (1) (Cont'd)
- (b) Cont'd)

to the rates and charges as provided for in this Company's applicable tariff. In cases where equipment left in place on a customer's premises is reconnected with the initial establishment of service without a move or change in that equipment, excluding Centrex Service where the switching equipment is located on the Telephone Company's premises, a new initial contract period will be one month for such equipment.

- (c) Where a portion of a system is discontinued, termination charges apply for the items of equipment discontinued as though they were the last of their kind installed.
- (2) Service may be terminated subsequent to the expiration of the initial contract period after the Telephone Company has been notified a reasonable period in advance by the customer. The Telephone Company may require notification to be in writing.

Subscribers of services based on packet, optical and wave technology, including Frame Relay Service, Transparent LAN Services, Asynchronous Transfer Mode Cell Relay Service (ATMCRS), and data services in bandwidths greater than 1.5 Mbps may terminate such services by giving 30 days' notice, either written or electronic. Subscriber requests to disconnect services should be submitted via the Telephone Company's online account management tool, at <https://enterprisecenter.verizon.com>. Notice is deemed effective only if the subscriber receives confirmation of receipt from the Telephone Company; subscriber should contact its account representative or Telephone Company's customer service if it does not receive such confirmation within two business days.

Upon such termination the customer shall be responsible for the payment of all charges due up to and including the date of termination of the service.

In connection with Message Rate Service, the message unit allowance is the pro rata portion of the monthly allowance with message units used in excess of the pro rata allowance being charged for at the rate of additional message units.

- (3) With the written permission of the Telephone Company, existing service and equipment may be transferred from one customer to another customer without a lapse in the rendition of service. Such transfers are not considered termination of service and associated initial contract periods remain unaffected.

GENERAL REGULATIONS

C. ESTABLISHMENT AND FURNISHING OF SERVICE (Cont'd)

4. Initial Contract Periods and Termination of Service (Cont'd)

b. Termination of Service (Cont'd)

(4) For business voice services, early termination charges will not be assessed when customer changes or upgrades services to an advanced technology, within the Company or its affiliates, under a term commitment, provided the following conditions are met:

(a) The total value of the new term commitment is equal to or greater than the remaining value of the current term commitment;

(b) The Company or its affiliates provide the new service via tariff or similar documents, commercial agreements, or on an individual case basis (ICB) and;

(c) The orders to discontinue the existing service and the order for the new or upgraded service are received by the Company or its affiliates at the same time.

5. Floor Space, Power and Operating at the Customer's Premises

The customer is responsible for the provision and maintenance, at the customer's expense, of all space and floor arrangements including such factors as heating and cooling, air conditioning, ventilation, humidity control, dust control, etc., required on the customer's premises for communication facilities provided by the Telephone Company in connection

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GENERAL REGULATIONS

C. ESTABLISHMENT AND FURNISHING OF SERVICE (Cont'd)

5. Floor Space, Power and Operating at the Customer's Premises (Cont'd)

with services furnished the customer by the Telephone Company. Any power and power outlets required for the operation of such facilities shall be provided by, and at the expense of the customer.

All operating required for the use of communications facilities provided by the Telephone Company at the customer's premises will be performed at the expense of the customer, and will conform with the rules and regulations which the Telephone Company may adopt to maintain a proper standard of service.

6. Provision and Ownership of Equipment and Facilities

Equipment and facilities necessary for the provision of service are furnished by the Telephone Company, except as otherwise specified in the Telephone Company's applicable tariffs and product guides. Such equipment and facilities located on the premises of a customer, authorized user, or Telephone Company agent, are the property of the Telephone Company, whose employees and agents may enter said premises at any reasonable hour to install, inspect or repair equipment and facilities, to make collections from coin boxes, or upon termination or cancellation of service, to remove such equipment and facilities. (C)

Equipment and facilities furnished by the Telephone Company shall, upon termination of service from any cause whatsoever, be returned to it in good condition, reasonable wear and tear thereof expected. In case of damage, loss, theft, or destruction of any of the Telephone Company's property due to the negligence or willful act of the customer or other persons authorized to use the service, and not due to ordinary wear and tear or causes beyond the control of the customer, the customer shall be required to pay the expense incurred by the Telephone Company in connection with the replacement of the property damaged, lost, stolen, or destroyed, or the expense incurred in restoring it to its original condition.

7. Installation, Maintenance and Repairs

The Telephone Company undertakes to install, maintain and repair the equipment and facilities which it furnishes to customers. All ordinary expense of installation, maintenance and repair in connection with service furnished by the Telephone Company is borne by the Company except as otherwise specified in the Telephone Company's applicable tariffs and product guides. (C)

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GENERAL REGULATIONS

C. ESTABLISHMENT AND FURNISHING OF SERVICE (Cont'd)

7. Installation, Maintenance and Repairs (Cont'd)

The customer shall not install, disconnect, rearrange, remove or attempt to repair any equipment or facilities furnished by the Telephone Company or permit others to do so, except upon the written consent of the Telephone Company or as otherwise specified in the Telephone Company's applicable tariffs and product guides. (C)

8. Overtime and Expediting Charges

The rates and charges specified in the Telephone Company's tariffs and product guides contemplate that all work in connection with furnishing or rearranging service be performed during regular working hours and within normal work intervals. Whenever a customer requests that work necessarily required in the furnishing or rearranging of the customer's service be performed outside the Telephone Company's regular working hours; or that the Telephone Company expedites the installation or rearrangement of service; or that work once begun be interrupted, so that the Telephone Company incurs costs that would not otherwise have been incurred, the customer may be required to pay, in addition to the other rates and charges specified in the Telephone Company's applicable tariffs and product guides, the amount of additional costs incurred by the Company as a result of the customer's special requirements. (C)

9. Provision and Ownership of Telephone Numbers

The customer has no property right to the telephone number or any other call number designation associated with services furnished by the Telephone Company, and no right to the continuance of service through any particular central office. The Telephone Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the customer, whenever the Telephone Company deems it necessary to do so in the conduct of its business.

10. Provision and Ownership of Directories

Directories are furnished by the Telephone Company to customers as an aid to the use of the service. The Telephone Company may request that such directories be returned to the Telephone Company when new directories are issued. The Telephone Company will furnish to its customers without charge, such directories as it deems necessary for the efficient use of the service.

