Inter Mountain Cable, Inc. d/b/a Mikrotec Communications d/b/a MTS Communications

INTER MOUNTAIN CABLE, INC.
D/B/A MIKROTEC COMMUNICATIONS
D/B/A MTS COMMUNICATIONS

PSC KY TARIFF NO. 1
Original Cover Sheet
(N)

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
APPLYING TO END-USER
COMMUNICATION SERVICES WITHIN
THE COMMONWEALTH OF KENTUCKY

INTER MOUNTAIN CABLE, INC.
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RATES, RULES AND REGULATIONS FOR FURNISHING NETWORK TRANSMISSION SERVICE (INCLUDING DIGITAL CHANNELS) BETWEEN FIXED POINTS IN THE COMMONWEALTH OF KENTUCKY.

This tariff is on file with the Kentucky Public Service Commission, and copies may be inspected during normal business hours at the company's principle place of business.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAR 12 2000

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)
BY: Stephanie Bell
SECRETARY OF THE COMMISSION

Issue Date: February 9, 2000

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Issued By: Paul R. Gearheart
Paul R. Gearheart, General Manager

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JUL 21 2002

PURSUANT TO 807 KAR 5:011.
SECTION 9 (1)
BY Stephen Bell
SECRETARY OF THE COMMISSION

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Paul D. Gearheart, Vice President

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TARIFF FORMAT

A. Sheet Numbering - Sheet numbers appear in the upper right corner of the 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 corner of each page. These numbers are used to determine the most current sheet version on file. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Consult the Check Sheet for the sheet currently in effect.

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EXPLANATION OF SYMBOLS

The following symbols shall be used in this tariff for the purpose indicated and shall appear in the right margin of the sheet:

C	-	To signify changed regulation.
D	-	To signify discontinued rate, regulation, or condition.
I	-	To signify increased rate.
K	-	To signify that material has been transferred to another sheet or place in the tariff.
M	-	To signify that material has been transferred from another sheet or place in the tariff.
N	-	To signify new rate, regulation, condition or sheet.
R	-	To signify reduced rate.
T	-	To signify a change in, text for clarification, but no change in rate or regulation.

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SECTION 9 (1)
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SECRETARY OF THE COMMISSION

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of intrastate end-user communications services by Inter Mountain Cable, Inc. d/b/a Mikrotec Communications, hereinafter referred to as the Company, to customers within the Commonwealth of Kentucky.

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CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

Concurring Carriers:

None

Connecting Carriers:

None

Other Participating Carriers:

None

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1. DEFINITIONS

Certain terms used generally throughout this tariff are defined below.

Accessories: Devices that are mechanically attached to, or used with, the facilities furnished by the Company and that are independent of and not electrically, acoustically or inductively connected to the communications path of the telecommunications system.

Advance Payment: Part or all of a payment required before the start of service.

Applicant: A person, firm, partnership, corporation, etc., requesting service from the Company.

Authorized Protecting Connecting Module "Protector": A unit provided by the Company for the interconnection between customer-provided equipment and Company's facilities that provides a level of protection to the Company equipment and facilities.

Authorized User: A person, firm or entity other than the customer who may communicate over the services of the customer.

DID Trunk: A form of local switched access that provides the ability for an outside party to call an internal extension directly without the intervention of the company operator.

Automatic Number Identification ("ANI"): Allows the automatic transmission of a caller's billing account telephone number to a local exchange company, interexchange carrier or a third party subscriber. The primary purpose of ANI is to allow for billing of toll calls.

Base Rate: A schedule rate for any form of exchange service or equipment that does not include mileage charges.

Base Rate Area: A specific area within an exchange service area as defined by Company Tariffs within which service is furnished at a uniform rate without additional mileage charges.

Bit: The smallest unit of information in the binary system of notation.

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1. DEFINITIONS (Cont'd)

Building (Same): A structure under one roof or two or more structures under separate roofs but connected by enclosed passageways in which wires or cables of the company can be safely run provided, however, that the plant facilities are comparable to what would be required if the buildings were under one roof. Should the plant facilities for multiple buildings not be comparable then the term 'same building" will apply to each individual structure.

Call: An attempted or completed communication.

Cancellation Charge: A charge under certain conditions when an application for service is cancelled prior to the completion of work involved.

Central Office: A switching unit in a telephone system that provides service to the general public that has the necessary equipment and arrangements for terminating and interconnecting customer lines and trunks or trunks only. There may be more than one central office in an exchange.

Central Office Line: See "Exchange Line"

Certificate: A certificate of Public Convenience and Necessity issued by the Commission of Telephone Utilities.

Channel: A path for communications between two or more utility offices furnished in such a manner as the carrier may elect that may or may not be a single physical facility or route.

Class of Service: A description of telephone service furnished to a subscriber that describes the nature of the service provided. Such description may include the character of the service (residential or business), billing type (flat or usage variable), dialing method, etc.

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1. DEFINITIONS (Cont'd)

Commission: The Kentucky Public Service Commission.

Communication Services: The Company's intrastate toll and local exchange switched telephone services.

Company: Inter Mountain Cable, Inc. d/b/a Mikrotec Communications, the issuer of this tariff.

Competitive Local Exchange Carrier (CLEC): Denotes any individual, partnership, association, joint-stock company, trust or corporation engaged in providing switched communications services in an exchange in competition with the incumbent local exchange provider.

Communications Systems: Channels or other facilities that are capable, when not connected to the telecommunications systems, of two-way communications between customer-provided terminal equipment or stations.

Connecting Company: A telephone company operating one or more exchanges and with which telecommunications services are interchanged.

Construction Charge: a separate non-recurring charge made to compensate for the construction of facilities in excess of those contemplated under the rates quoted in the Company's Tariff.

Contract: The arrangement between the customer and Company whereby services and facilities are provided pursuant to the applicable provisions of the Tariff.

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1. DEFINITIONS (Cont'd)

Customer or Subscriber: The person, firm or corporation that orders service and is responsible for the payment of charges and compliance with the Company's regulations.

Customer-Provided Equipment or Terminal Equipment: Devices, apparatus, accessories, and their associated wiring provided by the customer that are connected pursuant to the terms of this Tariff with the Company's network.

Demarcation Point: The point at which the Company's facilities end and customer owned and / or maintained facilities begin.

Dial Pulse ("DP"): The pulse type employed by rotary dial station sets.

Direct Inward Dial ("DID"): A service attribute that routes incoming calls directly to stations, bypassing a central answering point.

Direct Outward Dial ("DOD): A service attribute that allows individual station users to access and dial outside numbers directly.

Drop Wire: Wires used to connect the circuits of open wire, aerial or underground distribution facilities to the point where connection is made with the inside wiring.

Dual Tone Multi-Frequency ("DTMF"): The pulse type employed by tone dial station sets.

Duplex Service: Service that provides for simultaneous transmission in both directions.

Exchange: A determination established by the telephone utility for the administration of telecommunications service within a specific area to which a rate schedule applies.

Exchange Line: See "Network Access Line".

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1. DEFINITIONS (Cont'd)

Exchange Service: The general telephone service rendered pursuant to Tariff provisions.

Exchange Service Area: The territory served by an exchange within which local telephone service is furnished at applicable exchange rates.

Extended Area Service: A type of telephone service whereby customers of a given exchange may complete or receive calls without the application of long distance message charges, pursuant to tariff(s).

Facilities: All property, means, and instruments owned, operated, leased, licensed, used, furnished, or supplied for, by or in connection with the rendition of telephone service.

Fiber Optic Cable: A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

Hunting: Routes a call to an idle station line in a prearranged group when the called station line is busy.

Initial Service Period: The minimum length of time for which a customer is obligated to pay for service, facilities, and equipment.

Installation Charge: A separate, non-recurring charge applied for the provision of service in addition to service connection charges.

Intercepting Service: A service arrangement where a person calling a disconnected or discontinued telephone number is informed of the change.

In Only: A service attribute that restricts outward dial access and routes incoming calls to a designated answer point.

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1. DEFINITIONS (Cont'd)

Joint User: A person, firm or corporation that is designated by the Customer as a user of services furnished to the Customer by the Company and to whom a portion of the Charges for the service will be billed under a joint user arrangement as specified herein.

Kbps: Kilobits per second, denotes thousands of bits per second.

LATA: A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the National Exchange Carrier Association, Inc. Tariff F.C.C. No. 4.

Link-Up Kentucky: A subsidized assistance program for low-income households that provides a credit to the installation and connection charges for residential service.

