

**CASE**

**NUMBER:**

99 - 197

INDEX FOR CASE: 99-197

AS OF : 05/18/99

GEARHEART COMMUNICATIONS CO., INC. DBA COALFIELDS TELEPHONE CO  
TariffsIN THE MATTER OF THE PETITION OF COALFIELDS TELEPHONE  
COMPANY FOR DEVIATION FROM 807 KAR 5:011, SECTION 10(1)(C)  
AND (E).

SEQ NBR	ENTRY DATE	REMARKS
0001	04/13/99	Application
0003	04/28/99	Letter to Gearheart Communications
0002	04/29/99	Letter from Cronin Communications
0004	05/17/99	Final Order approving proposed tariff effective 5/17/99 with exception.



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

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May 17, 1999

Paul Gearheart  
Gearheart Communications, Inc.  
dba Coalfields Telephone Company  
P. O. Box 160  
5 Laynesville Road  
Harold, KY. 41635

RE: Case No. 99-197

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF COALFIELDS )  
TELEPHONE COMPANY FOR DEVIATION ) CASE NO. 99-197  
FROM 807 KAR 5:011, SECTION 10(1)(c) AND (e) )

O R D E R

On April 13, 1999, Gearheart Communications, Inc. d/b/a Coalfields Telephone Company ("Coalfields") filed a revision to its entire General Subscriber Services Tariff. The purpose of the filing is to cancel its currently approved tariff, to reflect a name change, to correct miscellaneous errors, to reformat the tariff, and to add additional information. One of the additional items that Coalfields seeks to add to its tariff is a nonrecurring late payment charge. In its filing, Coalfields requested a deviation from the requirements of 807 KAR 5:011, Section 10(1)(c) and (e).

807 KAR 5:011, Section 10, relates to nonrecurring charges and permits a utility to seek a rate revision for a nonrecurring charge outside a general rate proceeding. 807 KAR 5:011, Section 10(1)(c), requires the submission of a detailed statement explaining why the proposed change could not have been included in the most previous general rate case or deferred until the next general rate request. 807 KAR 5:011, Section 10(1)(e), requires the utility to submit its income statement and balance sheet for a recent twelve-month period. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the information filed therein is sufficient to enable

the Commission to adequately review Coalfields' filing. Therefore, the deviation should be granted.

In accordance with 807 KAR 5:011, Section 8, Coalfields will provide to its customers, on or about May 8, 1999, notice of the proposed late payment charge. It will not begin applying the assessment of any late payment charges until its billing cycle of July 17.

Coalfields also seeks approval of an Area Calling Service ("ACS") plan it proposes to offer its customers. ACS subscribers will be permitted to purchase bulk toll calling to reduce toll charges to the subscribers' community of interest. The plan is an optional plan offered by Coalfields in response to customer demand.

In the past, the Commission has approved expanded calling plans of this nature when certain conditions are met. First, the plans must encompass a community of interest and there must be an adequate customer demand for the service. Second, the pricing of the service must be revenue neutral and must not affect the rest of the general subscribership through revenue shortfalls or excessive profits to the utility.<sup>1</sup>

Coalfields states that the expanded calling area in the affected exchanges reflects the communities of interest and that there is significant demand from those customers. Coalfields' proposed tariff for the Optional ACS contains rates that are projected to reduce its annual revenues by \$5,590.

The Commission encourages the implementation of expanded area calling plans and will continue to enforce the requirements of Administrative Case No. 285.

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<sup>1</sup> Administrative Case No. 285, An Investigation Into the Economic Feasibility of Providing Local Measured Service Telephone Rates in Kentucky, Order issued October 25, 1990.

However, where a company's financial position indicates that it can absorb revenue decreases as the result of implementation of these plans, the company will not be required to accumulate company-specific financial information to substantiate its estimate of revenue reductions. Also, revenue reductions resulting from expanded area calling plans will not be considered in a rate-making proceeding.

Thus, the Commission approves Coalfields' proposal effective May 17, 1999. In addition, the Commission finds that Coalfields should adhere to the guidelines discussed in Case No. 91-250,<sup>2</sup> a copy of which is attached hereto and incorporated herein.

IT IS THEREFORE ORDERED that:

1. Coalfields' proposed tariff shall be approved effective May 17, 1999, with the exception of the portion of the tariff pertaining to the late payment charge. This section of the tariff shall be effective July 17, 1999.

2. Based on a review of the financial impact to Coalfields, it will not be required to gather 12 months of company-specific data as necessary to demonstrate the reasonableness and accuracy of its forecasts for its Optional ACS.

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<sup>2</sup> Case No. 91-250, South Central Bell Telephone Company's Proposed Area Calling Service Tariff, Order issued April 9, 1992.

Done at Frankfort, Kentucky, this 17th day of May, 1999.

By the Commission

ATTEST:

  
Executive Director

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

APR 9 1992

In the Matter of:

RATES & TARIFFS

SOUTH CENTRAL BELL TELEPHONE )  
COMPANY'S PROPOSED AREA CALLING ) CASE NO. 91-250  
SERVICE TARIFF )

O R D E R

PROCEDURAL BACKGROUND

South Central Bell Telephone Company ("SCB") filed a proposed tariff for Area Calling Service ("ACS") on July 30, 1991. The following are parties: MCI Telecommunications Corporation ("MCI"); AT&T Communications of the South Central States, Inc. ("AT&T"); AmeriCall Systems of Louisville ("AmeriCall"); the Attorney General, by and through his Utility and Rate Intervention Division ("AG"); the Shelby County Chamber of Commerce; and a subscriber named Mary Alice Higdon. A hearing was held on November 21, 1991. Initial briefs were received on December 9, 1991 and reply briefs on December 16, 1991. SCB's reply brief contained new information which could have been produced at the hearing. Therefore, comment time has been extended beyond the usual 5 months. The AG requested an opportunity to update exhibits and to conduct additional discovery. Accordingly, the Commission established a procedural schedule, including an opportunity to file written comments on SCB's reply brief. The record in this case was complete on March 16, 1992 with the filing on SCB's response to the AG's comments.



The Commission has received a large number of letters from various subscribers urging approval of SCB's tariff filing. Inquiries have been received from persons residing in exchanges for which SCB has not even proposed this tariff.

At the hearing, testimony from private citizens was overwhelmingly in favor of SCB's ACS plan. There were two dissensions<sup>1</sup> which expressed concern over SCB's potential profit from the plan and the resulting restraints on competition from the interexchange carriers (IXCs).

#### SCB'S PROPOSAL

ACS proposes to address the needs of customers residing in 22 exchanges of SCB's service territory. SCB selected these 22 exchanges based on research it contracted from the Urban Research Institute of the University of Louisville. SCB proposes to address the local calling needs in the following areas: Corbin, Lebanon Junction, Spencer County, Trimble County, Hancock County, and Crittenden County. The specific exchanges are listed in Appendix 1. SCB stated that at a later time other current local calling areas may be extended to include exchanges where there is a demonstrated community of interest.

As is done currently in existing local calling areas, it is proposed that all calls within the extended local calling area will be made on a 7-digit basis. As proposed, customers would have a choice of three service options.

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<sup>1</sup> Transcript of Evidence ("T.E."), Vol. I, pages 8-15.

1. Existing Flat Rate Option ("Option 1"). The flat rate service option would allow customers to maintain their existing local calling area at their existing flat rate. Calls to the extended calling areas would be charged usage rates equal to those in the toll tariff for comparable distances.

Usage rates would be rated on a wirecenter-to-wirecenter basis, as opposed to a ratecenter-to-ratecenter basis. For most SCB customers, though not all, this means that the distance used to calculate a usage charge would be less than is currently the case. Each ratecenter contains one or more wirecenters. Under the present system, the mileage charge of a toll call made between two adjacent wirecenters is based on the distance between the ratecenters which serve the two wirecenters. Under the proposed system, the mileage for the toll call would be based on the mileage between the two wirecenters.

2. Local Measured Service Option ("Option 2"). The local measured service ("LMS") option would allow customers to call anywhere in the newly designated calling area (the existing local calling area plus the extended calling area) at usage-based rates priced substantially below current toll rates. These customers would also pay a flat rate access charge. A cap would be placed on the total amount a customer may be billed for usage charges for calls within the existing local calling area. The proposed usage charge cap is \$12.50 for all residential customers and \$25.00 for businesses. Therefore, the maximum bill a residential customer could expect for calls made within the existing calling area is \$20.50 in rate bands 1-4 and \$22.00 for rate band 5. The maximum

bill a business could expect is \$52.00 in rate bands 1-4 and \$58.00 in rate band 5. Finally, this service would be available to all customers except those with two-party service, shared-tenant service, company-owned or customer-provided public telephone service subscribers.

3. Premium Flat Rate Option ("Option 3"). The premium calling service option would only be available to residential customers. Customers choosing this calling option would be able to call any location in their full local calling area. All calls within the full local calling area would be made on a flat rate basis. The flat rate would be set at \$28.00 for rate bands 1-4 and \$29.50 for rate band 5 (the Louisville area).

#### Non-SCB Exchanges

Certain exchanges mentioned in SCB's proposal are served by telephone companies other than SCB; specifically, the London, Barbourville, Elizabethtown, Loretto, and Lebanon exchanges are served by GTE South Incorporated ("GTE"), the Mount Washington and Shepherdsville exchanges are served by Alltel Kentucky, Inc. ("Alltel"), and the Lewisport exchange is served by the Lewisport Telephone Company, Inc. ("Lewisport"). Under SCB's proposal, subscribers selecting Option 2 or Option 3 would have those non-SCB exchanges incorporated into their full local calling area. The customers in the other companies' exchanges would not be eligible to use those options for calls to the SCB exchanges unless those telephone companies also propose to offer these options. SCB included these exchanges because of the existence of sufficient communities of interest. See Appendix 1.

SCB proposed to offer ACS in the Georgetown and Midway exchanges in an attempt to address community of interest with the Lexington area exchanges. The Commission has addressed these concerns in Case No. 91-149<sup>2</sup> and to that extent SCB's proposal is moot.

#### AG'S PROPOSAL

In response to SCB's plan, the AG proposed his own plan which sought to address some of the AG's problems with SCB's plan.<sup>3</sup> First, the AG did not oppose extended area calling in concept and recommended that if an optional EAS rate structure were to be offered, it should put no upward pressure on existing local rates. Second, a flat rate EAS option should be offered to residential customers.<sup>4</sup> Third, if a measured EAS option were to be offered, it should be available with the flat rate local service option. Finally, the revenue requirements for each extended calling plan alternative should be the basis on which the rates will be established.

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<sup>2</sup> Case No. 91-149, Inquiry Into the Community of Interest and Affect Thereof Between the Areas of Georgetown, Kentucky and Lexington, Kentucky.

<sup>3</sup> T.E., Vol. I, pages 115-116, and the AG's Witness Prefiled Testimony, pages 5-6.

<sup>4</sup> It is important to note that SCB's witness addressed this point in T.E., Vol. I, page 148, when he maintained that the inclusion of the price cap on the local portion of the LMS option is an effective flat rate of \$20.00. However, viewing the LMS option in this manner raises doubts as to whether the flat rate access portion of the LMS tariff has been priced appropriately, as set out in the Administrative Case No. 285 Order.

## PRIOR REGULATORY ISSUES RAISED BY SCB'S PROPOSAL

SCB's proposal raises three major policy issues, which the Commission has considered in prior administrative proceedings. These are:

1. Extended area calling service and the guidelines set forth in Administrative Case No. 221.<sup>5</sup>
2. Local measured service and the conditions for approval of LMS contained in Administrative Case No. 285.<sup>6</sup>
3. Whether the Commission can revert to the monopoly provisioning of service subsequent to authorizing toll competition, which was considered in Administrative Case No. 323.<sup>7</sup>

### DISCUSSION

#### Community of Interest, EAS Guidelines, and Local Calling Areas

SCB's proposal necessitates reconsidering the issue of community of interest determination; that is, what type of communities must exist between areas to sufficiently support extending the local calling area.

In response to numerous requests from subscribers, the Commission in 1980 conducted a proceeding, Administrative Case No. 221, Extended Area Telephone Service, to determine whether the

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<sup>5</sup> Administrative Case No. 221, Utility Regulatory Commission Guidelines for Consideration of Requests for the Establishment of Extended Area Service, Appendix A.

<sup>6</sup> Administrative Case No. 285, An Investigation Into the Economic Feasibility of Providing Local Measured Service Telephone Rates in Kentucky, Order dated October 25, 1990.

<sup>7</sup> Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality, Order dated May 6, 1991.

Commission should adopt guidelines or procedures for processing requests' for extended toll-free calling.<sup>8</sup> By Order dated October 31, 1980, the Commission adopted guidelines for Extended Area Telephone Service to apply to all future EAS requests. The guidelines are limited to two-way non-optional service between entire exchanges under the Commission's jurisdiction. The guidelines also state that EAS will only be provided where there is a demonstrated community of interest between exchanges, where the relevant costs have been determined, and where appropriate customer surveys have indicated a clear willingness to pay any higher local rates that result from the establishment of the service.

The minimum criteria are, generally, an average of at least 4 calls per line per month from the petitioning exchange to the desired exchange and an average of at least 2 calls per line per month from the desired exchange to the petitioning exchange. In addition, at least 50 percent of the subscribers in the petitioning exchange should make at least 4 calls per month to the desired exchange and at least 50 percent of the subscribers in the desired exchange should make at least 2 calls per month to the petitioning exchange.<sup>9</sup> This criteria is used to help determine if a majority of subscribers in the desired and petitioning exchanges

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<sup>8</sup> See Utility Regulatory Commission Guidelines for Consideration of Requests for the establishment of Extended Area Service in Administrative Case No. 221, Appendix A, page 9.

<sup>9</sup> See Page 1-1, Tab 6, Attachment 1 of SCB's July 12, 1991 filing.

- will vote to approve the expansion of the local exchange to  
- include the petitioning exchange with the desired exchange.

SCB argues that simply counting the numbers of calls between two exchanges does not accurately portray whether or not enough of a community of interest exists to warrant expanding the local area service.<sup>10</sup> Besides the number of calls made between two areas, call duration, the time of day in which the call was made, and the call distance should also be included as relevant measures of communities of interest. Neither these factors nor the existing call pricing structure is taken into account under the last EAS guidelines issued by the Commission.

In a study conducted by the Urban Research Institute at the University of Louisville for SCB, filed with the Commission in Case No. 91-149 and incorporated by reference in this case, the concept of community is defined as a geographical entity capable of supporting itself. Communities are also defined as social ties between individuals.<sup>11</sup> SCB used these two community defining concepts in deciding how local area service territories should be expanded. In SCB's study, societal relationships generally reflect county boundaries and encompass such things as the use of emergency and essential services, access to other services provided by public and private institutions and infrastructure

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<sup>10</sup> See Page 1-2, Tab 6, Attachment 1 of SCB's July 12, 1991 filing.

<sup>11</sup> "Community of Interest and Extended Area Service, A Review of the Literature and State Regulations," Urban Research Institute, February 1991, filed in Case No. 91-149 on June 14, 1991.

factors, such as highways and airports. Economic relationships encompass such things as where people work, shop, and where they conduct the myriad other activities that characterize their daily lives. Geographic relationships encompass such things as contiguous calling areas and the relative proximity of other calling areas.<sup>12</sup>

MCI and AT&T questioned SCB regarding the appropriateness of altering the methodology employed for determining whether or not a community of interest exists and extending local area service to other exchanges. Both companies reject SCB's methodology and maintain that the current EAS guidelines are adequate for addressing community of interest concerns.<sup>13</sup> SCB argued that current EAS guidelines do not adequately address community of interest needs and that the process is necessarily subjective, since the process is customer driven.<sup>14</sup> MCI, AT&T, and the AG moreover stated that any shortcomings in the present system could also be addressed by lowering toll rates. While SCB does not deny that lower toll rates would help alleviate problems, SCB maintains that it would not entirely solve the problems.

The current EAS guidelines have been impossible to meet. It has never been true that more than 50 percent of all subscribers affected desire to pay additional cost for the service. It has

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<sup>12</sup> Pages 1-3, Tab 6, Attachment 1 SCB filing July 12, 1991.

<sup>13</sup> T.E., Vol. I, pages 77-80, and 178-180. See also the testimony of MCI's witness and AT&T's witness Vol. II, pages 54 and 108-110, respectively.

<sup>14</sup> See T.E., Vol. I, pages 51-53, 77-80 and 179, respectively.



generally been the case that the customers in the larger area refuse to pay the additional charge to call the smaller area. Accordingly, from the point of view of residents seeking inclusion in a local calling area, the current process is not working.

The Commission finds that current EAS guidelines are not adequate when approaching the question of defining and demonstrating communities of interest and expanding the geographic boundaries of a local calling area. Current EAS guidelines notwithstanding, the evidence presented in this case has demonstrated that there are sufficient grounds for expanding some of the local calling areas in Kentucky. Changes in technology and customer expectations have caused the reconsideration of existing guidelines in favor of more flexible but demonstrated presentations of community of interest. The Commission will no longer expand local calling areas only pursuant to predetermined levels of call volumes as contained in the existing EAS guidelines.

#### Wirecenter Pricing

A plan to rate calls on a wirecenter-to-wirecenter basis, rather than on a ratecenter-to-ratecenter basis, has merit. For many customers, though not all, the change in rating will mean that their measured calls will be calculated on the basis of shorter distances, thus reducing the cost of the call to the customer. This method of rating is used by the IXC's currently and will benefit SCB's business customers as well as residential.<sup>15</sup> The Commission will approve this rating change.

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<sup>15</sup> T.E., Vol. II, pages 36-39.

Local Measured Service

In the Administrative Case No. 285 Order dated October 25, 1990, the Commission addressed the issue of LMS and established criteria which must be met in order to offer LMS in an exchange. In that case, GTE and SCB submitted cost/benefit analyses which supported the implementation of LMS. The Commission evaluated the analyses on the grounds of economic efficiency, universal service, and equity. The Commission found that LMS was supported on the grounds of universal service, marginally supported on the grounds of economic efficiency, and that LMS may contribute to increased equity among customer sub-groups,<sup>16</sup> but only on an optional basis. The Commission's findings were:

1. Rate caps should not be applied to LMS but, if proposed, should be justified on cost or equity grounds and should significantly exceed the flat rate. Further, the number of options provided to the residential customer should be limited to one LMS plan.<sup>17</sup>

2. LMS must be optional. The rates for flat rate service will not change as a result of a carrier providing LMS.<sup>18</sup> The Order goes on to state exactly how this revenue neutrality is to be achieved. LMS must be a self-supporting option, the

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<sup>16</sup> Administrative Case No. 285, Order dated October 25, 1990, page 18.

<sup>17</sup> Id., page 26.

<sup>18</sup> Id.

existing flat rates should not be increased due to a shortfall in revenue from LMS.<sup>19</sup>

3. Rate groups based on the size of the local calling area should continue to be recognized in the design of their optional LMS rate structures.<sup>20</sup>

4. All LMS tariffs must include a zero rating element in the off-peak period. The on-peak prices should be based on incremental costs.<sup>21</sup> The measured rates should be free at the off-peak time, generally nights and weekends.

5. The issue of linkage between an LMS proposal and another flat rate proposal such as the premium option in this case was not specifically addressed. However, the Commission did require LMS proposals to be addressed in the context of equity considerations and revenue neutrality. An important equity consideration should be the avoidance of unreasonable and precipitous redistribution of revenue requirement among subscribers.<sup>22</sup>

On rehearing the Commission stated that if measured service is tariffed as a local service offering, it must be confined to local calling areas where it is technologically available.<sup>23</sup>

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19 Id., page 27.

20 Id., page 28.

21 Id.

22 Id., page 15.

23 Administrative Case No. 285, Order dated December 4, 1990, page 4.

Although the AG proposes the current flat rate plus measured rates for the extended areas, he objects to SCB's plan to set up a separate LMS rate and link the LMS revenue requirement with the other options. The AG maintains that SCB's plan unnecessarily links several different plans into one overall proposal.<sup>24</sup> This is consistent with the AG's view in Administrative Case No. 285.<sup>25</sup> Specifically, the AG believes that SCB should not be allowed to link existing local exchange LMS in order for a subscriber to obtain EAS. As set forth in the Order of October 25, 1990 in Administrative Case No. 285, the AG states that LMS should be revenue neutral on a stand-alone basis. Under SCB's proposal, revenue neutrality is achieved only by linking existing local exchange LMS with EAS. It is the AG's opinion that the linkage of the three options allows the LMS option to be priced below its revenue requirement while the flat rate premium calling option is priced above its revenue requirement. The AG's final criticism of the LMS option is that in order to get measured rate EAS, customers must subscribe to LMS.

Even though SCB's LMS tariff proposal does not adhere to all of the requirements of Administrative Case No. 285, the Commission concludes for reasons stated herein that the LMS option should be approved. SCB proposes rate caps for the LMS Option 2 customers that would limit their bill for calls within the existing local

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<sup>24</sup> See AG's prefiled testimony, pages 3-4, and T.E., Vol. I, pages 113-114.

<sup>25</sup> In Administrative Case No. 285, Order dated October 25, 1990 pages 12-13, it is noted that the AG felt that LMS should be considered as a separate issue.

calling area. The rate cap appears to be primarily a short-term marketing tool. Since there are costs to repeatedly switching calling options, customers considering alternate calling options should not be faced with unnecessary short-term price distortions. As discussed later in this Order, the Commission will require a service order charge for customers changing calling options. Subscribers should be able to make decisions concerning calling options based upon not only their own calling habits but also upon the charges involved in switching among options. With the availability of Option 3, those subscribers desiring to cap their usage charges will be able to do so. There is no need to allow a rate cap on Option 2 which may be short-term, and which may encourage subscriber calling-option decisions which may be illusory.

SCB's plan satisfies the condition in Administrative Case No. 285 that only one measured service option be offered to consumers. The current LMS customers are grandfathered and SCB's Option 1 customers have measured usage at the current toll rates to the extended area of the local calling area.

SCB's tariff filing violates the requirement in Administrative Case No. 285 of zero off-peak pricing. For local calling area calls extending less than 17 miles from the wirecenter, the rate is \$0.03 for the first minute and \$0.02 for additional minutes. For calls extending 17 miles and beyond, the maximum rate is \$0.045 for the first minute and \$0.035 for additional minutes. As evidenced, these rates are very low compared to current toll rates. The intent of the zero rate

requirement in Administrative Case No. 285 was to shift calls from the on-peak period to the off-peak period. However, requiring a small charge for off-peak usage acknowledges the fact that customers place value on these calls, and SCB is entitled to a portion of that value in return for rendering a service. Thus, this proposal is justified and does not deviate from the intent of that Order.

Finally, and most importantly, Administrative Case No. 285 prohibits LMS from placing upward pressure on existing rates, in that revenues obtained from one calling option may not be used to satisfy the revenue requirements of another option. However, this linkage prohibition does not preclude a company from simultaneously submitting two or more tariff filings to the Commission. Cross elasticities between separate tariff filings impacting each other will be present, and reflected in the price-outs, regardless of whether the tariff is filed separately or in conjunction with others. In order to more accurately estimate the revenue effects of any given tariff filing, consumers must be allowed to consider all existing and hypothetical options being proposed at any one time. Therefore, the Commission will consider SCB's tariff filing as a whole and not as three separate stand-alone plans, as the AG proposed.