The Telephone Company reserves the right to charge customers for directories covering other than their primary directory area.

GENERAL REGULATIONS

C. ESTABLISHMENT AND FURNISHING OF SERVICE (Cont'd)

11. Special Equipment and Service Arrangements

The rates and charges quoted in the tariffs and product guides of the Telephone Company contemplate the use of service arrangements, equipment and facilities in quantities and types regularly furnished by the Telephone Company. Where equipment, facilities, or service arrangements are requested which are not provided for in the Telephone Company's applicable tariffs and product guides, rates and charges will apply based on the cost of furnishing such equipment, facilities, or service arrangements, whenever in the judgment of the Telephone Company it is practicable to provide the service requested. In such cases, the Telephone Company reserves the right to require an initial contract period longer than one month at the same location.

12. Customer Specific Pricing (CSP) Arrangements

- a. CSP Arrangements can be furnished to meet the communication needs of specific customers on a case-by-case basis under individual contracts tailored to meet the needs of each customer requesting such arrangements.
- b. CSP arrangements will only be provided to customers that have dial tone lines from the Company in a minimum of two (2) states, as determined by the Company, commit to a minimum of at least ten (10) dial tone lines per state, and sign an agreement for a specified term length. (C)
- c. CSP Arrangements will be priced based on the following criteria:
 - (1) Services subject to the safeguards specified in Order No. 73011 in Case 8715 will be priced to meet those safeguards.
 - (2) Toll service will be priced to meet the access imputation safeguard specified in Order No. 73011 in Case 8715.
 - (3) Local Exchange usage will be priced above the End Office Local Switching rates as specified in the Access Service Tariff, Section 6.
 - (4) Other services will be priced above costs for the services provided.
- d. CSP Arrangements, once executed, along with support for pricing restrictions in c. preceding, will be available upon request for review by the P.S.C. under proprietary agreement. (C)

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GENERAL REGULATIONS

C. ESTABLISHMENT AND FURNISHING OF SERVICE (Cont'd)

13. Equipment Furnished in Nonstandard Finishes

Equipment furnished by the Telephone Company is provided in standard finishes for each type of equipment to meet general requirements. Where equipment is finished to fulfill special requirements of the customer, an additional charge applies based on the cost of the special finish plus the cost of restoring the equipment to its original finish, except as otherwise specified in the Telephone Company's applicable tariffs and product guides. (C)

14. Alterations on the Customer's Premises

The customer shall notify the Telephone Company, a reasonable period in advance, whenever alterations or new construction on premises occupied by the customer necessitate changes in the Telephone Company's equipment and facilities. When charges for such changes in equipment and facilities are not provided for in the Telephone Company's applicable tariffs and product guides, the customer may be required to reimburse the Telephone Company for any costs incurred in connection with the changes of equipment and facilities. (C)

15. Network Interface

The network interface will be located at a minimum point of penetration to the building or property in which a customer is located as determined by the Telephone Company and accessible to the customer. For services where through-testing and/or connecting equipment are required beyond the network interface, such through-testing and/or connecting equipment (excluding wire) will be provided as a part of that service, and any wire required beyond the network interface may be provided, at the expense of the customer, by either the Telephone Company or the customer.

Where the customer's equipment or type of service requires the extension of the network interface to a point other than the minimum point of penetration and there are no Telephone Company facilities available, the Telephone Company may use customer-provided facilities for the extension of the network interface providing the customer-provided facilities meet Telephone Company standards.

GENERAL REGULATIONS

C. ESTABLISHMENT AND FURNISHING OF SERVICE (Cont'd)

16. Win Cities Customer Discount Plan

Specialty Pricing Arrangements may also be offered to business customers who are targeted as part of the Win Cities Customer Discount Plan. The business customers must have 8 lines or greater or their equivalent.

Discretionary and Competitive Services as described in Maryland PSC Tariff No. 203, General Services Tariff and Maryland PSC Tariff No. 204, Channel Services Tariff may be offered on a contract basis. All services, which are being offered, will adhere to the existing price cap plan rules. These contracts which will be between the Company and the customer will be subject to all applicable Company tariffs, except as otherwise expressly specified, and will not exceed the rates/charges set forth therein.

The monthly rates and non-recurring rates for providing this discount plan shall be determined by the Company in order to meet customer requirements. The rates shall be above incremental costs which will be provided to the P.S.C. under proprietary agreement. The discount plan contracts, once executed, will be available upon request for review by the P.S.C. under proprietary agreement.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES

1. Advance Payments

Applicants for service may be required to pay any service, installation, or nonrecurring or purchase charges, and at least one month's fixed charge in advance of the installation of service. The amount of such advance payment is credited to the customer's account as applying to any indebtedness under the contract.

Advanced payments for installation costs or special construction will be credited on the first bill in their entirety.

2. Deposits

The Carrier agrees to abide by the regulations associated with customer deposits as specified by Code of Maryland Regulations 20.30.01. and 20.30.02. as amended from time to time.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

3. Payment for Service and Equipment

The customer is responsible for payment of all charges for service and equipment rendered including charges for local messages and long distance messages sent from the customer's station and for messages charged to such on which the charges have been reversed, i.e., collected from or billed against the called, or collected from or billed to a station other than the calling station or called station. The customer is also responsible for the allocation of usage of, or charges for, shared service.

If objection in writing is not received by the Telephone Company within 30 days after a statement of account is rendered, such statement shall be deemed to be correct and binding upon the customer.

Charges to the customer are payable as follows:

- a. Upon request, all service, installation and nonrecurring charges.
- b. Monthly in advance, all fixed monthly charges for service and facilities.
- c. Upon rendition of bills, all message charges for local and long distance services, and charges for measured time services.

