



July 25, 2005

RECEIVED

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PUBLIC SERVICE
COMMISSION

Beth O'Donnell
Executive Director
Public Service Commission
Commonwealth of Kentucky
211 Sower Boulevard
Frankfort, KY 40602-0615

Re: Case No. 2005-00186

Dear Ms. O'Donnell:

This letter is in response to the Commission's Order in Case No. 2005-00186 to provide five copies of our responses to the Attorney General's information requests. Please find the answers of Granite Telecommunications, LLC as follows:

1. Granite does not create or distribute advertisements, written or audio/visual solicitations or written or audio/visual explanations provided to the public to introduce, explain and/or market any plan labeled or otherwise described as "unlimited".
2. A copy of Granite's standard customer contract for use in all areas with all products is enclosed with this letter. Granite does not require a formal contract apart from the letter of agency mandated by federal regulations.

If you have any questions, please contact me at 617-933-7381.

Respectfully submitted,

A handwritten signature in cursive script that reads "Neill S. MacLeod-Hunter".

Neill S. MacLeod-Hunter, Esq.
Regulatory Compliance

cc: Office of Rate Intervention



Commercial Account New Service Agreement

This Agreement (the "Agreement") is entered into by and between Granite Telecommunications, LLC, a Delaware limited liability company, with its principal place of business at 234 Copeland Street, Quincy, Massachusetts 02169 (hereinafter referred to as "Granite") and _____, a _____, with its principal place of business at _____ (hereinafter referred to as "Customer"). Both Granite and Customer are each referred to herein from time to time as a "Party" and, collectively, as the "Parties".

RECITALS

WHEREAS, Granite provides certain local and long distance telecommunications services through electronic bonding with an incumbent underlying carrier using commercial wholesale platforms; and

WHEREAS, Granite is prepared to supply a discount off of the incumbent local exchange carrier's standard tariffed rates and provide consolidated billing information for all of Customer locations; and

WHEREAS, Granite is prepared to supply and provide discounts for Plain Old Telephone Service ("POTS") both analog and digital, PBX Trunks, 2-Way Trunks; and

WHEREAS, Customer wishes to obtain Services from Granite according to the terms and conditions set forth herein; and

WHEREAS, The Parties wish to set forth the terms and conditions under which Customer may, from time to time, order Services from Granite;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the Parties hereby agree as follows:

1. Scope.

This Agreement sets forth the terms and conditions controlling Granite's Service and Customer's obligations to Granite for Services ordered by Customer from Granite. Nothing in this Agreement shall be construed as obligating Customer to order any particular minimum volume of service, except as noted under selected Service Plan.

2. Definitions.

Terms appearing in this Agreement or in its Attachments are defined either in this Agreement or in the Attachments. Words or expressions not defined are to be construed as having the meaning generally attributed to them in the telecommunications industry.

3. Service.

(a) Services. "Services" shall mean any telecommunications service offered by Granite available to Customer. Customer acknowledges that such services may change from time to time.

(b) Service Plan. "Service Plan" means the Rates and Services offered by Granite to Customer, which Customer has selected, and the terms and conditions of providing such Service and/or rate plan.

(c) Effective Date. The "Effective Date" of this Agreement shall be the date Customer agrees to and signs this Agreement.

(d) Term. The term of this Agreement shall begin on the Effective Date (the "Term"). There is no minimum period required for a selected Service Plan.

(e) Rates. The rates and other charges and conditions for Services are described in Attachment A. If the incumbent local exchange carrier's standard retail tariff changes, Granite will provide its discount off the new tariffed rate. Granite reserves the right to change the percentage discount, but only should Granite's underlying carrier costs change.

(f) Use of Service. Customer agrees not to use the Services for any unlawful or abusive purpose, or in a way contrary to the Company's rules or the terms and conditions of this Agreement, or in any way that damages property or interferes with or disrupts system or other users or that is in any way unlawful.

4. Billing and Payment.

Customer is responsible for paying all charges billed to Customer's account for Services and invoiced to Customer. Invoice are payable as of the date of the invoice.