Local Calling Area: An area within which telecommunications service is furnished under a specific schedule without long distance charges.

Local Exchange Carrier ("LEC"): Denotes any individual, partnership, association, joint-stock company, trust or corporation engaged in providing switched communication within an exchange.

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1. DEFINITIONS (Cont'd)

Local Exchange Service: Telecommunications service provided within local exchange service areas in accordance with the tariffs.

Local Message: A completed call between customer locations within the same exchange or local calling area.

Long Distance Message Service: The furnishing of telecommunications between persons in different local service areas for which additional charges, pursuant to tariff, may apply.

Mbps: Megabits, denotes millions of bits per second.

Message: A communication between two stations.

Mileage Charge: A charge applied for the use of all or part of a channel. Mileage charges are applied between specific points, per the tariff, and are measured on an airline measurement, i.e., point-to-point; or on route miles, i.e., the actual length of the circuit.

Minimum Contract Period: The minimum length of time for which a customer is obligated to pay for a service or facilities regardless of whether or not the service is retained by the customer for that minimum length of time.

Miscellaneous Common Carriers: carriers as defined by part 21 of FCC rules that are not engaged in the business of providing either a public landline message telephone or public message telegraph service.

Mobile Telephone Service: A communication service provided by means of radio frequencies through land radio telephone base stations. Such communications can be between a landline and wireline telephone or between two wireline telephones.

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1. DEFINITIONS (Cont'd)

Multi-Frequency ("MF"): An inter-machine pulse-type used for signaling between telephone switches or between telephone switches and PBX/key systems.

PBX Trunk: A network access line that terminates in a PBX switchboard or switching equipment.

Plant: Property necessary to provide service to the public as set forth in various fixed capital accounts of the Uniform System of Accounts in telephone companies.

Premises: The building or buildings together with the surrounding land at which service is provided that is not intersected by public corridor or the property of a farm operated as a single farm regardless of whether the property is intersected by a public corridor.

Private Line Service: Lines and equipment furnished between subscribers for the exchange of communications without the involvement of the company's exchange switching network.

Private Right-of-Way: A facility route granted to the Company over private property.

Rate Centers: Points upon which the airline distance for the determination of message toll telephone rates are based.

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1. DEFINITIONS (Cont'd)

Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, that continue for the agreed upon duration of the service.

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use. If the Customer refuses to accept service due to nonconformity of the service to standards agreed upon pursuant to the Service Order and this tariff, the Service Commencement Date is the date of the Customer's acceptance. The Company and Customer may mutually agree on a substitute Service Commencement Date.

Service Connection Charge: A nonrecurring charge applied to the establishment of basic telephone service and the addition of certain subsequent additions to existing service.

Service Order: The written request for Network Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff, but the duration of the service is calculated from the Service Commencement Date.

Shared: A facility or equipment system or subsystem that can be used simultaneously by several Customers.

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1. DEFINITIONS (Cont'd)

Switch: A unit of dial switching equipment that equipment that provides interconnection between lines or trunks.

System: Allows shared use of speed calling list. A control station will add, change or delete telephone numbers from the list for the group.

Station: Allows a station line user to add, change or delete telephone numbers from a speed-calling list. The list is dedicated to the individual station line user.

Tariff: The rates, charges, rules and regulations adopted and filed by the Company and accepted by the Kentucky Public Service Commission.

Telephone Number: A designation assigned to network access lines necessary for placing calls to the telephone or PBX for identification purposes.

Temporary Disconnection: An arrangement whereby service is discontinued or suspended without terminating the contract or removing the telephone equipment.

Termination Charge: A charge that applies for the discontinuance of an item of service or equipment prior to the expiration of the initial service period.

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1. DEFINITIONS (Cont'd)

Toll Message: A communication between two stations in different exchanges for a toll charge may apply, pursuant to applicable tariffs.

Toll Rate: Charge prescribed for toll messages.

Trunk Line: A circuit over which a customer's messages are sent between two central offices or between a central office and a PBX system.

Two-Way: A service attribute that includes outward dial capabilities for outbound calls and can also be used carry inbound calls to a central point for further processing.

Underground Service Connections: A customer drop wire that is run underground from a pole line or an underground distribution cable.

User or End User: A Customer, Joint User, or any other person authorized by a Customer to use service provided under this tariff.

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2. REGULATIONS

2.1 Application of Tariff

The General Rules and Regulations contained in this Section apply to the service and facilities provided by the Company in the State of Kentucky. These General Rules and Regulations are in addition to those contained in the Switched and Special Access Service Tariff, Long Distance Message Telecommunications Service Tariff, The Wide Area Telecommunications Tariff and the Private Line Services and Channels Tariff that the Company may either issue or concur in.

The regulations covering the connection of equipment, accessories or facilities provided and maintained by the customer are contained in other sections of this tariff.

1. In the event of a conflict between any rate, rule, regulation or provision contained in this tariff and any rate, rule, regulation or provision contained in the tariffs of Companies' in which the Company concurs, the rate, rule, regulation or provision contained in this tariff shall prevail.

2. This Tariff cancels and supersedes all other tariffs of the Company issued and effective prior to the effective date shown on the individual sheets of this tariff.

3. Should there be any conflict between this Tariff and the General Rules and Regulations of the Public Service Commission of Kentucky (the Commission), the Commission's rules shall apply unless otherwise established by the courts.

4. When service and facilities are provided in part by the Company and in part by other connecting companies, the regulations of the Company apply to the portion of the service or facilities furnished by the Company.

5. Failure on the part of the customer to observe these General Rules and Regulations after due notice of such failure, gives the Company the right to discontinue service to that customer.

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2. REGULATIONS (Cont'd)

2.2 Availability of Equipment or Facilities

1. The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required of the sole discretion of the Company.

2. The Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by the Company, when necessary because of lack of facilities, or due to some other cause beyond the Company's control.

3. The economical operation of the telephone business, for the benefit of the all customers of the Company and to the business itself may require changes in the wire center and base rate area boundaries. The rates for service furnished to customers affected when such changes take place will be recalculated based on the application of the approved tariff methods of applying charges and the customer will be informed of any increase or decrease in rates at the time of the change.

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2. REGULATIONS (Cont'd)

2.3 Undertaking of the Company

2.3.1 General

1. The Company undertakes to furnish communications service pursuant to the terms of this Tariff in connection with one-way and /or two-way information transmission between points within the State of Kentucky.

2. The Company will not transmit messages, but offers the use of its facilities, when available, and will not be liable for errors in the transmission or for failure to establish connections.

3. Customers and users may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company is responsible under this Tariff only for the services and facilities provided hereunder. The Company assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own customers.

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2. REGULATIONS (Cont'd)

2.3 Undertaking of the Company (Cont'd)

2.3.2 Liability of the Company

1. The liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth in 2.6.6. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents.

2. The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.

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2. REGULATIONS (Cont'd)

2.3 Undertaking of the Company (Cont'd)

2.3.2 Liability of the Company (Cont'd.)

3. The Company shall not be liable for any act or omission of any entity furnishing to the Company nor to the Company's customer facilities or equipment used for or with the services the Company offers.

4. The Company shall not be liable for any damages or losses due to the fault or negligence of the customer or due to the failure or malfunction of customer-provided equipment or facilities.

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2. REGULATIONS (Cont'd)

2.3 Undertaking of the Company (Cont'd)

2.3.2 Liability of the Company (Cont'd.)

5. The Company shall be indemnified, defended and held harmless by the Customer against any claim, loss or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.

6. The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid the Company by the Customer for the specific services giving rise to the claim. No action or proceeding against the Company shall be commenced more than sixty days after the alleged delinquency occurred.

7. The Company is not liable for any defacement of or damage to the premises of a subscriber resulting from the furnishing of service or the attachment, installation or removal of instruments, apparatus and associated wiring furnished by the Company when defacement or damage is not the result of negligence of employees of the Company.

8. THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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2. REGULATIONS (Cont'd)

2.3 Undertaking of the Company (Cont'd)

2.3.3 Provision of Equipment and Facilities

1. The Company shall use reasonable efforts to make available services to a customer on or before a particular date, subject to the provisions of and compliance by the customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any customer.

2. The Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the customer. The customer may not, nor may the customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.