4. Allowance for Interruptions

When the use of service or facilities furnished by the Telephone Company is interrupted due to any cause other than the negligence or willful act of the customer or the failure of the facilities provided by the customer, a pro rata adjustment of the fixed monthly charges involved will be allowed for the service and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a period of 24 hours or more from the time it is reported to or known to exist by the Telephone Company, except as otherwise specified in the Telephone Company's applicable tariffs and product guides. (C)

5. Temporary Surrender of a Service or Channel

When at the request of the Telephone Company, a service or channel is temporarily surrendered by the customer, credit will be allowed for the entire period surrendered, the amount of which will be determined in the same manner as specified in the regulation of the applicable tariff or product guide governing Allowance for Interruptions for the service or channel temporarily surrendered. (C)

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

6. Adjustments for Certain Local Taxes and Fees

When a municipal corporation or other political subdivision of the state collects from the Telephone Company a license tax, privilege tax, street use tax, franchise fee, permit fee, or any tax, exaction, or fee measured by poles, guys, wires, conduits, manholes, telephones, other units of plant, income or activities as a public service corporation, such taxes, exactions and fees shall, insofar as practicable, be billed pro rata to the exchange customers receiving service within the territorial limits of the municipal corporation or political subdivision; provided that the foregoing shall not apply to any tax, fee, or exaction in effect on August 15, 1962, unless the rate or basis of computation thereof is increased, in which event the foregoing shall apply to the amount attributable to such increase.

7. Two-Tier Payment Plans

A Two-Tier Payment Plan is a method of payment for services and equipment, as specified in the Telephone Company's applicable tariffs and product guides, which consist of two levels (or tiers) of monthly rates. The first tier are those rates designated as Column A rates and the second tier are those rates designated as Column B rates. (C) (C)

Two-Tier Payment Plans of over a three-year initial contract period are no longer offered for new services and equipment furnished to customers. Customers with existing initial contract periods of over three years duration, including customers who have contracted with the Telephone Company for the provision of service or equipment under such a Two-Tier Payment Plan prior to the effective date of this tariff, may continue such Two-Tier Payment Plan for the life of the initial contract period.

a. Application of Rates

- (1) Rates specified in Columns A for Two-Tier Payment Plans apply for the duration of the initial contact period selected. Rates specified in Columns B apply during the initial contract period selected and thereafter for the duration the equipment is in service. The total billing resulting from the application of Columns A and B rates is subject to change by the adjustment of Column B rates.
- (2) For services which offer the customer a choice between a Two-Tier Payment Plan (Payment Plan 1) and a standard payment plan (Payment Plan 2), customers selecting Payment Plan 1 may select items of equipment offered under Payment Plan 2 for the same service offering. Customers selecting Payment Plan 2 may not select items of service and equipment offered under Payment Plan 1.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

7. Two-Tier Payment Plans (Cont'd)

a. Application of Rates (Cont'd)

- (3) When a customer elects to convert an existing service from a standard payment plan to a Two-Tier Payment Plan, the service shall be treated as a new connection except no additional Installation or System Activity Charges shall apply for those items of equipment being converted nor shall Service Charges apply to existing trunks, lines, or stations provided such trunks, lines or stations are not moved, changed or rearranged.

b. Termination Charges

- (1) At the customer's option, a lump sum payment of the rates for all or individual items of equipment shown in Columns A may be made at any time during the initial contract period. Partial prepayments against the Columns A balance after the beginning of the initial contract period are not allowed. The amount of the lump sum payment shall be the present worth of the monthly rates for the number of months in the unexpired portion of the initial contract period at the time value of money rate used in determining the monthly rates shown in Columns A.
- (2) In the event of termination of all or part of the service, a termination charge shall apply for the rates shown in Columns A for terminated items for the unexpired portion of the initial contract period. The amount of the termination charge shall be the present worth of the monthly rates for the number of months in the unexpired portion of the initial contract period at the time value of money rate used in determining the monthly rates shown in Columns A less any applicable termination credit.
- (3) Termination Credit, where appropriate, shall be determined based on the initial credit which represents the maximum reusable value of the service in the market at the time of installation, and the credit period which reflects the anticipated period of time during which the service shall have reusable value. The amount of termination credit, as specified in this Company's applicable tariffs or product guides for the offerings involved, shall apply (C) to Columns A rates and any deferred payment of Installation Charges.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

7. Two-Tier Payment Plans (Cont'd)

c. Transfer of Contractual Obligations

With the written permission of the Telephone Company, the obligation to pay Columns A rates for the unexpired portion of all outstanding initial contract periods may be transferred to another customer for a transfer fee at any time during the initial contract periods. In addition to assuming the responsibility to pay the Columns A rates for the remainder of the outstanding initial contract periods for the service at its existing location, the new customer assumes the conditions applicable to the offering at the time of transfer. Any equipment rearrangements or additions are subject to the rates and charges as provided for in the applicable tariff or product guide. (C)

d. Relocations of Service

At the request of the customer, service may be relocated to a different premises or to a different building at charges based on estimated costs provided that the service is relocated to a new location that is leased or owned by the same customer. Columns A and B rates shall continue to apply during the period of relocation. The customer's termination liability shall remain unchanged.

At the request of the customer, service may be relocated between the territory of the Telephone Company and any other associated Company according to the terms and conditions specified preceding, and in addition to the conditions and exceptions specified following:

- (1) Two-Tier Payment Plans and these regulations for service relocations between territories of associated Companies must be in effect in the Telephone Company to which the service is relocated.
- (2) If the customer elects to continue the initial contract period originally selected and the length of the contract periods is the same in each participating Telephone Company, the customer is responsible for the remaining Column A payments of the initial contract period at the rates that are applicable to new service in the receiving Telephone Company.
- (3) If the length of the contract periods is not the same in each participating Telephone Company, the customer must select a new contract period. The customer is responsible for Column A payments at the rates that are applicable to new service in the receiving Telephone Company for that new contract period.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

7. Two-Tier Payment Plans (Cont'd)

d. Relocations of Service (Cont'd)

(3) (Cont'd)

The number of months in the new contract period shall be adjusted by the Column A payments which have been made to the originating Telephone Company on the contract period originally selected. The adjustment shall be determined by dividing the present worth of Column A rates paid to the originating Telephone Company by the present worth of Column A rates for the entire contract period originally selected multiplied by the total number of months in the new contract period.

- (4) Column A and B rates of the originating Telephone Company shall apply through the date of disconnection of the service. The application of Column A and B rates of the receiving Telephone Company shall begin on the date following the disconnection of the service in the originating Telephone Company.
- (5) Termination charges shall apply for Installation Charges and System Activity Charges which have been deferred over Column A initial contract periods selected in the originating Telephone Company and are due and payable to the originating Telephone Company upon relocation of service.