Future problems may arise as a consequence of the different calling plans. Consumers choosing to remain with their existing service option charges should be protected from future access charge rate increases deriving from a revenue requirement deficiency due to the LMS option and the premium flat rate option.

- SCB should not be permitted to return to the Commission at a later  
- date requesting a rate increase for the existing local calling  
area customers because of incorrect pricing of the other two  
options or because of a decline in customers in the existing local  
calling area resulting from incorrect pricing of the other two  
options.

Moreover, this requirement mitigates the problem of linkage.  
The customers who choose either the Option 2 or Option 3 rate  
plans are the ones who will pay to utilize those plans for calls  
within the extended calling areas. Customers who remain with  
their current service under Option 1 will not pay additionally for  
these choices since their service remains basically unchanged.

SCB's proposal, as modified herein, provides customers with a  
wide range of choices. Customer choice is a significant equity  
consideration and is becoming more common in many industries; for  
example, health insurance options and employee benefit packages  
tailored to the individual's needs are becoming commonplace. The  
Commission finds this plan, as modified herein, to be more  
advantageous to SCB's customers than the AG's proposal and is in  
keeping with the basic intent expressed in Administrative Case No.  
285.

#### Toll Competition and SCB's Proposal

SCB's ACS proposal would recapture certain portions of the  
intraLATA toll market and authorize traffic to be provided on a  
local monopoly basis rather than through competitive toll. This

policy issue was addressed in Administrative Case No. 323, Phase I.<sup>26</sup> All parties were requested by the Commission to address the issue as to whether the Commission could require that a portion of intraLATA toll traffic be returned to a LEC to expand the LEC's local calling area after the implementation of intraLATA competition. AT&T, MCI, US Sprint, Cincinnati Bell, and SCB all agreed that the return of a portion of intraLATA toll traffic to the exclusive domain of the LEC does not constitute confiscation with regard to any IXC. The Commission's authority to require carriers to provide service in an economical manner consistent with public interest would therefore leave the Commission with the option to revert an area previously subject to toll competition to the exclusive service by a LEC. Accordingly, approval of the ACS tariff would not be inconsistent with opening the intraLATA toll market for IXC competition.

SCB maintained that it should be the only carrier authorized to provide service to these areas since they would be defined as local calling areas to which it should have exclusive rights. SCB further maintained that 7-digit dialing should be allowed and restricted to the local carrier in these areas since that is the manner in which customers place local calls within their local calling areas.

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<sup>26</sup> Administrative Case No. 323, Order dated May 6, 1991, pages 4-6.



In defending its position, SCB never denied that toll rates need to be lowered,<sup>27</sup> but maintained that its proposal better addressed customer needs based upon the grounds of fairness, communities of interest and efficiency while preserving the concepts of revenue neutrality.<sup>28</sup>

In addressing the issue of intraLATA competition, the AG maintains that SCB should be prevented from arbitrarily altering the methodology by which local calling areas are expanded. Specifically, the AG objected to SCB's plan to change the traffic rating from toll to local in the extended calling area.<sup>29</sup> In the AG's opinion, allowing increased local calling areas would significantly reduce the amount of territory that will be opened to competition through the Commission's decisions in Administrative Case No. 323, Phase I. The AG maintained that 7-digit dialing should be disallowed in the expanded areas.<sup>30</sup> Restricting 7-digit dialing to SCB potentially could place the IXCs at a competitive disadvantage since customers must use 10-XXX dialing to access their long distance carrier. Conventional wisdom states that callers' perceptions concerning how easy it is to place a call is directly tied to the number of digits that must be dialed.

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<sup>27</sup> See for example, T.E., Vol. I, pages 84-85.

<sup>28</sup> T.E., Vol. I, page 143.

<sup>29</sup> See the AG's witness prefiled testimony, pages 3-4, and T.E., Vol. I, page 113-114.

<sup>30</sup> See AG's witness prefiled testimony, pages 16-17.

MCI and AT&T both agreed with the AG's position concerning competition and maintained that competition was going to be restricted in the exchanges that would be included in SCB's newly defined local calling areas. Both companies objected to potentially having 10-XXX dialing blocked in the extended local calling areas, since these areas are opened to intraLATA competition with the implementation of Administrative Case No. 323. SCB did not dispute that this was the case. SCB's proposal promulgated in its tariff filing contains an interpretation consisting of four components. First, with Commission acceptance of the need to extend existing local calling areas to include other exchanges, the new local calling area will be designated the full local calling area. Second, there will be three local calling options within the full local calling area: the existing service option (Option 1), a usage rate option (Option 2), and a flat rate option (Option 3). It is important to note that the flat rate calling option is only open to residential customers. Third, all revenue generated from the three local calling options will be accounted for as local revenues. Fourth, SCB will be the only carrier authorized to carry traffic within the full local calling area.

The most important aspect of this interpretation of the tariff filing is that SCB will have retained (or recaptured) a large portion of the geographic area that would have been subject to intraLATA competition. It is noted that a consumer opting to retain his existing service option, Option 1, is made no worse off than before the plan. This is because a call made by a customer

selecting Option 1 to an exchange outside the existing local calling area would have the same usage rates. The only difference is that either SCB or an IXC, respectively, will receive the revenue. In this interpretation, the Commission, not consumers, determines the geographic boundaries of local calling areas.

The Commission is aware that expanding local calling areas, in the manner proposed by SCB, would prevent IXCs from competing in geographic areas that are open to intraLATA competition vis-a-vis Administrative Case No. 323.

SCB's proposal to recapture calling areas which are now open to toll competition is not acceptable. SCB's ACS proposal will be modified to allow those calling areas now subject to competition to continue such competition. Some customers, though not all, may choose to have their existing local calling areas expanded to include the extended calling areas. Of the three options, there will be two new local calling options available to these SCB customers. The LMS rates are substantially below intraLATA toll rates for all calls within the full local calling area. Also, residential customers may opt to pay a flat rate for all calls within the full local calling area. SCB will be the only carrier authorized to carry traffic within the customer designated local calling areas on a 7-digit dialing basis.

The IXCs should be blocked from competing for any customer's calls within the existing local calling area. For those customers choosing calling Option 1, the IXCs will be able to compete for calls extending beyond the existing local calling area. For those customers opting for either calling Option 2 or Option 3, the IXCs

will not be blocked from competing for customers for calls terminating in the extended portion of the full local calling area. The Commission recognizes that there are high volume business customers whose needs extend beyond voice grade service options and these needs are not adequately addressed by prohibiting competition.<sup>31</sup> Those business customers should have the availability of connection for those services from the IXCs between the existing and extended calling areas.

#### 7-Digit Dialing

The technology to provide 7-digit dialing is already available in SCB's current telecommunications environment and should be allowed. The stored program control switch that services each exchange is basically a computer which is capable of being programmed to provide special features to a telephone number associated with a specific access line. This means that for the customer who selects either Option 2 or Option 3, the computer can be programmed to allow the customer to dial a 7-digit number within either the existing or expanded calling area. Not only will it be unnecessary to dial any preceding number such as 1+ or 10-XXX, but each call to the expanded calling area can be measured and recorded in accordance with the customer's selection of Options 2 and 3, and call detail provided according to the customer's selection of that option.

The customer who selects Option 1 will require no programming change to the computer. That customer's calls outside of the

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<sup>31</sup> See, for example, MCI's comments, T.E., Vol. II, page 55.

existing calling area will continue to be made exactly as they are made currently, including 10-XXX calls made to access their long-distance carrier of choice. Although it would be technically possible to provide 7-digit number dialing for all customers to the expanded calling area, the Commission finds that this is not a practical approach, since customers who select Option 1 would not expect to pay toll charges for 7-digit calls. The Commission further finds, however, that customers selecting Option 2 or Option 3 should have the convenience of 7-digit dialing to their respective expanded calling areas.

An ancillary issue raised by the plan is the reclassifying of local and toll revenues. Part 32 describes local revenues as those which are derived from the provision of basic area message services, such as flat rate services and measured services, including revenue derived from non-optional EAS. On the other hand, toll revenue is defined as revenue derived from message services that terminate beyond the basic service area of the serving wirecenter. This also includes revenue derived from calling plans, such as discounted long distance, which do not utilize dedicated access lines, as well as those priced at the basic long-distance rates, where a discounted toll charge is on a per message basis. Part 32 speaks to a single basic service area, whereas the plan contains two overlapping basic service areas. Thus, all SCB revenues derived from Option 2 and 3 customers for calls dialed on a 7-digit basis under the plan should be classified as local. All SCB revenues derived from Option 1 calls on a non-7-digit basis would remain classified as toll.

The Commission's approval of this ACS plan is based to a large degree on a community of interest determination, and to the extent that ACS provides economic development benefit and convenience to customers in those areas, the technologically available ability to provide 7-digit dialing should not be denied. This technology was not available at the time of the development of the Commission's existing EAS Guidelines, a further factor which supports the Commission's decision that the EAS Guidelines are no longer adequate when approaching the issue of expanding calling areas in response to the issues of community of interest determination.

#### Business Flat-Rate Premium Service

SCB's proposed tariff filing does not offer a flat-rate premium service under Option 3 for business line subscribers. The primary reason appears to be the potential revenue loss to SCB for businesses with large volume usage. The other reason appears to be the difficulty in developing different flat rates for different types of business customers.<sup>32</sup> SCB acknowledged that it would be possible to develop business flat premium service rates, but proposed that it be done on an experimental basis utilizing subscriber data from a few selected exchanges.<sup>33</sup> Secondly, SCB felt that offering the premium service to business, as well as

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<sup>32</sup> T.E., Vol. I, pages 56-57 and 203-206, Vol. II, pages 4-13.

<sup>33</sup> T.E., Vol. II, pages 4-9.

residential, customers could strain the physical capacity of its current plant.<sup>34</sup>

The Commission is aware that such business premium rates must be carefully developed. However, one of the Commission's goals in approving ACS is to maximize the economic and societal benefits which may be derived from the expanded calling areas. Properly developed premium rates for business subscribers under Option 3 should provide flexibility to the business line subscribers which will assist in that goal. Residential subscribers should also be allowed to benefit from the ability of business users to expand their calling area at a rate certain.

The Commission therefore finds that SCB should develop and file proposed flat-rated premium rates for business line subscribers for all exchange areas incorporated herein within 120 days of the date of this Order. SCB should also file the information and data used to develop these proposed rates. This filing should also include all of the exchange areas incorporated in the approved ACS plan.

#### Non-SCB Administered Exchanges

SCB has included certain independent telephone company exchanges in its expanded local calling areas. There has been no indication from either SCB or the other companies that they have entered into agreements concerning the expansion of local calling areas. The record in this case does not indicate the types of

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<sup>34</sup> T.E., Vol. I, pages 196-200.

access charges or the total cost SCB will employ or expend to reimburse these independent companies.

Prior to implementing any ACS which may impact proposed independent company exchanges and within 120 days of the date of this Order, SCB shall file information concerning agreements it has worked out with each of these independent companies, including the terminating access charges it proposes to use and the total cost by exchange.

#### SCB's Forecasts and Prices

The adequacy of SCB's forecasts and resulting prices must be addressed. The AG expressed reservations concerning the assumptions used by SCB in its forecasts. SCB concedes that some assumptions used in the studies were derived using North Carolina and Alabama data. The AG further expressed concern that it appears that other assumptions were applied on a more arbitrary basis. The AG and AT&T expressed concerns that SCB's plan was price discriminatory.<sup>35</sup> Specifically, AT&T argues that its rates for access are higher than SCB's LMS rates. AT&T goes on to question SCB's methodology used to establish LMS rates and implies that SCB should be subject to imputation of access charges. This is inappropriate since LMS is a local service and Administrative Case No. 323 limits imputation to the provision of toll services.

The Commission recognizes that SCB did not have sufficient Kentucky-specific data to use in its forecasting and pricing

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<sup>35</sup> See the Prefiled Testimony of the AG's witness, pages 16-17; and AT&T's witness, pages 10-12; and T.E., Vol. II, pages 108-109.



models. However, the Commission is concerned with SCB's forecasts and prices. Given that more detailed Kentucky-specific data cannot be obtained until after the plan has been in place in Kentucky, the Commission will not currently alter the prices. The Commission will, however, require that SCB submit a new forecast and any changes in prices resulting therefrom using 12 months of Kentucky-specific data. This should be filed 15 months from the date the plan is initiated.

#### Customer Selection of Calling Options

SCB has proposed that there be no service order charge for selecting a service option and places no restrictions on the frequency of option changes. This proposal is unreasonable. SCB shall assess the service order charge for each option change. This will ensure thoughtful cost consideration by customers. Further, service options may only be changed once per billing cycle. The Commission recognizes that there may be customer confusion with regard to the three calling options and finds that there should be a 90-day grace period within which customers may make unlimited option changes without incurring a service order charge.

#### Billing Format Under SCB's Proposal

The customer billing format will necessarily be changed depending on the type of service chosen. Customers' bills choosing the flat rate service option of the premium calling service option will need to contain calling details for all toll calls. As proposed, customers choosing the LMS option would be charged for billing detail on all usage-based calls. With this

option, call message detail would only be provided to the customer for a fee. This is unreasonable. Customers desiring billing detail should incur no additional charge for such detail. Those customers willing to forego billing detail should receive a discount on their access rate. SCB may alter its Option 2 rates to account for this slight differential. SCB shall file a proposed discount and a cost study to justify the changed rate.

Another billing issue arises for customers who currently subscribe to grandfathered LMS and currently get message detail. Under SCB's proposal these customers would not be able to obtain bill detail sufficient to show the separate origin of usage-based charges in the existing local calling area and the extended calling area portions. SCB's proposal on this issue is sufficient. The information will be presented on the bill to allow a customer to determine the origin of the calls.

In an effort to reduce customer confusion resulting from approval of SCB's proposal, as modified herein, the Commission finds that SCB should include a bill insert explaining the ACS options, rates, service charges, and billing options prior to implementing the tariff.

The Commission, being otherwise sufficiently advised, HEREBY ORDERS that:

1. SCB's tariff proposal is approved as modified herein.
2. The criteria used by SCB to establish a community of interest between calling areas within the context of this proceeding is approved and will be considered in future proceedings of this nature.

3. The extension of services to include the full local calling area is approved, except for those exchanges served by non-SCB administered exchanges. Within 120 days of the date of this Order, SCB shall file information for all the proposed exchanges served by non-SCB administered exchanges including copies of agreements it may have with independent telephone companies, the terminating access charges it proposes to pay the independent telephone companies, and the total expected cost to SCB by exchange.

4. Within 120 days of this Order, SCB shall file a proposed tariff reflecting flat rated premium business rates.

5. The rate cap associated with the LMS option is rejected.

6. SCB shall not assess a separate rate for provision of call detail to its LMS customers. Those customers opting to forego billing detail shall receive a reasonable discount on their access rate. SCB shall file a proposed discount within 30 days of the date of this Order. Should SCB elect to alter its Option 2 rate, it shall file a cost study to justify the change, within 30 days of the date of this Order.

7. IXC's shall be allowed to carry calls within the extended portion of the full local calling area. SCB shall not block any customer's access to any IXC's for calls originating in the existing local calling area and terminating in the extended portion of the full local calling area.

8. SCB shall modify its proposed tariff to require a service order charge for customers changing calling options at SCB current tariffed rate. Such changes shall not occur more than

once per billing cycle. SCB shall provide a 90-day period commencing with the implementation of its revised tariffs, within which customers may select calling options without limit without incurring any service order charge.

9. SCB shall gather 12 months of Kentucky-specific data as necessary to demonstrate the reasonableness and accuracy of all model forecasts and calling option prices. SCB shall file this information with the Commission within 15 months of the date of this Order, and shall also submit any proposed changes to the Option 2 or Option 3 rates.

10. Within 30 days of the date of this Order, SCB shall file tariffs conforming to the decisions contained herein.

Done at Frankfort, Kentucky, this 9th day of April, 1992.

By the Commission

ATTEST:

  
Executive Director, Acting

Appendix 1

The following list details the changes to current telephone exchanges as proposed by SCB:

- \*\*\*\* The London and Barbourville exchanges are to be added to the Corbin local calling area.
- \*\*\*\* The Elizabethtown, New Haven, and Bardstown exchanges are to be added to the Lebanon Junction local calling area.
- \* The Louisville, Simpsonville, Finchville, Shelbyville, Mt. Eden, Chaplin, Bloomfield, and Bardstown exchanges are to be added to the Taylorsville local calling area.
- \*\*\*\* The Lebanon Junction, Taylorsville, Mt. Eden, Loretto, and Lebanon exchanges are to be added to the Bardstown exchange.
- \* The Taylorsville and Mt. Eden exchanges are to be added to the Bloomfield local calling area.
- \* The Taylorsville, Mt. Eden and Lawrenceburg exchanges are to be added to the Chaplin local calling area.
- \* The Taylorsville, Chaplin, Bloomfield and Bardstown exchanges are to be added to the Mt. Eden local calling area.
- \* The Louisville and Taylorsville exchanges are to be added to the Finchville local calling area.
- \* The Simpsonville, Shelbyville, Finchville and Taylorsville exchanges are to be added to the Louisville local calling area.
- \* The Carrollton, Campbellsburg, Sulphur and La Grange exchanges are to be added to the Bedford local calling area.
- \* The Carrollton exchange is to be added to the Milton local calling area.
- \* The Bedford and La Grange exchanges are to be added to the Sulphur local calling area.
- \* The Bedford and Carrollton exchanges are to be added to the Campbellsburg local calling area.

- \* The Maceo, Cloverport, Whitesville, Fordsville, Owensboro, Ensor and Habit exchanges are to be added to the Hawesville local calling area.
- \*\*\*\* The Lewisport, Hawesville and Fordsville exchanges are to be added to the Maceo local calling area.
- \*\*\*\* The Fordsville, Hartford, and Hawesville exchanges are to be added to the Whitesville local calling area.
- \*\*\*\* The Whitesville, Cloverport, Pleasant Ridge, McDaniels, Habit, Hardinsburg, Ensor, Hawesville, Utica, Maceo, Lewisport and Owensboro exchanges are to be added to the Fordsville local calling area.
- \* The Sturgis, Fredonia, Clay and Providence exchanges are to be added to the Marion local calling area.
- \* The Marion exchange is to be added to the Sturgis local calling area.
- \* The Marion exchange is to be added to the Fredonia local calling area.
- \* The Nebo, Madisonville, Marion and Princeton exchanges are to be added to the Providence local calling area.

Note that \*\*\*\* denotes a proposed expansion which includes an exchange not administered by SCB.



99-197

COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

April 28, 1999

Gearheart Communications, Inc.  
dba Coalfields Telephone Company  
Paul Gearheart, General Manager  
P.O. Box 160  
5 Laynesville Road  
Harold, KY 41635

via Fax and U.S. Mail  
606-478-3650

Dear Mr. Gearheart,

On April 13, 1999, you filed a revised tariff for Gearheart Communications, Inc. dba Coalfields Telephone Company. Included in the revised tariff was a request to add a late payment fee.

807 KAR 5:011, Section 10 relates to nonrecurring charges and permits a utility to seek a rate revision for a nonrecurring charge outside a general rate proceeding. 807 KAR 5:011, Section 10(1)(c) requires the submission of a detailed statement explaining why the proposed change could not have been included in the most previous general rate case or deferred until the next general rate request. The company should request a deviation from this requirement. It has been several years since the company's last general rate case and a general rate case probably will not be required in the foreseeable future.

807 KAR 5:011, Section 10(e) requires the utility to submit its income statement and balance sheet for a recent twelve month period. The company should request a deviation from this requirement. The Commission has on file the company's financial statements.

All other sections of 807 KAR 5:011 should be filed and fulfilled by the company for approval of the proposed tariff to implement a late payment fee. I have included a copy of a tariff filing for a late payment fee by Ballard Rural Telephone Cooperative Corporation, Inc. which may be helpful in completing your filing.


Also in your filing you have requested approval of a new area calling service plan ("ACS"). Please provide an expanded explanation of the financial analysis provided with the filing. Please provide sources for any data not calculated on the exhibit.



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

If you or your staff have any questions please contact me at 502-564-3940 extension 238.

Sincerely,



Jim Stevens  
Public Utility Financial Analyst







COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

Paul E. Patton  
Governor

Laura Douglas, Secretary  
Public Protection and  
Regulation Cabinet

February 3, 1999

Mr. Harlon E. Parker  
General Manager  
Ballard Rural Telephone Cooperative Corp.  
159 West 2nd St.  
P.O. Box 209  
LaCenter, KY 42056-0209

RE: Tariff Filing T60-0001 Adds late payment charge

Dear Mr. Parker:

The above referenced tariff filing has been received and reviewed. An accepted copy is enclosed for your files.

Sincerely,

Donna J. Wainscott  
Public Utility Rate Analyst  
Filings Division

Enclosure



AN EQUAL OPPORTUNITY EMPLOYER M/F/D



**BALLARD RURAL TELEPHONE COOPERATIVE CORPORATION, INC.**

159 West 2nd Street  
P.O. Box 209  
LaCenter, Kentucky 42056-0209

Telephone (502) 665-5186  
FAX# (502) 665-9186

**Harlon E. Parker**  
Manager

January 1, 1999

**RECEIVED**

JAN 04 1999

PUBLIC SERVICE  
COMMISSION

Ms. Helen Helton  
Executive Director  
Public Service Commission Commonwealth of Kentucky  
730 Schenkel Lane  
Post Office Box 615  
Frankfort, KY 40602

Dear Ms. Helton:

11100

Pursuant to 807 KAR 5:011, Section 2, please find enclosed an original and four copies of proposed revisions to Ballard Rural Telephone Cooperative Corporation, Inc.'s (Ballard RTC) General Subscriber Services Tariff. This petition requests that the Commission replace PSC 2, Section D, 1st Revised Sheet 5 with PSC 2, Section D, 2nd Revised Sheet 5 of the General Subscribers Services Tariff.

Because this filing proposes a late payment charge, Ballard RTC pursuant to 807 KAR 5:011, Section 14 requests that the Commission waive 807 KAR 5:011, Section 10 (1.c) and (1.e). Ballard RTC has provided written notice to its members of the proposed late payment rate in accordance with 807 KAR 5:011, Section 8. A copy of the notice has been enclosed as Attachment A.

Each late notice costs Ballard RTC approximately \$1.58 to prepare and mail its notice to its customer paying late. Attachment B provides the information used to calculate the direct cost per notice for Ballard RTC. Using only the direct costs associated with providing the billing notices to its customers, the cost to Ballard RTC for late payments by its customers is approximately \$39,500.

