TITLE SHEET

LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

This tariff applies to the intrastate local telecommunications services furnished by McLeodUSA Telecommunications Services, Inc. ("Carrier") to business and residential customers between one or more 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 Carrier's principal place of business, 6400 C Street SW, Cedar Rapids, Iowa 52406-3177.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 21 2001

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

Issued By: David R. Conn
Vice President and Deputy General Counsel
6400 C Street SW, P.O. Box 3177
Cedar Rapids, Iowa 52406

CHECK SHEET

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

Sheet	Revision	Sheet	Revision	Sheet	Revision	Sheet	Revision
1	Original	21	Original	41	Original	61	Original
2	Original	22	Original	42	Original	62	Original
3	Original	23	Original	43	Original	63	Original
4	Original	24	Original	44	Original	64	Original
5	Original	25	Original	45	Original	65	Original
6	Original	26	Original	46	Original	66	Original
7	Original	27	Original	47	Original		
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9	Original	29	Original	49	Original		
10	Original	30	Original	50	Original		
11	Original	31	Original	51	Original		
12	Original	32	Original	52	Original		
13	Original	33	Original	53	Original		
14	Original	34	Original	54	Original		
15	Original	35	Original	55	Original		
16	Original	36	Original	56	Original		
17	Original	37	Original	57	Original		
18	Original	38	Original	58	Original		
19	Original	39	Original	59	Original		
20	Original	40	Original	60	Original		

* Indicates new or revised sheet submitted with this filing.

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CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

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TARIFF FORMAT

Sheet Numbering. Sheet numbers appear in the upper right hand corner of the sheets. Sheets are numbered sequentially. From time to time new sheets may be added to the tariff. When a new sheet is added between existing sheets, a decimal is added to the preceding sheet number. For example, a new sheet added between sheets 5 and 6 would be numbered 5.1.

Sheet Revision Numbers. Revision numbers also appear in the upper right corner of sheets. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th Revised Sheet No. 24 cancels the 3rd Revised Sheet No. 24.

Paragraph Numbering Sequence. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level, as shown by the following example:

2
2.1
2.1.1
2.1.1.A
2.1.1.A.1
2.1.1.A.1.(a)
2.1.1.A.1.(a).I
2.1.1.A.1.(a).I.(i)
2.1.1.A.1.(a).I.(i).(1)

Check Sheets. When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross-reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current one on file with the Commission.

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TARIFF FORMAT (Cont'd)

Explanation of Symbols. When changes are made in any tariff sheet, a revised sheet will be issued replacing the tariff sheet affected. Changes will be identified on the revised sheet through the use of the following symbols:

(C) - Identifies a changed regulation.

(D) - Identifies a discontinued rate or regulation.

(I) - Identifies an increase in rate.

(N) - Identifies a new rate or regulation.

(R) - Identifies a reduction in rate.

(T) - Identifies a change in text only.

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0.0 Application and Scope of Tariff

0.1 Application

This tariff contains the rates and regulations applicable to regulated local services provided to business and residential customers by Carrier between and among points within the Commonwealth of Kentucky.

0.2 Scope

Carrier's services are provided subject to the availability of facilities and subject to the terms and conditions of this tariff. All services within the jurisdiction of the Commission provided by Carrier between and among points in Kentucky are governed by this tariff.

0.3 Interconnection with Other Carriers

Service provided by Carrier may be connected with services or facilities of other carriers or may be provided over facilities provided by carriers other than Carrier. However, service provided by Carrier is not a part of a joint undertaking with any other carrier providing telecommunications channels, facilities, or services.

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1.0 Explanation of Terms and Abbreviations

1.1 Definitions of Terms

Advanced In-Only Trunk with DID and Hunting: In only trunk with Direct-Inward-Dialing (DID) feature. Requires a DID trunk circuit termination.

Advanced Out-Only Trunk with Answer Supervision: Out-only trunk with supervision feature. This feature passes answer back signaling from the central office switch to the customer's PBX when a PBX call has been either completed or answered.

Advanced Two-Way Trunk with DID, Hunting and Answer Supervision: Two-way trunk with DID and answer supervision features. Requires a DID trunk circuit termination.

Authorization Code: A numerical code, one or more of which is available to Customer to enable it to access Carrier's network, and which are used by Carrier to prevent unauthorized access to its facilities and to identify Customer for billing purposes.

Basic In-Only: One-way trunk which allows traffic from the central office switch to be transmitted to the PBX.

Basic Out-Only: One-way trunk which only allows traffic originating in the PBX to be transmitted to the central switch.

Basic Two-Way: Trunk which allows traffic originating in the PBX to be transmitted to the central office switch.