As used herein, the term service is defined as all related items of equipment and/or arrangements which comprise a system, and relocation of individual components of such equipment and/or arrangements is not permitted.

e. Equipment Additions

Where equipment additions are permitted under Payment Plan 1 and at the customer's option, the initial contract period for equipment may be arranged to terminate at the same time as the existing initial contract period for the original establishment of service as follows:

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

7. Two-Tier Payment Plans (Cont'd)

e. Equipment Additions

- (1) Lump sum payment of the Columns A rates up to the remaining months of the existing initial contract period. The amount of the lump sum payment shall be the present worth of the monthly rates for the number of months in the expired portion of the existing initial contract period at the time value of money rate used in determining the applicable monthly rates shown in Columns A for the equipment addition, or
- (2) Adjustment of the Columns A rates to an initial contract period equal to the remaining months of the existing initial contract period. Any deferrable System Activity Charges and Installation Charges associated with equipment additions may be deferred and paid as a monthly charge which shall be added to the amount of the Columns A rates for the initial contract period selected. The monthly rates for an adjusted initial contract period and any deferred payment of System Activity and Installation Charges shall be computed utilizing the same time value of money rate used to determine the applicable Columns A rates for the equipment addition.

f. Two-Tier Transition to a Variable Term Payment Plan (VTPP)

- (1) Two-Tier termination charges will be waived for equipment remaining on the customer's premises after transition from the Two-Tier Payment Plan to the VTPP. The customer must elect a VTPP service period longer than one month to qualify for this waiver.
- (2) Termination charges will apply to any equipment removed from the customer's premises at the time of transition from the Two-Tier Payment Plan to the VTPP.
- (3) Customers will be required to pay in full any deferred charges when converting to VTPP from a Two-Tier Payment Plan.
- (4) Supersedure of a discontinued Two-Tier system will be permitted subject to the following conditions:
 - (a) If the customer's entire system is transitioned to VTPP or
 - (b) If the supersedure results from a corporate acquisition or merger of the existing customer. The discontinued Two-Tier system must be transferred intact to the new customer.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plans

- a. The Variable Term Payment Plan is a payment plan which allows customers to pay a fixed rate for equipment and service over one of several optional payment periods. A different monthly rate applies for the duration of each period. The monthly rate varies inversely with the length of the payment period, e.g., the monthly rate for a short period is greater than that for a long period.
- b. The only payment period for software (versions) is the one-month period, except where other terms are specified in this Company's applicable tariffs or product guide. (C)
- c. During the effective term of a customer payment period, the monthly rate is not subject to Telephone Company initiated change for payment periods longer than one month.
- d. Explanation of Terms
 - (1) Addition

The provision of supplementary equipment to a customer's installed system up to the capacity of the system; an addition of equipment is not classified as an upgrade.
 - (2) Conversion

The removal of a customer's installed system and its replacement with a different system, under terms specified in other applicable tariffs or product guides. (C)
 - (3) Downgrade

Tariff-enumerated changes to an installed system generally resulting in a decrease in capacity, capability and/or a lower per month charge.
 - (4) License Fee

A monthly recurring charge, the payment of which gives a customer license to use an identified software product and/or service.
 - (5) Minor Equipment Modifications

Alteration to an item or items of equipment or service installed on a customer's premises, as specified in other applicable tariffs or product guides. (C)

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plans (Cont'd)

d. Explanation of Terms (Cont'd)

(6) Payment Period

A period of time selected by the customer from among those currently offered by the Telephone Company, over which the customer agrees to pay a specified rate for a product and/or service.

(7) Release

The modified software that is provided for installation of an existing system at Telephone Company initiative that improves the functional capacity of the software.

(8) Removal

Deletion of equipment or service from a customer's installed system.

(9) Upgrade

A tariff-enumerated enhancement to an installed system by a major equipment addition or substitution, generally resulting in a higher monthly charge.

(10) Version

A separate software program or group of programs that is referenced by a distinguishing code (numeric, alphabetic or alphanumeric). The version may be industry- or customer-specific in application, or it may provide functional enhancements to previously released software versions.

e. Application of Rates and Charges

- (1) The monthly rate applicable at the time a customer subscribes to a product under the Variable Term Payment Plan is not subject to Telephone Company initiated change during any optional payment period longer than one month.
- (2) Move and Relocation charges will apply for a customer-requested move or relocation of an installed product or system.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plans (Cont'd)

e. Application of Rates and Charges (Cont'd)

- (3) In the event that all or any part of the service is disconnected at customer request prior to expiration of any selected payment period of greater than one month's duration, the customer will be required to pay a termination charge as stated in other applicable tariffs or product guide. (C)
- (4) Eligible charges, as specified in the provision for Deferred Payment Option following, may be paid in full upon request or may be deferred according to the terms and conditions specified for Deferred Payments.

f. Additions

- (1) Equipment can be added to an existing system at the customer's option, and the payment of rates and charges in the currently effective applicable tariff or product guide for such service will be applied. (C)
- (2) At the customer's option, unless otherwise specified, additions may be paid for over the remainder of the existing system's payment period, and be added onto the existing agreement, providing at least 30 days remain in the customer's existing payment period. The addition and installed system payment periods will then have a common expiration date. The charges for the additions will be the current filed rates for the equipment for the same payment period as the installed system's existing payment period. If the installed system's payment period is no longer offered, the rate charged for the addition will be that of the next shorter filed payment period.

If less than 30 days remain in the current payment period, additions may only be placed on the one-month payment period at the current rates in effect for the one-month period.
- (3) The customer may also select a different payment period of equal or shorter length than the time remaining in the period selected for the existing installed system at the current filed rates for the selected period. The additions may then have a different expiration date than the existing installed system.

When the addition and the existing installed system's expiration dates differ, the customer must select a new payment period for the addition, at the time of its expiration, according to the terms and conditions specified for Variable Term Payment Plans.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plans (Cont'd)

f. Additions (Cont'd)

- (4) Equipment added to an upgraded system coterminously, will be charged for at the current rates for the payment period equal to the installed system's existing payment period, excluding any extension period. The charges will be applicable for the remainder of the existing payment period, including any extension period.

Additions to upgraded systems may also be ordered for payment periods shorter than or equal to the payment period prior to the addition, plus the extension period, at the current rates for the selected period.