Ballard RTC is proposing a \$1.60 late charge for each customer that fails to pay their bill on or before the due date provided on their bill. The problem of late payment is a persistent and recurring problem for Ballard RTC. Ballard RTC in requesting this tariff believes that the adoption of this tariff will provide a more equitable treatment of all of its customers if the customers that cause the costs are required to pay them. During the test period approximately 68 percent of Ballard RTC's customers had one or more

billing periods in which they were late in paying their monthly phone bill. Further, 30.25 percent of Ballard RTC's customers were late paying for 6 or more billing periods during the test period. During the test period there was 25,097 late billing notices. The proposed tariff would generate approximately \$40,000 in revenue. Attachment C provides the breakdown on the number of customers and the number of times that each group of customers are late.

The proposed tariff would generate approximately \$500 more than the direct costs from late payments.

Ballard Rural Telephone Cooperative Corporation, Inc. is located at 2nd and Olive Street, P.O. Box 209, La Center, Kentucky 42056-0209.

If the Commission or Staff has any questions concerning this filing please contact me at your convenience.

Sincerely,

BALLARD RURAL TELEPHONE COOPERATIVE CORPORATION, INC.



Harlon E. Parker  
General Manager

Enclosures

HEP/Jkc

DATE		CODES		*KENTUCKY STATE CALLS			
MO.	DAY	ABC	MIN.	DESCRIPTION OR DESTINATION	TELEPHONE NO.	AMOUNT	-CR-

9/15/98

Total Amount Due

252.37

PAYMENT DUE ON OR BEFORE AUGUST 30, 1998.  
PLEASE RETURN THIS PAGE WITH PAYMENT

YOUNG CINDY  
P O BOX 125  
WEST PADUCAH KY

42086-0125



\*PAGE 1

488-2000 M



AMOUNT OF PAYMENT ENCLOSED

\$

BALLARD  
RURAL TELEPHONE  
COOP. CORPORATION  
P.O. BOX 209  
LA CENTER, KY 42056-0209  
502-665-5186

BILLS ARE DUE UPON RECEIPT. BILLS NOT PAID 15 DAYS AFTER ABOVE DATE WILL BE CONSIDERED DELINQUENT. WHEN TELEPHONE SERVICE IS SUSPENDED, A SERVICE CHARGE MAY BE ADDED TO THIS BILL. TO AVOID THIS INCONVENIENCE, PLEASE PAY BILLS PROMPTLY.

DATE		CODES		*KENTUCKY STATE CALLS			
MO.	DAY	ABC	MIN.	DESCRIPTION OR DESTINATION	TELEPHONE NO.	AMOUNT	-CR-

PAGE 2

488-2000 M



AMOUNT OF PAYMENT ENCLOSED

\$

BALLARD  
RURAL TELEPHONE  
COOP. CORPORATION  
P.O. BOX 209  
LA CENTER, KY 42056-0209  
502-665-5186

**PUBLIC NOTICE**

The rates contained in this notice are the late payment rates proposed by Ballard Rural Telephone Cooperative, Inc. Ballard Rural Telephone Cooperative Corporation, Inc. is proposing to initiate a late payment charge of \$1.60 per occurrence. However, the Public Service Commission may require late payment rates to be charged that differ from the proposed late payment rate. Such action may result in late payment charges for customers other than the rate included in this notice. Any corporation, association, body, politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate change is given. The motion shall be submitted to the Public Service Commission, 730 Schenkel Lane, P.O. Box 615, Frankfort, Kentucky 0602, and shall set forth the grounds including the status and interest of the party. Interveners may obtain copies of the application by contacting Harlon Parker at Ballard Rural Telephone Cooperative, Corporation, Inc., 159 W 2nd, P.O. Box 209, LaCenter, Kentucky 42056. A copy of the application shall be available for inspection at the utility office.

BILLS ARE DUE UPON RECEIPT. BILLS NOT PAID 15 DAYS AFTER ABOVE DATE WILL BE CONSIDERED DELINQUENT. WHEN TELEPHONE SERVICE IS SUSPENDED, A SERVICE CHARGE MAY BE ADDED TO THIS BILL. TO AVOID THIS INCONVENIENCE, PLEASE PAY BILLS PROMPTLY.

DATE		CODES		*KENTUCKY STATE CALLS			
MO.	DAY	ABC	MIN.	DESCRIPTION OR DESTINATION	TELEPHONE NO.	AMOUNT	-CR-

PAGE 3

488-2000 M



AMOUNT OF PAYMENT ENCLOSED

\$

BALLARD  
RURAL TELEPHONE  
COOP. CORPORATION  
P.O. BOX 209  
LA CENTER, KY 42056-0209  
502-665-5186

				PRIOR BALANCE		246.31	
				07/24 PAYMENT		100.00	CR
				08/15 TELECOMMUNICATIONS		.08	
				RELAY SERV/TDD PROG			
				08/15 END USER ACCESS		3.50	
				COMMON LINE			
				08/15 EMERGENCY 911		1.00	
				08/15 RES CALL WAITING		1.50	
				08/15 RES LINE ACCESS		8.75	
				09/15 UNREGULATED CHARGES		5.00	
				08/15 SCHOOL TAX		.46	
				08/15 STATE TAX		.92	
				08/15 FEDERAL TAX		.56	
				08/15 TOLL SERVICE -MCI-C		13.56	

Attachment A

BILLS ARE DUE UPON RECEIPT. BILLS NOT PAID 15 DAYS AFTER ABOVE DATE WILL BE CONSIDERED DELINQUENT. WHEN TELEPHONE SERVICE IS SUSPENDED, A SERVICE CHARGE MAY BE ADDED TO THIS BILL. TO AVOID THIS INCONVENIENCE, PLEASE PAY BILLS PROMPTLY.

			\$5,244.21	Cost of Cut off Notices / 22,500	Cut Off Notices	=	\$0.233076	Cost per Cut Off Notice					
							\$0.242171	Average Cost of Postage to Mail a Cut Off Notice					
90	Avg. Man Hrs. per Month Spent on Cut Off Notices	X	\$16.67	Per Hour Labor Cost	=	\$1,500.30	Total Labor Cost	/	2,091	Avg. # of Notices Mailed each Month	=	\$0.717504	Average Labor Cost per Cut Off Notice
90	Avg. Man Hrs. per Month Spent on Cut Off Notices	X	\$9.00	Per Hour Overhead Cost	=	\$810.00	Total Overhead Cost	/	2,091	Avg. # of Notices Mailed each Month	=	\$0.387374	Average Overhead Cost per Cut Off Notice
												<u>\$1.58</u>	Total Cost of Each Cut Off Notice

Late Notice Study  
December 4, 1998

	Column A	Column B	Column C	Column D	Column E	Column F	Column G
# of Late Notices Received by Customer in 12 Months	# of Customers Receiving the # of Late Notices in Column A	% of Customers Receiving the # of Late Notices in Column A	% of Customers in this Column and Row Caused the % of Late Notices in Column G in the Same Row	# of Late Notices Caused by the # of Customers in Column B	% of Late Notices Caused in the 12 Months by the # of Customers in Column B	% of Late Notices Caused in this Column and Row	% of Late Notices Caused by the % of Customers in Column D in the Same Row
0	2,144	31.90%	100.00%	0	0.00%	100.00%	
1	919	13.68%	68.10%	919	3.66%	96.34%	
2	582	8.66%	54.42%	1,164	4.64%	91.70%	
3	431	6.41%	45.76%	1,293	5.15%	86.55%	
4	337	5.01%	39.35%	1,348	5.37%	81.18%	
5	274	4.08%	34.33%	1,370	5.46%	75.72%	
6	275	4.09%	30.25%	1,650	6.57%	69.14%	
7	208	3.10%	26.16%	1,456	5.80%	63.34%	
8	278	4.14%	23.07%	2,224	8.86%	54.48%	
9	286	4.26%	18.93%	2,574	10.26%	44.22%	
10	231	3.44%	14.67%	2,310	9.20%	35.02%	
11	271	4.03%	11.24%	2,981	11.88%	23.14%	
12	484	7.20%	7.20%	5,808	23.14%		
Totals	6,720	100.00%		25,097	100.00%		

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF BALLARD RURAL )  
TELEPHONE COOPERATIVE CORPORATION, ) CASE NO. 99-028  
INC., FOR DEVIATION FROM 807 KAR 5:011, )  
SECTION 10(1)(c) AND (e) )

ORDER

On January 1, 1999, Ballard Rural Telephone Cooperative Corporation, Inc. ("Ballard") filed a proposed revision to its General Subscriber Services Tariff to permit it to impose a nonrecurring late payment charge. In its filing, Ballard requested a deviation from the requirements of 807 KAR 5:011, Section 10(1)(c) and (e).

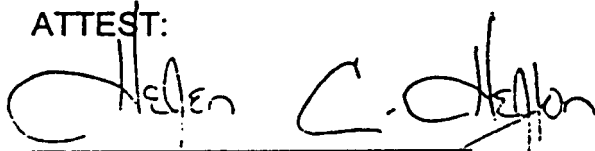
807 KAR 5:011, Section 10 relates to nonrecurring charges and permits a utility to seek a rate revision for a nonrecurring charge outside a general rate proceeding. 807 KAR 5:011, Section 10(1)(c) requires the submission of a detailed statement explaining why the proposed change could not have been included in the most previous general rate case or deferred until the next general rate request. 807 KAR 5:011, Section 10(e) requires the utility to submit its income statement and balance sheet for a recent twelve month period. Having reviewed the filing and being otherwise sufficiently advised, the Commission finds that the information filed therein is sufficient to enable the Commission to adequately review Ballard's filing. Therefore, the request for a deviation should be granted.

IT IS THEREFORE ORDERED that Ballard's request for a deviation from the requirements of 807 KAR 5:011, Section 10(1)(c) and (e) is granted.

Done at Frankfort, Kentucky, this 2nd day of February, 1999.

By the Commission

ATTEST:

A handwritten signature in cursive script that reads "Helen C. Nelson". The signature is written in dark ink and is positioned above a horizontal line.

Executive Director



**CRONIN COMMUNICATIONS CONSULTANTS fax memo**

Eileen M Bodamer  
EMBodamer@mindspring.com

Voice: 770-649-1886  
Fax: 770-645-6545

To: Jim Stevens

Date: April 29, 1999

No. Pages: 8 Total

Dear Jim,

As discussed yesterday, included here is Coalfields Telephone Company's response to your letter dated April 28, 1999. The filing will be sent via FedX to the Commission today.

Thank you again for your assistance in this matter. If you require any additional information, please contact me.

Sincerely,





## CRONIN COMMUNICATIONS CONSULTANTS

PO Box 2408, Longwood, FL 32752-2408 • 407/328-4230 • 407/322-8422 (FAX)

Helen Helton, Executive Director  
Kentucky Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

April 29, 1999

Dear Ms. Helton:

Enclosed for your review are one original and three copies of supplemental support materials requested by Staff in a letter dated April 28, 1999. That letter was in reference to Gearheart Communications, Inc. d/b/a Coalfields Telephone Company Tariff PSC No. 3 ("Coalfields") filed April 13, 1999 to be effective May 17, 1999. Specifically, the letter directs the Company to provide additional information on its proposed late payment fee and optional area calling service ("ACS"). Supplemental information is provided here.

### *Late Payment Fee*

Coalfields' April 13<sup>th</sup> filing proposes a late payment charge. Because the Company has not filed a general rate case in some time nor anticipates filing one in the foreseeable future the Company, pursuant to 807 KAR 5:011, Section 14 requests that the Commission waive 807 KAR 5:011, Section 10 (1:c). In addition, the income statement and balance sheet required by 807 KAR 5:011, Section 10(1:e) is on file with the Commission; accordingly, the Company requests a waiver of this requirement as well.

In accordance with 807 KAR 5:011, Section 8 the Company will provide to its customers, on or around May 8, 1999 notice of the proposed late payment charge. A copy of that notice is provided in Attachment A-1. As indicated in the April 13<sup>th</sup> filing, the Company proposes to waive the assessment of this fee until its billing cycle of July 17<sup>th</sup>.

Coalfields proposed in its April 13<sup>th</sup> filing to introduce a late payment charge of 2.0 percent will apply 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 problem of unpaid balances is a persistent and recurring problem for Coalfields. In its recent study a full 50% of its subscribers failed to pay billed amounts prior to the next bill and subsequently received a bill insert reminding them of the payment requirement. Of these customers nearly 16 percent (or eight percent of the total customer base) subsequently received disconnect notices for non-payment in any given bill period.

*Late Payment Fee (Continued)*

Imposition of this charge will allow the Company to recover its cost of handling unpaid balances from those customers who fail to make timely payments. As shown in Page 1 of Attachment A-2, the Company estimates that unpaid balances cost the company approximately \$40K per year in increased mailings and administrative expense. As shown in Page 2 of that same exhibit, it is estimated that virtually all of this expense will be recovered through the assessment of the late payment fee.

*Area Calling Service*

In its April 13th filing, the Company proposed an optional Area Calling Service that provides for bulk-rate purchase of toll calling. Under this plan, Residential customers receive 60 minutes of toll-free calling for \$4.50 for sixty minutes per month or \$9.00 for 120 and 11 cents per minute over the allowance. Similarly, business customers pay either \$9.00 or \$18.00 for one or two hours, respectively, with 18.5 cents per minute beyond the allowance.

Coalfields provided supporting documentation for the ACS in Exhibit 1 of its filing. Because that exhibit inadvertently omitted source data, it is resubmitted here with the requested data as Exhibit B of this letter.

Any questions regarding the material provided here should be referred to me at 770-649-1886.

Sincerely,



Eileen M Bodamer  
Consultant to Coalfields Telephone Company

Enclosures

Copy: James Campbell, Gearheart Communications  
Jim Stevens, KY PSC (via fax)

**Attachment A-1  
Late Payment Public Notice**

**COALFIELDS TELEPHONE COMPANY  
PUBLIC NOTICE**

On April 13, 1999 Coalfields Telephone Company filed revisions to its local service tariff, Kentucky Tariff PSC No. 3. Included in that filing is a provision to initiate the assessment of a late payment fee for all balances unpaid by the bill due date. This percentage as filed with the Commission is two percent per month and is subject to Commission approval. If approved, this charge will appear on unpaid balances beginning with your July bill for services. Any corporation, association, body, politic or person may request leave to intervene within thirty days after notice of the proposed change is given. The motion shall be submitted to the Public Service Commission at 730 Schenkel Lane, PO Box 615, Frankfurt, KY 40602 and shall set forth the grounds for such motion including the status and interest of the party. A copy of the filing can be obtained from the business office at 5 Laynesville Road, Harold, KY 41635 during regular business hours or by contacting the business office at 606-478-9401.

**Gearheart Communications d/b/a Coalfields Telephone Company  
Late Payment Fee**

**Exhibit A-2  
Page 1 of 2**

	No. Bills a	Percent Receiving b	Number Sent c=axb	Notice Cost d	Monthly Notice Cost e=dx	Annual Cost f=e x 12
Customer Notices	5,887	50%	2,944	\$0.25	\$736.00	\$8,832.00
Disconnect Notice	5,887	8%	471	\$1.35	\$635.85	\$7,630.20

	No. CSRs g	Annual Manhours h=g x 2000	Percent on late pays i	Annual Manhours j	Loaded Labor Rate k	Annual Cost l=j x k
CSR Time	4	8,000	25%	2,000	\$12.00	\$24,000.00

<b>Total Annual Expense with Late Payments:</b>	<b>\$40,462.20</b>
---	--------------------

**Source Notes:**

Column a: Company Actuals

Column b: Company Study

Column d: Average company cost of service, includes printing costs / production of mailing / postage

Column g: Company actual

Column i: Company study of rep time (April 1999)

Column k: Estimate based on \$10.00 average rate plus 30% loading

**Gearheart Communications d/b/a Coalfields Telephone Company  
Calculation of Revenue from LPF****Exhibit A-2  
Page 2 of 2**

<u>Category</u>	<u>Amount</u>	<u>Source</u>
1 Number of Bills	5,887	Page 1, Column a
2 Average Bill:	\$55.00	Company Study
3 Percent late per month	50%	Page 1, Column b
4 Monthly past due:	\$161,892.50	Line 1 x Line 2 x line 3
5 Proposed LPF:	2%	April 13 Filing
6 Monthly Fees:	\$3,237.85	Line 5 x Line 4
7 Annual Fees:	\$38,854.20	Line 6 x 12

**Gearheart Communications d/b/a Coalfields Telephone Company  
Area Calling Service**

**Exhibit B  
Page 1 of 2**

	<u>60-Minutes</u>	<u>Add'l MOU</u>	<u>Forecasted Penetration</u>
<b>Plan A:</b>			
Res:	\$ 4.50	\$ 0.110	15%
Bus:	\$ 9.00	\$ 0.185	10%
<b>Plan B:</b>	<u>120-Minutes</u>	<u>Add'l MOU</u>	
Res:	\$ 9.00	\$ 0.110	5%
Bus:	\$ 18.00	\$ 0.185	2%

Exchange	Total Access Lines a	Plan A b = a x forecast	Plan B c = a x forecast	Pre-Plan		
				A / B Annual MOU d	Average Rev / MOU e	Revenue f = d x e
<b>Grethel</b>						
Residential	983	147	49	166,956	\$ 0.1631	\$ 27,231
Business	73	7	1	7,565	\$ 0.2831	\$ 2,142
<b>Harold</b>						
Residential	2,783	417	139	550,582	\$ 0.1631	\$ 89,800
Business	739	74	15	55,314	\$ 0.2831	\$ 15,659
<b>Wheelwright</b>						
Residential	1,164	175	58	108,483	\$ 0.1631	\$ 17,694
Business	145	12	-	4,948	\$ 0.2831	\$ 1,401
<b>Total</b>						
Residential	4,930	740	99	826,021	\$ 0.1631	\$ 134,724
Business	957	144	19	67,827	\$ 0.2831	\$ 19,202
<b>Grand Total</b>						\$ 307,852

**Source Notes**

Penetration levels: Forecast

Column a (Access Lines): Company actuals as of filing date

Column d (minutes): Company actuals from March 99 study

Column c (end user rate): Company actuals from March 99 study

**Gearheart Communications d/b/a Coalfields Telephone Company  
Area Calling Service**

**Exhibit B  
Page 2 of 2**

Exchange	Annual Plan A Revenue g	Annual Plan B Revenue h	Base Usage Minutes [Note 1] i	Stimulated Usage 150% j = d x 150	Add'l Annual Usage k=j-i	Add'l Usage Annual Revenue l=k x rate	Total Revenue m=g+h+l
<b>Grethel</b>							
Residential	\$ 7,962	\$ 5,308	134,474	250,434	115,960	\$ 12,756	\$ 26,026
Business	\$ 788	\$ 315	5,592	11,348	5,755	\$ 1,065	\$ 2,168
<b>Harold</b>							
Residential	\$ 22,542	\$ 15,028	380,714	825,873	445,159	\$ 48,967	\$ 86,538
Business	\$ 7,981	\$ 3,192	56,613	82,971	26,358	\$ 4,876	\$ 16,050
<b>Wheelwright</b>							
Residential	\$ 9,428	\$ 6,286	159,235	162,725	3,489	\$ 384	\$ 16,098
Business	\$ 1,296	\$ -	6,566	7,422	856	\$ 158	\$ 1,454
<b>Total</b>							
Residential	\$ 39,933	\$ 26,622	512,562	1,239,032	726,469	\$ 79,912	\$ 146,467
Business	\$ 10,066	\$ 3,508	99,497	101,741	2,243	\$ 415	\$ 13,988
<b>Grand Total</b>							\$ 308,789
<b>Change in Annual Revenues</b>							<b>\$ 938</b>

**Source Notes**

Note 1: Forecast that 75% of subscribers would be at, or above, usage levels.

Columns g and h: Columns b and d demand x monthly plan rate x 12

Column i: Columns b and d demand times bulk usage (60 or 120) x 75%



To: Jim Stevens  
Company:  
Fax Number: 1-502-564-3460

From: Eileen M Bodamer  
Voice : 770-649-1886  
Fax Number: 770-645-6545

Message:

Thanks again

Eileen Bodamer

**Gearheart Communications d/b/a Coalfields Telephone Company**  
**Area Calling Service**

**Exhibit B**  
**Page 1 of 2**

	<u>60-Minutes</u>	<u>Add'l MOU</u>	<u>Forecasted Penetration</u>
<b>Plan A:</b>			
Res:	\$ 4.50	\$ 0.110	15%
Bus:	\$ 9.00	\$ 0.185	10%
<b>Plan B:</b>	<u>120-Minutes</u>	<u>Add'l MOU</u>	
Res:	\$ 9.00	\$ 0.110	5%
Bus:	\$ 18.00	\$ 0.185	2%

Exchange	Total Access Lines a	Plan A b = a x forecast	Plan B c = a x forecast	Pre-Plan		
				A / B Annual MOU d	Average Rev / MOU e	Revenue f = d x e
Grethel						
Residential	983	147	49	166,956	\$ 0.1631	\$ 27,231
Business	73	7	1	7,565	\$ 0.2831	\$ 2,142
Harold						
Residential	2,783	417	139	550,582	\$ 0.1631	\$ 89,800
Business	739	73	15	55,314	\$ 0.2831	\$ 15,659
Wheelwright						
Residential	1,164	174	58	108,483	\$ 0.1631	\$ 17,694
Business	145	12	-	4,948	\$ 0.2831	\$ 1,401
Total						
Residential	4,930	738	247	826,021	\$ 0.1631	\$ 134,724
Business	957	92	16	67,827	\$ 0.2831	\$ 19,202
<b>Grand Total</b>						\$ 153,926

**Source Notes**

Penetration levels: Forecast

Column a (Access Lines): Company actuals as of filing date

Column d (minutes): Company actuals from March 99 study

Column e (end user rate): Company actuals from March 99 study

**Gearheart Communications d/b/a Coalfields Telephone Company**  
**Area Calling Service**

**Exhibit B**  
**Page 2 of 2**

Exchange	Annual Plan A Revenue g	Annual Plan B Revenue h	Base Usage Minutes [Note 1] i	Stimulated Usage 150% j = d x 150	Add'l Annual Usage k=j-i	Add'l Usage Annual Revenue l=k x rate	Total Revenue m=g+h+l
Grethel							
Residential	\$ 7,938	\$ 5,308	134,228	250,434	116,206	\$ 12,783	\$ 26,029
Business	\$ 756	\$ 315	5,428	11,348	5,919	\$ 1,095	\$ 2,166
Harold							
Residential	\$ 22,518	\$ 15,028	380,468	825,873	445,405	\$ 48,995	\$ 86,541
Business	\$ 7,884	\$ 3,192	56,121	82,971	26,850	\$ 4,967	\$ 16,044
Wheelwright							
Residential	\$ 9,396	\$ 6,286	158,907	162,725	3,818	\$ 420	\$ 16,102
Business	\$ 1,296	\$ -	6,566	7,422	856	\$ 158	\$ 1,454
Total							
Residential	\$ 39,852	\$ 26,622	673,603	1,239,032	565,428	\$ 62,197	\$ 128,671
Business	\$ 9,936	\$ 3,508	68,115	101,741	33,625	\$ 6,221	\$ 19,664
<b>Grand Total</b>							\$ 148,336

<b>Change in Annual Revenues</b>	<b>\$ (5,590)</b>
----------------------------------	-------------------

**Source Notes**

Note 1: Forecast that 75% of subscribers would be at, or above, usage levels.