3. The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the customer.

4. Equipment and facilities furnished by the Company are the property of the Company.

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2. REGULATIONS (Cont'd)

2.3 Undertaking of the Company (Cont'd)

2.3.3 Provision of Equipment and Facilities (Cont'd.)

5. The Company shall not be responsible for the installation, operation, or maintenance of any Customer-provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:

(a) the transmission of signals by Customer-provided equipment or for the quality of, or defects in, such transmission or

(b) the reception of signals by Customer-provided equipment.

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2. REGULATIONS (Cont'd)

2.3 Undertaking of the Company (Cont'd)

2.3.4 Equipment in Explosive Atmosphere

1. The Company does not guarantee nor make any warranty with respect to equipment provided by it for use in an explosive atmosphere. The subscriber shall indemnify and hold the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted or asserted by the subscriber or by any other party or person, for any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, whether owned by the subscriber or others, caused or claims to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of said equipment so provided.

2. The Company may require each subscriber to sign an agreement for the furnishing of such equipment as a condition precedent to the furnishing of such equipment.

3. The subscriber shall furnish, install and maintain sealed conduit with explosion proof fittings between this equipment and points outside the hazardous area where connection may be made with regular facilities of the Company. The subscriber may be required to install and maintain this equipment within the hazardous area if, in the opinion of the Company injury or damage to Company employees or property might result from installation or maintenance by the Company.

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2. REGULATIONS (Cont'd)

2.4 Obligations of the Customer

2.4.1 Responsibilities of the Customer

The Customer shall be responsible for:

1. The payment of all applicable charges pursuant to this tariff, regardless of whether such charges are associated with the customer's own usage or that of users authorized by the customer. For purposes of this tariff, authorization includes any user with access to the premises housing the customer's service.

2. Reimbursing the Company for damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer; or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer Premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company;

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2. REGULATIONS (Cont'd)

2.4 Obligations of the Customer (Cont'd)

2.4.1 Responsibilities of the Customer (Cont'd)

3. Obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduits necessary for installation of fiber optic cable and associated equipment used to provide Communication Services to the customer from the cable building entrance or property line to the location of the equipment space described in 2.5.10. Any and all costs associated with obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, shall be borne entirely by, or may be charged by the Company to, the customer. The Company may require the customer to demonstrate its compliance with this section prior to accepting an order for service;

4. Providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing

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2. REGULATIONS (Cont'd)

2.4 Obligations of the Customer (Cont'd)

2.4.1 Responsibilities of the Customer (Cont'd)

4. (Cont'd)

and disposing of any hazardous material (e.g. friable asbestos) prior to any construction or installation work; complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any customer premises or the rights-of-way for which customer is responsible under Section 2.5.10; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;

5. Not creating, or allowing to be placed, any liens or other encumbrances on the Company's equipment or facilities; and

6. Making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the customer. No allowance will be made for the period during which service is interrupted for such purposes.

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2. REGULATIONS (Cont'd)

2.4 Obligations of the Customer (Cont'd)

2.4.2 Claims

With respect to any service or facility provided by the Company, the customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

1. Any loss, destruction or damage to the property of the Company or an third party, or death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or

2. Any claim, loss, damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

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2. REGULATIONS (Cont'd)

2.4 Obligations of the Customer (Cont'd)

2.4.3 Unlawful Purpose

The customer will not use any service the Company offers for any unlawful purpose or for any use that the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

2.4.4 Attachments or Connections

1. The customer will not permit equipment, accessories, apparatus, circuit or device to be attached to or connected with the Company's facilities except as provided in this Tariff.

2. In case any unauthorized attachment or connection is made, the Company shall have the right to remove or disconnect the same, to suspend service during the continuance of the unauthorized attachment or connection or to disconnect service. The customer shall be responsible for the cost of correcting any impairment of service caused by the use if such attachments or connections and shall be billed for each service call made to premises because of such attachments or connections.

3. Where a maintenance or repair visit is made to the subscriber's premises and the difficulty or trouble report results from the use of unauthorized attachments or connections, the "Maintenance of Service Charge" as specified in Section 3 of the Tariff shall be applied.

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2. REGULATIONS (Cont'd)

2.4 Obligations of the Customer (Cont'd)

2.4.4 Attachments or Connections (Cont'd)

4. Customer-provided terminal equipment may be used and customer-provided communications systems may be connected with the facilities furnished by the Company for telecommunications services as provided in Section 8 of this Tariff.

5. Accessories which aid a subscriber in the use of facilities of the Company in the service for which they are furnished under this Tariff are permissible provided that the use of any accessory does not endanger the safety of Company employees or the public; damage, require change in or alteration of, or involve direct electrical connection to the equipment or other facilities of the company; or interfere with the proper functioning of such equipment or facilities.

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2. REGULATIONS (Cont'd)

2.4 Obligations of the Customer (Cont'd)

2.4.5 Transmission Interference

The customer, upon notification from the Company, will immediately shut down its transmission of signals if said transmission is causing interference to others.

2.4.6 Assignment or Transfer by Customer

The customer or other authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit the Customer to transfer the customer's existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated communications services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this Tariff will apply.

2.4.7 Payment for Service

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer and to all users authorized by the Customer, regardless of whether those services are used by the Customer itself or are resold to or shared with other persons.

2.4.8 Taxes

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however designated) (excluding taxes on Company's net income) imposed on or based upon the provision, sale or use of Network Services.

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2. REGULATIONS (Cont'd)

2.4 Obligations of the Customer (Cont'd)

2.4.9 Broadcast of Recordings of Telephone Conversations

The customer may broadcast a recording of a telephone conversation provided that, in the interest of protecting the privacy of telephone service, the recording is made in accordance with the regulations governing connection with subscriber-provided voice recording equipment as specified in this Tariff, and pursuant to applicable law.

2.4.10 Recorded Public Announcements

Use of Company facilities or service in connection with automatic announcement service, automatic answering and recording service, or miscellaneous devices for recorded public announcements are subject to the following conditions:

a. For purposes of identification, subscribers to telephone service who transmit recorded public announcements over facilities provided by the Company must include in the recorded message the name of the organization or individual responsible for the service and the address at which the service is provided, unless the address of the organization or individual named in the announcement is shown in the currently distributed telephone directory.

b. Private telephone numbers will not be furnished for use with recorded public announcements.

c. Failure to comply with the provisions of this Tariff shall be cause of termination of service.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service

2.5.1 Application for Service

1. Upon request of an application for service, the Company will give its customer or prospective customer information necessary for the customer to secure safe, efficient and continuous service.

2. Application for service, or requests from the customer for additional service or changes in the grade or class of service become contracts when received by the Company and are subject to the minimum contract term of one month unless specified otherwise.

3. The Company reserves the right to require application for service to be made in writing in a format determined by the Company.

4. Applicants may be required to pay in advance, at the time application is made installation/service establishment charges, service charges, any other nonrecurring charges, and a deposit if required.

5. Generally, installation of an applicant's basic telephone service, not involving a line extension, will be completed within five (5) working days unless a different date is mutually agreed to between the applicant and the Company or otherwise specified in the Tariff.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.1 Application for Service (Cont'd)

6. The Company may decline to serve an applicant until such applicant has complied with the state and municipal regulations and the Company-approved General Rules and Regulations on file with the Commission governing the service applied for or for the following reasons:

   a. The applicant's installation or equipment is known to be inadequate, hazardous or of such character that satisfactory service cannot be provided.

   b. The applicant is indebted to any Company for the same kind of service as that applied for;

   c. The applicant refuses to make a deposit if required under these rules.

   d. The applicant refuses or neglects to provide reasonable access to the premises for installation operation, maintenance, or removal of Company property.

7. In the event that the Company refuses to serve an applicant under the provisions of these rules, the Company must inform the applicant of the basis of its refusal and that the applicant may file a complaint with the Commission.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.1 Application for Service (Cont'd)

8. The Company shall not refuse service to a present customer or applicant because of:

a. delinquency in payment for service by a previous occupant of the premises to be served;

b. failure to pay for merchandise, or charges for non-utility service purchased from the Company;

c. failure to pay a bill to correct previous under billing due to misapplication of rates more than six months prior to the date of application;

d. violation of the Company's rules pertaining to operation of nonstandard equipment or unauthorized attachments which interfere with the service of others, or with other services such as communication services, unless the customer has first been notified and been afforded a reasonable opportunity to comply with said rules; and/or

e. failure to pay a bill of another customer as guarantor thereof, unless the guarantee was made in writing to the Company as a condition precedent to service.