Calling Card: A billing arrangement by which the charge for a call may be charged to an authorized calling card account.

Calls: Telephone messages completed by Customers.

Carrier: McLeodUSA Telecommunications Services, Inc.

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1.0 Explanation of Terms and Abbreviations (Cont'd)

1.1 Definitions of Terms (Cont'd)

Central Office: A unit of BellSouth's system that provides service to the general public and has the necessary equipment and operating arrangements for terminating and interconnecting Customer lines and trunks or trunks only. More than one (1) central office may occupy a building.

Charges: Monthly recurring and nonrecurring amounts billed to Customers for services.

Commission: Kentucky Public Service Commission.

Customer: Any person, firm, association, corporation, agency of the federal, state, or local government, or legal entity responsible by law for payment of rates and charges and for compliance with the regulations of McLeodUSA.

Customer Contract: A written agreement between the Customer and McLeodUSA containing or referring to the rates and regulations applicable to the service being provided.

Customer Premises Equipment: All terminal equipment normally used on the Customer's premises. This equipment may be Customer-owned, or may be owned by McLeodUSA or another supplier and leased to the Customer.

Delinquent or Delinquency: An account for which an uncontested bill or payment agreement for regulated services has not been paid in full on or before the last day for timely payment. This term may also apply to a contested bill for which the Commission finds the Customer's complaint to be without merit.

DID: (Direct Inward Dialing) is a special trunking arrangement which permits incoming calls from the exchange network to reach a specific PBX station directly without an attendant's assistance.

Disconnect or Disconnection: The disabling of circuitry to prevent outgoing and/or incoming calls.

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1.0 Explanation of Terms and Abbreviations (Cont'd)

1.1 Definitions of Terms (Cont'd)

Due Date: The last day for payment of a bill without unpaid amounts being considered delinquent or subject to additional collection efforts. The due date may be designated by "due by," "pay by," "if paid by," or other such language on the Customer's bill.

Exchange: A unit established for the administration of local communication services.

Exchange Service: A local communications service furnished by means of local exchange plant and facilities.

Extended Area Service or EAS: Telephone service, offered at a flat local rate, between customers located within an exchange area and all customers in an additional exchange area or areas.

Individual Case Basis: A rate, charge, or condition of the tariff as determined by individual circumstances.

Inside Station Wiring or Inside Wiring: Wiring on the premises beyond the demarcation point.

Interexchange Service: The provision of intrastate telecommunications services and facilities between local exchanges, excluding EAS.

InterLATA Service: The completion of calls between Local Access and Transport Areas.

IntraLATA Service: The completion of calls between points within the boundaries of a Local Access and Transport Area.

Local Access and Transport Area or LATA: A geographic area within which Bell Operating Companies are permitted to offer interexchange service. These areas were established as a result of the break-up of the former Bell System.

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1.0 Explanation of Terms and Abbreviations (Cont'd)

1.1 Definitions of Terms (Cont'd)

Local Exchange Utility or Local Utility: A telephone utility that provides local service under a tariff filed with the Commission. The utility may also provide other services and facilities.

Local Service: Telephone service furnished between points located within an area where there is no toll charge.

MCA: Metropolitan Calling Area

McLeodUSA: McLeodUSA Telecommunications Services, Inc.

Message: A telephone call made by a Customer.

Month: For billing purposes, a month is considered to have thirty (30) days.

Number of Digits Sent: The number of digits of the telephone number sent from the Central Office to the telephone system for interpretation and routing to the end user. Typically a function of DID.

Operator: An automated or live operator.

Point of Presence (or POP): The location in McLeodUSA's system where local access facilities connect to an interexchange carrier's network.

Public Safety Answering Point: A communications facility operated on a twenty-four (24) hour basis and serving participating jurisdictions that initially receives 911 calls and either directly dispatches emergency response services or relays the calls to the appropriate public safety agency.

Rates: The usage amounts billed to customers for regulated services and/or equipment.

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1.0 Explanation of Terms and Abbreviations (Cont'd)

1.1 Definitions of Terms (Cont'd)

Re-routing of numbers: Provides the option of re-directing telephone numbers from one T1 facility to another or from other local lines to the T1 facility. Typically utilized with DID trunking service.

Service: Any or all service(s) provided by McLeodUSA pursuant to this tariff.

Signaling: Represents the type of signaling format utilized to maintain a T1 level digital transmission from the Central Office to the customer premise. Signaling options include: AMI, ESF, SF, B8ZF; other options may be available on an individual case basis.

Suspend or Suspension: To disconnect or impair a service temporarily in order to disable either outgoing or incoming calls or both.