Columns g and h: Columns b and d demand x monthly plan rate x 12

Column i : Columns b and d demand times bulk usage (60 or 120) x 75%

T60-434



PAUL R. GEARHEART  
PRESIDENT

PAUL D. GEARHEART  
VICE PRESIDENT

Helen Helton, Executive Director  
Kentucky Public Service Commission  
PO Box 615  
Frankfort, KY 40602

April 13, 1999

Dear Ms. Helton:

Enclosed for filing are one original and three copies of Gearheart Communications, Inc. d/b/a Coalfields Telephone Company Tariff PSC No. 3. With this filing, the company proposes to cancel its currently approved tariff (originally filed as Harold Telephone Company Tariff PSC No. 2 and subsequently renamed Gearheart Communications, Inc. d/b/a Coalfields Telephone Company) and replace it with this new tariff.

This tariff, with the exceptions noted herein, is essentially a revision of the company's existing tariff restructured for ease of reference and filing and modified to remove outdated materials. The contents of the filing are organized in a similar format to BellSouth's currently approved tariff in Kentucky.

Enclosed is a summary of material changes proposed with this filing. Because the structure of this tariff has been significantly modified, changes in language and placement that have no impact on revenues, operations, or customer / company obligations are omitted from this documentation in the interest in brevity.

As noted in the documentation, Coalfields Telephone Company anticipates that this tariff will result in virtually no change in revenues.

If there are any questions, please contact Eileen Bodamer at 770-649-1886.

Sincerely,

Paul Gearheart  
General Manager

enclosures

RECEIVED  
APR 13 1999  
PUBLIC SERVICE  
COMMISSION

## Overview

Gearheart Communications d/b/a Coalfields Telephone Company proposes in this filing to replace its existing tariff, Harold Telephone Company Tariff PSC No. 2<sup>1</sup>, with its revised tariff, Tariff PSC No. 3. This documentation describes material changes proposed between the two tariffs and the necessity for such changes. Where applicable, cost support data is also provided.

This filing is anticipated to be revenue neutral.

## Late Payment Fee

Coalfields proposes to introduce a late payment fee equal to that charged by BellSouth and under similar terms. Effective with this tariff, a late payment charge of 2.0 percent will apply 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.

Currently, the Company has no provision in its tariff to permit the charging of late fees to those customers who fail to make timely payments. As a result, customers lack the incentive to make timely payments causing cash flow difficulties due to a mismatch of revenues and expenses as well as increased customer correspondence. For example, customers will too often fail to pay charges until they receive a disconnect notice; during the period of non-payment, the company incurs its routine toll and local expenses without the associated revenues.

The company requests permission to assess a late fee as a tool to encourage timely payment of undisputed charges. The company does not intend this charge as a way to generate additional revenues.

Following approval of this fee, the company proposes a two month delay in assessing these charges during which time the company will engage in substantial customer outreach. The company proposes notifying all customers of the pending changes through bill inserts and directly to those customers with past due charges. In addition, during this period, customer service representatives will be instructed to remind customers of the introduction of this charge when appropriate during account discussions with subscribers.

---

<sup>1</sup> Gearheart Communications d/b/a Coalfields Telephone Company filed an Adoption Notice with the Commission on February 2, 1998 changing the company's name from Harold Telephone to the new name used here.

**Late Payment Fee (continued)**

The company cannot realistically forecast the impact on its revenues due to implementation of the late payment fee but believes its intent to offer a strong customer outreach program will result in a minimal change in total revenues.

**Service Order Charge Modifications**

The Company proposes to establish service order charges that structured to reflect the cost of providing such services. In addition, while developing its tariff for these services, the company discovered that it had conflicting rates for the same services in its tariff. That error is corrected here.

Under its current tariff structure the company charges different rates based on the nature of the installation, either lines in place or outside work required. With this filing, the company merely divides this cost in two components, a premise visit and a line connection, so that any future changes can be more readily completed. No change in rates is proposed at this time.

	Proposed		Current	
	<u>Residence</u>	<u>Business</u>	<u>Residence</u>	<u>Business</u>
Line Connection Charge	\$10.00	\$15.00	\$10.00	\$15.00
Premises Visit Charge	\$11.00	\$15.00	---	---
New Order Charge	----	----	\$21.00	\$30.00
<i>A combination of Line Connection and Premise Visit Charges</i>				
Service Order Charge	\$15.00	\$15.00	varies	varies

In preparing this tariff, the company discovered that it had two different rates in effect for basic service orders. Its rate in effect in the tariff is \$10.00, however, that same service charge is restated in the discussion of CLASS features as \$15.00, and in some instances \$30.00 per order. Review of company records suggests, however, that customer service representatives routinely used the rate of \$15.00 for most customer order requests. With this tariff, the company eliminates contradictory service order charges and proposes to uniformly charge the \$15.00 rate routinely used in practice.

No change in revenues is anticipated as a result of this filing.

### **Call Waiting Combined with Cancel Call Waiting**

The company has separate rate elements for call waiting and cancel call waiting for business and residential subscribers. While call waiting is a stand-alone feature, cancel call waiting, naturally, cannot be purchased without the underlying call waiting feature.

Call waiting service uses an indicator tone to notify a subscriber of a second incoming call to the line. The subscriber has the option of either answering the call or ignoring it. The indicator tone that provides customer notification on voice calls will disrupt data transmissions such as Internet dial-up. Accordingly, the company has seen an increase in demand for cancel call waiting as Internet usage has increased.

With this filing, the company proposes to combine the two services so subscribers to call waiting automatically receive the cancel call waiting feature. The company proposes a blended rate between call waiting alone and the rate for the two services when purchased under the current tariff. While its new combined rate will be an increase to some subscribers, it will be a decrease to others resulting in essentially a revenue neutral change for the company.

### **Placeholders Established for Usage Based CLASS Features**

The company has reformatted its CLASS features section, (Section 7.3) to permit the future introduction of usage variable charges for features currently limited to flat-rated monthly charges. No new services or rates are proposed at this time, however.

### **Introduction of a Vanity Number Search Charge**

The company has included a vanity number search option in Section 7.10 of its revised tariff. As noted in that section, actual introduction of the service and a rate for that service will be subject to a later filing.

### **Calling Plans**

The Company proposes two changes in this tariff.

First, it proposes to suspend its concurrence with Bell South for its optional calling plans and instead proposes to file, in Section 14 of its Tariff, the sole plan supported by Coalfields Telephone through its participation in the Bell South Tariff. Because the terms, language, and rates for that plan are directly taken from the BellSouth tariff, no changes to the customer nor change in revenues will occur due to this filing.

Second, the company proposes to introduce a new calling plan in this same Section 14. Under the company's new area calling service ("ACS") plan, ACS subscribers will be permitted to purchase "bulk" toll calling to reduce toll charges to the subscriber's greater community of interest. This plan is an optional plan offered by the company in response

**Calling Plans (continued)**

to customer demand. As shown in Exhibit A of this documentation, the plan is anticipated to have a minimal effect on the company's revenues. A community of interest statement is provided below.

*Community of Interest Statement*

In justification of its request, Gearheart Communications d/b/a Coalfields Telephone Company states that the following support a community of interest:

- The proposed Area Calling Service (ACS) plan provides customers with reduced calling to their respective County seats of Floyd, Johnson and Pike.
- Subscribers have requested that the Company offer an ACS plan.
- All exchanges are geographically contiguous and have economic relationships.
- The ACS plan provides subscribers with reduced calling rates to neighboring physicians, pharmacies, hospitals and medical specialists.



**Gearheart Communications d/b/a Coalfields Telephone Company  
Area Calling Service**

**Exhibit 1**

**Plan A:           60-Minutes           Add'l MOU**  
**Res:           \$     4.50           \$   0.110**  
**Bus:           \$     9.00           \$   0.185**

**Plan B:           120-Minutes           Add'l MOU**  
**Res:           \$     9.00           \$   0.110**  
**Bus:           \$    18.00           \$   0.185**

Exchange	Total Access Lines	Plan A	Plan B	Pre-Plan		
				A / B Annual MO	Average Rev / MO	Revenue
<b>Grethel</b>						
Residential	983	147	49	166,956	0.1631	\$ 27,231
Business	73	7	1	7,565	0.2831	\$ 2,142
<b>Harold</b>						
Residential	2,783	417	139	550,582	0.1631	\$ 89,800
Business	739	74	15	55,314	0.2831	\$ 15,659
<b>Wheelwright</b>						
Residential	1,164	175	58	108,483	0.1631	\$ 17,694
Business	145	12	-	4,948	0.2831	\$ 1,401
<b>Total</b>						
Residential	4,930	740	99	826,021	0.1631	\$ 134,724
Business	957	144	19	67,827	0.2831	\$ 19,202
<b>Grand Total</b>						<b>\$ 307,852</b>

Exchange	Annual Plan A Revenue	Annual Plan B Revenue	Base Usage Minutes [Note 1]	Stimulated Usage 150%	Add'l Annual Usage	Add'l Usage Annual Revenue	Total Revenue
<b>Grethel</b>							
Residential	\$ 7,962	\$ 5,308	134,474	250,434	115,960	\$ 12,756	\$ 26,026
Business	\$ 788	\$ 315	5,592	11,348	5,755	\$ 1,065	\$ 2,168
<b>Harold</b>							
Residential	\$ 22,542	\$ 15,028	380,714	825,873	445,159	\$ 48,967	\$ 86,538
Business	\$ 7,981	\$ 3,192	56,613	82,971	26,358	\$ 4,876	\$ 16,050
<b>Wheelwright</b>							
Residential	\$ 9,428	\$ 6,286	159,235	162,725	3,489	\$ 384	\$ 16,098
Business	\$ 1,296	\$ -	6,566	7,422	856	\$ 158	\$ 1,454
<b>Total</b>							
Residential	\$ 39,933	\$ 26,622	512,562	1,239,032	726,469	\$ 79,912	\$ 146,467
Business	\$ 10,066	\$ 3,508	99,497	101,741	2,243	\$ 415	\$ 13,988
<b>Grand Total</b>							<b>\$ 308,789</b>

<b>Change in Annual Revenues</b>	<b>\$ 938</b>
----------------------------------	---------------

Note 1: Assumes 75% of subscribers would be at, or above, usage levels.

**GEARHEART COMMUNICATIONS, INC.  
D/B/A COALFIELDS TELEPHONE COMPANY**

**PSC KY TARIFF NO. 3  
Original Cover Sheet**

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

**GEARHEART COMMUNICATIONS, INC.  
PO BOX 160  
HAROLD, KY 41635  
(606) 478-9401**

**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 principal place of business.**

---

Issue Date: April 13, 1999

Effective Date: May 17, 1999

Issued By: Paul R. Gearheart

Paul R. Gearheart, General Manager

**CONTENTS**

	<u>Section / Page</u>
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Issue Date: April 13, 1999

Effective Date: May 17, 1999

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

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Centrex	Section 11
ISDN	Section 12
Public Telephone Service	Section 13
Optional Calling Plans	Section 14
Private Line Service	Section 15
Foreign Exchange Service	Section 16
Customer Invoice	Attachment A
Exchange Maps	Attachment B

---

Issue Date: April 13, 1999

Effective Date: May 17, 1999

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

**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.
- C. Check Sheets - When a tariff filing is made with the PSC KY, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross-reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. An asterisk designates all revisions made in a given filing (\*).

---

Issue Date: April 13, 1999

Effective Date: May 17, 1999

Issued By: Paul R. Gearheart

Paul R. Gearheart, General Manager

**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.

---

Issue Date: April 13, 1999

Effective Date: May 17, 1999

Issued By: Paul R. Gearheart

Paul R. Gearheart, General Manager

**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 Gearheart Communications, Inc. d/b/a Coalfields Telephone Company, hereinafter referred to as the Company, to customers within the Commonwealth of Kentucky.

---

Issue Date: April 13, 1999

Effective Date: May 17, 1999

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

**CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS**

**Concurring Carriers:**

None

**Connecting Carriers:**

None

**Other Participating Carriers:**

None

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*Paul R. Gearheart*  
Paul R. Gearheart, General Manager



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**GEARHEART COMMUNICATIONS, INC.  
D/B/A COALFIELDS TELEPHONE COMPANY  
LOCAL EXCHANGE TARIFF**

**PSC KY TARIFF NO. 3  
SECTION 1  
Original Sheet No. 2**

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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: Gearheart Communications, Inc. d/b/a Coalfields Telephone Company, 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 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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Paul R. Gearheart, General Manager

**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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Paul R. Gearheart, General Manager

**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 of 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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Paul R. Gearheart, General Manager

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 or 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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Paul R. Gearheart, General Manager

**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**

Coalfields Telephone Company 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.

Coalfields Telephone Company 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 Coalfields Telephone Company 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 of \$0.05 (five cents) 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"

Surcharge per access per month      \$0.05

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**2. REGULATIONS (Cont'd)**

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

**2.9.1 Regulations**

1. On April 15, 1991, the Kentucky Public Service Commission approved a program for Kentucky Telecommunications Relay Service ("KTRS") pursuant to KRS 278.548. This service provides telephone communications between deaf and hearing / speech-impaired customers who use telecommunications devices for the deaf ("TDD") and all customers who use standard voice telephones. The service began operation on October 1, 1991.
2. The Kentucky Telecommunications Relay Service operates 24 hours a day, seven days a week. Customers can access the center using toll-free numbers.
3. Effective on March 15, 1995 the Kentucky General Assembly established a program to distribute telecommunications devices for the deaf (TDDs) to Kentuckians who are deaf, hard of hearing, or speech impaired.
4. Funding of the Relay Center and TDD distribution program is through a surcharge per access line.

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**2. REGULATIONS (Cont'd)**

**2.9 Kentucky Telecommunications Relay Service for Hearing-Impaired or Speech-Impaired Persons in Kentucky (Cont'd)**

**2.9.2 Surcharge Rate**

1. Recovery of state costs associated with the Telephone Relay Service ("TRS") and TDD program 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. Public Coin, 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 labelled, "TRS/TDD Surcharge."
4. The monthly surcharge amount is as follows:

	<u>Monthly Recurring Charge</u>
TRS / TDD Surcharge per access line	\$0.09

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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)**

5. 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.

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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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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	
		<u>Residence</u>	<u>Business</u>
1.	<u>Line Connection Charge</u>	\$10.00	\$15.00
2.	<u>Premises Visit Charge</u>	\$11.00	\$15.00
3.	<u>Service Order Charge</u>	\$15.00	\$15.00
4.	<u>Outside Move Charge</u>	\$21.00	\$24.00
5.	<u>Maintenance of Service Charge</u>	\$30.00	\$40.00
6.	<u>Returned Check Charge</u>	\$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.

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**3. SERVICE CHARGES (Cont'd)**

**3.4 Link-Up Kentucky**

**3.4.1 General**

1. Link-Up is a program designed to increase the availability of telecommunications services to low income subscribers (by providing a credit to the non-recurring installation and service charges to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in CC Docket 97-157, which adopts the Federal-State Joint Board's recommendation in CC Docket 9645, in compliance with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the Kentucky Public Service Commission and are as set forth in this tariff.
2. Link-Up is supported by the federal universal service mechanism.
3. A federal credit amount of fifty percent (50%) of the non-recurring charges for connection or service, up to a maximum of \$30.00, is available to be passed through to the subscriber.

**3.4.2 Regulations**

1. Customers eligible under Link-Up are also eligible for monthly recurring assistance under the Lifeline Program.
2. Link-Up connection assistance is available per household and is applicable to the primary residential connection only.
3. The Link-Up credit is available each time the customer installs or relocated the primary residential service.
4. To receive the credit, proof of eligibility must be provided prior to installation of services.

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**3. SERVICE CHARGES (Cont'd)**

**3.4 Link-Up Kentucky (Cont'd)**

**3.4.2 Regulations (Cont'd)**

5. The total tariff charges for connecting service, including service and other installation charges, are considered in the credit calculation.
6. Link-Up is not available for resale.

**3.4.3 Eligibility**

1. To be eligible for a Link-Up credit, the named subscriber must be a current recipient of any one of the following low-income assistance programs:
  - a. Supplemental Security Income (SSI)
  - b. Food Stamps
  - c. Medicaid
  - d. Federal public housing/Section 8
  - e. Low Income Home Energy Assistance Program (LIHEAP)
2. All applications for service are subject to verification with the state agency responsible for administration of the qualifying program.

**3.4.4 Certification**

1. Proof of eligibility in any of the qualifying low-income programs should be provided to the company at the time of application for service. The Link-Up credit will not be established until the Company has received proof of eligibility. If the customer requests installation without proof of eligibility, the requested service will be provided without the Link-Up credit.
2. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of

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the Link-Up plan.

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**3. SERVICE CHARGES (Cont'd)**

**3.4 Link-Up Kentucky (Cont'd)**

**3.4.5 Rates and Charges**

The federal credit available for a Link-up connection is \$30.00 (maximum) or fifty percent (50%) of the installation and service charges from this tariff, whichever is less.

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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 determined 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 may 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.
2. 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 or 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.

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.

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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.

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.

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**SECTION 5 - BASIC LOCAL EXCHANGE SERVICE**

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5. BASIC LOCAL EXCHANGE SERVICE

5.1 Exchange Service

The Company provides one-party service throughout its service area.

5.1.1 Description of Service

Local Exchange Service provides a Customer with a telephonic connection to, and a unique telephone number address on the public switched telecommunications network. Each Exchange Access Service is available on a "Full" service basis, whereby service is delivered to a demarcation/connection block ("protector") at the Customer's premises.

Each Exchange Access Service enables users to:

- 1 Receive calls from other stations on the public switched telecommunications network;
- 2 Access other services offered by the Company as set forth in this tariff;
- 3 Access (at no additional charge) the Company's operators and business office for service related assistance;
- 4 Access (at no additional charge) emergency services by dialing 0- or 9-1-1; and
- 5 Access services provided by other common carriers that purchase the Company's Switched Access services as provided under the Company's Federal and State tariffs, or that maintain other types of traffic exchange arrangements with the Company.

5.1.2 Area of Operations

The following exchanges are included in Coalfields Telephone Company's Local Exchange Tariff:

<u>Exchange</u>	<u>(NPA-NXX)</u>
Harold	606-478
Grethel	606-587
Wheelwright	606-452

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5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)

5.1 Exchange Service (Cont'd)

5.1.3 Maps

Maps that indicate and define the exchange and base rate area limits of the respective exchanges are filed with the Kentucky Public Service Commission and are included as Attachment B of this Tariff.

5.2 Local Calling Areas

5.2.1 General

The rates in this Tariff entitle callers to receive local calling (i.e., toll-free) to the local calling areas indicated in Section 5.2.2, below. Calls to areas not listed in Section 5.2.2 will be subject to applicable long distance charges by the long distance provider.

5.2.2 List of Local Calling Exchanges

<u>Exchange</u>	<u>Local Calling Area</u>
Harold	Harold, Grethel, Pikeville, Meta
Grethel	Harold, Grethel, Pikeville, Meta
Wheelwright	Allen, McDowell, Martin, Prestonburg, Wayland, Wheelwright

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5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)

5.3 Basic Exchange Line Service

5.3.1 Description

Basic Line Service provides a Customer with a single, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Basic Lines are provided for connection of Customer-provided single station sets or facsimile machines to the public switched telecommunications network. Each Basic Line may be configured into a hunt group with other Company-provided Basic Lines.

Each Basic Line is provided with the following standard features that can be deleted at the Customer's option:

Touch Tone

5.3.2 Rates

Rates do not include a charge for instrument or other customer premises equipment. Rates for additional services, including installation charges, are shown elsewhere in this Tariff.

	<u>Monthly Rate</u>
1. Residential Service	\$ 10.58
2. Business Service	\$ 18.33

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**5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)**

5.4 Lifeline

5.4.1 Description of Service

1. The Lifeline program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit to monthly recurring local service for qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's Order on Universal Service in CC Docket 97-157, which adopts the Federal-State joint Board recommendation in CC Docket 9645, which complies with the Telecommunications Act of 1996. Specific terms and conditions are as prescribed by the Kentucky Public Service Commission and are as set forth in this tariff.
2. Lifeline is supported by the federal universal service support mechanism.
3. Federal baseline support of \$7.00 is available for each Lifeline service and is passed through to the subscriber. An additional \$3.50 in state support is available for each Lifeline service and is passed through to the subscriber. The total amount of the eligible credit will not exceed \$10.50 or the charge for local service, which includes the access line, the Subscriber Line Charge and local usage.

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**5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)**

5.4 Lifeline (Cont'd)

5.4.2 Regulations

1. Customers eligible under the Lifeline program are also eligible for connection assistance under the Link-Up program.
2. One low- income credit is available per household and is applicable to the primary residential connection only.
3. A Lifeline customer may subscribe to any local service offering available to other residence customers.
4. Toll blocking, if elected, will be provided at no charge to the Lifeline subscriber.
5. The deposit requirement is not applicable to a Lifeline customer who subscribes to toll blocking. If a Lifeline customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required. When applicable, advance payments will not exceed the connection and local service charges for one month.
6. The federal primary inter-exchange carrier charge (PICC) will not be billed to Lifeline customers who subscribe to toll blocking and do not pre-subscribe to a long distance carrier.

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**5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)**

**5.4 Lifeline (Cont'd)**

**5.4.2 Regulations (Cont'd)**

7. A Lifeline subscriber's local service will not be disconnected for non-payment of regulated toll charges. Local service may be denied for non-payment of local and miscellaneous service in accordance with Section 2 of this Tariff. Access to toll service may be denied for non-payment of regulated tolls. A Lifeline subscriber's request for reconnection of local service will not be denied if the service was previously denied for non-payment of toll charges.
8. Lifeline is not available for resale.

**5.4.3 Eligibility**

To be eligible for a Lifeline credit, a customer must be a current recipient of any one of the following low-income assistance programs.

1. Supplemental Security Income (SSI)
2. Food Stamps
3. Medicaid
4. Federal public housing/Section 8
5. Low Income Home Energy Assistance Program (LIHEAP)

All applications for service are subject to verification with the state agency responsible for administration of the qualifying program.

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**5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)**

**5.4 Lifeline (Cont'd)**

**5.4.4 Certification**

1. Proof of eligibility in any of the qualifying low-income programs should be provided to the company at the time of application for service. The Lifeline credit will not be established until the Company has received proof of eligibility. If the customer requests installation prior to the company's receipt of proof of eligibility, the requested service will be provided without the Lifeline credit. When eligibility documentation is provided subsequent to installation, the Lifeline credit will be provided on a going forward basis.
2. Proof of eligibility shall be in the form of an affidavit, certifying under penalty of perjury, that the subscriber is receiving benefits under one of the qualifying programs. It is the customer's responsibility to notify the company when the customer is no longer participating in any of the qualifying programs.
3. The company reserves the right to periodically audit its records, working in conjunction with the appropriate state agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal law. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.
4. When a customer is determined to be ineligible as a result of an audit, the company will contact the customer. If the customer cannot provide eligibility documentation, the Lifeline credit will be discontinued.