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3. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service

2.5.2 Application of Residential Rates

Any customer requesting service must indicate the service classification. Service is classified as either residential or business service. Classification is reflected in rates charged in Section in this Tariff. Residential rates apply to service furnished:

a. In private homes or apartments (including all parts of the customer's domestic establishment) for domestic use and not for substantial occupational use.

b. For service provided to individual members of the clergy at a church when business service is already established at the church and the purpose for the residential service is for personal use.

c. In college fraternity or sorority houses, convents and monasteries for domestic, rather than occupational use.

d. To the residential portion of a location used for both residential and business purposes, where the use of the service is for domestic purposes and where the business use is occasional.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.3 Application of Business Rates

Any customer requesting service must indicate the service classification. Service is classified as either residential or business service. Classification is reflected in rates charged in Section in this Tariff. Business rates apply to service furnished:

a. In a residential location if the listing indicates a business or profession, unless otherwise provided in this Tariff;

b. In office buildings, stores, factories and all other places of a business nature;

c. In hotels, apartment houses, clubs and boarding and rooming houses except when service is within the customer's domestic establishment and no business listings are provided; in churches except when applied per Section 2.5.2.

d. At any location when the listing, public advertising, or display of a business sign indicates a business, profession or office unless otherwise provided in this Tariff;

e. At any location where the substantial use of the service is occupational, rather than domestic.

f. At any location where the service includes an extension that is at a location where business rates apply unless the extension is restricted to incoming calls.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.4 Cancellation of Application for Service

1. Applications for service cannot be canceled without the Company's agreement. When a Customer cancels an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.

2. Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs incurred by the Company, less net salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of services ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service commenced (all discounted to present value at six percent).

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.5 Subscriber Billing

1. The subscriber is responsible for the payment of all charges in conjunction with the service furnished to the subscriber including, but not limited to, toll charges that have been accepted at the subscriber's location.

2. Monthly recurring charges are billed in advance and usage-based charges are billed in arrears.

3. Special billing arrangements may be established for services provided to Government agencies.

4. Bills are due when rendered unless otherwise specified on the bill and may be paid at any business office of the Company or at any agency authorized to receive such payments.

5. For billing purposes each month is presumed to have 30 days.

6. Retroactive billing adjustments will not be made for a period exceeding three years, unless sufficient proof is available to support an adjustment for a period exceeding three years.

7. A sample subscriber invoice is included as Attachment A of this Tariff.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.5 Subscriber Billing (Cont'd)

8. Billing of the Customer by the Company will begin on the Service Commencement Date. The Commencement Date is the first day following the date on which the Company notifies the Customer that the service or facility is available for use. The Service Commencement Date may be postponed by mutual agreement of the parties or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

9. If service is disconnected by the Company in accordance with section 2.5.7 following and later restored, restoration of service will be subject to all applicable installation charges.

10. A late payment charge of 2.0 percent applies to each customer's bill for any undisputed amount from a previous month's bill when that amount has not been paid in full prior to the next billing date. The late payment percentage is applied to all new charges on a customer's previous month's bill that were not paid prior to the next billing date. State agencies subject to KRS 45.454 shall be assessed late payment charges in accordance with that statute. The late payment charge will not apply to unpaid late payment charges.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.6 Resolution of Disputes

Upon receiving a complaint from a customer at the Company's office, either by telephone, in writing or in person, the Company will make a prompt and complete investigation and advise the complainant of its findings. A record of the complaint will be kept and show the name and address of the complainant, date and nature of the complaint, and the adjustment or disposition of the complaint. This record will be maintained for two (2) years from the date of resolution. If a written complaint or a complaint made in person is not resolved, the Company shall provide written notice to the complainant of their right to file a complaint with the Commission, and shall provide them with the address and telephone number of the Commission. If a telephonic complaint is not resolved, the Company will provide at least oral notice to the complainant of their right to file a complaint with the Commission and the address and telephone number of the Commission.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.7 Termination of Service by the Company

1. A violation of any of the regulations contained in this Tariff on the part of the subscriber may be regarded as sufficient cause for termination of the subscriber's service.

2. The Company may with or without notice either suspend or terminate the subscriber's service without suspension of service or, following a suspension of service, disconnect the service and remove any of its equipment from the subscriber's premises under the following:

   a. Abandonment of the Service

   b. Failure of a subscriber to make suitable deposit as required by this Tariff.

   c. Impersonation of another with fraudulent intent.

   d. Use of service in such a way as to impair or interfere with the service of other subscribers such improper use includes, but is not limited to, the use of telephone service by a subscriber or with his permission in connections with a plan or attempt to secure a large volume of telephone calls, to be directed so such subscriber at or about the same time which may result in preventing obstructing, or delaying the telephone service of others.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.7 Termination of Service by the Company (Cont'd)

2. (Cont'd)

e. Abuse or fraudulent use of service; such abuse or fraudulent use includes:

1) The use of service or facilities of the Company to transmit a message or to locate a person or otherwise to give or obtain information without payment of the charge applicable for the service;

2) The obtaining, or attempting to obtain, or assisting another to obtain long distance messages telephone service, by rearranging, tampering with, or making connection with any facilities of the Company, or by any trick, scheme, false representation, or false credit device, or by or through an other fraudulent means or device whatsoever, with intent to avoid the payment, in whole or in part, of the regular charge for such service;

3) The use of service or facilities of the Company for a call or calls, anonymous or otherwise, if in a manner reasonably expected to frighten or torment another;

4) The use of profane of obscene language;

5) The use of the service in such a manner as to interfere unreasonably with the use of the service by one or more other customers.

6) Any other violation of the Company's regulations.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.7 Termination of Service by the Company (Cont'd)

3. The Company reserves the right to cancel any contract for service with and to discontinue service to any person who uses or permits the use of obscene, profane or grossly abusive language over or by means of the Company's facilities, and who, after reasonable notice fails, neglects or refuse to cease and refrain from such practice or to prevent the same, and to remove its property from the premises of such person.

4. The Company may terminate the service and remove its equipment for non-payment of any sum due for exchange, long distance, or other services with notice as follows:

   a. Written notice shall be sent to the customer no less than 10 days prior to the termination date.
   b. Disconnection shall not occur on the day preceding a Saturday, Sunday and legal holidays.

5. When the service is terminated on the initiative of the Company due to a violation of its regulations by the subscriber, the regulations stipulated below for termination of service at the subscriber's request apply.

6. The Company may refuse to furnish or continue to furnish service hereunder, if such service would be used or is used for a purpose other than that for which it is provided or when its use interferes with or impairs, or would interfere with or impair any other service rendered to the public by the Company.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.8 Termination of Service at the Subscriber's Request

1. Service may be terminated at any time upon reasonable notice from the subscriber to the Company. Upon such termination the subscriber shall be responsible for the payment of all charges due for the period service has been rendered plus any unexpired portion of an initial service period or application termination charges, or both.

2. In the case of directory listings where the listing has appeared in the directory charges apply through the end of the directory period. In the following cases, however, charges will be continued only to the date of termination of the extra listing, subject, however, to a minimum charge of one month.

   a. The contract for the main service is terminated.
   b. The listed party becomes a subscriber to some class of exchange service.
   c. The listed party moves to a new location.
   d. The listed party dies.

3. Contracts for periods of longer than three months for services requiring line extension may be terminated upon payment of all charges that would accrue to the end of the contract period; or, the contract will be transferred to a new applicant who is to occupy the same premises and will subscribe to the service effective on the day following termination by the original subscriber.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.9 Suspension of Business or Residence Service

1. Upon request, a subscriber to business or residence service may arrange for the temporary suspension of such service unless otherwise specified in other sections of this Tariff. Suspension of service is available on the subscriber's complete service or on such portion thereof as can be suspended.
2. When the period of suspension is less than one month, the regular charges for the full month of service shall apply.
3. In connection with complete suspension of service, local or long distance service is not furnished during the period of suspension. At the request of the subscriber, inward calls to a party at which service is suspended may be referred to the call number of another party in the same or a distant exchange.
4. The charge for the total suspension period may be collected in advance.
5. There is no reduction in the charge for foreign central office line mileage and foreign exchange line mileage during the period of suspension.
6. In connection with service at a concession rate, the charge for service during the period of suspension is 50 percent of the rate regularly charged for service without concession, except in the case the concession is 50 percent or more, then the charge during the period of suspension is the rate regularly charged for the concession service.
7. The charge for Network Access Service during the period of suspension is 50 percent of the rate regularly charged, except as specified in 2.5.9 (1) preceding.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.10 Transfer of Service Between Subscribers

