

**TeraBlue, Inc.**

167 West Main Street Suite 102  
Lexington, KY 40507  
859-514-1335

05053650  
0505

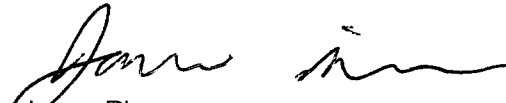
August 8, 2002

Kentucky Public Service Commission

Dear Sir or Madam:

Please accept this tariff for services TeraBlue, Inc. will provide in Kentucky markets where available.

Sincerely,

  
James Risner  
President

**RECEIVED**

AUG 9 2002

PUBLIC SERVICE  
COMMISSION

**ARTICLES OF INCORPORATION  
OF  
TERABLU, INC.**

186888  
RECEIVED & FILED  
50.00  
JAN 12 11 55 AM '00  
JOHN Y. [unclear] CLERK  
SECRETARY  
COMMONWEALTH OF KENTUCKY  
BY [signature]

**KNOW ALL MEN BY THESE PRESENTS:**

**The undersigned does hereby form a corporation under the  
Kentucky Business Corporation Act.**

**ARTICLE I**

**The name of this corporation is TERABLU, INC.**

**ARTICLE II**

**The duration of this corporation shall be perpetual.**

**ARTICLE III**

**The purpose and nature of the business which is to be  
transacted, promoted and carried on by this corporation is providing  
internet and telecommunication services, contract labor and support  
personnel, and marketing products, software, hardware and consulting  
services and related activities and all other acts which may be legally  
transacted in the Commonwealth of Kentucky.**

**ARTICLE IV**

**The address of the principal office and the initial registered office  
of this corporation is 167 E. Main Street, Lexington, Kentucky 40507.**

**The name of the initial registered agent is James E. Risner.**

**ARTICLE V**

**The private property of the shareholders shall not be subject to the payment of corporate debts to any extent whatsoever.**

**ARTICLE VI**

**There shall be one (1) member of the initial board of directors, and thereafter, the number shall be determined by the By-Laws. The following named person shall constitute the initial board of directors, and he shall serve until the first annual meeting of shareholders or until his successors are elected and qualified:**

**James E. Risner  
1600 Woodspring Court  
Lexington, Kentucky 40515**

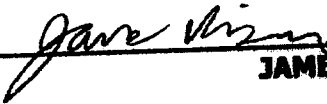
**ARTICLE VII**

**The name and address of the incorporator is James E. Risner, 1600 Woodspring Court, Lexington, Kentucky 40515.**

**ARTICLE VIII**

**The total number of shares of stock authorized to be issued shall be one thousand (1,000) shares of no-par value. The voting power of said stock shall be one vote per share.**

IN WITNESS WHEREOF, I, the incorporator have hereunto set my hand this the 12<sup>th</sup> day January, 2000.

  
\_\_\_\_\_  
JAMES E. RISNER

STATE OF KENTUCKY  
COUNTY OF FAYETTE

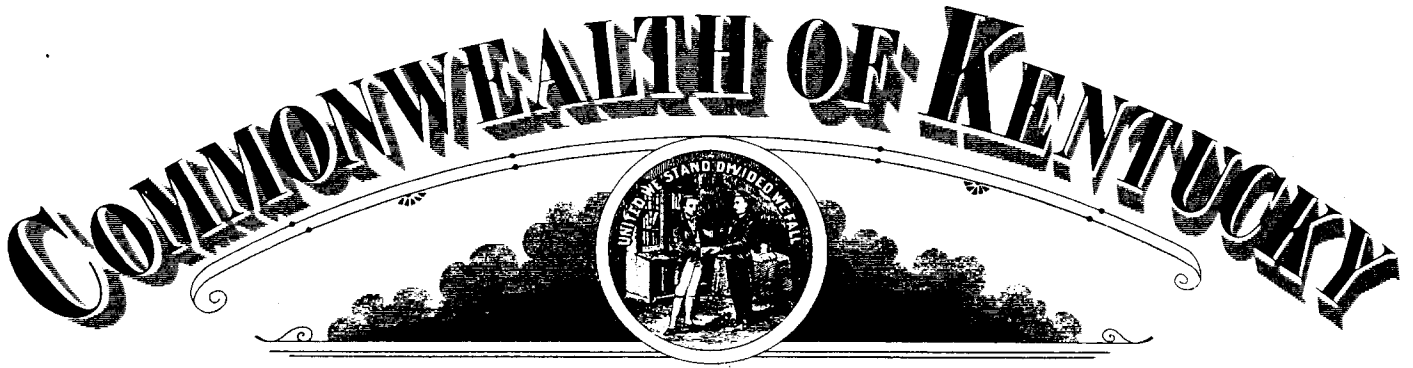
The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of January, 2000 by James E. Risner.