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5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)

5.4 Lifeline (Cont'd)

5.4.5 Application of Rates and Charges

1. Lifeline is provided as a monthly credit on the eligible residential subscriber's access line bill for local service.
2. Service charges may be applicable for installing or changing Lifeline service.
3. Link-Up connection assistance in Section 3.4 may be available for installing or relocating Lifeline service.
4. Service charges do not apply for converting existing service to Lifeline.

5.4.6 Credit Amount

The Lifeline credit passed through to the customer consists of Federal Credit, one per Lifeline.

	Monthly Credit (per Lifeline)
(a) Supplemental Security Income	\$10.50
(b) Food Stamps	\$10.50
(c) Medicaid	\$10.50
(d) Federal public housing, Section 8	\$10.50
(e) Low Income Home Energy Assistance Plan (LIHEAP)	\$10.50

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5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)

5.5 Basic Exchange Trunk Service

5.5.1 Description

Basic Exchange Trunk Service provides a Customer with a single, voice-grade, analog telephonic communications channel that can be used to place or receive one call at a time. Basic Exchange Analog Trunks are provided for connection of Customer-provided private branch; exchanges (PBX) to the public switched telecommunications network. Each Trunk is provided with touch-tone signaling.

5.5.2 Tie Lines

Tie Lines to connect two manual switchboards or the switching equipment of two dial systems, or to connect a manual board with a dial unit are furnished at the rates specified in Section 7.4 of this Tariff for Off-Premise extension rates.

5.5.3 Monthly Service Rates

Rates do not include a charge for instrument or other customer premises equipment. Rates for additional services shown elsewhere in this Tariff.

	<u>Monthly Rate</u>
-First Trunk	\$28.95
-Each Additional Trunk	\$28.95

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**5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)**

**5.6 Direct-Inward-Dialing DID Trunk Service**

**5.6.1 Rules and Regulations**

1. DID service permits calls incoming to a PBX or other customer premises equipment from the network to reach a specific station line number without the assistance of an attendant. DID service is provided subject to the availability of facilities and may be furnished from the central office which regularly services the area in which the customer is located or from a foreign central office equipped to provide DID service subject to the appropriate company intra- and inter- exchange rates.
2. Rates are in addition to the rates shown for Basic Exchange Trunk Service and other Company tariffs for the services and equipment with which this offering is associated.
3. The service includes central office switching equipment necessary for inward dialing from the network directly to station lines associated with customer premises switching equipment.
4. The service must be provided on all trunks in a group arranged for inward service. Each trunk group shall be considered a separate service. Grouping Service will not be provided between separate trunk groups.
5. Facilities and operational characteristics of interface signals between the Company-provided connecting arrangements and the customer-provided switching equipment must conform to the rules and regulations the company considers necessary to maintain proper standards of service.
6. One primary directory listing will be furnished without charge for each separate trunk group. Additional listings can be obtained as specified in Section 6 of this tariff.

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**5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)**

**5.6 Direct-Inward-Dialing DID Trunk Service (Cont'd)**

**5.6.1 Rules and Regulations (Cont'd)**

7. The customer shall be responsible for providing interception of calls to vacant and non-working assigned DID numbers by means of attendant interceptor recorded announcement service.
8. DID numbers are provided in blocks consisting of a minimum of 20 consecutive numbers which may be assigned to station lines or reserved for future use at rates specified herein. The Company does not guarantee or provide a number block. The Company will be responsible for interception and administration of reserved numbers.
9. The customer shall order and maintain sufficient number of trunks as to prevent blockage in the network.

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**5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)**

**5.6 Direct-Inward-Dialing DID Trunk Service (Cont'd)**

**5.6.2 Rates and Charges**

	<u>Installation Charge</u>	<u>Monthly Rate</u>
1. Group of 20 working or reserved DID numbers		
a. Working Numbers, each	\$480.00	\$ 3.40
b. Reserved Numbers, each	\$480.00	\$ 3.40
2. DID One-Way Inward Trunk Termination in Central Office		
a. Each	\$ 50.00	\$26.00
3. Multifrequency (MF) Pulsing Option <sup>1</sup>		
a. Each Trunk		\$ 7.50
4. Dual Tone Multifrequency (DTMF)		
a. Each Trunk		\$ 7.50

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<sup>1</sup> These options provide faster signaling on DID trunks. The choice of pulsing alternative depends on the customer's premises equipment.

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**5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)**

**5.7 Directory Assistance**

Coalfields Telephone Company, hereinafter called the concurring utility, except as specifically stated herein, assents to, adopts and concurs in the Local Directory Assistance, Local Operator and Calling Card Services, Local Verification/Interruption Service, and two-Point Service as it applies to Intra-NPA Long Distance Operator Service Requiring Telephone Number Assistance, and Intra-NPA Long Distance Verification/Interruption Service Tariffs, filed with the Kentucky Public Service Commission by the Bell South Telephone Company, hereinafter called the issuing utility, as such tariffs now exists, or as they may be revised, added to or supplemented by superseding sheets or issues, for the above referenced tariffs, furnished by the issuing utility, and the concurring utility (including such service as are also participated in by one or more other utilities), and hereby makes itself a party thereto, and obligates itself to observe each and every provision thereof, until this concurrence is revoked or cancelled by either party.

Coalfields Telephone Company, 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 the Company subject to the jurisdiction of the Kentucky Public Service Commission as it applies.

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5. BASIC LOCAL EXCHANGE SERVICE (Cont'd)

5.8 Shared Tenant Service

5.8.1 General

Basic Local exchange Service is generally furnished for the exclusive use of the subscriber and the subscriber's authorized users. For purposes of this section, "Shared Tenant Service" denotes the resale of Basic Local Exchange Service.

5.8.2 Conditions

1. Upon request by the Company, the customer must apply in writing to resell the Company's exchange service. The Company may request that the customer submit layout maps defining the intended area of resale and anticipated development of the resale offering in new or existing buildings.
2. All rates and charges associated with the Shared tenant services are the responsibility of the Company's customer of record (i.e., the "reseller").
3. The Customer retains responsibility for all repair and maintenance requests submitted to the Company.
4. Provision of shared tenant arrangements will not prohibit the Company from directly providing service pursuant to this tariff to any end user requesting such service.
5. Provision of shared tenant services does not provide certification or franchise rights as a telecommunications company on recipients of shared tenant services.

5.8.3 Rates and Charges

Rates and charges are pursuant to this Tariff as well as other applicable Tariffs of the Company.

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Paul R. Gearheart, General Manager

**6. DIRECTORY LISTINGS**

**6.1 Regulations**

1. The rates and regulations specified herein for directory listings apply only to the alphabetical section of the directory. Listings are intended solely for the purpose of identifying subscriber's telephone numbers and as an aid to the use of telephone service.
2. The Telephone Company will furnish to its subscribers, without charge, one directory per access line or as it deems necessary for the efficient use of the service. Other directories will be furnished at the discretion of the Company at a reasonable charge.
3. The Telephone Company shall have the right to make a charge for subsequent directories issued in replacement of directories destroyed, defaced, or mutilated while in the possession of the subscriber.
4. The listing of subscribers either without charge or at the rate specified herein for additional listings in the alphabetical section of the directory does not contemplate special prominence of arrangement. The Company bears no responsibility in any dispute that may arise as a result of the publication of such listings in its directories.
5. Listings must conform to the Company's specifications with respect to its directories. The Company reserves the right to reject listings when in its judgement such listings would tend to delay or impede the use of the service.
6. The Company reserves the right to limit the length of any listing to one line in the directory by use of abbreviations when in its sole judgement the clearness of the listing and the identification of the subscriber is not impaired thereby.

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**6. DIRECTORY LISTINGS (Cont'd)**

**6.1 Regulations (Cont'd)**

7. Listings are regularly provided in connection with all classes of exchange service except public telephone service. A listing may be omitted from the directory upon request of a customer under the conditions specified in this tariff.
8. Street numbers, followed by the names of streets, will be used in identifying the location of the subscriber except when in the judgement of the Company names of buildings, apartment houses or communities serve as a better means of identification. Corner addresses will be used only where the street number is not available. The use of floor, room or suite numbers of buildings or apartment houses, or other such designation is not permitted.
9. Listings are not provided in connection with public telephone service except when the lists will facilitate the operations of the Company. No additional listings are permitted. Listings of Exchange Access Line Service used for the provision of Pay Telephone Service are pursuant to rules, regulations and charges for business listings.
10. If in the judgement of the Company, additional listings are warranted for better identification of the subscriber or governmental offices, such listings may be provided without charge.

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6. DIRECTORY LISTINGS (Cont'd)

6.1 Regulations (Cont'd)

11. Whenever any question arises to the authorization of a subscriber to list the name of a business or to use a listing which includes the trade name of another business, the Company, at its discretion, may require the subscriber to provide proof of such authorization. Such proof may include, but is not limited to, written authorization from the owner of such name addressed to the Company specifically to permit the listing requested by the subscriber. The Company may refuse or delete a listing when the owner either does not provide appropriate written authorization or withdraws previous authorization in a written letter to the Company.
12. The length of contract period for directory listings, where the listing actually appears in the directory, is the directory period. The directory period is from the day the directory is published to the day the succeeding directory is published. When the listing appears in information records only, the period is one month.

6.2 Primary Listings

A primary listing is provided without charge as follows for each separate subscriber service. When two or more main station lines or PBX trunk lines are consecutively operated, the first number of the group is considered the primary listing. When two or more access lines are not consecutively assigned, a primary listing may be made for each line.

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**6. DIRECTORY LISTINGS (Cont'd)**

**6.3 Unlisted Number Service**

Unlisted number service is the withholding of a customer's listing from the printed telephone directory. The number may be obtained from the directory assistance operator.

**6.4 Non-Published Number Service**

1. Non-published number service is the withholding of a customer's listing from both the telephone directory and directory assistance records. Subscribers requesting such arrangements agree to hold the Company harmless from any damages that might result from the non-published listing including the failure to receive calls.
2. The Company is not liable for damages resulting from the inadvertent publication of a non-published number in a telephone directory or for refusing to disclose a non-published number to any party.
3. Non-published service does not preclude the Company from supplying the customer's name, address and telephone number to the E911 / 911 service administrator.

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**6. DIRECTORY LISTINGS (Cont'd)**

**6.5 Business Listings**

Business names in the directory listings shall be limited to the following:

1. The individual name of the subscriber or joint user, or
2. The name under which the subscriber or joint user is actually doing business as evidence by signs on the premises by letterheads, and by name under which a bank account is carried, or
3. The name under which a business is actually being conducted by someone other than a subscriber and which the subscriber or joint user is authorized by such other to use, or
4. The individual names of the officers, partners or employees of the subscriber, or
5. The names of department when such listings are deemed necessary from public reference viewpoint.

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**6. DIRECTORY LISTINGS (Cont'd)**

**6.7 Regular Additional Listings (Cont'd)**

4. Unless otherwise provided herein, all additional listings must be of the same address and telephone number as the primary listing, except as provided below for alternate listings.
5. If, in the sole opinion of the Company to aid the use of the directory and satisfactory service can be furnished, a listing may be permitted under the address of a PBX installed on premises of the subscriber but at an address different from that of the switchboard, or main station, using the telephone number of the primary listing.
6. Additional Listing charges (except for listings of alternate call number and office hours) date from the time the listing is posted on the information records. Information records are posted at the time application for the listing is made, or at the date of issue of the directory as the subscriber may desire. Charges for listings of alternate call number and office hours become effective as of the date of the issue of the directory.

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**6. DIRECTORY LISTINGS (Cont'd)**

**6.8 Special Types of Additional Listings**

**6.8.1 Duplicate and Cross Reference Listings**

Duplicate listings, i.e., listings of nicknames, abbreviated names which are commonly spelled in more than one way, and rearrangement of names, are permitted when, in the opinion of the Company, they are necessary for the proper identification of a subscriber. The Company will not permit such listings for purposes of securing a preferential position in the directory or for advertising purposes. Duplicate and Cross Reference Listings will be provided at the Regular Additional Listing rate.

**6.8.2 Alternate Call Number Listings**

The listing of an alternative number to be called in case no answer is received is permitted for customers in all classes of service. The consent of the subscriber to the alternately listed service must be obtained before the alternate listing is furnished. Alternate Call Number Listings will be provided at the Regular Additional Listing rate.

**6.8.3 Foreign Exchange Listings**

Foreign Exchange Listings, i.e., listings of subscribers located in an exchange other than in which the listed service is furnished, are permitted subject to the terms of this Tariff for listing services. The foreign company listing charge will apply for each foreign listing in the Company's directory.

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6. DIRECTORY LISTINGS (Cont'd)

6.8 Special Types of Additional Listings (Cont'd)

6.8.4 Temporary Listings

Residence subscriber who lease their premises for period of less than one year and request the Company the render service to their tenant without change in contract, may arrange for listing of such tenant provided that the subscriber and the tenant do not occupy the premises at the same time. All billing and contractual arrangements remain unchanged and the subscriber is responsible for the payment for all charges. Temporary listings will be provided at the Regular Additional Listing rate.

6.8.5 Office Hour Listings

Listing of office hours or other information which is not required in order to efficiently handle telephone traffic, is not included in the charges for service. Subscribers wishing to include office hours in connection with their listings may do so at the Regular Additional Listing rate.

6.8.6 Night Connection

A phrase directing the method of calling when a PBX operator is not on duty may be listed in the directory at Regular Additional Listing rates whenever night connections are provided.

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**6. DIRECTORY LISTINGS (Cont'd)**

**6.8 Special Types of Additional Listings (Cont'd)**

**6.8.7 Dual Name Listings**

1. Dual Name Listings may be provided for customers subscribing to residence service who reside at the same address, and for a person known by two first names.
2. Dual Name Listings may be provided as the primary listing at no additional charge for the addition of the second name to the listing.
3. Dual Name Listings may be provided as an additional listing at the customer's option at the Regular Additional Listing rate.

**6.9 Shared Tenant Services Listings**

1. A client of shared tenant services may request the reseller, on his behalf, to obtain listings as specified in this tariff. All appropriate charges and regulations for directory listings specified herein are applicable to clients listings. Clients listing changes will be billed to the reseller (customer of record) and will not be billed separately.
2. A client of a reseller who does not require a directory listing but requires that a telephone number be accessible for E-911 or other similar services, must be listed as a Private (unlisted) listing. The unlisted directory number charge will apply per section 6.3 preceding.

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**6. DIRECTORY LISTINGS (Cont'd)**

6.10 Rates

	<u>Monthly Rate</u>
1. Primary Station	No Charge
2. Regular Additional Listings, each	\$0.75
3. Foreign Listings, each	\$1.25
4. Foreign Exchange Listing, each	\$1.60
5. Unlisted Number, each	\$1.50
6. Non-published Number, each	\$1.50

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**7 MISCELLANEOUS SERVICES**

**7.1 Touch-Tone / Pushbutton Telephone Service**

**7.1.1 General**

1. Pushbutton Telephone Service provides for the origination of telephone calls through the use of pushbutton in lieu of a rotary dial.
2. The service is furnished with all grades of central office lines.
3. Pushbutton and rotary dial instruments can both be used on a subscriber line.

**7.1.2 Rates**

	<u>Monthly Rate</u>
1. Residential	\$0.00
2. Business	\$0.00

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7 MISCELLANEOUS SERVICES (Cont'd)

7.2 Custom Calling Features

7.2.1 Feature Description

Custom Calling Features are services provided through Company central offices. Customers can choose from the following custom service additional features.

Call Forwarding Variable - allows subscribers to redirect all incoming calls to another telephone number. This service uses a courtesy call so the Customer can notify the party at the "forward to number" that calls are going to be redirected to their number.

Call Forwarding Busy Line - automatically redirects incoming calls to a pre-designated telephone number when the customer's line is busy. The customer must designate the destination number at the time the order for service is placed. Changes to the destination require a service order.

Call Forwarding Don't Answer - automatically redirects incoming calls to a pre-designated telephone number or to a voice mail (First Line) service when the Customer's line is not answered within a specified amount of time. The customer must designate the destination number and forwarding interval at the time the order for service is placed.

Requests for changes in the forwarding interval placed within thirty days of service installation will be completed at no charge.

Call Forwarding Ring Control - allows the customer to alter the number of rings or cycle before a call is forwarded to the number specified to the customer when placing the service order.

Remote Activation of Call Forwarding - allows the Customer to activate or deactivate Call Forwarding Variable from a telephone other than the one to which the service is assigned.

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7 MISCELLANEOUS SERVICES (Cont'd)

7.2 Custom Calling Features (Cont'd)

7.2.1 Feature Description (Cont'd)

Remote Call Forwarding - automatically redirects all incoming calls to a Customers number to a pre-designated number.

Call Waiting - alerts the Customer to an incoming call while the line is in use. The service signals the Customer with two separate tones or tone patterns. The Customer is able to place the first party on hold while he/she takes the second call. The Customer can switch back and forth between the two parties by flashing the switch hook.

Cancel Call Waiting - allows the Customer to cancel the Call Waiting feature on a call by call basis. This can be done before the Customer places a call or during a conversation (if the Customer also subscribes to Three Way Calling).

Three Way Conferencing - allows Customers to have a conference call with two other parties at different numbers. With this service the Customer can initiate calls to both parties or add another party to an established call.

Speed Calling 30 - allows the subscriber to assign 1 or 2 digit dial codes for telephone numbers and/or access codes. Up to 30 codes can be assigned.

Distinctive Ring Option (formerly "TEEN" service) - allows the subscriber to terminate an additional number to the underlying access line. Notification of number called is through a distinctive ring pattern.

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7 MISCELLANEOUS SERVICES (Cont'd)

7.2 Custom Calling Features (Cont'd)

7.2.2 Regulations

1. Distinctive Ring is available to individual line residential and business service and is not compatible with Basic Exchange Trunk services, lines with hunt group arrangements, and the closed end of foreign exchange services.
2. Distinctive Ring may not be compatible with all types of customer premise equipment.
3. Distinctive Ring subscribers will receive one additional listing for each assigned number pursuant to section 6 of this Tariff.

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7 MISCELLANEOUS SERVICES (Cont'd)

7.2 Custom Calling Features (Cont'd)

7.2.3 Rates


Charges are in addition to applicable charges for underlying Exchange Access Service(s) or Feature(s).

	<u>Monthly Rate</u>
(a) <u>Call Forwarding</u>	
Residential (per line)	\$ 1.75
Business (per line)	\$ 3.00
Business (per trunk)	\$ 3.00
(b) <u>Call Forwarding Busy Line</u>	
Residential (per line)	\$ 2.50
Business (per line)	\$ 2.50
Business (per trunk)	\$ 2.50
(c) <u>Call Forwarding Don't Answer</u>	
Company controlled	
Residential (per line)	\$ 2.50
Business (per line)	\$ 2.50
Business (per trunk)	\$ 2.50
(d) <u>Call Waiting With Cancel Call Waiting</u>	
Residential (per line)	\$ 2.75
Business (per line)	\$ 4.85
Business (per trunk)	\$ 4.85

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7 MISCELLANEOUS SERVICES (Cont'd)

7.2 Custom Calling Features (Cont'd)

7.2.3 Rates (Cont'd)

	<u>Monthly Rate</u>
(e) <u>Three Way Conferencing</u>	
Residential (per line)	\$ 3.25
Business (per line)	\$ 3.75
Business (per trunk)	\$ 3.75
(f) <u>Speed Calling 8</u>	
Residential (per line)	\$ 1.50
Business (per line)	\$ 2.25
Business (per trunk)	\$ 2.25
(g) <u>Speed Calling 30</u>	
Residential (per line)	\$ 2.00
Business (per line)	\$ 2.50
Business (per trunk)	\$ 2.50
(h) <u>Distinctive Ring Option (Formerly "TEEN" Line)</u>	
Residential (per line)	\$ 3.95
Business (per line)	\$ 5.95
Business (per trunk)	\$ 5.95

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7 MISCELLANEOUS SERVICES (Cont'd)

7.3 CLASS (Custom Local Area Signaling Service) Features

7.3.1 Feature Description

CLASS features are available to subscribers of Basic Exchange Line on an "a la carte" basis where service capabilities are available.

Automatic Call Back (ACB) - automatically redials the telephone number of the last outgoing call. If the number being called back is busy Automatic Call Back will alert Customer with a special ring when the line becomes clear.

Up to 30 ACB requests can be queued for each subscriber. A request is removed from the queue either when the switch places a call to the called party or when the monitoring period for the request ends.

The system will attempt to monitor the called line(s) for up to 30 minutes. When both stations are idle, the switch will notify the subscriber with a distinctive ringing tone. The feature activation can be cancelled by the customer when desired.

Automatic Recall (AR) - allows Customer to receive notice of the number of the last incoming call and at the subscriber's option, automatically return that call (whether the call was answered or missed).

Selective Distinctive Ringing / Call Waiting - provides a distinctive ring pattern and call waiting tone, if applicable, to the subscriber for up to thirty-two specific calling telephone numbers.

Selective Call Forwarding - allows the customer to transfer calls from up to thirty-two calling numbers to a specified forwarding number. Calls from lines not in the subscriber list (or of unknown origination) will not be forwarded.

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7 MISCELLANEOUS SERVICES (Cont'd)

7.3 CLASS (Custom Local Area Signaling Service) Features (Cont'd)

7.3.1 Feature Description (Cont'd)

Selective Call Acceptance – allows the customer to accept calls from a list of up to thirty-two calling numbers. Callers not on the list (or of unknown origination) will be routed to a recording that the caller is not accepting calls and the call will be rejected.

Selective Call Rejection – allows the customer to prevent incoming calls from up to thirty-two calling numbers. Callers will receive a recording indicating the line is blocked. Selective Call Block takes priority over Selective Call Forwarding.

Customer Originated Trace (COT) – permits the subscriber of the service to activate an automatic trace of the last call received. This information is forwarded to the Company's annoyance call bureau and will not be shared with the subscriber. Disclosure of COT information will only be provided to the appropriate law enforcement agencies when duly authorized to receive such information.

Calling Name and Number Delivery - displays the name and number of the calling party on a special display telephone or display unit. In addition to the caller's telephone number, the first 15 digits of the calling subscriber's first name will also appear.

Calling Number Delivery - displays the number of the calling party on a special display telephone or display unit. Number delivery will occur between the first and second rings. Use of this service requires a customer premise display unit.

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7 MISCELLANEOUS SERVICES (Cont'd)

7.3 CLASS (Custom Local Area Signaling Service) Features (Cont'd)

7.3.1 Feature Description (Cont'd)

Directory Number and Number Delivery Blocking (CNDB/CNAB) - allows Customer to prevent his/her number from appearing on the called party's Caller ID telephone or display unit. Calls from users with CNDB/CNAB activated will appear as "private" in the calling party's display unit.

CNDB/CNAB is available on either a per call or per line basis.

Per call blocking of CNDB/CNAB is available to all Company subscribers without presubscription. Customers with CNDB/CNAB activated on a per line basis may deactivate that blocking should per call activation be attempted.

Per Line blocking of CNDB/CNAB is available only to those customers of non-published listing services and / or the following entities and their employees / volunteers for lines over which the official business of the entity is conducted: a) Non-profit, tax exempt private and public social welfare agencies, and b) federal, state, and local law enforcement agencies.