T1- Advanced: Includes In-Only Trunk with DID and Hunting, Out-Only Trunk with Answer Supervision or Two-Way Trunk with DID, Hunting and Answer Supervision.

T1 Basic or Combo: Includes In-Only Trunk, Out-Only Trunk or Two-Way Trunk. Combo is a combination of Basic and Advanced.

Timely Payment: A payment of the Customer's account made on or before the due date shown on a current bill for rates and charges or by an agreement between the Customer and Carrier for a series of partial payments to settle a delinquent account.

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1.0 Explanation of Terms and Abbreviations (Cont'd)

1.2 Explanation of Acronyms and Trade Names

BOC = Bell Operating Company
DA = Directory Assistance
EAS = Extended Area Service
FCC = Federal Communications Commission
LATA = Local Access and Transport Area
LNP = Local Number Portability
NPA = Numbering Plan Area, more commonly known as Area Code
NRC = Non-Recurring Charge
SNI = Standard Network Interface
Sprint = Sprint Communications Company, L.P.
TRS = Telecommunications Relay Services Surcharge

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2.0 General Rules and Regulations

2.1 Undertaking of Carrier

2.1.1 General

Pursuant to this tariff, Carrier undertakes to provide within the Commonwealth of Kentucky local exchange services described in Section 3.0.

2.1.2 Limitations

A. Service is offered subject to the availability of the necessary facilities and equipment and subject to the provisions of this tariff in compliance with limitations set forth in the Commission's rules.

B. Carrier reserves the right to discontinue service when the Customer is using the service in violation of the provisions of this tariff, signed contract, or the law, with notice as required by the rules of the Commission.

C. Carrier does not undertake to transmit messages or information, but offers the use of its facilities, when available, for that purpose.

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2.0 General Rules and Regulations (Cont'd)

2.2 Use

2.2.1 Lawful Purpose

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of the service.

2.2.2 Use of Service for Unlawful and/or Fraudulent Purposes

Carrier's services are provided subject to the condition that they will not be used for any unlawful and/or fraudulent purpose. Services will not be furnished if any law enforcement agency, acting within its jurisdiction, advises Carrier that such services are being used or are likely to be used in violation of the law and/or in a fraudulent manner. If Carrier receives other evidence giving reasonable cause to believe that such services are being used or are likely to be used for unlawful and/or fraudulent purposes, it may either discontinue or deny the services and/or refer the matter to the appropriate law enforcement agency in accordance with law and/or Commission rules.

2.2.3 Unauthorized Use

Any individual who uses or receives Carrier's services other than under the provisions of an accepted application for service and a current Customer relationship shall be liable for the appropriate rates and charges for the service received and for Carrier's costs of investigation and collection.

2.2.4 [Reserved for future use.]

2.2.5 Use of Service Mark

No Customer shall use any service mark or trademark of Carrier or refer to Carrier in connection with any product, equipment promotion, or publication of the Customer without the prior written consent of Carrier.

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2.0 General Rules and Regulations (Cont'd)

2.3 Liability

Except for granting credit allowances for interruptions of service as provided in the last paragraph of this section, Carrier shall not be liable for any claim or loss, expense or damage, for any failure of performance due to failure or malfunction of Customer-supplied equipment, acts of God, storms, fires, floods or other catastrophes, power failure, natural emergencies, insurrections, riots or wars, or any law, order, regulation, or other action of any governmental authority or agency thereof.

Carrier shall not be liable for, and shall be fully indemnified and held harmless by, Customers against any claim or loss, expense or damage, for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name, service mark, or proprietary or creative right, or any other injury to any person, property, or entity arising out of the material, data, or information transmitted.

No agent or employee of any other carrier shall be deemed to be an agent or employee of Carrier.

Carrier's liability due to any failure of the transmission shall not exceed an amount equal to the charges provided for by the applicable tariff (for regulated services) and applicable price list, catalogue, and/or contract (for all other services) for the call.

Carrier shall not be liable for damages arising out of the use of Carrier's services for the transmission of anything other than voice grade service.

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2.0 General Rules and Regulations (Cont'd)

2.3 Liability (Cont'd)

Carrier will provide a customer's correct name and telephone number to a calling party either upon request to or interception by Carrier in the event there is an error or omission in the customer's directory listing. Carrier's liability for any errors or omissions in any directory listings is limited to the charges made for the listing itself. Carrier shall not be liable for any incidental, indirect, special or consequential damages of any kind, including loss of use, loss of business, or loss of profit, arising from errors or omissions in directory listings.