- (5) Termination charges for premature disconnection of the added equipment will apply for payment periods longer than one month.
- (6) Additions are exempt from Telephone Company initiated rate changes for all payment periods longer than one month.

g. Upgrades

- (1) Allowable upgrades to products and systems offered by the Telephone Company are as specified in other tariffs or product guides currently in effect for offerings under a Variable Term Payment Plan. (C)
- (2) A customer who elects to upgrade an installed product or system may choose one of two options, unless otherwise specified in the product tariffs.
- (a) The existing payment period may be extended by a period of time specified in the product tariff or product guide, and the new and previously installed equipment will expire on the same date. The rate levels applicable for the new equipment are those currently in effect for the payment period which the customer had selected prior to the upgrade, while the rates for equipment previously installed and continuing in service are unaffected. (C)

If the payment period selected by the customer prior to the upgrade has been discontinued in the tariff, the new equipment will be billed at rates applicable for the next shorter payment period in the current tariff or product guide. (C)

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plans (Cont'd)

g. Upgrades (Cont'd)

(2) Cont'd)

- (b) The new equipment may be billed over a currently available payment period of equal or shorter length than the time remaining in the existing payment period. Current rates apply for the selected payment period for the new equipment, and rates for equipment previously installed and continuing in service are unaffected. The expiration date of the new equipment is then either the same as or earlier than that of the previously installed system.

When the expiration date of the new equipment is earlier, at the time of expiration the customer must select another payment period for the new equipment according to the terms and conditions stated in this paragraph. The extension period option is not available under this condition.

- (3) A customer on the one-month payment period may elect to upgrade; however, the payment period will not be extended.
- (4) The new equipment is exempt from Telephone Company initiated rate changes for all payment periods longer than one month.
- (5) Termination charges will apply to equipment disconnected prior to expiration for all payment periods longer than one month.

h. Conversions

- (1) Conversions to installed systems are as specified in other tariffs currently in effect for offerings under the Variable Term Payment Plan.
- (2) The service agreement for a currently installed system terminates when conversion occurs.
- (3) The customer must select a currently available payment period for the new system. The current rates for the chosen period would apply to any new equipment as well as to any remaining equipment from the previously installed system.

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GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plans (Cont'd)

h. Conversions (Cont'd)

- (4) Termination charges will apply to all equipment removed prior to expiration of the selected payment period. Termination charges will not apply to any equipment remaining on the customer's premises for use in the new system provided the customer selects a new payment period equal to or longer than the time remaining under the former payment period.

i. Removals

- (1) Removal of equipment from a system for which the current payment period is longer than one month will not affect the expiration date of the remaining equipment and service.
- (2) Removal of equipment that is unique or identifiable by a code will be recognized through application of a termination charge for that specific unit. Removal of equipment that is not unique or identifiable by a code, where two or more units of the same type of equipment are on the customer's premises, will be recognized through the following provisions:
 - (a) The specific units of equipment no longer desired by the customer will be removed.
 - (b) The lowest termination charge for the type of equipment removed will apply.

j. Downgrades

- (1) Allowable downgrades for installed systems are as specified in other applicable tariffs or product guides. (C)
- (2) A customer has the option to place any new equipment at the time of the downgrade on a coterminous payment period, unless otherwise specified. Rates for the new equipment are those currently in effect for the original payment period, or if the period is no longer available, for the next shorter one. The rates for equipment remaining on the customer's premises after the downgrade will not be affected.

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GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Periods (Cont'd)

j. Downgrades (Cont'd)

- (3) When a coterminous payment period is not chosen, the customer must select a payment period of equal or shorter length than the time remaining in the current payment period. Equipment remaining on the customer's premises will continue being billed at the rates in effect prior to the downgrade. The new equipment may then have a different expiration date from the equipment which remained after downgrading.

When the expiration dates differ, the customer must select a new payment period for the equipment, at the time of expiration, added at the time when the system was downgraded according to the terms and conditions specified for Variable Term Payment Plans.

- (4) Termination charges do not apply for equipment which becomes part of the downgraded system. Termination charges do apply for equipment removed in downgrading the system.

k. Releases

- (1) New releases of software will be offered to a customer on Telephone Company initiative at no additional charge and will include improvements to the functional capacity of the software.
- (2) No charges apply to any hardware changes necessitated by a new release.

l. Versions

- (1) Termination charges do not apply for the removal or deletion of software versions, unless otherwise specified in the applicable tariffs.
- (2) A new version may result in a higher monthly charge.
- (3) All version replacements requiring hardware changes will be tariff-enumerated, under specific product headings.
- (4) Appropriate charges will apply for hardware changes resulting from version changes, as specified herein and in other applicable tariffs or product guide.

(C)

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GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Periods (Cont'd)

m. Relocations of Equipment

(1) Lapse in Service

(a) Within the territory of the Telephone Company

- I. The customer may arrange to have service relocated on a lapse-in-service basis at charges based on estimated costs without interruption or change of Variable Term Payments.
- II. Installation Charges will not be applicable.
- III. Billing for the original location will apply through the date service is disconnected. Billing for the new location will be effective the next day. The first bill rendered after service is reestablished will contain advance billing and, if applicable, retroactive billing from the date of disconnect. Progression of the payment period will be unaffected.
- IV. Complete arrangements or systems must be relocated in lieu of individual components, where components are dependent on host units for operation, except as otherwise specified. Where components operate independently and are covered by other tariff charges, such as data terminals, the customer may select units to be relocated and units to be terminated from the agreement, subject to any restrictions in the tariffs or product guides. (C)
- V. Transfer of service between two customers within four months of a lapse-in-service move between premises is not permitted except as otherwise specified in this Company's applicable tariffs or product guides. (C)

- (b) Between Exchanges of the Telephone Company in Different States or between the Telephone Company and another associated Company in a Different State.

Customer requests for lapse-in-service relocations between exchanges of the Telephone Company in different states or between exchanges involving another associated Company in a different state will be provided under the same conditions as described preceding, except as follows:

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GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plan (Cont'd)

m. Relocations of Equipment (Cont'd)

(1) Lapse in Service (Cont'd)

(b) (Cont'd)

- I. Billing for the original location will apply through the date service is disconnected. Billing for the new location will be effective on the next day.

The rates in the new location will be those in effect for new customers. Rate stability against Telephone Company initiated changes shall be provided at the new rates for the remainder of the customer's payment period.

The first bill rendered after service is reestablished will contain advance billing and, if applicable, retroactive billing from the date of disconnect. Progression of the payment periods will be unaffected.