Service previously furnished one subscriber may be assumed by a new subscriber upon due notice of cancellation, provided there is not lapse in the rendition of service. Such transfers are subject to service connection charge regulations and may be arranged for under the following condition:

1. If the new subscriber, fully understanding the regulations governing the service and the status of the account and willingly assumes all obligation thereunder, then future bills will be rendered to him without an adjustment to or from any particular date, with the Company arranging for the requested change in billing and directory listing.
2. Under transfer of service the reassignment of the old telephone number to the service of the new party is arranged for only after the former subscriber has given his consent to its use, and then only when, in the judgement of the Company there exists no relationship, business or otherwise, between the old and new subscriber, and when in the judgement of the Company a change in the telephone number is not required.
3. When a relationship exists, business or otherwise, between the old and new subscribers, the reassignment of the old telephone number will not be permitted unless all charges due under the current account have been paid, and then only when in the judgement of the Company a change in the telephone number is not required.
4. Service order Charges as specified in Section 3 apply for all transfers of service unless otherwise noted.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.11 Floor Space, Electric Power and Operating at the Subscriber's Premises

1. The subscriber is responsible for the provision and maintenance at his expense, of all suitable space and floor arrangements, including but no limited to adequate lighting, proper relative humidity and temperature control, required on his premises for communication facilities provided by the Company in connection with services furnished to the subscriber by the Company. Any power outlets and commercial power required for the operation of such facilities shall be provided by, and at the expense of, the subscriber.

2. Except as may be specified elsewhere in this tariff, all operating required for the use of communications facilities provided by the Company at the subscriber's premises will be performed at the expense of the subscriber, and must conform with the operating practices and procedures of the Company to maintain a proper standard of service.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.12 Equipment and Facilities – Provision and Ownership

1. All equipment necessary for the provision of a given service will be furnished and owned by the Company except as provided elsewhere in this Tariff. This subscriber may be required to provide suitable housing or other protective measure where equipment is to be installed in location exposed to weather or other hazards. Commercial power will be furnished by the subscriber on his premises in suitable outlets when required.

2. Except as provided by the FCC, no equipment, apparatus, circuit or device not furnished by the Company shall be attached to or connected with the facilities furnished by the company; whether physically, by induction, acoustically or otherwise; except as provided in this Tariff or otherwise authorized in writing by the Company or authorized by FCC regulation. In case any such authorized attachment or connection is made, the Company shall have the right to remove or disconnect the same or to terminate the service. Subscribers connecting customer owned terminal equipment, must notify the company and supply FCC administration number.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.12 Equipment and Facilities – Provision and Ownership (Cont'd)

3. The provisions of the preceding shall not be construed or applied to bar subscriber from using devices which service his convenience in this use of the facilities of the Company provided any such device so used does not:

   a. Endanger the safety of Company employees or the public;

   b. Damage, require change in or alteration of, or involve direct electrical connection to, the equipment or other facilities of the Company, unless as provided for elsewhere in this Tariff;

   c. Interfere with the proper functioning of such equipment or facilities;

   d. Impair the operation of the communication system;

   e. Otherwise injure the public in its use of the Company's services.

4. Devices provided by the subscriber to obtain quietness or privacy may be used in conjunction with the telephone instrument furnished to the subscriber by the Company provided that:

   a. Such device does not involve direct electrical connection to the equipment of the Company, any change in or alteration of such equipment;

   b. Such device does not interfere with its proper functioning or damage it in any way.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.12 Equipment and Facilities – Provision and Ownership (Cont'd)

5. Facilities of an electric power company or oil, oil products or natural gas pipe line company, or railroad company, that are not used for resale, provided primarily to communicate with point located along a right-of-way (including premises of such company anywhere in cities, towns or villages along the right-of-way) owned or controlled by such company and extending between or beyond exchange areas of the Company, may be connected with Private Branch Exchange instrument, or private line facilities furnished by the Company subject to the conditions stated in this Tariff.

2.5.13 Maintenance and Repairs

1. All ordinary expense of maintenance and repairs of regulated facilities, unless otherwise specified in this Tariff, is borne by the Company on Company provided leased equipment.
2. In case of damage, loss, theft, or destruction of any of the Company's property due to the negligence or willful act of the subscriber or other persons authorized to use the service, and not due to ordinary wear and tear or causes beyond the control of the subscriber, the subscriber shall be required to pay the expense incurred by the Company in connection with the replacement of the property damaged, lost, stolen, or destroyed, or the expense incurred in restoring it to its original conditions.

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2. REGULATIONS (Cont'd)

2.5 Establishment and Furnishing of Service (Cont'd)

2.5.14 Company Facilities at Hazardous or Inaccessible Locations

1. Where service is to be established at a location that would involve undue hazards, or where accessibility is impracticable, to employees of the Company, the subscriber may be required to install and maintain the Company's equipment and facilities in a manner satisfactory to the Company.
2. All customer-provided equipment and facilities must be constructed and maintained in a manner satisfactory to the Company and must be in compliance with all the regulations set out in this Tariff for the connection of customer-provided terminal equipment and communications systems. Failure of the customer to comply with these regulations will result in the disconnection of the service.

2.5.15 Work Performed Outside Regular Working Hours

The rates and charges specified in this Tariff contemplate that all work in connection with furnishing or rearranging service be performed during regular working hours. Whenever a subscriber requests that work necessarily required in the furnishing or rearranging of his service be performed outside the Company's regular working hours or that work once begun be interrupted, so that the Company incurs costs that would not otherwise have been incurred, the subscriber may be required to pay, in addition to the other rates and charges specified in this Tariff, the amount of additional costs incurred by the Company as a result of the subscriber's special requirements.

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2. REGULATIONS (Cont'd)

2.6 Payment Arrangement and Credit Allowances

2.6.1 Establishment of Credit

1. In accordance with Kentucky Public Service Commission rules, the Company is not obligated to furnish service to any individual or firm that owes for service previously rendered at the same or a difference address, until arrangements have been made to liquidate such previous indebtedness to the Company.

2. In order to insure the payment of all charges due for its service, the Company may require a subscriber to establish and maintain his credit in one of the following ways:

   a. By furnishing reference suitable to the Company;

   b. By providing a suitable guarantee in writing, in form prescribed by the Company;

   c. By means of cash deposit;

   d. By having been a satisfactory subscriber of the Company.

2.6.2 Advanced Payments

1. At the time an application for service is made, an applicant may be required to pay an amount equal to at least one month's service and /or installation charge as applicable, and any applicable taxes or franchise fees in addition to any special construction and installation charges that may also apply.

2. The amount of the advance payment is credited to the subscriber's account on the first bill rendered.

3. Federal, state or Municipal governmental agencies may not be required to make advance payments.

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2. REGULATIONS (Cont'd)

2.6 Payment Arrangement and Credit Allowances (Cont'd)

2.6.3 Deposits

1. Any applicant who is unable to establish a satisfactory credit standing with the Company or any subscriber whose credit standing has become impaired may be required to deposit a sum up to an amount equal to either the charge for two months local service or the charge for estimated toll messages during a similar period, or both.

2. Any deposit made may be held during the continuance of service as a security for the payment of any and all amounts accrued for the service.

3. Service may be refused or discontinued for failure to pay the requested deposit.

4. The fact that a deposit has been made in no way relieves the applicant or subscriber from complying with the Company's regulations as to advance payment and the prompt payment of bills on presentation or constitutes a waiver or modification or the regular practices of the company providing for the discontinuance of service for nonpayment of any sum due the company.

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2. REGULATIONS (Cont'd)

2.6 Payment Arrangement and Credit Allowances (Cont'd)

2.6.3 Deposits (Cont'd)

5. Interest will be paid on all sums held on deposit at the rate of 6 percent annually. The interest will be applied as a credit to the customer's bill or will be paid to the customer on an annual basis. If the deposit is refunded or credited to the customer's bill prior to the deposit anniversary date, interest will be paid or credited to the customer's bill on a pro-rated basis.

6. If interest is not credited to the customer's bill or paid to the customer annually, interest will be computed by a method that will result in an amount no less than that obtained by using a middle course method between simple and compound interest in compliance with Commission Order dated 10/31/89 in Case No. 89-057. Interest on deposits computed in this manner will accrue until credited to the customer's bill or paid to the customer.