Notwithstanding anything to the contrary in this section, if Customer's service is interrupted and remains out of service for more than twenty-four (24) hours after the earlier of being reported to Carrier or being found by Carrier to be out of order, and if the interruption is not the result of a negligent or willful act by the Customer, a malfunction of Customer-owned equipment, Carrier's inability to gain access to the Customer's premises, or causes beyond Carrier's control as described in the first paragraph of this section, Carrier will make appropriate adjustments upon request. Such adjustments, in the form of direct payments or bill credits, will be the proportionate part of the monthly change for all services and facilities rendered inoperative during the interruption, beginning with the hour of the report to Carrier, or discovery by Carrier, of the interruption. A service interruption may include, among other events, lawful disconnections pursuant to Section 2.11 of this tariff and when a customer's service interrupted during a move to a new Customer premise.

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2.0 General Rules and Regulations (Cont'd)

2.4 Equipment

2.4.1 Inspection, Testing, and Adjustment

Carrier may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the requirements of this tariff are being complied with in the installation, operation, or maintenance of the Customer's equipment. Carrier may interrupt the service at any time, without penalty to itself, unless interruption exceeds twenty-four (24) hours.

2.4.2 Interference and Hazard

The operating characteristics of Customer premises equipment or communications systems connected to Carrier's services must not interfere with, or impair, any of the services offered by Carrier. Additionally, connected Customer premises equipment must not endanger the safety of Carrier employees or the public, damage or interfere with the proper functioning of Carrier's equipment, or otherwise injure the public in its use of Carrier's services.

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2.0 General Rules and Regulations (Cont'd)

2.4 Equipment (Cont'd)

2.4.3 Maintenance and Repair

A. Customer Liability

The Customer shall be responsible for damages to Carrier's facilities used in the provision of regulated services caused by the negligence or willful act of the Customer or those using Carrier's service through the Customer. The Customer may not physically modify or intrude upon, rearrange, disconnect, remove, or attempt to repair any of Carrier's facilities except upon written consent of Carrier.

B. Leased or Owned Facilities

The Customer's obligation to Carrier is the same whether the facilities involved are Carrier's facilities or are facilities leased by Carrier from another party. If Carrier incurs expenses due to the Customer's actions that result in damage or impairment of Carrier's owned or leased facilities, Carrier will pass on to the Customer any and all expenses to repair Carrier's facilities or that the owner imposes on Carrier for leased facilities.

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2.0 General Rules and Regulations (Cont'd)

2.5 Contract for Service

Service is installed upon contractual agreement between a Customer and Carrier. The contractual agreement specifies the terms and conditions of service not covered by this tariff. The contract does not alter the obligations of Carrier to Customers as described in this tariff. The term of the services shall commence and will remain in effect from the service activation date specified in the contract for the term of the contract. Should Carrier continue to provide service after the initial term without further agreement, the service shall continue under the terms of the then applicable tariff on a month-to-month basis. A contract may, however, provide for the renewal of the contract for a period similar to its existing term, if the Customer does not advise Carrier that the Customer desires to terminate the contract by a reasonable time prior to its expiration date.

2.6 Application for Service

2.6.1 Information Required

When applying for service, each prospective Customer will be required to furnish Carrier with the following information:

A. The name of the party who will be responsible for payment for the service provided.

B. The address or addresses or exact location of the premises where service is to be provided and billed.

C. Any information required to make a proper determination of appropriate creditworthiness.

2.6.2 Initiation of Service

Service shall be deemed to be initiated upon the service activation date specified in the Customer contract, or in the records of McLeodUSA.

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2.0 General Rules and Regulations (Cont'd)

2.7 Deposits

2.7.1 Deposit Requirements

McLeodUSA may require from any Customer or prospective Customer a deposit to be held as a guarantee for the payment of charges. Any applicant who is either not a previous Customer having an established prompt payment record or whose credit record is not satisfactory may be required to pay a deposit. In its calculation of a Customer's creditworthiness, McLeodUSA will use trading banking references, credit reports, and any other information pertinent to a Customer's credit. Any deposit required shall be confirmed in writing to the Customer not later than the time of the next billing. Such confirmation shall, in separate columns, itemize deposits for abnormal toll usage and regulated services and identify deposits for other services, and shall state that no deposit other than for toll and regulated services is required to obtain basic local service.

2.7.2 Amount of Deposit

The amount of deposit will calculated as follows: If actual usage data is available for the Customer at the same or similar premises, the deposit amount shall be calculated using the customer's average bill for the most recent twelve (12) month period. If actual usage data is not available, the deposit amount shall be based on the Customer's estimated anticipated usage or the average bills of customers with similar usage considering the type and nature of service. The deposit amount shall not exceed two-twelfths (2/12) of the Customer's actual or estimated annual bill.