Use of CNDB/CNAB will not prevent disclosure of calling information to E911 services or the serving end office of the calling party. The called party may have the ability to activate ACR, call trace, and call screening capabilities.

Anonymous Call Rejection - Allows the subscriber to automatically reject calls from lines which have the calling number information blocked. Anonymous callers will receive a recorded announcement directing them to unblock the line to complete the call.

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7 MISCELLANEOUS SERVICES (Cont'd)

7.3 CLASS (Custom Local Area Signaling Service) Features (Cont'd)

7.3.2 Regulations

1. CLASS features are optional service offerings in addition to the regular exchange service subscribed to by the customer.
2. CLASS features are available only where facilities exist.
3. CLASS features operate via the use of the Signaling System 7 (SS7) network. CLASS features may not perform as described based on the serving telephone company or equipment of the called / calling party.
4. CLASS features are limited residential and business exchange line services.
5. Installation of CLASS features are subject to charges specified in Section 3 of this Tariff.
6. The Company will deliver all numbers/names, subject to technical limitations, including those on non-published or unlisted telephone numbers unless the caller subscribes to and/or has activated Calling Number Delivery Blocking.
7. Subscribers to features requiring customer premise equipment to operate are responsible for the provision of that equipment. The Company assumes no liability for the operation of any customer provided equipment.

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7 MISCELLANEOUS SERVICES (Cont'd)

7.3 CLASS (Custom Local Area Signaling Service) Features (Cont'd)

7.3.2 Regulations (Cont'd)

8. Operator assisted calls may override the operation of CLASS features.
9. The Company is not liable for the delivery or failure to deliver of any CLASS feature or name and telephone number.
10. Installation charges will not be applicable for customers who subscribe to CLASS features within the first six months of the effective date of Tariff revisions introducing a new CLASS feature.
11. Monthly recurring charges will be waived for one month following the effective date of Tariff revisions introducing a new CLASS feature.

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7 MISCELLANEOUS SERVICES (Cont'd)

7.3 CLASS (Custom Local Area Signaling Service) Features (Cont'd)

7.3.3 Rates

Charges are in addition to applicable charges for underlying Exchange Access Service(s) or Feature(s).

	<u>Monthly Rate</u>	<u>Per Use Rate</u>
(a) <u>Automatic Call Back</u>		
Residential (per line)	\$ 3.50	--
Business (per line)	\$ 3.50	--
Business (per trunk)	\$ 3.50	--
(b) <u>Automatic Recall</u>		
Residential (per line)	\$ 3.50	--
Business (per line)	\$ 3.50	--
Business (per trunk)	\$ 3.50	--
(c) <u>Selective Distinctive Ringing / Call Waiting</u>		
Residential (per line)	\$ 4.00	--
Business (per line)	\$ 4.00	--
Business (per trunk)	\$ 4.00	--
(d) <u>Selective Call Forwarding</u>		
Residential (per line)	\$ 3.50	--
Business (per line)	\$ 3.50	--
Business (per trunk)	\$ 3.50	--
(e) <u>Distinctive Caller Alert *</u>		
Residential (per line)	--	--
Business (per line)	--	--
Business (per trunk)	--	--

\* Service not available at this time

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7 MISCELLANEOUS SERVICES (Cont'd)

7.3 CLASS (Custom Local Area Signaling Service) Features (Cont'd)

7.3.3 Rates

	<u>Monthly Rate</u>	<u>Per Use Rate</u>
(f) <u>Selective Call Acceptance</u>		
Residential (per line)	\$ 3.50	--
Business (per line)	\$ 3.50	--
Business (per trunk)	\$ 3.50	--
(g) <u>Selective Call Rejection</u>		
Residential (per line)	\$ 3.50	--
Business (per line)	\$ 3.50	--
Business (per trunk)	\$ 3.50	--
(h) <u>Customer Originated Trace</u>		
Residential (per line)	--	\$ 0.00
Business (per line)	--	\$ 0.00
Business (per trunk)	--	\$ 0.00
<u>Annoyance Call Report</u>		\$ 7.50
- Per Report Issued		
(i) <u>Calling Name and Number Delivery</u>		
Residential (per line)	\$ 7.00	--
Business (per line)	\$ 7.00	--
Business (per trunk)	\$ 7.00	--
(j) <u>Calling Number Delivery</u>		
Residential (per line)	\$ 5.50	--
Business (per line)	\$ 5.50	--
Business (per trunk)	\$ 5.50	--

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7 MISCELLANEOUS SERVICES (Cont'd)

7.3 CLASS (Custom Local Area Signaling Service) Features (Cont'd)

7.3.3 Rates (Cont'd)

	<u>Monthly Rate</u>	<u>Per Use Rate</u>
(k) <u>Directory Number and Name Delivering Blocking</u>		
Residential (per line)	\$ 0.00	\$0.00
Business (per line)	\$ 0.00	\$0.00
Business (per trunk)	\$ 0.00	\$0.00
(l) <u>Anonymous Call Rejection</u>		
Residential (per line)	\$ 3.50	--
Business (per line)	\$ 3.50	--
Business (per trunk)	\$ 3.50	--
(m) <u>CLASS Package #1</u> <i>Automatic Call Back, Automatic Recall, and Selective Distinctive Ringing / Call Waiting</i>		
Residential (per line)	\$10.00	--
Business (per line)	\$10.00	--
Business (per trunk)	\$10.00	--
(n) <u>CLASS Package #2</u> <i>Automatic Recall, Automatic Callback, and Selective Call Rejection</i>		
Residential (per line)	\$10.00	--
Business (per line)	\$10.00	--
Business (per trunk)	\$10.00	--

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7 MISCELLANEOUS SERVICES (Cont'd)

7.3 CLASS (Custom Local Area Signaling Service) Features (Cont'd)

7.3.3 Rates (Cont'd)

	<u>Monthly Rate</u>	<u>Per Use Rate</u>
(o) <u>CLASS Package #3</u> <i>Automatic Call Back, Selective Call Rejection, and Selective Distinctive Ringing / Call Waiting</i>		
Residential (per line)	\$10.00	--
Business (per line)	\$10.00	--
Business (per trunk)	\$10.00	--
(p) <u>CLASS Package #4</u> <i>Selective Distinctive Ringing / Call Waiting Selective Call Rejection, and Selective Call Acceptance</i>		
Residential (per line)	\$10.00	--
Business (per line)	\$10.00	--
Business (per trunk)	\$10.00	--
(q) <u>CLASS Package #5</u> <i>Calling Number Delivery, Anonymous Call Rejection, Call Waiting</i>		
Residential (per line)	\$10.00	--
Business (per line)	\$10.00	--
Business (per trunk)	\$10.00	--
(r) <u>CLASS Package #6</u> <i>Calling Name and Number Delivery and Anonymous Call Rejection</i>		
Residential (per line)	\$10.00	--
Business (per line)	\$10.00	--
Business (per trunk)	\$10.00	--

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**7 MISCELLANEOUS SERVICES (Cont'd)**

**7.4 Off Premise Line**

**7.4.1 Definitions**

1. Any telephone located more than 150 feet from the premise where the initial telephone is located, and the Company is requested to provide a line, the telephone shall be considered off premise subject to charges in addition to a regular leased telephone.
2. For the purposes of definition, off-premise line is any line extended off-premise by use of service wire or cable pair, but does not interconnect or "bridge" with other cable pairs in the central office.

**7.4.2 Regulations**

1. May be located on the premise of another customer and restricted to answering incoming calls only provided the other has his own separate service at the same location.
2. Business off-premise line may be provided at residence location of the same customer where residence main stations service is also provided.
3. Residence off-premise lines may be provided at a business location of the same customer where business main station service is also provided.
4. Mileage charge will be based upon the route measurement mileage between locations of the telephones.

**7.4.3 Rates**

	<u>Mileage rates</u>
1. Business	\$5.50/mile
2. Residence	\$4.25/mile

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**7 MISCELLANEOUS SERVICES (Cont'd)**

**7.5 Hot Line Service**

**7.5.1 General**

1. Hot Line Service is an automatic dialing feature which provides the customer with the ability to automatically be connected with another line in the circuit switched connection is set-up without any further action.
2. Hot Line Service may be used only in connection with individual line service.
3. Hot Line Service is furnished only from central offices that have been arranged to provide this service and is provided subject to the availability of facilities.

**7.5.2 Rates and Charges**

The rates and charges for this service are in addition to normal service and monthly charges for individual line service found elsewhere in this Tariff.

Per Line Equipped

	<u>Monthly Rate</u>
1. Residence	\$ 1.50
2. Business	\$ 2.25

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**7 MISCELLANEOUS SERVICES (Cont'd)**

**7.6 Warm Line Service**

**7.6.1 General**

1. Warm Line Service provides a customer who has basic exchange line service with a time-delayed automatic dialing capability. If the customer with this service goes off-hook and initiates dialing within the time delay period, their call will proceed normally as dialed. If dialing does not commence within the time delay period (0-30 seconds), a preprogrammed telephone number is automatically dialed. The preprogrammed telephone number and time-delay period are selected by the customer at the time service is established and can be changed only via service order.
2. Warm Line Service may be used only in connection with individual line service.
3. Warm Line Service is furnished only from central offices that have been arranged to provide this service and is provided subject to the availability of facilities.

**7.6.2 Rates and Charges**

The rates and charges for this service are in addition to normal service and monthly charges for individual line service found elsewhere in this Tariff.

Per Line Equipped

	<u>Monthly Rate</u>
1. Residence	\$1.50
2. Business	\$2.25

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**7 MISCELLANEOUS SERVICES (Cont'd)**

**7.7 Toll Restriction Service**

**7.7.1 Regulations**

1. The charges quoted herein are in addition to the regular monthly rates for the respective types of service as provided for elsewhere in this tariff.
2. Service order charges apply as set forth in Section 3 for each service order to add toll restriction service.
3. Service order charges for Restricted Codes – NPA 900, 976 do not apply in the following cases:
  - a. A new subscriber when they first obtain telephone service; and
  - b. To all subscribers who dispute or question a 900 – service charge for the first time.
4. Subscribing to Restricted Codes NPA 900, 976 does not relieve customers of responsibility for calls charged to their numbers.
5. The Company shall not be liable to any person for damages of any nature or kind arising out of, resulting from, or in connection with the provision of the Toll Denial or Restricted Codes Services including without limitations, the inability of station users to access the operations for any purpose, or any other restricted codes specified for the options.
6. Toll Blocking and Restricted Codes will be established and provided at no charge for customers receiving Lifeline Service pursuant to Section 5.4 of this Tariff.

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**7 MISCELLANEOUS SERVICES (Cont'd)**

**7.7 Toll Restriction Service**

**7.7.2 Rates**

	<u>Monthly Rate</u>
1. <u>Toll Denial</u>	
Residence – per line	\$ 1.50
Business – per line	\$ 1.50
Business – per trunk	\$ 1.50
2. <u>Toll Denial Incoming Only</u>	
Residence – per line	\$ 1.50
Business – per line	\$ 1.50
Business – per trunk	\$ 1.50
3. <u>Toll Denial Outgoing Only</u>	
Residence – per line	\$ 1.50
Business – per line	\$ 1.50
Business – per trunk	\$ 1.50
4. <u>Restricted Codes – NPA 900, 976</u>	
Residence – per line	\$ 0.00
Business – per line	\$ 0.00
Business – per trunk	\$ 0.00

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**7 MISCELLANEOUS SERVICES (Cont'd)**

**7.8 Employees' Telephone Service**

**7.8.1 General**

1. Regular full-time employees of the Telephone Company may be granted full or partial concession rates for certain items of local exchange service furnished in connection with telephone service at their place of residence at the expense of the stockholders.
2. Concession rates do not apply to long distance charges or the Usage Charges of any Local Calling Plans.
3. Full concession is provided to employees for whom telephone service is considered essential to the conduct of Company business.
4. Partial concession is furnished to other full-time employees.
5. The primary listing is permitted only in the name of the employee. An extra listing for any other Telephone Company employee residing at the same address is allowed at his appropriate concession rate for such listing. Any additional listings are provided at the regular charge.
6. The general practice is to establish service under an employee's concession application only if the place of residence is so located that it may be served by means of available facilities or without undue cost from an exchange or Central Office of the Telephone Company. Any concession service provided outside the operating territory of the Telephone Company will require approval of the President of the Company.

**7.8.2 Rates**

1. Full Concession – 100 percent of the applicable items.
2. Partial Concession – 50 percent of the applicable items.

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**7 MISCELLANEOUS SERVICES (Cont'd)**

**7.9 Seasonal and Vacation Service**

**7.9.1 General**

Seasonal and Vacation Service is basic local exchange service temporarily suspended at the request of the subscriber. This service is provided to customers in all the Company's exchanges, except key system, PBX and PABX customers.

**7.9.2 Conditions**

Seasonal and vacation service will be furnished at the Company's discretion under the following conditions:

1. Service is available to all classes and grades of exchange service where the usage is of a seasonal nature.
2. During the period when the customer is billed at the reduced rate, no installation, moves, changes or maintenance will be provided by the Company.

**7.9.3 Rates**

1. The monthly rate will be based upon 50% of the customer's total Local Exchange Service, including, but not limited to extensions, and directory listing. Service may be suspended for a minimum of 90 days and a maximum of six months.
2. Regular service charges will apply for the suspension and subsequent reconnection of service.

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**7 MISCELLANEOUS SERVICES (Cont'd)**

**7.10 Vanity Number Service \***

**7.10.1 General**

Vanity Number Service is an optional feature by which a new or existing Customer may request a specific or unique telephone number and fax number for use with the Company provided Exchange Access Services. This service provides for the assignment of a Customer requested telephone number other than the next available number from the assignment control list.

**7.10.2 Regulations**

1. Vanity Number Service is furnished subject to the availability of facilities and the requirements of Exchange Access Service as defined by the Company.
2. The Company reserves all rights to the Vanity Numbers assigned to Customers and may, therefore, change them if required.
3. Service Charges, as specified in Section 3 also apply.
4. All other regulations described in this tariff also apply.

**7.10.3 Rates and Charges**

Per Vanity Number	<u>Non-Recurring</u> *	<u>Monthly Recurring</u> No Add'l Charge
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\* The Company does not offer this service at this time but will do so at a later date, subject to Commission approval.

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**SECTION 8 - CONNECTIONS WITH CERTAIN FACILITIES AND / OR EQUIPMENT  
OF OTHERS**

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Paul R. Gearheart, General Manager

**8 CONNECTIONS WITH CERTAIN FACILITIES AND / OR EQUIPMENT OF OTHERS**

**8.1 Regulations**

1. Customer-provided terminal equipment or wiring may be used with the facilities furnished by the Company for telecommunications services as provided in this tariff. In all such cases the customer-provided equipment or wiring will be constructed, maintained and operated to work satisfactorily with the facilities of the Company, and to meet all published standards of the Federal Communications Commission (FCC).
2. Subscribers may not disconnect or remove or permit others to disconnect or remove any apparatus installed by the Company, except upon the consent of the Company, with the exception of inside wiring.
3. Where telecommunications service is available under this Tariff for use in connection with customer-provided equipment and wiring, the operating characteristics of such equipment or wiring shall not interfere with any of the service offered by the Company. Such use is subject to the further provision that the customer-provided equipment or wiring does not endanger the safety of the Company's employees or the public; damage, require change in or alteration of, the equipment or other facilities of the Company; interfere with the proper functioning of such equipment or facilities; impair the operation of the Company's service. Upon notice from the Company that the customer-provided equipment or wiring is causing or is likely to cause such hazard to interference, the customer shall make such change as shall be necessary to remove or prevent such hazard or interference. The customer shall be responsible for the payment of Company charge in Section 3, "Maintenance of Service Charge," for visits by the Company to the customer's premises where a service difficulty or trouble report results from customer-provided equipment or wiring.

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**8 CONNECTIONS WITH CERTAIN FACILITIES AND / OR EQUIPMENT OF  
OTHERS (Cont'd)**

**8.1 Regulations (Cont'd)**

4. The Company shall not be responsible for the installation, operation or maintenance of any customer-provided communications systems. Telecommunications service is not represented as adapted to the use of customer-provided equipment or systems. When such equipment or facilities are connected to the Company facilities, the Customer is responsible for telecommunications service and the maintenance and operation of customer provided facilities in a manner proper for telecommunications service. Subject to this responsibility, the Company shall not be responsible for (1) the through transmission of signals generated by the customer-provided equipment or systems or for the quality of, or defects in, such transmission, or (2) the reception of signals by customer-provided equipment or system.
5. The Company shall not be responsible to the customer if changes in the criteria outlined herein or in any of the facilities or procedures of the Company render any customer-provided equipment or communications systems inoperable or otherwise affect its use or performance.
6. The Company will not be responsible for any loss or damage, nor for any impairment or failure of the service, arising from or connection with the use of facilities of customers and not caused solely by the negligence of the Company.
7. Where any customer-provided equipment or system is used with telecommunications service in violation of any of the provisions in this tariff, the Company will take immediate action as necessary for the protection of its services, and will promptly notify the customer of the violation. Following the receipt of written notice from the Company, the customer shall either discontinue use of the equipment or system or correct the violation. Confirmation of corrective action must be provided in writing to the Company within 10 days. Failure of the customer to take corrective action and provide written confirmation to the Company within the time stated above may result in termination of the customer's service.

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**8 CONNECTIONS WITH CERTAIN FACILITIES AND / OR EQUIPMENT OF  
OTHERS (Cont'd)**

**8.1 Regulations (Cont'd)**

8. Customer-provided systems that provide service to a location deemed by the Company to be impracticable to serve because of hazard(s) or inaccessibility may be connected with the telecommunications service by means of connecting equipment furnished by the Company.
9. The customer indemnifies and saves the Company harmless against claims for infringements of patents arising from combining such equipment or system with, or using it in connection with, facilities of the Company; and against all other claims arising out of any act or omissions of the customer in connection with facilities provided by the Company.
10. No equipment, apparatus, circuit or device not furnished by the Company shall be attached to or connected with the facilities furnished by the Company, except as provided in this Tariff. In case unauthorized attachments or connections are made, the Company shall have the right to remove or disconnect the same; or to suspend the service during the continuance of said attachments or connection; or to terminate service.

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**8 CONNECTIONS WITH CERTAIN FACILITIES AND / OR EQUIPMENT OF OTHERS (Cont'd)**

**8.2 Network Protection Criteria**

To protect the telecommunications network and the services furnished to the general public by the Company from harmful effects, the signal from the customer-provided communications system to the long distance message telecommunications network must comply with the following minimum network protection criteria:

**8.2.1 Customer Premises Requirements**

Where the customer-provided communications system is connected, the customer-provided communications systems must comply with the following criteria:

1. To prevent excessive noise and crosstalk in the power of the signal at the central office must not exceed 12 db below one milliwatt when averaged over any three-second interval. To permit each customer, independent of distance from the central office, to supply signal power that approximates the 12 db below one milliwatt limit at the central office, the power of the signal which may be applied by the customer-provided equipment located on the customer's location, but in no case shall it exceed one milliwatt.
2. To protect other services the signal that is applied by the customer-provided equipment located on the customer's premises must meet the following limits:
  - a. The power in the band from 3,995 Hertz to 4,005 Hertz shall be at least 18 db below the power of the signal as specified in 8.2.1 (1).
  - b. The power in the band from 4,000 Hertz to 10,000 Hertz shall not exceed 16 db below one milliwatt.

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- c. The power in the band from 10,000 Hertz to 25,000 Hertz shall not exceed 24 db below one milliwatt.

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8 CONNECTIONS WITH CERTAIN FACILITIES AND / OR EQUIPMENT OF  
OTHERS (Cont'd)

8.2 Network Protection Criteria (Cont'd)

8.2.1 Customer Premises Requirements (Cont'd)

2. (Cont'd)

d. The power in the band from 25,000 Hertz to 40,000 Hertz shall not exceed 24 db below one milliwatt.

e. The power in the band above 40,000 Hertz shall not exceed 50 db below one milliwatt.

3. To prevent the interruption or disconnection of a call, or interference with network control signaling, the signal applied by the customer-provided equipment located on the customer's premises at no time may have energy solely in the 2450 to 2750 Hertz band. If there is signal power in the 2450 to 2750 band, it must not exceed that power present at the same time in the 800 to 2450 Hertz band.

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8 CONNECTIONS WITH CERTAIN FACILITIES AND / OR EQUIPMENT OF  
OTHERS (Cont'd)

8.2 Network Protection Criteria (Cont'd)

8.2.2 Network Control Signaling Output

Where the customer-provided communications system is connected, the customer-provided communications systems must comply with the following criteria:

4. To prevent excessive noise and cross-talk in the network the power of the signal that is applied by the customer-provided equipment located on the customer premises be limited so that the signal power at the output of the network control signaling unit (i.e., at the input of the Company line) does not exceed 9 db below one milliwatt when averaged over any three-second interval.
5. To protect other services the signal that is applied by the customer-provided equipment located on the customer's premises must meet the following limits at the output of the network control signaling unit (i.e., at the input to the Company line):
  - a. The power in the band from 3,995 Hertz to 4,000 Hertz shall be at least 18 db below the power of the signal as specified above in 8.2.2 (1).
  - b. The power in the band from 4,000 Hertz to 10,000 Hertz shall not exceed 16 db below one milliwatt.
  - c. The power in the band from 10,000 Hertz to 25,000 Hertz shall not exceed 24 db below one milliwatt.
  - d. The power in the band from 25,000 Hertz to 40,000 Hertz shall not exceed 36 db below one milliwatt.
  - e. The power in the band above 40,000 Hertz shall not exceed 50 db below one milliwatt.

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8 CONNECTIONS WITH CERTAIN FACILITIES AND / OR EQUIPMENT OF  
OTHERS (Cont'd)

8.2 Network Protection Criteria (Cont'd)

8.2.2 Network Control Signaling Output (Cont'd)

6. To prevent the interruption or disconnection of a call, the signal applied by the customer-provided equipment located on the customer's premises must be limited so that the signal at the input to the Company line shall at not time have energy solely in the 2450 to 2750 Hertz band. If there is signal power in the 2450 to 2750 band, it must not exceed that power present at the same time in the 800 to 2450 Hertz band.

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**8 CONNECTIONS WITH CERTAIN FACILITIES AND / OR EQUIPMENT OF OTHERS (Cont'd)**

**8.3 Customer-Provided Communications Systems**

Customer-provided systems may be connected, at a service point of the customer, on a voice grade basis with telecommunications service furnished by the Company, through customer-provided equipment which affects such connections externally to the Company by means of physical connection for transmitting and/or receiving. The customer-provided system shall comply with the minimum network protection criteria contained in Section 8.2

**8.4 Entrance Facilities**

All connections of entrance facilities to customer-provided communications systems shall be made through connecting arrangements approved by the Company. Customer, by use of its own equipment, but only within the normal transmission characteristics of the grade of channel ordered, may not create additional channels from the channels provided for entrance facilities. The charges for entrance facilities and the connecting arrangements will be based on cost as specified in the Tariffs of the Company.

**8.5 Connection of Customer-Provided Communications Systems with Instruments Furnished by the Company**

The Company does not provide instruments solely for use on customer-provided communications systems.