  
\_\_\_\_\_  
Notary Public, State at Large, Kentucky

My Commission Expires: 6 Nov 2002

This Instrument Prepared By:  
Ruth A. Sebastian, Attorney  
P. O. Box 8716  
Lexington, Kentucky 40533  
(606) 226-6071

  
\_\_\_\_\_  
RUTH A. SEBASTIAN



**John Y. Brown III**  
**Secretary of State**

**Certificate of Existence**

I, John Y. Brown III, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

**TERABLUE, INC.**

is a corporation duly organized and existing under KRS Chapter 271B, whose date of incorporation is January 12, 2000 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that articles of dissolution have not been filed; and that the most recent annual report required by KRS 271B.16-220 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 9<sup>th</sup> day of August, 2002.

JOHN Y. BROWN III  
Secretary of State  
Commonwealth of Kentucky

Tmorgan/0486888

**Terablue, Inc.**

167 West Main Street

Lexington, KY 40507

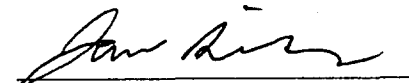
Phone: 859-514-1800 | Fax: 859-259-0051

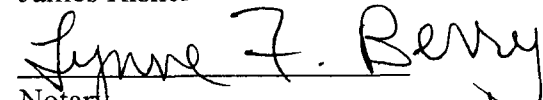
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August 9, 2002

To Whom It May Concern:

I, James Risner, President of Terablue, Inc. do hereby state that Terablue, Inc. has not provided or collected for intrastate service in Kentucky prior to this 8<sup>th</sup> day of August 2002.

  
James Risner

  
Notary

Commission Expires July 25, 2004

# Terablue, Inc.

167 West Main Street

Lexington, KY 40507

Phone: 859-514-1800 | Fax: 859-259-0051

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August 9, 2002

To Whom It May Concern:

This and the following pages contain the information requested by the Commission to file a tariff on behalf of Terablue Inc., of 167 West Main Street, Lexington, KY 40517. The contact person(s) to be reached for customer complaints and regulatory issues is James Risner and may be reached at the following address:

167 West Main Street  
Lexington, KY 40517  
859-514-1800 Voice  
859-259-0051 Fax



TERABLUE, INC.

167 EAST MAIN STREET, SUITE 102  
LEXINGTON, KY 40502

Rates, Rules and Administrative Regulations for Furnishing

Telecommunications Services

Throughout the entire Commonwealth of Kentucky

FILED WITH THE PUBLIC SERVICE COMMISSION  
OF KENTUCKY

Copies of this tariff may be inspected during normal business hours at  
167 West Main Street, Suite 102,  
Lexington, KY 40507.

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Date Issued: August 8, 2002

Date Effective: Effective on Approval

Issued by:

James Risner, President  
TeraBlue, Inc.  
167 West Main Street, Suite 102  
Lexington, KY 40507



TABLE OF CONTENTS

TITLE	1
TABLE OF CONTENTS	2
FORMAT	3
CHECK SHEETS	4
SECTION 1 - RULES AND ADMINISTRATIVE REGULATIONS	5
SECTION 2 - RATES AND CHARGES	9

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FORMAT

- A. Sheet Numbering – Sheet numbers appear in the upper right of each page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers – Revision numbers also appear in the upper right of each page. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4<sup>th</sup> revised sheet 14 cancels the 3<sup>rd</sup> revised sheet 14. Because of various suspension periods, deferrals, etc., the Commission follows in its tariff approval process, the most current sheet number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence – There are nine levels of paragraph coding. Each level of coding is subservient to the next higher level:
- 2.
  - 2.1.
  - 2.1.1.
  - 2.1.1.A.
  - 2.1.1.A.1.
  - 2.1.1.A.1.(a).
  - 2.1.1.A.1.(a).I.
  - 2.1.1.A.1.(a).I.(i)
  - 2.1.1.A.1.(a).I. (i).(1).
- D. Check Sheets – When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this page if these are the only changes made to it. The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on file with the Commission.

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Lexington, KY 40507

CHECK SHEETS

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

<u>Page</u>	<u>Revision Number</u>
1	Original
2	Original
3	Original
4	Original
5	Original
6	Original
7	Original
8	Original
9	Original
10	Original

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TeraBlue, Inc.  
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Lexington, KY 40507

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SECTION 1 - RULES AND ADMINISTRATIVE REGULATIONS1 Rules and Administrative Regulations

TeraBlue, Inc. (hereinafter referred to as "Company") is a telecommunications service provider in Kentucky which offers services in certain locations in Kentucky.