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2.0 General Rules and Regulations (Cont'd)

2.7 Deposits

2.7.3 New or Additional Deposit

A new or additional deposit may be required to cover the amount provided in Section 2.7.2 above when a deposit has been refunded or is found to be inadequate by virtue of abnormal toll usage leading to an increase in the annual bill average. The amount of a new or additional deposit shall not exceed two-twelfths (2/12) of the Customer's actual or estimated annual bill. Written notice shall be mailed advising the Customer of any new or additional deposit requirement, and the Customer shall have twelve (12) calendar days from the date of mailing to comply. The new or additional deposit is payable at the address specified in Section 2.7.4.

2.7.3.A Abnormal Toll Usage

For customers with at least six (6) consecutive months of service, "abnormal toll usage" is defined as at least a twenty-five percent (25%) increase in monthly usage charges amounting to at least twenty dollars ($20). The Customer's average monthly bills for not less than the three (3) prior months shall be used in determining the increase. For customers with less than six (6) consecutive months of service, "abnormal toll usage" is defined to exist when one (1) month's service exceeds the deposit attributable to the service by twenty-five percent (25%) amounting to at least twenty dollars ($20).

2.7.4 Handling of Deposits

Deposits shall be sent or delivered to: McLeodUSA Telecommunications Services, Inc., P.O. Box 3177, 6400 C Street, SW, Cedar Rapids, Iowa 52406. McLeodUSA will maintain records that show the name and address of each depositor, the amount and date of the deposit, and each transaction concerning the deposit. Unclaimed deposits, together with accrued interest, shall be credited to an appropriate account and shall be disposed of in accordance with law.

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SECTION 9 (1)
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SECRETARY OF THE COMMISSION

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2.0 General Rules and Regulations (Cont'd)

2.7 Deposits (Cont'd)

2.7.5 Receipts

A receipt of deposit will be furnished to each Customer from whom a deposit is received. Upon request, duplicate receipts will be provided to Customers who have lost their receipts if the deposits are substantiated by McLeodUSA's records.

2.7.6 Customer Obligations

The existence of a deposit in no way relieves the Customer of the obligation to comply with McLeodUSA's regulations for the prompt payment of bills.

2.7.7 Refund

The deposit shall be refunded or credited to the Customer after not more than twelve (12) consecutive months of prompt payment (which may be eleven (11) timely payments and one automatic forgiveness of late payment). The account shall be reviewed after twelve (12) months of service, and if the deposit is retained, it shall again be reviewed at the end of McLeodUSA's accounting year or on the anniversary date of the account.

2.7.8 Interest

Interest shall accrue at the rate of 6%, pursuant to KRS 278.460, on all deposits, beginning on the date of deposit per 807 KAR 5:006, Section 7(6).

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2.0 General Rules and Regulations (Cont'd)

2.8 Billing

2.8.1 Monthly Billing

Bills to Customers will be issued monthly unless McLeodUSA is authorized by the Commission to bill at other than monthly intervals because of unusual circumstances. Local service charges, including installation charges, are billed in advance. Toll charges are billed in arrears. If a Customer elects, McLeodUSA may issue a billing statement to a Customer in an electronic format only.

2.8.2 Bill Contents

The bill form or a bill insert will provide the following information: the dates at the beginning and end of the billing period; the last date for timely payment, which shall not be less than twenty (20) days after the bill is rendered; the amount of the net charge, stated by category, for local service, ancillary services and equipment, toll service, information service, sales tax and excise tax, and of any late payment charge, together with the gross amount of the bill, with separate entries for total amounts current or in arrears. The bill will also specify Carrier's address and its toll free numbers where a Customer may direct inquiries or complaints, as specified in Sections 2.10.2. and 2.10.3 of this tariff. Carrier will also comply with reasonable requests for bill detail. The name of Carrier will appear prominently on all bills for services.

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2.0 General Rules and Regulations (Cont'd)

2.9 Payment for Service

2.9.1 Late Penalty Charge

Carrier may impose a one time late payment charge not to exceed 1.5% on any bill not paid within thirty (30) days of receipt of the bill. Customers shall be responsible for all costs incurred in the collection of unpaid charges or in any other action to enforce payments and/or obligations arising under this tariff. Each account will be granted one complete forgiveness of a late payment charge each calendar year. On one monthly bill in each period of eligibility, the net amount of such bill will be accepted as full payment for the month after expiration of the net payment period. The Customer will be notified by mailed written notice that the eligibility has been used. Such forgiveness of late payment charges will have no effect on the credit rating of the Customer.