- II. Tariffs or product guides for the same service and payment periods must exist in both states or Telephone Companies at the time of the relocation. If tariffs or product guides exist for the same service, but the lengths of the periods available are different, the customer must select a payment period available in the new state or Telephone Company. The new period must be of an equal or longer length than the time remaining in the current selected period, subject to the conditions specified for Requests for Changes in Length of Optional Payment Periods, following.

(2) In-service

An in-service relocation under the plan will be considered a termination of service with applicable termination charges. The customer will be required to select a currently available payment period, including applicable one-time charges.

n. Transitions to Variable Term Payment Plans from Two-tier Payment Plans

- (1) The monthly license fee will be waived for versions remaining in the customer's system after transition from a two-tier payment plan to a variable term payment plan.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plan (Cont'd)

n. Transitions to Variable Term Payment Plans from Two-tier Payment Plans (Cont'd)

- (2) Additions, upgrades, conversions, downgrades and versions offered exclusively under variable term payment plan will be available to existing two-tier payment plan customers only when they convert their systems to a variable term payment plan except as otherwise specified in this Company's applicable tariff.

o. Requests for Changes in Length of Optional Payment Period

Subsequent to the establishment of service for an item furnished under a variable term payment plan period and prior to completion of that period, the existing payment period may be replaced by:

- (1) A currently offered payment period at the current rates, with a length equal to or longer than the time remaining in the existing service agreement, subject to the following conditions:
- (a) No credit will be given for payments made during the formerly selected period. However, one-time charges will not be reapplied.
 - (b) The new payment period begins with the date requested.
 - (c) No termination charge applies for the former payment period.
- (2) A currently offered payment period at the current rates, with a length shorter than the time remaining in the existing service agreement, subject to the following conditions:
- I. No credit will be given for payments made during the formerly selected period. However, one-time charges will not be reapplied.
 - II. The new payment period begins with the date requested.
 - III. A termination charge applies for the former payment period.

The new payment period must have an expiration date equal to or shorter than the time remaining for the existing installed system.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plan (Cont'd)

p. Renewal Options

The customer has the following renewal options:

- (1) Prior to the completion of the current payment period, any period available under the Variable Term Payment Plan may be selected. The rates in effect for new customers at the time the renewal is effective will apply. The customer will be charged the current rate for the renewal payment period commencing the day following completion of the prior payment period.
- (2) Service may be continued on a month-to-month basis at the current rate for the one-month payment period, unless otherwise specified in other tariffs. The customer has no additional service commitment and, consequently, when service is terminated will not be subject to any termination charge. The one-month service will be subject to Telephone Company initiated rate adjustments.
- (3) If the customer does not elect an additional payment period and does not request discontinuance of service, service will be continued at the monthly rate currently in effect for the one-month payment period under the terms specified preceding.
- (4) If the expiration date for any equipment differs from the installed system's existing expiration date, the customer must choose a new payment period for the item, at the time of expiration, according to the terms and conditions specified for Variable Term Payment Plans.

q. Supersedure

Service may be transferred to a new customer at the same location, except as otherwise specified, upon prior written concurrence by the Telephone Company and payment of a transfer charge by the new customer as specified in other applicable tariffs or product guides. The new customer will be subject to all provisions currently reflected in the service agreement. (C)

r. Deferred Payment Option

Payment of eligible charges for services or equipment subscribed to by a business customer may be deferred over the length of the customer's payment period or a shorter period, in annual increments, at the option of the customer, subject to the following conditions.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plan (Cont'd)

r. Deferred Payment Option (Cont'd)

- (1) Items of service or equipment to which these deferred payment provisions are applicable, are specified in the applicable tariff or product guides for the offering involved. (C)
- (2) The charges eligible to be deferred must be among the following types:
 - (a) Installation Charge
 - (b) Service Establishment Charges
 - (c) Feature Package Version Replacement Charges, but does not apply to subsequent activity
 - I. Activation
 - II. Information/Translation
 - (d) System Feature Charges
 - I. Activation
 - II. Design
- (3) The customer must select a payment period longer than one month for the equipment/software for which charges are deferred.
- (4) A customer may defer a minimum of \$3000 per customer location and per deferred payment agreement.
- (5) Interest on deferred amounts will be calculated at the rate set forth in the deferred payment agreement executed between the customer and the Telephone Company. The interest rate to be charged on deferred payments will be revised periodically by the Telephone Company and will be uniform for all deferred payment agreements executed on any given day. If, in the judgment of the Telephone Company, the maximum interest rate allowed by law is insufficient to cover the costs of providing the deferred payment option, the Telephone Company will suspend the availability of said option until such time as the costs of providing said option can be recovered through the application of a lawful interest rate. Suspension of the deferred payment option will not affect referred payment agreements executed prior to the effective date of such suspension.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plan (Cont'd)

r. Deferred Payment Option (Cont'd)

- (6) The deferred charges, including calculated interest, will be prorated on a monthly basis over the selected deferral period length.
- (7) All deferred charges must be paid in full when the customer:
 - (a) Upgrades, downgrades or converts the system for which the charges were deferred.
 - (b) Selects a payment period with an expiration date prior to the expiration date of the deferral period.
 - (c) Moves equipment/software, for which charges had been deferred, between jurisdictions.
 - (d) Disconnects service, for the system, prior to expiration of the selected deferral period.
 - (e) Fails to pay the deferred payment monthly amount hereunder within 30 days of its due date.
- (8) The customer may prepay only the total outstanding deferred charges at any time during the selected deferral period. The customer will be given a credit for the amount of unearned interest. The customer may not prepay less than the total of the outstanding deferred charges.

s. Prepayment

For payment periods longer than one month, the customer may prepay the total outstanding recurring charges. The following conditions apply.

- (1) Customers who prepay six months or more will have an allowance applied to the remaining portion of the variable term payment plan. A factor of .375% will be credited for each month prepaid.
- (2) Charges for all equipment covered by a deferred payment agreement must be prepaid. Charges must be prepaid for equipment added subsequently and placed on the same deferred payment agreement, i.e., customer elected conterminous option, with a prepaid system.
- (3) Customers who change the length of prepaid payment period will be credited any unused portion of the prepayment.