**8.6 Maintenance Service Charge**

The customer shall be responsible for the payment of the charges indicated in Section 3 "Maintenance of Service Charge," for visits by the Company to the customer's premises where a service difficulty or trouble report results from customer-provided equipment or facilities.

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**9. LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

Coalfields Telephone Company concurs in the standard toll rates, rules and regulations governing such communications as filed by the Bell South Telephone Company, together with the amendments or successive issues thereof and makes itself a party to such rates and charges until this concurrence is revoked or cancelled by either party. Coalfields Telephone Company 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 Coalfields Telephone subject to the jurisdiction of the Kentucky Public Service Commission as it applies.

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**10. WIDE AREA TELEPHONE SERVICE**

Coalfields Telephone Company hereinafter called the concurring utility except as specifically stated herein, assents to, adopts and concurs in the Wide Area Telephone Service Tariff, filed with the Kentucky Public Service Commission by the Bell South Telephone Company, hereinafter called the issuing utility, as such Tariff now exists, or it may be revised, added to or supplemented by superseding sheets or issues, for Wide Area Telephone Service furnished by the issuing utility, and the concurring utility (including such service as are also participated in by one or more other utilities), and hereby makes itself a party thereto, and obligates itself to observe each and every provision thereof.

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**SECTION 11 - CENTREX**

The Company does not currently offer Centrex Services.

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**SECTION 12 - ISDN / PRI**

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12.2 Regulations	3	
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**12. ISDN / PRI**

**12.1 Description of Service**

ISDN PRI service provides a method of access to the telephone network called Primary Rate Interface (PRI). Primary Rate Interface is an ISDN based, DS1 access link to the telecommunications network and provides integration of multiple voice and data transmission channels on the same line. The basic channel structure for PRI is twenty three (23) 64 Kbps bearer channels (B channels) and one (1) 64 Kbps data channel (D channel). These B channels may be used to connect the Customer's CPE to the Public Circuit Switched Network (e.g. outward, inward and two-way trunks, and WATS/800 Service access lines).

ISDN PRI service is a service for the transmission of digital signals only, Clear Channel Capability and Extended Superframe Format are inherent to the service. Customer Premise Equipment (CPE) that is compatible with the ISDN PRI service interface is the responsibility of the user for provisioning. The Company shall not be responsible if changes in any of the equipment, operations or procedures of the Company utilized in the provision of ISDN PRI service render any facilities provided by the Customer obsolete or require modification or alteration of such equipment or system or other-wise affect its use or performance. Digital transmission rates at speeds less than those indicated may be accomplished as a function of the particular CPE furnished by the user. Suspension of service is not allowed. Individual Case Basis pricing will be available for on-network Customers or for Customer agreeing to term plans. Busy line verification and Emergency Interrupt service is not available for ISDN PRI services.

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**12. ISDN / PRI (Cont'd)**

**12.2 Regulations**

1. ISDN services include a single directory number listing. Additional listings are available pursuant to terms of this tariff.
2. ISDN transmission cannot be completed to central offices that are connected by trunks that are not compatible to transmitting ISDN services.
3. ISDN transmission cannot be completed to central offices that are not equipped to provide ISDN services.
4. The Company will provide ISDN services to the Network Interface Device (NID) normally located outside the customer premises. It is the customer's responsibility to provide inside wire and compatible customer premise equipment (CPE).
5. ISDN BRI will be provided where local loops do not exceed 14,000 feet in length or a maximum of 34db as measured at the customer's premises. Where these loop conditions cannot be met, the customer must subscribe to Individual Line Loop Extension. Individual Line Loop Extensions are restricted to 18,000 feet.
6. Outside loop modifications to accommodate ISDN services (removal of load coils, loop extension installation, etc.) may require longer installation time than for other services.
7. Other services can be ordered with ISDN pursuant to other sections of this tariff (Custom calling features, CLASS, etc.) unless an operation conflict exists. In the event that such a conflict exists, the Company will notify the customer accordingly.

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**12. ISDN / PRI (Cont'd)**

**12.2 Regulations (Cont'd)**

8. Suspension of service as shown in Section 2.5.9 of this Tariff will not apply to ISDN services.
9. All rules and regulations shown elsewhere in this tariff will apply to ISDN services. In the even that a conflict exists, regulations in this section will supercede the regulation in conflict.
10. Due to the complexity of ISDN installation, standard installation intervals do not apply.
11. The Company does not currently have PRI service deployed in its network. Additional rates and terms for PRI service will be developed upon receipt of a bona fide request for that service.

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12. ISDN / PRI (Cont'd)

12.3 Service Components

ISDN service components include the following:

Basic Rate Interface (BRI) – Provides two B-channels and one D-channel (“2B+D”).

Individual Line Loop Extension – Extends the ISDN BRI beyond the nominal 18K' to 36K'.

Primary Rate Interface (PRI) – Provides twenty-three B-channels and one D-channel (“23B+D”). *At present, Coalfields Telephone Company has no PRI facilities.*

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**12. ISDN / PRI (Cont'd)**

**12.4 Rates**

The following monthly rates and non-recurring charges apply to ISDN services and are in addition to the rates and charges applicable to the associated service, equipment and facilities.

	<u>Monthly Rate</u>	<u>Non-recurring Charges</u>
1. Basic Rate Interface (BRI) 2B+D #		
Residential	\$54.95	\$70.00
Business	\$54.95	\$70.00
2. Individual Line Loop Extension		
Residential	\$19.00	\$60.00
Business	\$19.00	\$60.00
3. Primary Rate Interface (PRI) (23B+D)	TBD*	TBD*

(a) The above rates are based on assumed usage of 200 hours per month per B-channel. At this time, Coalfields Telephone Company does not have usage measurement capability deployed. Upon implementation of such capability, all usage in excess of 200 hours per month per channel will be billed at \$0.01 per minute.

(b) Service Connection Charges in Section 3 also apply.

(c) Miscellaneous service charges also apply.

# Rates are in addition to one-party residential or business rates as applicable based on customer's class of service.

\* At present, Coalfields Telephone Company has no PRI facilities.

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**SECTION 13 - PUBLIC TELEPHONE SERVICE**

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Paul R. Gearheart, General Manager

**13. PUBLIC TELEPHONE SERVICE**

The Company provides Access Line Service for the provision of Public Telephone Service to Payphone Services Providers ("PSPs") including the non-regulated operations of the Company.

**13.1 General**

1. Access Line Service is provided for use with PSP provided coin or non-coin operated Public Telephones.
2. Third number and collect calls to Access Line Service for PSP Public Telephones are not allowed.
3. The operator cannot perform coin collecting functions.
4. The multi-line business subscriber line charge, found in the interstate access tariff, is applicable to all Public Telephone access lines.
5. Access Line Service is provided on a flat-rate basis.
6. PSP Public Telephones must be connected to the Company network in compliance with Part 68 of FCC Rules and Regulations.
7. Access Line Service is provided subject to the condition that all applicable regulations in this Tariff will be adhered to.
8. Access Line Service is provided for use by the subscriber but may be used by others when so authorized by the subscriber, provided that all such usage is subject to the provisions of this Tariff.
9. Access Line Service is not subject to concessions.
10. Access Line Service may not be suspended at a reduced rate.

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**13. PUBLIC TELEPHONE SERVICE (Cont'd)**

**13.1 General (Cont'd)**

11. Access Line Service for PSP Public Telephones cannot be included on accounts containing other classes of service. A separate account is required for this offering at each location.
12. The Company is not responsible for refunds of coins deposited in PSP Public Telephones.
13. PSP Public Telephones may not be attached to other types of access lines.
14. The subscriber to Access Line Service will be responsible for any and all toll charges billed to the subscriber's account.
15. PSPs shall post on or near the Public Telephone the name and phone number of the owner of the instrument.
16. PSPs shall post on or near the Public Telephone the operating instructions for the instrument.
17. PSPs shall provide and post on or near the instrument a cost-free method for reporting complaints and obtaining refunds.
18. PSPs that accept coins shall accept coins of various denominations and shall be capable of returning unused coins.
19. PSPs shall not charge for calls not completed.
20. PSPs shall provide access to 911 Emergency Service (where available) free and without the use of a coin.
21. PSP instruments shall be FCC registered, hearing aid compatible, meet federal requirements for size of digits on the instrument, and the use of letterless keypads is prohibited.

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Paul R. Gearheart, General Manager

13. PUBLIC TELEPHONE SERVICE (Cont'd)

13.1 General (Cont'd)

22. PSP Public Telephones shall be mounted in accordance with federal height regulations for disabled persons.
23. PSPs that provide access to long-distance service shall offer access to all certified long-distance carriers through 1-700, 1-800, 1-950, or 101XXX dialing.
24. PSPs shall offer toll-free access to 800/888 numbers.
25. PSP Public Telephones shall not be connected behind a PBX.

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**13. PUBLIC TELEPHONE SERVICE (Cont'd)**

**13.2 Service Options**

At the request of the subscriber, certain options may be added to the access line for Public Telephone Service and will be billed at the approved tariff rate. All options must be compatible with the hardware and software in use by the existing Telephone Company switching equipment.

**13.2.1 Coin Supervision Additive Service**

The Company will provide Coin Supervision Additive Service to PSPs who order Access Line Service for the provision of Public Telephone Service and where the Public Telephone equipment connected to the Access Line Service requires central office coin supervision capability.

Coin Supervision Additive Service provides the capability of central office line equipment to pass signals and/or tones from the Access line Service to a trunk terminating at the PSPs operator service provider. These signals enable an operator service provider to recognize coin deposits and return coins to the Public Telephone user. Coin Supervision Additive Service also permits a suitable equipped operator service provider to automatically ring back the originating access line upon completion of a call.

This option requires a special central office line card that differs from the standard access line card and will be provided where facilities exist.

**13.2.2 Public Telephone Screening/Blocking**

Screening/Blocking for Public Telephone access lines includes Company provided services necessary to coordinate with operator connections or block subscribers from making specific types of calls. This service includes software translations done at the Company's facilities and also includes coordination between the Company and connecting Company databases.

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Paul R. Gearheart, General Manager

13. PUBLIC TELEPHONE SERVICE (Cont'd)

13.3 Rates and Charges (1) (2)

	<u>Monthly Rate</u>
1. Public Telephone Access Line, per Access Line	Applicable Business Access Line Rate
2. Coin Supervision Additive Service	\$1.21

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Paul R. Gearheart, General Manager

**SECTION 14 - OPTIONAL CALLING PLANS**

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**14. OPTIONAL CALLING PLANS**

**14.1 Application of Tariff**

This tariff applies to optional calling plans ("OCPs") presently available to subscribers of the Coalfields Telephone Company or as may be modified or added to at a future date.

**14.2 Description of Service**

Optional Calling Plans are specifically designed toll plans applicable to Intra-state subscriber dialed station-to-station sent paid toll messages placed from the Optional Calling Plan Telephone during the service period to stations in the prescribed terminating exchange, exchanges or area. All other Toll messages will be billed as regular toll messages.

**14.3 Concurrence**

1. Effective with this filing, the Company will cease its concurrence with Bell South's Tariff for such services and will instead file its own plans in this Tariff.
2. The Floyd County Community Calling Plan, described in Section 14.4 herein, reflects the only OCP offered by the Company through its concurrence with BellSouth prior to revoking that concurrence.

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14. OPTIONAL CALLING PLANS (Cont'd)

14.4 Floyd County Community Calling Plan

14.4.1 Description of Service

1. One-Way Measured Extended Community Calling

One-Way Measured Extended Community Calling, during the hours indicated, is furnished only on Dial Station-to-Station calls originating one-way outward from the Optional Calling Plan subscriber's telephone to telephones in the presubscribed terminating exchange or area.

2. Two-Way Measured Extended Community Calling

Two-Way Measured Extended Community Calling, all hours, is furnished only on the following:

- i. Dial Station-to-Station calls originating one-way outward from the Optional Calling Plan subscriber's telephone to telephones in the presubscribed terminating exchange or area; and
- ii. All Dial Station-to-Station calls in the reverse direction originated by any telephone in the terminating exchange, exchanges or area, and completed as an outgoing call to the telephone of the subscriber to the plan.

3. After Hours is defined as the period from 5 p.m. up to, but not including 8 a.m. weekdays and from 8 a.m. up to but not including 5 p.m. Saturday and Sunday.

4. All hours is defined as 24 hours per day, 7 days per week.

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**14. OPTIONAL CALLING PLANS (Cont'd)**

**14.4 Floyd County Community Calling Plan (Cont'd)**

**14.4.2 Limitation of Service**

1. Service is subject to availability of facilities and/or billing capabilities as determined by the Company.
2. Only one Extended Community Calling Plan can be provided by this Company in an exchange.
3. Two-way measured Extended Community Calling is furnished upon condition that the subscriber contracts for an adequate number of central office lines to permit the use of this service without injurious effects upon it or any other service rendered by the Company. The Company may terminate or refuse to furnish such service to any applicant, without incurring any liability, if the use of the service would interfere with or impair Long Distance Message telecommunications Service or any other service rendered by the Company.
4. A customer may not subscribe to both a two-way plan and a one-way plan to the same terminating exchange during the same billing month.
5. Plan usage is calculated in whole minutes. Fractional minutes are rounded up to the nearest whole minute. Minimum call usage is one minute.
6. The originating time of the call determines whether a call is included in the subscriber's optional calling plan.
7. Individual usage data is not provided.
8. A customer cannot subscribe to more than one optional plan from the Company that covers the same time period and geographical area.

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**14. OPTIONAL CALLING PLANS (Cont'd)**

**14.4 Floyd County Community Calling Plan (Cont'd)**

**14.4.3 One-Way Measured Service Rates and Exchanges**

<u>From Exchanges</u>		<u>To Exchanges</u>	
Harold		All Floyd County Exchanges	
Grethel		All Floyd County Exchanges	
Wheelwright		Harold, Grethel	
<u>Service</u>	<u>Monthly Rate</u> <u>/ First Hour</u>	<u>All Hours</u> <u>Each Add'l</u> <u>1/10 Hour</u>	<u>After Hours</u> <u>Each Add'l</u> <u>1/10</u>
<u>Hour</u>			
Business	\$ 7.50	\$ 0.75	\$ 0.75
Residence	\$ 7.50	\$ 0.75	\$ 0.46

**14.4.4 Two-Way Measured Service Rates and Exchanges**

<u>From Exchanges</u>		<u>Charge to Exchanges</u>	
All Floyd County Exchanges		Harold, Grethel	
Harold, Grethel		Wheelwright	
<u>Service</u>	<u>Monthly Rate</u> <u>/ First Hour</u>	<u>All Hours</u> <u>Each Add'l</u> <u>1/10 Hour</u>	<u>After Hours</u> <u>Each Add'l</u> <u>1/10</u>
<u>Hour</u>			
Business	\$ 7.50	\$ 0.85	\$ 0.85
Residence	\$ 7.50	\$ 0.85	\$ 0.46

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**14. OPTIONAL CALLING PLANS (Cont'd)**

**14.5 Area Calling Service ("ACS")**

**14.5.1 Description of Service**

1. Area Calling Service ("ACS") is an optional service that provides alternate billing for customer dialed station-to-station calls to locations outside the customer's local calling area but within the same LATA.
2. This service is offered on a per line basis to Company subscribers between exchanges specified in Section 14.5.3.
3. Customers subscribing to ACS Plan A receive sixty (60) minutes of toll-free calling for the ACS additive and a reduced per minute rate beyond the 60 minute allowance.
4. Customers subscribing to ACS Plan B will receive one hundred and twenty (120) minutes of toll-free calling for the ACS additive and a reduced per minute rate beyond the 120minute allowance.

**14.5.2 Limitation of Service**

1. ACS is offered in the specified exchanges subject to the availability of facilities and billing capabilities.
2. ACS is available to all business and residence customers except as specified herein. Customers who subscribe to Public Telephone Access Service or Foreign Exchange Service may not subscribe to this service.
3. ACS is on a per line basis and no aggregation between lines or customers is permitted.
4. Plan usage is calculated in whole minutes. Fractional minutes are rounded up to the nearest whole minute. Minimum call usage is one minute.

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**14. OPTIONAL CALLING PLANS (Cont'd)**

**14.5 Area Calling Service ("ACS") (Cont'd)**

**14.5.2 Limitation of Service (Cont'd)**

5. Appropriate Service Charges apply as specified in this Tariff.
6. The rates for ACS are in addition to rates for exchange service.
7. The rate is assessed on a per line basis.
8. A customer cannot subscribe to more than one optional plan from the Company that covers the same time period and geographical area.

**14.5.3 ACS Calling Area**

	<u>Designated Calling Area</u>
Grethel	Allen, Martin, McDowell, Prestonburg, Wayland, Wheelwright, Paintsville, Elkhorn, Fedscreek, Virgie
Harold	Allen, Martin, McDowell, Prestonburg, Wayland, Wheelwright, Paintsville, Elkhorn, Fedscreek, Virgie
Wheelwright	Grethel, Harold, Paintsville, Elkhorn, Fedscreek, Pikeville, Virgie

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14. OPTIONAL CALLING PLANS (Cont'd)

14.5 Area Calling Service ("ACS") (Cont'd)

14.5.4 ACS Service Rates

Plan A

	<u>Residence</u>	<u>Business</u>
Grethel		
- First 60 minutes	\$4.50	\$9.00
- Additional Usage	\$0.11/min	\$0.185/min
Harold		
- First 60 minutes	\$4.50	\$9.00
- Additional Usage	\$0.11/min	\$0.185/min
Wheelwright		
- First 60 minutes	\$4.50	\$9.00
- Additional Usage	\$0.11/min	\$0.185/min

Plan B

	<u>Residence</u>	<u>Business</u>
Grethel		
- First 120 minutes	\$9.00	\$18.00
- Additional Usage	\$0.11/min	\$0.185/min
Harold		
- First 120 minutes	\$9.00	\$18.00
- Additional Usage	\$0.11/min	\$0.185/min
Wheelwright		
- First 120 minutes	\$9.00	\$18.00
- Additional Usage	\$0.11/min	\$0.185/min

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Paul R. Gearheart, General Manager

**15 PRIVATE LINE SERVICE**

The Company, except as specifically stated herein assents to, adopts, and concurs in the rates, rules, and regulations governing intraLATA Private Line Service as filed by Duo County Telephone in its PSC KY Tariff No. 2B. The Company concurs in this tariff as it now exists, or as may be revised, added to, or supplemented by superceding sheets or issues, for Private Line Service furnished by the issuing utility and concurring utility (including such service as is also participated in by one or more utilities) and hereby makes itself a party thereof. This concurrence is for intercompany circuits only.

The Company reserves the right to cancel and make void this statement of concurrence at any such time as it appears that such cancellation is in the Company's best interest.

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Paul R. Gearheart, General Manager



16. FOREIGN EXCHANGE (FX) SERVICES

16.1 Definition

Foreign exchange service is exchange service furnished to a customer from an exchange other than the one from which he would normally be served.

16.2 Regulations

1. Foreign exchange service is not in accord with the general plan of furnishing telephone service and such service is furnished only under special conditions where warranted by the circumstances involved and is subject to facility availability.
2. The service is furnished in connection with individual line main station or private branch exchange service only.
3. The service is furnished subject to the same conditions and restrictions regarding the use of the service by users other than the customer and customer-authorized representatives that apply in connection with other classes of service.
4. Requests for foreign exchange service must be placed with the company serving the exchange from which the customer would normally receive service.
5. Subscribers to Foreign Exchange Service must have service from the exchange from which they would be normally served.
6. Other services, equipment or facilities used in connection with Foreign Exchange Service, except as otherwise indicated in this Tariff, are furnished subject to the rates and regulations applying in the foreign exchange from which the subscriber is served.

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16. FOREIGN EXCHANGE (FX) SERVICES (Cont'd)

16.2 Regulations (Cont'd)

7. When the foreign exchange from which service is requested has more than one exchange and/or central office in its Local Calling Area, the Company shall determine from which of the exchanges and central offices service will be furnished. If an applicant wished operation from a different central office and facilities are available in that office, foreign central office or foreign exchange mileage charges will apply for the channel required between the principal central office and the central office from which the applicant wishes to be served. When two or more companies are involved in furnishing the service, such determination may be made only with the consent of the Company that operates the exchange from which the service will be furnished.

16.3 Rate Application

1. The rate for Foreign Exchange Service is the installation and monthly rate for Exchange Access (below) plus mileage and installation charges.
2. Interexchange Channel - Each exchange has a Rate Center. Charges are based on the airline distance between Rate Centers.
3. Interoffice Channel - When Foreign Exchange Service is provided to or from a Wire Center that is not the primary Wire Center, interoffice mileage charges apply. Charges are based on the airline distance between the primary Wire Center and the Wire Center of the serving central office.
4. The local service area of and long distance rates to and from main stations or PBX systems connected for Foreign Exchange Service are the same as regularly apply to stations located in the foreign exchange area.

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**16. FOREIGN EXCHANGE (FX) SERVICES (Cont'd)**

**16.3 Rate Applications (Cont'd)**

5. Foreign Exchange Service may be furnished involving two areas of the Company or involving an area of the Company and an area of a connecting company when the connecting company is willing to concur in arrangements for furnishing such service as described in this Tariff. In those cases where a portion of the service is furnished by a connecting company the rates and regulations of the connecting company apply to the part of the exchange service it furnishes. Where the connecting company furnishes a portion of the inter-exchange facilities one of the following will apply:
  - i. If the connecting company concurs in the interexchange rates and regulations of this Company, the mileage measurement and mileage charges will be as specified in this section.
  - ii. If the connecting company does not concur with this tariff, the connecting company will apply its tariff mileage charges to the point of connection with facilities of this Company. The portion of the facilities furnished by this Company will be at the rates and mileage measurements specified in this section of the same point of connection, the total charges being the sum of the charges of each company.
6. Miscellaneous service, equipment and facilities used in connection with foreign exchange service are furnished subject to the rates and regulations applying in the foreign exchange from which the customer is served. This also includes service connection, move and change charges.
7. Foreign Exchange service is provided over existing distribution plant. Connection with the foreign exchange will be facilitated by a route from central office to central office. The Company will not provide or permit provision of foreign exchange service by the extension of distribution plant across exchange boundaries.

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16. FOREIGN EXCHANGE (FX) SERVICES (Cont'd)

16.3 Rate Applications (Cont'd)

8. In accordance with PSC Order dated 02/21/81, Administrative Case 218, the Company will no longer provide or permit Foreign Exchange Service by extension of local exchange facilities "cross-boundary." Customers who presently have Foreign Exchange service under these arrangements are "grandfathered" only at their existing premise. The Company will deny re-establishing this form of Foreign Exchange if the customer discontinues services, or relocated service to another premise. "Grandfathered" Foreign Exchange customers will be charged Foreign Exchange mileage from the customer's location to the point of connection with the serving company.
9. All Foreign Exchange Service whether terminating in the Company's territory or served solely within its boundaries will require a termination agreement for a period not to exceed six months.
10. Installation charges for Foreign Exchange service are in addition to service charges in Section 3.