2.9.2 Partial Payment

If a Customer makes a partial payment in a timely manner and does not designate the service for which payment is made, the payment shall first be applied to the undisputed balance for local service, with the remainder applied on a pro rata basis to regulated utility services and toll service. Any remainder will then be applied to deregulated and unregulated services other than toll. Any late payment penalty charge will be applied only to the outstanding balance for utility services, except interstate toll and related taxes.

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2.0 General Rules and Regulations (Cont'd)

2.9 Payment for Service (Cont'd)

2.9.3 Collection

No collection efforts other than the rendering of the bill shall be undertaken until the delinquency date.

2.9.4 Taxes and Fees

Any governmental assessments, fees, licenses, or other similar taxes or fees imposed upon Carrier may be charged to Customers receiving Carrier's service within the territorial limits of the governmental authority imposing such taxes and fees. Such taxes and fees will be allocated among such Customers on the basis of Customers' purchase of the types of service made subject to the taxes or fees. Such taxes and fees will be separately stated on bills.

2.10 Disputes and Complaints

2.10.1 Disputed Bills

In the event of a dispute concerning the bill, Carrier will require the Customer to pay a sum of money equal to the amount of the undisputed portion of the bill. Following payment of the undisputed amount, efforts to resolve the complaint using the complaint procedures in Section 2.10.2 shall continue, and the service shall not be disconnected for nonpayment of the disputed amount during this time. If a Customer does not give Carrier notice of a dispute with respect to Carrier's charges within two (2) years from the later of the date of the bill or the date of the discovery of the dispute, the bill shall be deemed correct and binding upon the Customer.

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2.0 General Rules and Regulations (Cont'd)

2.10 Disputes and Complaints (Cont'd)

2.10.2 Complaint Procedures

Inquiries, general questions, or complaints may be directed informally to Carrier by telephone, in person, or in writing at Carrier's office located at McLeodUSA Technology Park, 6400 C Street, SW, P.O. Box 3177, Cedar Rapids, Iowa 52406. Business customers can reach Carrier's customer service department by dialing toll-free: 1-800-593-1177. Residential customers can reach Carrier's customer service department by dialing toll-free: 1-800-500-3543. Carrier's customer service department accepts calls on a twenty-four-hour-a-day basis. Complaints concerning the charges, practices, facilities, or services of Carrier will be investigated promptly and thoroughly. Carrier will keep records of each complaint showing the name and address of the complainant, the date and nature of the complaint, its disposition, and all other pertinent facts dealing with the complaint that will enable Carrier to review and analyze its procedures and actions. The records maintained by Carrier under this tariff will be available for two years (2) for inspection by the Commission or its staff upon request. Within thirty (30) days of the receipt of a written complaint, Carrier will provide written notice to the Customer of the status of the complaint. Each Customer may file with the Commission for resolution of disputes. Each complainant will be mailed a statement of the complainant's right to contact the Commission's Consumer Services Division at 211 Sower Blvd., Frankfort, KY 40601, telephone 502-564-3940 or 1-800-772-4636.

2.10.3 Bill Insert or Notice

Carrier shall notify Customers, by bill insert or notice on the bill form, of the address and telephone number where a Carrier representative qualified to assist in resolving the complaint can be reached.

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2.0 General Rules and Regulations (Cont'd)

2.11 Service Refusal, Disconnection, and Suspension

2.11.1 Notice of Pending Disconnection

Prior to the disconnection of service, Carrier shall provide a written notice to the Customer setting forth the reason for disconnection and the final date by which the account is to be settled or specific action taken. Final dates shall be no less than ten (10) calendar days with respect to an unpaid bill after the notice is rendered. The notice shall be considered rendered to the Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the notice shall be considered rendered when delivered to the last known address of the person responsible for payment for the service. The notice will specify (800-593-1177 for business customers; 800-500-3543 for residential customers) as a toll-free number at which a Carrier representative can be reached to provide additional information about the disconnection.

2.11.2 Reasons for Service Refusal, Disconnection, and Suspension

Service may be refused, disconnected, or suspended:

A. Without notice if a condition on the Customer's premises is determined by Carrier to be hazardous.

B. Without notice if the Customer uses the service in such a manner as to adversely affect Carrier's equipment or Carrier's service to others.

C. Without notice if equipment furnished, leased, or owned by Carrier is subject to tampering.

D. Without notice if there is unauthorized use. Unauthorized use includes, without limitation, use or attempted use for an unlawful purpose and/or use or attempted use in any fraudulent manner.