5. Limitation of Liability.

Subject to the express terms hereof, in no circumstances shall either Party be liable to the other in contract, tort or otherwise for any loss of business, contracts, profits or for any indirect, incidental, exemplary, special, punitive or consequential damages. Without regard to the limitation set forth in the foregoing, however, Granite will indemnify Customer for Granite's failure to provide Service, in violation of applicable federal, state or local laws. These provisions shall survive the expiration or termination of this Agreement for any reason.

6. Warranty.

GRANITE MAKES NO EXPRESS WARRANTY REGARDING THE SERVICES OR ANY EQUIPMENT SOLD BY GRANITE TO CUSTOMER AND DISCLAIMS ANY IMPLIED WARRANTY, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. GRANITE DOES NOT AUTHORIZE ANYONE TO MAKE ANY WARRANTY ON OUR BEHALF AND CUSTOMER SHOULD NOT RELY ON ANY SUCH STATEMENT. GRANITE IS NOT THE MANUFACTURER OF ANY EQUIPMENT SOLD TO CUSTOMER AND ANY STATEMENT REGARDING IT SHOULD NOT BE INTERPRETED AS A WARRANTY. TO THE EXTENT THAT GRANITE OR GRANITE'S AGENTS OR SUBCONTRACTORS PERFORM INSTALLATIONS AT CUSTOMER STORES, GRANITE WARRANTS THAT SUCH AGENTS OR SUBCONTRACTORS SHALL PERFORM THE SERVICES IN A PROFESSIONAL AND WORKMANLIKE MANNER.

7. Force Majeure.

Neither Party shall be liable under this Agreement for delays, failures to perform, damages, losses or destruction, or malfunction of any equipment, or any consequence thereof, caused by, or due to fire, earthquake, flood, water, the elements, third, party labor disputes, utility curtailments, power failures, explosions, civil disturbances, acts of terrorism, governmental actions, shortages of equipment or supplies, unavailability of transportation, acts or omissions of third parties or any cause beyond its reasonable control.

8. Jurisdiction.

This Agreement shall in all respects operate and be construed in accordance with the laws of the Commonwealth of Massachusetts. In the event of a dispute under this Agreement which cannot be resolved by discussion, then either Party may give the other a notice requiring the matter to be solved by arbitration.

9. Notice.

Notices from a Party concerning this Agreement must be written and delivered to the other Party at the address shown below (i) in person, (ii) by certified mail, return receipt requested, or (iii) by traceable overnight delivery. Notice will be effective upon delivery to the address shown below:

If to Granite:

Granite Telecommunications, LLC
234 Copeland Street
Quincy, MA 02169
Attention: Premier Account Manager

Granite Sales: (866) 847-1500

Granite Customer Service: (866) 847-5500

If to Customer:

10. Termination.

Without prejudice to its other rights, Granite shall have the right to suspend service under this Agreement by notice in writing to Customer and to claim damages for any resulting losses or reasonable expenses if the Customer engages in criminal or willful tortious misconduct with regard to the Services or carries out any fraudulent activity with the intention of misleading or obtaining benefit from Granite. Customer may without penalty or liability terminate this Agreement or any individual line or Service at any time. In the event Customer elects to terminate this Agreement or any individual line or Service, Granite will cooperate in effecting an orderly transition of the affected Services to third party services chosen by Customer in its sole discretion.

11. Work on Customer Premises.

Granite's employees, agents and subcontractors shall, whenever on Customer's premises, obey all reasonable instructions and security procedures and any other reasonable processes, policies, standards, procedures and directions issued by Customer.

12. Changes to this Agreement.

Granite may amend this Agreement and its Attachments, including provisions regarding the use of Services, Service Plans, charges and prices, and other products, but not without written consent from Customer. Customer has the option to change Services, or features of Services, at any time by notifying Granite.

13. Authorization.

Customer authorizes Granite to do the following in connection with Services ordered by Customer under this Agreement:

(a) For each of the telephone numbers provided by Customer to Granite at any time, and for each of the service types designated for said telephone numbers, Customer authorizes Granite to change Customer's telecommunications provider and select Granite as the new telecommunications provider.

(b) Customer appoints Granite Telecommunications to act as Customer's agent to effect the change(s) of provider described herein and authorizes Granite to handle all arrangements, including ordering, changing and/or maintaining Customer's service.

(c) Customer authorizes Granite Telecommunications to perform reasonable credit checks from time to time and investigate Customer's financial references.