GENERAL REGULATIONS

D. PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (Cont'd)

8. Variable Term Payment Plan (Cont'd)

s. Prepayment (Cont'd)

- (4) Customers who prematurely disconnect will have any applicable termination charges deducted from the prepaid amount and any balance credited to their account.

E. LIABILITY OF THE TELEPHONE COMPANY

In view of the fact that the customer has exclusive control over the use of service and facilities furnished by the Telephone Company, and because of unavoidableness of errors incident to the services and to the use of such facilities of the Telephone Company, services and facilities are furnished by the Telephone Company subject to the terms, conditions and limitations herein specified:

1. Service Irregularities

The liability of the Telephone Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission, or failures or defects in facilities furnished by the Telephone Company, occurring in the course of furnishing service or other facilities and not caused by the negligence of the customer, shall in no event exceed an amount equivalent to the proportionate charge to the customer for the service or facilities affected during the period such mistake, omission, interruption, delay, error or defect in transmission, or failure or defect in facilities continues after notice and demand to the Telephone Company.

When facilities of others are used in establishing connections to points not reached by the Telephone Company's facilities, the Telephone Company is not liable for any act or omission of others furnishing such facilities.

2. Claims of Misuse of Service

The Telephone Company shall be indemnified and saved harmless by the customer against claims for libel, slander, fraudulent or misleading advertisements or infringement of copyright arising directly or indirectly from the material transmitted over its facilities or the use thereof; against claims for infringement of patents arising from combining or using apparatus and systems of the customer with facilities of the Telephone Company; and against all other claims arising out of any act or omission of the customer in connection with the services and facilities provided by the Telephone Company.

GENERAL REGULATIONS

E. LIABILITY OF THE TELEPHONE COMPANY

3. Directory Errors and Omissions

The Telephone Company's liability arising from errors or omissions in Directory Listings, other than charged listings, shall be limited to the amount of actual impairment to the customer's service and in no event shall exceed one-half the amount of the fixed monthly charges applicable to exchange service or Mobile Telephone Service affected during the period covered by the directory in which the error or omission occurs.

In cases of charged directory listings, the liability of the Telephone Company shall be limited to an amount not exceeding the amount of charges for the charged listing or listings involved during the period covered by the directory in which the error or omission occurs.

4. Defacement of Premises

The Telephone Company is not liable for any defacement of, or damage to, the customer's premises resulting from the furnishing of service or the attachment of equipment and facilities furnished by the Telephone Company on such premises or by the installation or removal thereof, when such defacement or damage is not the result of negligence of the Telephone Company.

5. Facilities and Equipment in Explosive Atmosphere, Hazardous or Inaccessible Locations

The Telephone Company will not provide facilities or equipment in an explosive atmosphere, hazardous or inaccessible location. The network interface will be located outside the hazardous location.

6. Service at Outdoor Locations

The Telephone Company reserves the right to refuse to provide, maintain or restore service at outdoor locations unless the customer agrees in writing to indemnify and save the Telephone Company harmless from and against any and all loss or damage that may result to equipment and facilities furnished by the Telephone Company at such locations. The customer shall likewise indemnify and save the Telephone Company harmless from and against injury to or death of any person which may result from the location and use of such equipment and facilities.

7. Certain Use of Customer-provided Equipment

The services furnished by the Telephone Company, in addition to the limitations set forth preceding, also are subject to the following limitation: the Telephone Company shall not be liable for damage arising out of mistakes, omissions, interruptions, delays, errors or defects in

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GENERAL REGULATIONS

E. LIABILITY OF THE TELEPHONE COMPANY (Cont'd)

7. Certain Use of Customer-provided Equipment (Cont'd)

transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of the Telephone Company, (a) caused by customer-provided equipment except where a contributing cause is the malfunctioning of a Telephone Company provided connecting arrangement, in which event the liability of the Telephone Company shall not exceed an amount equal to a proportional amount of the Telephone Company billing for the period of service during which such mistake, omission, interruption, delay, error, defect in transmission or injury occurs, or (b) not prevented by customer-provided equipment but which would have been prevented had Telephone Company provided equipment been used.

8. Billed Number Screening

At the option of the Telephone Company, or in response to a customer request, Billed Number screening will be used to control instances of fraud associated with billed to a third party, station-to-station collect or person-to-person collect messages.

9. Electric Power Supply

Whenever commercial power or its equivalent is required to operate service and facilities provided by the Telephone Company at the customer's premises, the customer shall:

1. Furnish such power which shall be suitable for the purpose, and
2. Provide and maintain all necessary power wiring and power outlets at convenient locations.

In the event of a commercial power failure, the Telephone Company shall have no liability, including liability for any direct or consequential damages, for the resultant interruption of the customer's service. The Telephone Company shall also have no liability for any damage to the customer's premises resulting from the existence of the Customer-provided power supply, wiring or power outlet.

10. Customer will defend and indemnify the Telephone Company, its affiliates, agents and contractors from all third-party claims, liabilities, fines, penalties, costs and expenses, including reasonable attorneys' fees, arising from or related to any acts or omissions by the Customer, Customer's end users or Customer's third-party provider(s) that give rise to any claims of non-compliance of the Telephone Company with any applicable law, including the failure to purchase or implement features that enable compliance with laws.

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GENERAL REGULATIONS

F. LIMITATIONS AND USE OF SERVICE

(M)

1. Use of Customer's Service

The use of service shall be restricted to the customer, the customer's employees and representatives in the case of business service, except as the use of service may be extended for switched data (nonvoice) communications relating directly to the business of Composite Data Service Vendor's patrons who act as their customers or a communications common carrier in the provision of public telegram message service or overseas data message service; or the customer, the customer's family and persons residing in the customer's household in the case of residence service, except as otherwise specified in the Telephone Company's applicable tariffs and product guide. The use of the service may be extended to persons leasing or subleasing a customer's entire residential premises for a period of less than one year.

(M)

Material on this page formerly appeared on Original Page 32.

GENERAL REGULATIONS

F. LIMITATIONS AND USE OF SERVICE

1. Use of Customer's Service (Cont'd)

Service furnished by the Telephone Company is intended only for communications in which the customer has a direct interest and shall not be used for any purpose for which a payment or other compensation shall be received by him from any other person, firm or corporation for such use, or in the collection, transmission or delivery of any communication for others, except as otherwise specified in the Telephone Company's applicable tariffs and product guides. This prohibition shall not apply to a customer who is engaged as a communications common carrier in the provision of public telegram message service or overseas data message service, or to a Composite Data Service Vendor engaged in the business of providing switched data (nonvoice) communications service to patrons who act as their customers.