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2.0 General Rules and Regulations (Cont'd)

2.11 Service Refusal, Disconnection, and Suspension (Cont'd)

2.11.2 Reasons for Service Refusal, Disconnection, and Suspension (Cont'd.)

E. With ten (10) days prior written notice if there are reasonable grounds to believe there is a violation of or noncompliance with Carrier's regulations on file with the Commission, municipal ordinances, or law.

F. With ten (10) days prior written notice if the Customer or prospective Customer fails to furnish service equipment, permits, certificates, or rights-of-way specified to be furnished in Carrier's regulations filed with the Commission as conditions for obtaining service, or withdraws such equipment or terminates those permissions or rights, or fails to fulfill the contractual obligations imposed upon the Customer as conditions of obtaining service.

G. With ten (10) days prior written notice if the Customer fails to permit Carrier reasonable access to its equipment. However, no service shall be disconnected for this reason on the day preceding or day on which McLeod's office at the address specified in Section 2.10.2 is closed.

H. With ten (10) days prior written notice if the Customer routinely uses abusive or profane language or makes physical threats in conversations with McLeodUSA personnel, or otherwise abuses access to customer service personnel by making repeated unwarranted calls that are unrelated to specific service issues. However, no service shall be disconnected for this reason on the day preceding or day on which McLeodUSA's office at the address specified in Section 2.10.2 is closed.

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2.0 General Rules and Regulations (Cont'd)

2.11 Service Refusal, Disconnection, and Suspension (Cont'd)

2.11.3 Refusal, Disconnection, and Suspension of Service for Nonpayment of Bill

Except as restricted by Section 2.11.4, service may be refused, disconnected, or suspended for nonpayment of a bill if Carrier has made a reasonable attempt to effect collection and:

A. Carrier has provided the Customer with seven (7) days' prior written notice with respect to an unpaid bill.

B. Carrier is open, at minimum, one more hour and open the following day of the scheduled disconnection.

C. In the event of a dispute concerning the bill, Carrier will require the Customer to pay a sum of money equal to the amount of the undisputed portion of the bill. Following payment of the undisputed amount, efforts to resolve the complaint using the complaint procedures in Section 2.10.2 shall continue, and service shall not be disconnected for nonpayment of the disputed amount.

However, in no event shall service be disconnected on the day preceding or day on which Carrier's local business office or local authorized agent is closed.

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2.0 General Rules and Regulations (Cont'd)

2.11 Service Refusal, Disconnection, and Suspension (Cont'd)

2.11.4 Insufficient Reasons for Refusal, Suspension, or Discontinuance of Service

The following reasons are not sufficient cause for refusal, suspension, or discontinuance of service to a present or prospective Customer:

A. Delinquency in payment for service by a previous occupant of the premises to be served, unless that occupant is a Customer of the same household as the customer.

B. Failure to pay for unregulated services or equipment purchases.

C. Failure to pay the bill of another Customer as guarantor thereof.

D. Permitting another occupant of the premises access to the telephone utility service when that other occupant owed an uncollectible bill for service rendered at a different location.

2.11.5 Medical Emergency

Notwithstanding any other provision of this tariff, Carrier will postpone the disconnection of service to a residential Customer for a reasonable time, not to exceed thirty (30) days, if the Customer produces verification from a physician or a public health or social services official stating that telephone service is essential due to an existing medical emergency of the Customer, a customer of the Customer's family, or any permanent resident of the premises where service is rendered. This written verification shall identify the medical emergency and specify the circumstances. Initial verification may be by telephone if written verification is forwarded to Carrier within five (5) days.

2.11.6 Temporary Service

When McLeod renders temporary service to a Customer, the Customer may be required by McLeod to bear the entire cost of installing and removing the service facilities in excess of any salvage realized.

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2.0 General Rules and Regulations (Cont'd)

2.12 Cancellations and Deferments of Service

When a Customer cancels or defers an order for service before the service is activated, a charge applies that will allow Carrier to recover its unrecovered costs, including but not limited to outside vendor charges, engineering, labor, materials, and equipment. Charges apply as follows:

2.12.1 Cancellation

In a cancellation situation, the charge is equal to the unrecoverable costs incurred prior to the request for cancellation and the costs of removal, restoration, and disposal, if any, to comply with the cancellation. Those costs include, but are not limited to, costs of outside vendors, engineering, labor, nonrecoverable materials, and equipment expense.

2.12.2 Deferment of Start of Service

If a request for deferment of service is received by Carrier prior to the date an order for equipment or service is placed with Carrier's supplier, no charge shall apply. For deferments received by Carrier subsequent to the date the order for equipment or service is placed with Carrier's supplier, a monthly recurring charge based upon the costs incurred prior to the request for the deferment applies. This monthly rate shall be equal to the deferred investment multiplied by the monthly prime interest rate as announced by Firstar Bank of Cedar Rapids, N.A., plus recurring costs resulting directly from the deferral such as storage, taxes, etc.