1.1 Description of FiberLAN Service ("Service")

FiberLAN is a local area network provided by the Company through a fiber optic connection from one of the Company's switch centers to the Subscriber's premises. The Company will provide a fiber optic termination panel inside the Subscriber's premises. The Subscriber shall supply the required 100baseFX, 1000baseSX, 1000baseLX/LH, or 1000baseZX equipment, depending on Services ordered.

FiberLAN is a connection oriented service. Subscribers can join one or more VLANs. A VLAN is a logical, virtual local area network built upon the physical Ethernet network. A VLAN tag can be any number from 2 to 999. VLAN tags are assigned by Tera Blue, Inc.

The Subscriber may choose to have one or more VLAN tag assigned to their organization. Each VLAN tag will only be available to other Subscribers via a letter of authorization from the Subscriber. A VLAN tag will not otherwise be used by any other Subscribers. The Service does not require an assignment of a VLAN tag to join VLAN tags assigned to other Subscribers.

The Service has distance limitations based on the distance by fiber the Subscriber is located from the nearest Company facilities. The following table sets forth the distances allowed for each of the available products:

100baseFX	10 kilometers
1000baseSX	550 meters
1000baseLX/LH	10 kilometers
1000baseZX	100 kilometers

1.1.1 Standard Features

Subscriber is provided with an initial VLAN tag for each FiberLAN service which will enable Subscriber to join a pre-assigned VLAN.

1.1.2 Optional Features


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TeraBlue, Inc.  
167 West Main Street, Suite 102  
Lexington, KY 40507

Subscriber may select from the following optional features: (a) additional VLAN tags to be assigned to a Subscriber to be used to connect to any other FiberLAN connection owned by Subscriber, and (b) additional VLAN tags to join additional VLANs assigned to any other FiberLAN customers for delivery of Internet Services and other data services.

1.2 Individual Case Basis (ICB) Agreements

The Company may respond to bona fide request for proposals on a case by case basis with a custom agreement for a product or service not specified in this tariff. These agreements and rates will be offered in writing and on a non-discriminatory basis.

1.3 Undertaking of the Company

The Company undertakes to provide Service to Subscribers pursuant to the terms and conditions of this Tariff.

1.4 Refusal or Termination of Services

The Company reserves the right to refuse or terminate Service:

- 1.4.1 If the Subscriber does not pay Subscriber's bill by the specified due date;
- 1.4.2 As a result of conditions beyond the Company's control;
- 1.4.3 When the Subscriber is using service in violation of the provisions of this tariff or in violation of any law;
- 1.4.4 If Subscriber requests special construction and does not pay in advance for the special construction; or
- 1.4.5 For any other reason authorized under the administrative regulations of the Kentucky Public Service Commission as the same may be amended.

1.5 Payment of Service

Subscriber is responsible for payment of Non-Recurring Charges in advance and for payment of Recurring Charges before the Services are provided each month. The accepted forms of payment are cash, check and certified funds. The remittance address will be indicated on the monthly invoice.

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TeraBlue, Inc.  
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Lexington, KY 40507

1.6 Credit Requirements

The Company reserves the right to examine the credit record and check the references of all applicants and customers. The Company may examine the credit profile/record of any applicant prior to accepting the service order. Acceptance of an application itself shall not obligate the Company to provide services or to continue to provide services, if a later check of applicant's credit record is, in the sole reasonable discretion of the Company, contrary to the best interests of the Company.

1.7 Taxes

Subscriber is responsible for paying all applicable taxes, including but not limited to, federal, state, local, franchise and excise, school, Emergency 911, municipal utilities, FCC access, federal universal service, FCC local number portability, TRSRDD Surcharge, and Kentucky Lifeline Charge. Taxes for Services will be billed by Company as separate line items on Subscriber's invoice and are not included in any rates set forth in this Tariff.

1.8 Complaints

Subscriber may register a complaint regarding the Company at the following address or phone number:

Tera Blue, Inc.  
167 West Main Street Suite 102  
Lexington KY 40507  
(859) 514-1335

Any unresolved disputes may be directed to:

Kentucky Public Service Commission  
211 Sower Blvd.  
P.O. BOX 615  
Frankfort, KY 40602  
(502) 564-3940

1.9 Limitation of Liability

The Company's liability with respect to any action, claim, judgment, exemplary damages, punitive damages, damages, liability, loss of profits, attorneys' fees, court costs or other expenses arising out of any action, inaction, mistakes, interruptions, omissions, delays,

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errors, or defects performed by the Company, the Subscriber, or any other party will in no event exceed an amount equal to the Service charges incurred by the Subscriber for the month during which the event occurred. The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service.