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2. REGULATIONS (Cont'd)

2.6 Payment Arrangement and Credit Allowances (Cont'd)

2.6.4 Discontinuance of Service for Failure to Maintain Credit

Service may be discontinued for failure to maintain credit, as specified above, within 10 days after the company has served or mailed notice requiring the subscriber to do so, except in extreme cases.

2.6.5 Restoration Charge

Where service has been discontinued for failure to maintain credit as specified above, a restoration charge equal to the Company's tariffed service order charge will be made and collected by the Company.

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2. REGULATIONS (Cont'd)

2.6 Payment Arrangement and Credit Allowances (Cont'd)

2.6.6 Allowances for Interruptions in Service

1. Interruptions in service that are not due to the negligence of, or noncompliance with the provisions of this Tariff by the Customer, or the operation or malfunction of the facilities, power, or equipment provided by the Customer, will be credited to the Customer as set forth in this section for the part of the service that the interruption affects.

2. A credit allowance will be made when an interruption occurs because of a failure of any component furnished by the Company under this Tariff. An interruption period begins when the Customer reports a service, facility or circuit to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative.

3. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired but not interrupted.

4. For calculating credit allowances, every month is considered to have 30 days.

5. A credit allowance for fixed recurring fees only is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.

6. A credit allowance will be given for interruptions of 30 minutes or more.

7. Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one interruption.

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2. REGULATIONS (Cont'd)

2.6 Payment Arrangement and Credit Allowances (Cont'd)

2.6.7 Limitations on Allowances

No credit allowance will be made for:

1. Interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company;

2. Interruptions due to the negligence of any person other than the Company, including but not limited to the Customer (or other common carriers connected to the Company's facilities;

3. Interruptions due to the failure or malfunction of non-Company equipment;

4. Interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;

5. Interruptions of service during a period in which the Customer continues to use the service on an impaired basis;

6. Interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements; and

7. Interruption of service due to circumstances or causes beyond the control of Company.

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2. REGULATIONS (Cont'd)

2.7 Enhanced 911 Emergency Telephone Service (E911)

2.7.1 Concurrence

Mikrotec Communications called the concurring utility, assents to and adopts the Bell South Telephone Company of Kentucky General Subscriber Service Tariff, beginning with Original Page 27, dated November 30, 1986 (A13.27) Public Service Commission of Kentucky Tariff 2A, through A 13.27.5-E.5.C. as such Tariff now exists, or as it may be revised, supplemented, superseded by sheets or issues.

Mikrotec Communications hereby expressly reserves the right to cancel this statement of concurrence at any time when it appears that such cancellation is in the best interest of Mikrotec Communications subject to the jurisdiction of the Kentucky Public Service Commission as it applies.

2.7.2 Notification and Waiver Procedure

For subscribers with Non Published or Unlisted Numbers:

1. Sixty (60) days before the implementation of the monthly E911 Service Charge, subscribers will be notified.

2. Subscribers subscribing to non published or unlisted service prior to June 29, 1990, and whose listing would otherwise be released to E911, providers shall be given an opportunity to request that their listing be deleted from the data base supplied to the E911 provider.

3. Customers requesting non published or unlisted service after June 29, 1990 shall be advised at the time of the request that it is possible that the listing may be released to an E911 provider.

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2. REGULATIONS (Cont'd)

2.8 Lifeline Surcharge

On November 16, 1998 (PSC Case 360) the Kentucky Public Service Commission found that a surcharge per month per access line on all ILEC, CLEC and wireless bills should be applied. The surcharge is effective January 1, 1999 and is identified on the monthly bill as "Kentucky Lifeline Support". (T)

(T)

Surcharge per access per month $0.08 (I)

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2. REGULATIONS (Cont'd)

2.9 Kentucky Telecommunications Relay Service for Hearing-Impaired or Speech-Impaired Persons in Kentucky

(T)

Pursuant to KPSC Administrative Case No. 333 and 372, a monthly surcharge shall be imposed on all local exchange access lines to fund the Kentucky Telecommunications Relay Service. This service provides telephone communications between deaf and hearing / speech-impaired customers who use telecommunications devices for the deaf and customers who use standard voice telephones.

2.9.1 Regulations

1. Recovery of state costs associated with the Telephone Relay Service ("TRS") and Telecommunications Access Program ("TAP") is based on a fixed monthly charge per access line.

2. For purposes of application of the surcharge, access lines are defined as facilities that provide access to and from the telecommunications network for toll service and for local calling. WATS, Remote Call Forwarding, Radio Common Carriers, InterLATA Foreign Exchange Lines, Private Line Services, Mobile, Other Common Carriers, and Company Official Accounts are excluded from this category.

3. The monthly surcharge will appear in customer invoices labeled "TRS/TAP Surcharge."

2.9.2 Surcharge Amount
Per access line

	Monthly Recurring Charge	
	Through June 30, 2008	After June 30, 2008
TRS	$0.07 **(R)**	$0.07 **(R)**
TAP	$0.02 **(I)**	$0.01
TRS / TAP Surcharge	$0.09 **(R)**	$0.08 **(R)**

(T)

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2. REGULATIONS (Cont'd)

(D)

(D)

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By _____
Executive Director

2. REGULATIONS (Cont'd)

2.10 Special Promotions (Cont'd)

The Company may offer approved special promotions of new or existing services upon thirty (30) days notice to the Commission. These promotions are a temporary waiver of certain recurring, nonrecurring and/or usage charges or a one-time credit to a customer's account. Promotions will be offered on a non-discriminatory basis to all customers meeting the eligibility requirements for the promotion offered. Eligibility requirements may include class of service, serving area or other such determinations by the Company. Promotion notification will include terms and conditions and the time period in which the promotion is in effect.

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3. SERVICE CHARGES

Service Charges are in addition to all other rates and charges that may be applicable for services provided by the Company. Service Charges apply in addition to installation and construction charges incurred because of unusual costs encountered in the provision of service.

3.1 Categories of Service Charges

The work functions required to establish, add to, move or change telephone service for a business or residence class of service customer are classified by type of service charge as follows:

3.1.1 Line Connection Charge - a charge for work which includes, but is not limited to, establishing or changing central office connections, cable cross connections or line transfers.

3.1.2 Premises Visit Charge - applies when a Company employee makes a field trip (including but not limited to the customer's premises) to perform requested work by the customer, other than disconnect work.

3.1.3 Service Order Charge - a charge for work performed in connection with receiving, recording, and processing a customer request for service to be performed or provided at the same time, on the same account and on the same premises. One Service Order Charge is applicable per access line or channel.

3.1.4 Premise Visit / Service Rearrangement Charge - a charge for work performed in connection with receiving, recording, and processing a customer request for service rearrangement that requires dispatch of a Company technician to complete the requested work.

3.1.5 Maintenance of Service Charge – a charge for dispatching a technician to a customer premise for maintenance of service in which the reported trouble is isolated to customer-owned equipment or facilities. Requests for repair of customer owned equipment or facilities may be completed by the Company at the request of the customer on a time and materials basis.

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3. SERVICE CHARGES (Cont'd)

3.1 Categories of Service Charges (Cont'd)

3.1.6 Returned Check Charge - a charge made to the customer for each returned check or moneys not honored by a bank or depository.

3.2 Application of Charges

3.2.1 General

1. Charges specified in this Section do not apply to services furnished under the concurrence provisions of this tariff. These services may include, but are not limited to, WATS access lines and access line extensions, and all private line services and channels and access services provided. Nonrecurring charges for these services are stated as exceptions or additions to concurring provisions of this Tariff.

2. Changes in the locations of existing services to different premises, or to additional points of termination or to points outside the customer's premises are considered new installations for purposes of this tariff.

3. Payment of service charges at the time of application for service may be required.

4. Additional installation charges indicated elsewhere in this Tariff may be required.

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3. SERVICE CHARGES (Cont'd)

3.2 Application of Charges (Cont'd)

3.2.1 General (Cont'd)

1. The service charges described in this tariff are not applicable for:

   a. Normal maintenance and repair of the Company's equipment and service.

   b. Connection of telephone sets or other terminal equipment by the customer when no line connection or central office access work is required.

   c. Changing from an unlisted number to a listed number.

   d. Changing the primary listing of a residential customer to the name of the remaining spouse in the event of death or divorce of the spouse currently listed.

   e. Conversion of existing service to Lifeline.

   f. The establishment of new temporary service at another location when the original premises is made uninhabitable due to a disaster such as fire, tornado, etc.

   g. Changing telephone numbers when in the judgement of the Company such changes are necessary for continuation of satisfactory service.