(d) Customer chooses Granite Telecommunications to provide Services to Customer described as set forth in the Attachments or as may be otherwise ordered and requested by Customer from time to time.

14. Attachments.

The following attachments (the "Attachments") are made a part of this Agreement and incorporated herein by this reference:

(a) Attachment A ("Commercial Account New Service Form and Letter of Agency").

15. Miscellaneous.

(a) This Agreement sets forth the entire understanding of the Parties and supersedes any and all prior agreements, representations and understandings relating to the subject matter hereof.

(b) Each Party, its employees, agents and representatives are not employees, servants, partners or joint venturers of or with the other Party. Granite is an independent contractor and will at all times direct, control and supervise all of its employees.

(c) If any provision of this Agreement or part of said provision is determined to be invalid or unenforceable, this Agreement will be construed as if it did not contain such provision or part thereof.

(d) As used in this Agreement, the singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine and neuter shall each include the masculine, feminine or neuter, as the context requires.

(e) The failure of a Party to insist upon strict performance of any provision of this Agreement in any one or more instances will not be construed as a waiver or relinquishment of such provision and the same will remain in full force and effect.

(f) Neither party may assign this Agreement, in whole or in part, without the other Party's written consent (which will not be unreasonably withheld), except that no such consent is required in connection with (i) a merger, reorganization or sale of all, or substantially all, of such party's assets or (ii) either Party's assignment of this Agreement in its entirety to an affiliate. Any attempt to assign this Agreement other than as permitted above is void. This Agreement is binding upon and inures to the benefit of the parties to this Agreement and their respective successors and permitted assigns.

(g) Except as required by a valid court order, law, rule, regulation or other governmental action, neither Party shall make any reference in any manner, including, without limitation, for general marketing purposes (including, without limitation, in any press release, customer list, web site, presentation, or other media or method), to the other Party (including without limitation the use of such party's name, logo, trademarks and identifying description or information), the specific terms of this Agreement, or the relationship created herein without the prior written consent of the other Party, which consent may be granted or withheld at such other Party's sole discretion.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and each individual whose signature appears below hereby warrants that he is duly authorized to execute this Agreement on behalf of the Party he represents.

GRANITE TELECOMMUNICATIONS, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attachment A

Commercial Account New Service Form and Letter of Agency

Agent/Sales Exec. _____ Order Date: _____

Business Name: _____

Contact Name: _____

Phone # (____) _____ - _____

Mailing (Billing) Address

Street _____ Suite # _____

City _____ State ____ Zip _____

Service Address (if different from above)

Street _____ Suite # _____

City _____ State ____ Zip _____

Main Telephone Number (____) _____ - _____

Additional Billing Telephone Numbers at the same location:

(____) _____ - _____ (____) _____ - _____

(____) _____ - _____ (____) _____ - _____

Copy of most recent local and long distance bill required

Please Check if Attaching Multi-Location Form.

Receive Bill via E-Mail Only
Email Address: _____

Receive Detailed Bill Instead of Summary

For **Sales**, Call (866)847-1500 For **Service**, Call (866)847-5500

UNE-FIED LOCAL PLAN
20%-30%* off tariffed rates for all local fixed charges, all local features, all local usage & one time charges.

NATIONAL PLAN
\$.049 state to state long distance.

Inside Wire Maintenance
(\$5.00/month/line)

Voicemail

Calling Cards

Toll Free (800/888)

Attach Responsible organization Change Auth.

Tax Exempt

Attach Exempt Certificate

Features or Special Instructions ("As is" or Specify):

Letter of Agency

By signing below, the customer agrees as follows:

1. For each of the telephone numbers listed, and for each of the service types designated, I am authorized to change my communications provider and I select Granite Telecommunications.
2. I appoint Granite Telecommunications to act as my agent to effect the change(s) of provider described here and authorize Granite Telecommunications to handle all arrangements, including ordering, changing and/or maintaining my service.
3. I authorize Granite Telecommunications to perform credit checks and investigate my financial references.
4. I choose Granite Telecommunications to provide my Local _____; Regional (IntraLata Toll) _____; and/or Long Distance to include Domestic, International and Offshore _____ telecommunications service.

Authorized Signature _____ Date _____

Printed Name _____ Title _____

*20% discount available Nationwide, 30% only available in the BellSouth™ territory.