The Company and its partners, officers, directors, employees, and agents shall be fully indemnified and held harmless by the Subscriber with respect to any action, claim, judgment, exemplary damages, punitive damages, damages, demand, liability, loss of profits, attorneys' fees, court costs or other expenses arising, directly or indirectly, from the installation, operation, use (or failure to use), maintenance, removal or condition of Services or of any of Company's equipment used in the provision of Services.

Any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.

1.10 Full Force and Effect

Should any provision of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid, or unenforceable, the remaining provisions of this Tariff will remain in full force and effect. This Tariff is to be governed by and construed in accordance with the rules and orders of the Kentucky Public Service Commission and the laws of the State of Kentucky.

1.11 Special Promotions

The Company will from time to time, offer special promotions to its customers and to the public. These promotions will have specific starting and ending dates and under no circumstances will run for longer than 120 days in any 12-month period.

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Issued by:

James Risner, President  
TeraBlue, Inc.  
167 West Main Street, Suite 102  
Lexington, KY 40507

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SECTION 2 - RATES AND CHARGES2.1 Non-Recurring Charges2.1.1 Returned Check Charge

The Subscriber will be charged thirty-five dollars (\$35.00) for each check returned for insufficient funds by the issuing bank.

2.1.2 Late Payment Fees

Any unpaid balance remaining on the due date will have a charge of 5 percent (5%) or twenty dollars (\$20) whichever is larger. Payments are applied toward unpaid balances first and unpaid late charges second.

2.1.3 Reconnection Charge

If Subscriber's Service is disconnected or limited due to unpaid balances or violation of the rules of this tariff or any administrative regulation of the Kentucky Public Service Commission, the service can be restored within the first fourteen (14) days for a fee of \$100 per circuit or connection. After fourteen (14) days, Service can be restored by paying the prevailing installation charge in this tariff for the Service disconnected or limited.

2.1.4 Early Cancellation Fees

If the Subscriber requests the Service to be canceled, the Company disconnected Service due to Section 2.1.3, or the Company discontinues Service due to Section 1.4.3 before the end of the term of the Service, the Subscriber agrees to pay fifty percent (50%) of the remaining charges to the end of the term agreement. This is in addition to any unpaid balance.

2.1.5 Initial Installation and Turn-On Charges

Subscribers must pay the actual cost of construction of new facilities from the Company's nearest existing facilities to the customer's location. Construction costs will be specified in writing to Subscriber prior to the start of construction. In addition, Subscribers must pay turn-on charges in accordance with the following table:

100baseFX	\$1800.00
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Lexington, KY 40507



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1000baseSX	\$4800.00
1000baseLX/LH	\$5550.00
1000baseZX	\$8300.00
Assignment of VLAN tag	\$35.00
Join an additional VLAN	\$35.00

## 2.2 Recurring Charges

The following table sets forth the rates for service in all service areas for all Subscribers:

100baseFX	\$100.00/month
1000baseSX	\$200.00/month
1000baseLX/LH	\$200.00/month
1000baseZX	\$200.00/month
Assignment of VLAN tag	\$100.00/month
Join an additional VLAN	\$6.00/month

## 2.3 Bill Sample

The following page is a sample of the Company's billing format.

## 2.4 Special Promotions

To be announced.

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Date Issued: August 8, 2002

Date Effective: Effective on Approval

Issued by:

James Risner, President  
TeraBlue, Inc.  
167 West Main Street, Suite 102  
Lexington, KY 40507

# Invoice

Invoice Number:  
102

Invoice Date:  
Aug 1, 2002

Page:  
1

Terablue, Inc  
167 W Main St  
Suite 804  
Lexington, KY 40507

Voice: 859-514-1800  
Fax: 859-514-1340

Sold To:  
JOHN DOE

Ship to:

Customer ID		Customer PO		Payment Terms	
JOHN DOE				Net 25 Days	
Sales Rep ID		Shipping Method		Ship Date	Due Date
		Courier			8/26/02
Quantity	Item	Description		Unit Price	Extension
1.00		100 BASE FX		100.00	100.00
1.00		ASSIGNMENT OF VLAN TAG		100.00	100.00
1.00		TAX		12.00	12.00

Subtotal 212.00  
Sales Tax  
Total Invoice Amount 212.00  
Payment Received  
**TOTAL 212.00**

Check No:

We will add finance charges on invoices more than 30 days overdue.