(N)

2. No service charge applies for customers who convert existing BellSouth or GTE service to the Company.

3. Customers ordering new service will receive a credit for monthly services, not to exceed total order charges paid in establishing the service following twelve consecutive months of timely service payments.

(N)

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3. SERVICE CHARGES (Cont'd)

3.2 Application of Charges (Cont'd)

3.2.2 Line Connection Charge

1. The Line Connection Charge is applicable for work performed by the Company in the central office. The Line Connection Charge will apply for:

   a. Connection or reconnection of local exchange access lines, local private lines, and off premise access lines.

   b. The connection of each line between the appropriate general distribution cable terminals serving different premises in the same building or serving different buildings on the customers same premises.

   c. A move when the telephone service at the new location is established prior to disconnection at the old location, or discontinued at the old location prior to establishment at the new location.

   d. Changes in telephone numbers to provide trunk hunting applicable for a number change initiated by the Company.

   e. A move when the telephone service at the new location is established prior to disconnection at the old location, or discontinued at the old location prior to establishment at the new location.

2. When two or more segments of a local private line or off premise access line are bridged in the central office, one Line Connection Charge will apply for each line.

3. The Line Connection Charge does not apply when service and facilities are assumed prior to discontinuance of service and without lapse in service.

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Issued By: Paul R. Gearheart
Paul R. Gearheart, General Manager

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3. SERVICE CHARGES (Cont'd)

3.2 Application of Charges (Cont'd)

3.2.3 Premise Visit Charge

Premise Visit charges will apply as follows:

1. When a request by a customer for new service requires a dispatch of a technician to the customer premises to complete the necessary installation request.

2. One Premise Visit charges applies per access line per visit.

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3. SERVICE CHARGES (Cont'd)

3.2 Application of Charges

3.2.4 Service Order Charge

A Service Order charge applies per line or account per order under the following conditions:

1. For requests to establish an account for initial connection of service. An account is each service for which a separate access line is established;

2. For connection of additional local exchange access lines, private lines, or off premise access lines to an established service;

3. For restoration of service disconnected for nonpayment. Disconnected service will be restored upon payment of charges due.

4. For subsequent requests for service, number change, restoration of service at customer's request and change in class of service;

5. For additional service ordered after an initial service order has been issued and the additional service request cannot be included on the initial pending service order, including the addition of calling features;

6. For additions, moves and changes of lines in the same building or in different buildings on the same premises;

7. When the requested order includes a line connection charge, the service order charge will not apply.

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3. SERVICE CHARGES (Cont'd)

3.2 Application of Charges (Cont'd)

3.2.5 Outside Move Charge

The Outside Move Charge is applicable for work performed by the Company involving:

1. Transfer of lines or Company-provided equipment from one building to another building;

2. A move of a customers portable structure containing telephone service;

3. Transfer of lines from one premise to another in the same building, e.g., one apartment to another apartment, one office or suite of offices to another office or suite of offices.

3.2.6 Maintenance of Service Charge

1. A Maintenance of Service Charge applies per dispatch requested by the Customer for trouble isolated to customer owned and maintained equipment or facilities.

2. The Company will credit this charge if a request for service for the same problem occurs within 30 days of the initial report and the trouble is then found to be caused at that time by Company owned and maintained equipment or facilities.

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3. SERVICE CHARGES (Cont'd)

3.3 Schedule of Charges (1) (2) (3)

		Rate Residence	Rate Business	
1.	Line Connection Charge	*	*	(C)
2.	Premises Visit Charge	*	*	
3.	Service Order Charge	*	*	
4.	Outside Move Charge	*	*	
5.	Maintenance of Service Charge	*	*	(C)
6.	Returned Check Charge	$10.00	$10.00	

(1) The Company performs repair and maintenance work only during normal working hours from 8:00 a.m. to 4:30 p.m., Monday through Friday, excluding holidays. All repair and maintenance work performed during other than normal hours at the customer's request may be provided at the sole discretion of the Company at rates based on time and material costs.

(2) Where the service requested requires more than one of the multi-element charges described in this tariff, the total charge is the sum of the separate charges required for each function except as otherwise provided. All line connection work requested at the same time for service on one premises will be covered by one service order charge.

(3) Service charges may be required to be paid at the time of application for service.

* The Company provides these services in concurrence with BellSouth PSC KY Tariff 2A. All rates pursuant to this section 3.3 are discounted 3.5%. N N

SECTION 4 - CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

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4. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS

4.1 Construction Charges

4.1.1 General

1. Special charges in the form of installation charges, monthly charges, or both, are applied in addition to the usual service connection charges and monthly rates, when, because of the occasional nature of the service or an unusual investment or expense, the revenue does not reasonably compensate the Company, as for example:

   a. The facilities are provided in remote or undeveloped areas outside the base rate area.
   b. The facilities are provided on a temporary basis.
   c. Conditions require the provision of special equipment or unusual methods of plant construction, installation or maintenance.
   d. The customer's location requires the use of costly right-of-way.

2. Title to all construction, provided wholly or partly at a customer's expense, is vested in the Company.

3. The word "cost", when used in this Section, means the in-plant cost consisting of labor, engineering, materials, supervision, and other overhead expenses associated with the construction. Estimated cost may be used; however, where the customer requests, actual cost will be used where practicable.

4. When attachments are made to poles of other companies in lieu of providing new pole line construction for which construction charges would be applicable under the provisions of this Section, the attachment rental charged to the Company may be assessed to the applicant (s) in whole or in part as the particular circumstances may warrant.

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4. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (Cont'd)

4.1 Construction Charges (Cont'd)

4.1.1 General (Cont'd)

5. Except as otherwise provided herein, the regulations in this Tariff contemplate that the type of construction required to provide the quantity and class of service involved will be determine by the Company. The applicant may be required to pay the additional costs involved where a different type of construction than that proposed by the Company is desired.

6. The customer is required to pay construction charges made by another company providing facilities connecting with the facilities of the Telephone Company.

7. Construction charges will not apply to the customer's aerial or buried drop that extends from the last pole to the Building in which the telephone is located.

8. When an applicant is so located that it is necessary to use private right-of-way to furnish service and the company is unable to obtain the required right-of-way without cost, the applicant may be required to pay the costs incurred in securing, clearing, and retaining such right-of-way.

9. No construction charge is applicable for the provision of construction on public highways or other easements within the base rate area, or beyond the base rate area when such construction is to be used in serving customers with the grade and class of telephone service normally offered in a given area.

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4. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (Cont'd)

4.1 Construction Charges (Cont'd)

4.1.2 Construction for Rural Service

Under normal conditions, or until the Company has met its requirements under Rural Electrification Administration (REA), and Area Cover Design (AE), the company will extend its lines to reach applicants within the exchange service area. After the ADC agreement has been net, the Company, without charge, will extend its lines to reach applicants within the exchange service area, subject to the following conditions:

1. Extension of rural line facilities outside the base rate area will be provided without construction charges under the following conditions:

   a. Under normal conditions, the Telephone Company will extend its rural lines 750 feet to reach a rural customer within the exchange area.

   b. The Telephone Company will provide main line extensions for the provision of rural service to a group of applicants if the number of applicants in the group for permanent service on an annual basis averages one for each 750 feet or less of plant extension, by shortest public highway measurement.

2. In all other cases, construction or extension of rural lines outside the base rate area will be made on the basis of construction charges as follows:

   a. That portion of the construction expense to be borne by the Telephone Company shall not be more than an amount equal to the cost of constructing 750 feet.

   b. The Company will assess the balance of such construction expense to such applicant or group of applicants.

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4. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (Cont'd)

4.1 Construction Charges (Cont'd)

4.1.2 Construction for Rural Service (Cont'd)

3. The construction charge assessed on applicant or group of applicants for facilities shall be paid in advance.

4. Payments for line construction are not refundable and no credit will be allowed for future installations on line extensions constructed under these regulations.

5. Line extensions to provide service on a basis other than as covered above, require the payment of construction charges as determined from the conditions.

4.1.3 Private Right-of-Way

When the applicant is so located that it is necessary to secure private right-of-way to furnish service and the Company is unable to obtain the required right-of-way without cost, the applicant may be required to pay the cost incurred in securing, clearing and retaining such right-of-way.