In addition, any extraordinary nonrecurring costs resulting from the deferral, such as additional engineering, labor, and transportation, shall be billed in total. Billing shall start at the beginning of the month of deferment and extend to the start of service. Charges shall not exceed the monthly rate that would have applied had the service been established. Carrier will also charge the Customer who defers service any and all rates and charges incurred by Carrier for any leased facilities for which Carrier is held responsible. Carrier will make a good faith effort to minimize those rates and charges whenever possible.

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2.0 General Rules and Regulations (Cont'd)

2.13 Information Service Access Blocking

Where facilities are available, Customers have the option to block access to all "900", "960" and "976" prefix numbers, without charge for the first block. Carrier will comply with all applicable rules of the Commission concerning such blocking.

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3.0 Description of Services Offered

3.1 Primary Rate ISDN

Primary Rate ISDN provides an ISDN based, DS1 access to the telecommunications network and includes the flexibility of integration of multiple voice and/or data transmission channels on the same line. The service will provide connectivity between ISDN compatible CPE and a serving central office. The basic channel structure for Primary Rate ISDN is twenty-three 64 Kbps B-Channels and one 64 Kbps D-Channel. The customer has the option to activate up to 23 B-Channels on the first Primary Rate ISDN arrangement and up to 24 channels on additional Primary Rate ISDN arrangements. The 23 B-Channels can be used to connect the customer's CPE to the Public Circuit Switched Network, e.g., outward, inward and 2-way network access. Calling Number Delivery, Called Number Delivery, and Hunting functionality are inherent to this service.

Primary Rate ISDN provides capability for the transmission of digital signals only. Primary Rate ISDN is provided from wire centers where appropriate ISDN facilities are available as determined by the Carrier. Special Construction charges may apply
.

The required components for Primary Rate ISDN are as follows:
- Primary Rate ISDN Access Line where applicable
- Interoffice Channels where applicable
- Primary Rate ISDN Interface
- Primary Rate ISDN B-Channels
- Primary Rate ISDN D-Channel

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3.0 Description of Services Offered (Cont'd.)

3.2 Promotional Offerings

Carrier may from time to time engage in special promotions of limited duration. These promotions may be in the form of waiver or reduced recurring and nonrecurring fees, lowered usage charges, or other actions designed to attract new Customers or to increase existing Customer awareness of a particular service. All promotions will be offered on a non-discriminatory basis to eligible Customers and submitted to the Commission for approval.

3.3 Individual Case Basis (ICB)

In addition to tariffed promotional offerings, McLeodUSA may, in conjunction with the Most Favored Customer clause in its Customer Services Agreement, offer individualized arrangements on a case-by-case basis where necessary to meet prices, terms, or conditions of service offered by competitors. In such cases, the prices offered by McLeodUSA shall not exceed the prices for similar services contained in this tariff.

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4.0 Rates and Charges

4.1 Nonrecurring Charges

4.1.1 Early Termination Charges

If a Customer terminates service prior to the expiration of the term of the contract (see Section 2.5), the Customer will be required to pay an early termination charge in accordance with the customer's contract for service.

4.1.2 Third Party Vendor Charges

Customers may also be charged for certain charges incurred by Carrier (at the Customer's instruction) in obtaining services from third party vendors. At the earliest opportunity, the Customer will be advised of the nature of the charges and the estimated amount of the charges.

4.1.3 Reconnect Fee

Reconnect Fee charge: $50.00 for first two lines

This charge applies to reconnect service after dial tone has been suspended or service has been disconnected.

4.1.4 Nonsufficient Funds Charge (NSF Checks)

NSF check charge: $20.00

This charge applies when a check has been returned by the bank for non-payment.

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4.0 Rates and Charges (Cont'd.)

4.2 Usage Rates

Usage rates for individual services are shown in the Rate Tables associated with each particular service.

4.3 Rate Tables

4.3.1 Rate Table 1: Primary Rate ISDN

	Nonrecurring	Per Month
Primary Rate ISDN Access Line:	$875.00	$140.00
Interoffice Channel	$125.00	$75.00
per mile or fraction of mile	----	$24.00
Primary Rate ISDN Interface	$110.00	$400.00
Primary Rate ISDN B-channels (each)		
Voice/Data (standard)	$5.00	$70.15
Digital Data only	$5.00	$31.00
Inward Data only	$5.00	$31.00
Primary Rate ISDN D-channel	No Charge	No Charge

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