2. Obligation to Establish Identity

The calling party shall establish their identity in the course of any communication as often as may be necessary.

The calling party shall be solely responsible for establishing the identity of the person or station with whom connection is made at the called location.

3. Cancellation for Cause

The Telephone Company may, without incurring any liability, either suspend or terminate the service for any of the following reasons:

- a. Abandonment of the service.
- b. Nonpayment of any sum due for service.
- c. Use of foul or profane language over the service.
- d. Impersonation of another person with fraudulent intent over the service.
- e. Making of nuisance calls.
- f. Use of service by a customer in connection with a plan or contrivance to secure a large volume of calls to be directed to such customer at or about the same time, resulting in preventing, obstructing, or delaying the service of others.
- g. Reserved. (C)
- h. Reserved. (C)

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GENERAL REGULATIONS

F. LIMITATIONS AND USE OF SERVICE (Cont'd)

3. Cancellation for Cause (Cont'd)

- i. Abuse or fraudulent use of service. Abuse or fraudulent use of service includes:
 - (1) The use of service or facilities of the Telephone Company to transmit a message or to locate a person or otherwise to give or obtain information, without payment of an applicable charge;
 - (2) The obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain telephone service, by rearranging, tampering with, or making connection with any facilities of the Telephone Company, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or in part, of the established charge for such service.
- j. Use of service in such a manner as to interfere with the service of other users.
- k. Use of the service for any purpose other than as a means of communication.
- l. Use of service for unlawful purposes.
- m. Nonpayment of deposit required by the Telephone Company in accordance with PUBLIC SERVICE COMMISSION REGULATIONS GOVERNING SERVICE SUPPLIED by TELEPHONE COMPANIES.
- n. Any other violation of regulations as set forth in the Telephone Company's filed tariffs or product guides. (C)

The Telephone Company may continue such suspension of service until all charges due have been paid and all violations have ceased, or terminate the service without suspension of service or following suspension of service, and disconnect and remove any of its equipment from the customer's premises.

During the period of such suspension all monthly charges apply. However, if subsequently disconnected, the date of termination is considered to be the date service was suspended.

Upon any such termination, the customer shall make payment to the Telephone Company in accordance with the preceding regulations governing Initial Contract Periods and Termination of Service.

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GENERAL REGULATIONS

F. LIMITATIONS AND USE OF SERVICE (Cont'd)

3. Cancellation for Cause (Cont'd)

In the case of dial tone lines for which a customer does not pay associated charges for calls to Audiotex Service or 700 and 900 services telephone numbers, such calling may be restricted.

4. Broadcast of Recordings of Telephone Conversations and Incoming Messages

The broadcasting of a recording of a telephone conversation or incoming message during the period of recording is permitted provided that, in the interest of protecting the privacy of telephone service, the recording is made in accordance with the regulations governing connection with customer-provided voice recording equipment as specified in the Telephone Company's applicable tariff or product guide.

(C)

5. Use for Unlawful Purposes

Service is furnished by the Telephone Company subject to the condition that it will not be used for an unlawful purpose. Service will not be furnished if any law enforcement agency, acting within its jurisdiction, advises that such service is being used or will be used in violation of law, or if the Telephone Company receives other evidence that such service is being or will be so used.

6. Limited Communication

The Telephone Company reserves the right to limit the length of communication when necessary because of a shortage of facilities caused by emergency conditions.

7. Transmitting Messages

The Telephone Company will not transmit messages but furnishes the use of its facilities to its customers for communications. Employees of the Telephone Company are forbidden to accept either oral or written messages to be transmitted over the facilities of the Telephone Company, its Connecting Companies or Miscellaneous Common Carriers.

8. Creation of Additional Channels

Customers, by use of their own equipment, and in accordance with the normal transmission characteristics of the service or grade of channel ordered, may create additional channels for any type of communication. The Telephone Company makes no representation as to the suitability of the channels provided by it for such subdivision into additional channels by the customer.

GENERAL REGULATIONS

F. LIMITATIONS AND USE OF SERVICE (Cont'd)

8. Creation of Additional Channels (Cont'd)

Channels created by the customer from a channel in accordance with the preceding paragraph may be connected at the premises of the customer to channels furnished by the Telephone Company and to channels created therefrom.

9. Transmission of Prerecorded Messages

Use of Telephone Company facilities for transmitting prerecorded messages to the general public is subject to the following conditions:

- a. For purposes of identification, customers to telephone service who transmit prerecorded messages to the general public over facilities provided by the Telephone Company must include in the recorded message the name of the subscribing organization or individual responsible for the service and the address at which the service is provided.
- b. Customers transmitting factual public announcements such as Time, Weather, Stock Market quotations, Airline schedules and similar information are excluded from the preceding condition.
- c. The customer's name, or that of an agent in the case of business service, shall be made available to the public upon request.

G. APPLICATION OF RATES

1. Installation Charges

Installation Charges apply when service or equipment with which an Installation Charge is associated is provided by the Telephone Company. Installation Charges also apply when service or equipment with which an Installation Charge is associated is relocated, moved or changed unless otherwise specified.

2. Nonrecurring Charges

Nonrecurring Charges apply only when service or equipment with which a Nonrecurring Charge is associated is initially provided.

3. Installation Charges do not apply to:

- a. Repair and maintenance of Telephone Company provided service or equipment.
- b. Partial or full disconnection and the removal of equipment associated with the relocation of service.

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GENERAL REGULATIONS

G. APPLICATION OF RATES (Cont'd)

3. Installation Charges do not apply to: (Cont'd)

c. Supersedures, assumption of service and equipment from another customer without lapse in rendition of service.

d. Equipment reconnected in place with the initial establishment of service when no change was made in this equipment.

4. Charges associated with the reestablishment of service, after destruction of the customer's premises by fire, flood or similar causes beyond the customer's control, do not apply where the same amount of service is reestablished within a reasonable period of time at the same or different location. If, under the preceding conditions service is installed at another location and then subsequently reestablished at the original location, all charges will apply at the subsequent installation.

(D)

(D)