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4. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (Cont'd)

4.1 Construction Charges (Cont'd)

4.1.4 Poles and Wire on Public Highways and Private Property

1. Except as provided under "Temporary Service", no construction charge is made for the provision of new pole lines or wire on public highways within the Base Rate Area.
2. Except as provided under "Temporary Service", where the applicant is located outside the Base Rate Area and the construction outside plant is required to provide facilities to service one or more applicants, the applicant or applicants may be required to bear the cost of such construction.
3. Except as provided under "Temporary Service", neither station installations, including drop wire, protector, inside wiring, telephone sets or any plant within the Base Rate Area shall be considered as construction costs.
4. Poles on private property to be used as a part of the standard distributing plant serving subscribers in general are furnished, maintained and owned by the Company, subject to such construction charges as may be applicable.

4. 2 Temporary Service

1. When construction is required for temporary service and there is, in the opinion of the Company, no immediate prospect of re-using the plant involved, the customer nay be required to pay all or a portion of such construction, including the cost of removing the plant provided. The salvage value of any plant removed shall be deducted from the total cost to be paid by the subscriber.
Under "unusual" conditions station installations, including drop wire, protector, inside wiring, telephone sets, and any common control equipment can be included, all or part, in the cost of construction. Inclusion of items mentioned here in any construction costs would be reviewed on an individual basis. Decisions made by the Company concerning construction costs under this paragraph would not be precedent setting with respect to other cases.

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4. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (Cont'd)

4.3 Charges for Unusual Circumstances

4.3.1 Underground Service

When underground service connections are desired by the customer as initial installation in places where aerial drop wires would ordinarily be used to reach the customer's Premises, or when aerial facilities are used to provide service or channels to a customer and subsequently the customer desires that such facilities be placed underground, the following regulations apply:

1. Underground service entrances may be provided at the customer request as special construction in connection with either existing or new services in lieu of the usual aerial drop wire.

2. Buried service entrance facilities will be furnished without a construction charge where buried service wire or buried cable would normally be provided by the Company for service entrance; unless agreements between the Company and a contractor or customer have been made prior to land development.

3. Where cable is laid in conduit, the underground conduit shall be constructed and maintained by or at the expense of the customer and in addition, the customer shall pay the cost of the underground cable including the cost of installing less the estimated cost to the Company of installing such aerial facilities as would be (or are) required to furnish the same service. The underground conduit shall be constructed in accordance with plans and specifications furnished by the Company.

4. The duct or ducts required in the underground conduit by the company to furnish service shall be reserved for its exclusive use.

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4. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (Cont'd)

4.3 Charges for Unusual Circumstances (Cont'd)

4.3.1 Underground Service (Cont'd)

5. Where armored cable is laid in a trench, the trench shall be constructed and back-filled by or at the expense of the customer. In addition, the customer shall pay the cost of the cable, including the cost of installation, less the estimated cost of installing such aerial drop as would be required to furnish the same service.

6. Where facilities are changed from aerial to underground in addition to the above, the customer is charged the cost of dismantling and removing the aerial facilities.

4.4 Special Services and Facilities

Special services and facilities, not ordinarily used in the furnishing of service and not otherwise mentioned in, or provided for or contemplated by the tariff of the Company, may be furnished or leased pursuant to special contract for such special service or facility for such period as may be agreed upon provided such special service of facility does not interfere with the telephone service furnished by the Company.

In the event any such service or facility or the use made thereof interferes with, or the facilities used in furnishing such special service or facility are needed for the furnishing of telephone service by the Company, it may terminate such contract and cease to furnish such special service and facility after thirty days written notice to the customer and provided further that the Public Service Commission may terminate such contract whenever, in its opinion, public interest requires such termination.

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4.5 Moves or Changes of Existing Construction

When the Company shall move or change existing construction or equipment for which no specific charge is quoted in this Tariff, the person at whose request the move or change is made may be required to bear the cost of such move or change.

4. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (Cont'd)

4. 6 Construction in Developments

4.6.1 Definitions

Single family development: Five or more adjoining lots in a recorded plan for the construction of single family residences, including mobile homes, intended for year round occupancy.

Duplex development: Three or greater acre lots in a recorded plan for the construction of dual family residence intended for year round occupancy.

Multi-family development: One or more lots in a recorded plan with three or more units planned for each lot, and intended for year round occupancy. Included in this category are apartment complexes, apartment buildings and condominiums.

Speculative development: Development of a tract of land, where distribution facilities of the Company have to be extended in conjunction with the development of the tract prior to its completion either at the convenience of the developer or the Company, and where dwellings are being constructed without a sales contract or lease. The intent of the term speculative is defined as a situation where the Company is requested to make facility investments with no firm guarantee of a timely return on that investment.

Non-speculative development: Development of a tract of land where facilities of the Company exist or where the development of the tract permits distribution extension as the customer requires service, and necessary cable facilities can be provided at the Company's convenience. The term non-speculative is intended to mean that investment to plant can be made with firm guarantees of a timely return on investments.

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4. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (Cont'd)

4. 6 Construction in Developments (Cont'd)

4.6.2 General Conditions

1. Where requests are made of the Company by the developer of a residential development, the company will require the developer, at the developer's own expense, to do the following:

   a. Provide the Company with a detailed subdivision plan, showing detailed surveys of each lot in the plan, street location, and a key map showing all other specific locations;

   b. provide the Company with easement satisfactory to the Company for occupancy and maintenance of and related facilities, except service lines in public places the Company has the right to occupy;

   c. clear easements for the aforementioned facilities clear of tree stumps and other obstructions.

2. Should the developer make changes in the plot plan after the Company has completed engineering or begun construction that creates additional expense for the Company, the developer shall bear the cost of these additional expenses.

3. Before the construction of Company facilities, the developer is responsible for identifying all underground facilities of others. Should in the course of construction of its facilities, the Company damages the facilities of others that were not identified by the developer, the developer will bear all expense in the repair of said facilities.

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4. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (Cont'd)

4. 6 Construction in Residential Development (Cont'd)

4.6.2 General Conditions (Cont'd)

4. At any time during the completion of construction of Company facilities, and prior to completion of the development, the developer shall bear the cost of damage to the Company's facilities caused by the developer and others. This includes all distribution and service lines costs herein defined as labor, material and applicable charges at the time of damage. This liability is only to those areas where lots or buildings have not been sold or occupied by tenants and is still under construction, or where development of lots have been completed and sold to a contractor operating independently of the developer.

4.6.3 Conditions - Speculative Development

If the development in the sole opinion of the Company is speculative, the following conditions apply in addition to those specified in Section 4.6.2.

1. After the developer has supplied the Company with a subdivision plan, the company will prepare an estimate of costs involved in supplying distribution cable and service wires.
2. The developer will be required to post an amount (non-interest bearing) equal to the construction estimate.
3. The company will then begin work on detailed engineering and construction of facilities required by the developer.
4. Once construction has been completed and the actual cost of construction has been determined, the developer will be refunded any difference should the cost be less than the amount originally posted, or to pay the balance if the costs exceed the amount originally posted.
5. These funds will then be considered payment for construction of facilities. These facilities shall be owned and maintained by the Company.

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4. CHARGES APPLICABLE UNDER SPECIAL CONDITIONS (Cont'd)

4. 6 Construction in Residential Development (Cont'd)

4.6.3 Conditions - Speculative Development (Cont'd)

6. As each dwelling unit is occupied and its occupant accepts service from the Company, the Company will refund the developer or his designate the pro rata share of the construction cost. The prorated amount will be determined by dividing the total number of lots and dwelling units in the total development, by the total cost of construction.
7. From the date of completion of the Company's facilities, the Company is liable to refund construction costs for a period not to exceed ten years, subject to the conditions specified herein.

4.7 Franchise and Municipality Taxes

4.7.1 General

When any municipality charges, collects or receives from the Company any license, occupation, privilege, inspection or other similar tax or fee or any franchise fee or payment, or any fee or payment similar in nature thereto, for the use of the streets or other public places or any concession for Tariff Rates on its telephone service, whether such taxes, fees or payment be expressed as a lump sum, or a flat rate, or based on receipts, or based on poles, wires, conduits, or other facilities, or otherwise, so much of the aggregate amount of such payments and concessions as exceeds three (3) per cent of the recurring local service revenues received from subscribers located within such municipality will be billed, insofar as practical, pro rata to the subscribers receiving exchange service within the municipality.

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4.7.2 Commission Approval

Except for state, county, or municipal taxes, all pro ration of fees and other charges mentioned in above paragraph will be approved by the Commission before being applied to the subscriber bill.