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**16. FOREIGN EXCHANGE (FX) SERVICES (Cont'd)**

**16.4 Rates and Charges**

**16.4.1 Mileage Charges**

When an applicant located in an area normally served by the Company requests local exchange service through an exchange served by another company, a charge will apply between the territory boundary of the two exchanges to this Company's central office. In addition, applicable local service rate at this Company's central office also apply.

All charges made by the other Company for the use of its line and facilities, plus \$6.00 per quarter mile measured by airline mile or a fraction thereof, will apply in addition to other charges described elsewhere in this tariff.

**16.4.2 Type 2045**

	<u>Installation Charge</u>	<u>Monthly Charge</u>
1. Interexchange Channel including the channel terminals (served by the company), per channel		
a. First mile	\$480.00	\$55.00
b. Each additional mile or fraction thereof	\$ 0.00	\$ 3.20
2. Interoffice channel including the channel terminals, per channel		
a. First ¼ mile		\$14.50
b. Each additional ¼ mile or fraction thereof		\$ 0.80
3. Exchange Access	\$30.00	\$18.33

- (1) Applicable Service Charges are set forth in Section 3 of this tariff. Service Charges for business access lines will be applicable.
- (2) The subscriber is responsible for Directory Assistance service charges equivalent to those billed on business individual line service.

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**SECTION 17 - CATV POLE ATTACHMENTS**

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**17. CATV POLE ATTACHMENTS**

**17.1 Application of Tariff**

1. This tariff contains regulations and charges applicable to the provision of attachment space for cable television facilities on poles of Coalfields Telephone, hereinafter referred to as the "Company."
2. The terms and conditions contained herein apply where the CATV operator, as a customer of the Company, proposes to install coaxial or other types of television distribution cables, amplifiers and drop wires, wires, and appliances together with associated cable messengers, anchors and other appurtenances (hereinafter sometimes collectively called the "equipment") and desires to attach such equipment to poles of the Company.

**17.2 Definitions**

1. Poles – All references to "poles" of the Company shall mean poles which are either solely owned by the Company, are jointly owned by the Company and another or are owned by another who has granted the Company exclusive use and control of space upon its poles.
2. Pole Attachment – This term means any attachment by a CATV firm to a pole owned or controlled by the Company.
3. Equipment – The "equipment" referred to herein consist of coaxial or other types of television cables, amplifiers and drop wires, wires and appliances together with associated cable messengers, anchors, and other appurtenances used in the provision of CATV service.
4. Joint User – All references herein to "joint user" shall mean a utility company or municipality which, together with the Company, jointly provides poles for common use in the provision of service of the respective entities, and shall also include a utility company or municipality which, together with the Company, owns a percentage of a pole, or which owns a pole upon which the Company has obtained exclusive use and control of specified space.

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**17. CATV POLE ATTACHMENTS (Cont'd)**

**17.2 Definitions (Cont'd)**

5. Cable Television Company or Operator (CATV) – All references herein to “CATV Company and/or Operator” shall mean a company that provides CATV service.
6. CATV service – All references herein to “CATV service” shall mean the transmission, by means of coaxial or other types of distribution cables, of television audio and video signals from a central point within an exchange of the Company to subscribers of a CATV company within such exchange.

**17.3 Scope**

1. Subject to the terms and conditions contained in this tariff, the Company will provide CATV pole attachments and permit a CATV operator, for the purpose of furnishing CATV service, to install its equipment upon the Company's poles.
2. The CATV company shall secure from the proper franchising authority, a franchise to erect and maintain its equipment within public streets, highways and other thoroughfare, provided such franchising authority exists and shall secure any and all consents, permits, licenses, easements or rights-of-way that may be legally required for its operation hereunder. The CATV company shall additionally provide to the Company a map depicting the franchised area in which pole attachments may be applied for by the CATV company.
3. The CATV company shall assist in, and bear the expense of securing any additional consents, permits, or licenses that may be required by the Company because of CATV pole attachments.
4. The franchises, consents, permits, licenses, easements and rights-of-way of the Company are for its own facilities and the provision of its other services. No rights in such franchises, consents, permits, licenses, easements or rights-of-way are conferred upon any CATV company hereunder.

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**17. CATV POLE ATTACHMENTS (Cont'd)**

**17.3 Scope (Cont'd)**

5. The Company does not intend to allow anchor attachments, or use of its conduits by CATV companies.

**17.4 Application for Permission to Install**

1. At least forty-five days prior to the time the CATV company desires to attach its equipment to any of the Company's poles, the CATV operator shall make written application on the form prescribed to the Company. The Company shall in turn notify the CATV company in writing of its permission to allow the installation.
2. Where the application for attachment involves joint use poles, the CATV operator shall so indicate in its application, and provide a copy thereof to the joint user.
3. Upon notification by the Company of its permission for pole space to be used by the CATV company, the CATV company shall have the right, subject to the specifications contained herein, to install, maintain and use its equipment described in its application, upon the poles identified in its application. The CATV company shall complete each installation within such time limit as may be specified by the Company; provided, however, that before commencing any such work sufficiently in advance so that the Company may arrange to have any necessary representative present when such work is performed. In the event the presence of a Company representative is required, the CATV company shall reimburse the Company for the cost and expense of such.

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**17. CATV POLE ATTACHMENTS (Cont'd)**

**17.4 Application for Permission to Install (Cont'd)**

4. Where costs are involved in the rearrangement of the Company's facilities to accommodate the CATV company's equipment, the Company shall notify the CATV company, in writing, of the changes and rearrangements required and the cost for performing such. Approval of the application by the Company is subject to receiving authorization from the CATV company to make changes and rearrangements detailed by the Company, at the CATV company's sole risk and expense. The CATV operation shall not be billed for costs incurred due to the negligence by the Company.
5. The CATV company shall not have the right to place, nor shall it place, any additional equipment upon any pole without first making application and receiving the Company's permission to do so, as provided for in this tariff; nor shall the CATV company change the position of any equipment attached to any such pole without the Company's prior written approval. The provisions of this paragraph shall not restrict the attachment of television drops to television crossarms or television cable messenger. Unauthorized attachments shall be subject to penalty and/or special "make-ready" changes set forth in this tariff.

**17.5 Attachment Specifications**

The CATV company, at its own cost and expense, shall construct, maintain and replace its attachments on the Company's poles in accordance with (2) such requirements and specifications as the Company shall prescribe and have on file with the Commission, (2) EEI Publication M12 entitled "Specifications for the Construction and Maintenance of Jointly-used Wood Pole Lines Carrying supply and Communication Circuits", (3) the requirements and specifications of the National Electrical Safety Code, 1981 Edition, and any amendments or revisions of said specifications or code, and (4) in compliance with any rules or orders now in effect or that hereafter may be issued by the Public Service Commission of Kentucky or other authority having jurisdiction. The CATV company shall comply, at its sole risk and expense, with changes and revisions in the above specifications and requirements.

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Issue Date: April 13, 1999

Effective Date: May 17, 1999

Issued By: \_\_\_\_\_

Paul R. Gearheart, General Manager

**17. CATV POLE ATTACHMENTS (Cont'd)**

**17.6 Installation and Maintenance of CATV Equipment**

1. The exact location of the CATV company's attachments on poles shall be determined by the Company in its sole discretion after a joint survey to be made, at such times as shall be mutually agreed upon, by representatives of the telephone company and the CATV company. The Company may make periodic inspections as conditions may warrant. Such inspections shall not operate to relieve the CATV company of any responsibility, obligation, or liability assumed under this tariff. When sub-standard installations are found which are created by the CATV operator, the Company shall give notice of such to the CATV company, and the CATV company shall remedy such conditions within two (2) working days as directed by the Company. In the event the CATV company fails to remedy the condition within the time prescribed, the Company may act to remedy it with the cost of such to be paid by the CATV company.
  
2. If the CATV company is unable or unwilling to perform the work, the Company, at its option and at the sole risk and expenses of the CATV company, may make the attachment or replacement of the CATV's equipment to Company poles. In such cases, the CATV company will furnish all such materials and equipment, and will reimburse the Company for the entire installation costs incurred. The CATV company shall deposit with the Company prior to such installation, sufficient sums estimated by the Company to be adequate to reimburse it for such work. The Company may not disclaim liability for loss or damage resulting from its own negligence.

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Issue Date: April 13, 1999

Effective Date: May 17, 1999

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

**17. CATV POLE ATTACHMENTS (Cont'd)**

**17.6 Installation and Maintenance of CATV Equipment (Cont'd)**

3. Where the CATV company's equipment can be accommodated on Company poles by rearranging or changing the Company's facilities, the CATV company shall pay the Company in advance the cost of making such rearrangements or changes. Strengthening of poles (guying) required to accommodate the attachments of the CATV company and the bonding of the CATV's strand to that of the Company shall be performed by the CATV company at its sole risk and expense. Such work may be performed by the Company when the CATV company is unable or unwilling to perform the work, and the CATV company shall pay the Company in advance the cost of all such work.
4. After initial attachment, when the company subsequently requires a change in its poles, attachments thereto for reasons unrelated to CATV operations, the CATV company shall be given fifteen (15) days notice of the changes required and sufficient time to accomplish the CATV related change. If the CATV operator is unable or unwilling to meet the Company's time schedule for changes in attachments, the Company may do the work and charge the CATV company its reasonable costs for performing the change of CATV equipment. In cases of emergency, the Company may, at the CATV company's sole risk and expense, arrange to relocate or replace the facilities attached to Company poles by the CATV operator, transfer them to substituted poles or perform any other work in connection with said facilities that may be required in the maintenance, replacement, removal, or relocation of said poles the facilities thereon or the equipment which may be placed thereon. The Company may not disclaim liability for loss or damage resulting from its own negligence.
5. All required maintenance of CATV equipment shall be performed by the CATV operator.
6. All tree trimming required on account of CATV company equipment shall be done by the CATV operator at its sole risk and expense and in a manner satisfactory to the Company.

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

**17. CATV POLE ATTACHMENTS (Cont'd)**

**17.6 Installation and Maintenance of CATV Equipment (Cont'd)**

7. The CATV company shall, at its sole risk and expense, maintain all of its equipment on Company poles in safe condition and in thorough repair.
8. Nothing herein contained shall give to the CATV company the right to replace a crossarm on any Company pole. If a crossarm is required to accommodate the facilities of the CATV company, the CATV company shall state their reasons in its application for attachment.
9. The CATV company shall not at any time make any additions to or changes in, the location of its attachments on poles without the prior written consent of the Company, except in cases of emergency when oral permission has been obtained from the Company and subsequently confirmed in writing.
10. If the CATV company should require the location of its equipment upon any public thoroughfare or other public or private property in the conduct of its business and the Company does not have pole facilities so located to fulfill CATV requirements and has no immediate need for such for the Company's own use, the Company will notify the CATV operator whether the Company is willing to place such pole facilities. Special rental charges specified herein shall not apply. The special rental charges shall be based upon the total use of the pole facilities by the CATV company. In the event such pole facilities are subsequently used by the Company for the provision of its other services, the special rental charges shall no longer apply, and the rental charges specified in this tariff shall apply.
11. Whenever, pursuant to this tariff, the CATV company shall be required to remove its equipment from any pole, such removal shall be made within thirty (30) days following the notice given by the Company to the CATV, except as otherwise specifically provided. Upon failure of the CATV company to remove such equipment within (30) days or as otherwise required, the Company may remove them and charge the CATV company all costs associated with such removal.

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Issue Date: April 13, 1999

Effective Date: May 17, 1999

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

**17. CATV POLE ATTACHMENTS (Cont'd)**

**17.7 Cost of Pole Replacements**

1. Whenever the CATV company applies for permission to attach to a pole that is considered by the telephone company to be insufficient in height or strength for accommodation of CATV attachments, the Company shall notify the CATV operator of such fact and of the estimated cost to the CATV company of replacing such pole with a pole which will accommodate the attachments of the CATV company and the telephone company. Within thirty (30) days of such notification, the CATV company shall either notify the Company (1) of its approval of such replacement or (2) of its cancellation of the application with respect to such pole.
  
2. In the event of CATV's approval of such replacement, the company shall replace the pole and the CATV operator shall pay to the Company in advance the charges computed as follows:

The total cost of the new pole, the removal of the old pole, the transferring of the company's attachments from the old to the new pole and such other costs, if any, necessitated by CATV requirements, less the total of the following: accrued depreciation on the old pole, salvage, if any, and the cost of such portion of the new pole, which represents space reserved for the use of the Company greater than that provided for them on the old pole and appropriate contribution by any other company attached thereto.

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

17. CATV POLE ATTACHMENTS (Cont'd)

17.8 Rights Of Way And Legal Authority

1. Upon application for attachment, the CATV company shall submit evidence satisfactory to the Company of its authority to erect and maintain its equipment within public streets, highways, and other thoroughfares and shall secure any necessary franchise, license, permit, consent, easement or rights-of-way from Federal, State or Municipal authorities or owners of property now or hereafter required to construct and maintain such equipment at the location of facilities of the Company which it desires to use. In the event any such franchise, license, permit, consent, easement or right-of-way is revoked or is thereafter denied to the CATV company for any reason, permission to attach to Company poles so affected shall immediately terminate, the CATV company shall forthwith remove its equipment from Company facilities.
2. Upon notice from the telephone company to the CATV company that the removal or cessation of the use of any pole has been requested or directed by Federal, State, or Municipal authorities, or property owners, permission to attach to such pole shall immediately terminate and the CATV company shall forthwith remove its equipment therefrom.

17.9 Protection Against Claims From Libel and Slander, Copyright and Patent Infringement

The CATV company shall indemnify, protect, and hold harmless the Company from and against any and all claims for libel and slander, copyright, and/or patent infringement arising by reason of attachment of CATV equipment to Company poles pursuant to this tariff.

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Issue Date: April 13, 1999

Effective Date: May 17, 1999

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

**17. CATV POLE ATTACHMENTS (Cont'd)**

**17.10 Limitations**

1. No use, however extended, of the Company's poles under this tariff shall create or vest in the CATV company any ownership or property right in said poles. Nothing herein contained shall be construed to compel the Company to maintain any of its facilities for a period longer than that demanded by its other service requirements.
2. The Company reserves to itself, its successors and assigns the right to maintain its poles and to locate and operate its facilities in such manner as will best enable it to fulfill its other public service requirements. The Company shall not be liable to the CATV company for any interruption to the service of the CATV company or for any interference with the operation of the equipment of the CATV company, if such interruptions are beyond the control of the Company.
3. The Company reserves the right to provide pole attachment to more than one CATV company and to make such space available to other entities. This tariff shall not limit the rights and privileges previously granted to others to use any poles covered by this tariff, and the privileges provided by this tariff shall at all times be subject to such previously granted rights.
4. Failure to enforce or insist upon compliance with any of the terms or conditions of this tariff shall not constitute a general waiver or relinquishment of any such terms or conditions, but the same shall be and remain at all times in effect.
5. In order to assure confident coverage of the indemnity and insurance requirements, the CATV company shall not assign, transfer or sublet any rights to make pole attachments hereunder without notification to the Company.

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Paul R. Gearheart, General Manager



**17. CATV POLE ATTACHMENTS (Cont'd)**

**17.11 Indemnity and Insurance**

1. The CATV company shall indemnify, protect, and hold harmless the Company and other joint-users of said poles from and against any and all loss, costs, claims, demands, damage and/or expense arising out of any demand, claim, suit or judgement for damages to property and injury to or death of persons, including the officers, agents and employees of the CATV company, the Company and any joint-user, including payment made under any Workmen's Compensation Law or under any plan for employees' disability and death benefits which may arise out of or be caused by the installation, maintenance, presence, use or removal of said equipment or by the proximity of CATV equipment to the cables, wires, apparatus and appliances of the Company or any joint user, or arising out of any act, omission or negligence or alleged act, omission or negligence of the CATV operator or the joint negligence of the CATV operator and the Company and /or any joint users. Coalfields Telephone Company shall not be held harmless merely because of CATV attachments to its poles.
  
2. The CATV company shall maintain in full force and effect the following insurance policies or bond in lieu thereof providing an equivalent protection: (1) Workers' Compensation and Occupational Disease covering the CATV company's full liability under the Worker's Compensation Laws of the Commonwealth of Kentucky. This shall include Employer's Liability insurance in the amount of 100,000. (2) Comprehensive General Liability insurance, in the amounts of \$1,000,000 Combined Single Limits or \$1,000,000 each occurrence, and 1,000,000 aggregate for any accident resulting in bodily injuries to or the death of one or more persons and the consequential damages arising therefrom together with Property Damage Liability in the amount of \$500,000 each occurrence, with an aggregate total limit of \$500,000.

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Paul R. Gearheart, General Manager

**17. CATV POLE ATTACHMENTS (Cont'd)**

**17.11 Indemnity and Insurance (Cont'd)**

3. All policies of insurance shall contain written endorsements to the effect that the amount of coverage of the insurance provided thereby will not be reduced or terminated without thirty (30) days written notice first being given to the Company. Certificates of insurance, incorporating the above described endorsement, shall be delivered to a designated officer of the Company and shall be approved by the Company before the CATV firm is permitted to perform any work authorized pursuant to this tariff. Failure of the CATV company to provide notice of renewals, changes in carrier, or a reduction in or termination of insurance coverage will be just cause for the Company to terminate the CATV company's right to continue its pole attachments. If renewal premiums are not paid by the CATV company prior to said 30-day notice, the Company shall have the right to pay said premiums and be reimbursed by the CATV company upon demand.
4. The CATV operator shall promptly notify the Company of all claims and potential claims relating to damage to property or death of persons arising or alleged to have arisen in any manner by or associated with, directly or indirectly, the presence or use of the CATV company's equipment upon any facility of the Company.
5. The CATV company shall exercise special precautions to avoid damage to facilities of the Company on said poles and hereby assumes all responsibility for any and all loss for such damage. The CATV company shall make an immediate report to the telephone company of the occurrence of any such damage and shall reimburse the Company for the expense incurred in making repairs necessitated thereby.

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Paul R. Gearheart, General Manager

**17. CATV POLE ATTACHMENTS (Cont'd)**

17.12 Surety

The CATV company shall furnish a bond for each individual CATV system utilizing pole attachments under this tariff to guarantee the payment of any sum which may become due to the Company for rental, penalty, and make-ready charges and work performed by the Company, pursuant to this tariff, for the benefit of the CATV company or as a result of default or forfeiture by the CATV company. The amount of such bond shall be based upon the following:

- (1) For attachments to 500 poles or less, a bond of \$5,000 shall be furnished, except as provided in (3) below.
- (2) For attachments to poles in excess of 500, further surety in the amount of \$5,000 for each additional 500 poles, or any increment thereof, shall be furnished except as provided in (3) below.
- (3) After one year following the completion of construction of an individual CATV system and its placement into operation, the CATV operator may request that the required amount of bond be reduced. Upon the Company's receipt of satisfactory evidence that all mechanics, workmen, and material men who furnished services, labor or materials in the construction of such CATV system, and all taxing authorities, have been paid all amount due them, the Company will reduce the amount of bond required to the following:
  - (a) For attachments to 500 poles or less, a bond of \$2,000 shall be furnished.
  - (b) For attachments to poles in excess of 500, further surety in the amount of \$2,000 for each 500 poles, or any increment thereof, shall be furnished.

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Paul R. Gearheart, General Manager

**17. CATV POLE ATTACHMENTS (Cont'd)**

**17.13 Payment of Bills**

All amounts payable by the CATV company to the Company under the provision of this tariff shall, unless otherwise specified, be payable within thirty (30) days after presentation of bills. Non-payment of any such amount when due shall constitute grounds for termination of the pole attachment usage rights under this tariff.

**17.14 Termination of Attachments**

1. If the CATV company shall fail to comply with any of the provisions of this tariff, including compliance with the specifications previously referred to, the maintenance of required insurance coverage and surety bond requirements, and the timely payment of any amounts due, and shall fail for thirty (30) days after written notice from the Company to correct such non-compliance, the Company, at its option, may terminate the CATV company's right to continue any or all use of poles provided under this tariff and may act to remove the CATV equipment at the CATV company's sole risk and expense. The Company shall be responsible for its own negligence in the event such action becomes necessary.
2. Upon valid objection being made by or on behalf of any governmental authority properly asserting jurisdiction, the Company may without notice, or, where circumstances permit, upon five (5) days written notice to the CATV company, terminate the provision of pole attachment space as provided in this tariff.
3. The CATV company may at any time remove its equipment attached to any pole or poles of the Company and shall immediately give the Company written notice of such removal.

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Paul R. Gearheart, General Manager

**17. CATV POLE ATTACHMENTS (Cont'd)**

17.15 Notices

Any notice required or authorized by this tariff to be given by the Company or the CATV company to the other party shall be deemed to have been fully given when made in writing and deposited in the United States mail, postage prepaid, and addressed to such other party's principal business address last furnished by such party.

17.16 Rental Charges

1. The CATV company shall pay to the Company, annually in advance, the rental charges specified below. Annual billing shall be made in July of each year.
2. From the effective date of the permit for previously unbilled attachments which shall be the date when the Company's facilities are made available for use by the CATV company, to the date of the next annual billing, the annual rental rate shall be payable on a prorated basis with such fractional amount submitted with the application for attachment.

17.17 Rental Rate

Per 2-User Pole, Annually	\$ 5.05
Per 3-User Pole, Annually	\$ 4.55

17.18 Penalty Charges

Where pole attachments have been made without receipt of authorization from the Company, a penalty charge of twice the amount of the annual rate, from the date of the last previous physical inventory of pole attachments or inspection required pursuant to the rules of the Kentucky Public Service Commission, whichever is most recent. Additionally, a special "make-ready" charge, equal to twice the amounts which would have been due and applicable if the attachment had been properly authorized, shall apply.

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Paul R. Gearheart, General Manager



**Cost Justification (10/25/82)  
2-User Pole**

**I. Weighted Average Cost of 30' and 35' Poles:**

	Quantity	Cost
30" Poles	695	\$ 98,889
35" Poles	<u>234</u>	<u>43,344</u>
	929	\$142,233
	930	

Average Cost/Pole + \$142,233 / 929 = \$153.10

Average Cost x Bare Pole Factor = \$153.10 x 78% = \$119.42

**II. Annual Carrying Charges: From PSC Annual Report Form "M"**

A. Depreciation = 4.5%

B. Taxes = Page 16 Line 6 = 7 Column b = 80,728  
Page 12 Line 10 Column b = 3,765,322 = 2.14

C. Administrative & Overhead = Page 61 column b Lines (36=45=51=61)  
Page 12 Line 10 Column b + c  
2 = 319,738  
4,288,022 = 7.45%

D. Maintenance: Page 60 Line 1 Column b  
Page 19 Line 11 Column b + h 3,879  
2 = 575,866 = .67%

E. Return on Investment: From PSC Case No. 8137 = 8.5%

F. Summary of Annual Charges:	Depreciation	4.50%
	Taxes	2.14%
	Administrative	7.45%
	Maintenance	.07%
	Return on Investment	<u>8.50%</u>
	Total Annual Charges	<u>23.26%</u>

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Paul R. Gearheart, General Manager

Cost Justification (10/25/82)  
2-User Pole

III. Calculation of Attachment Annual Charge:

$$\begin{aligned} &= (\text{Average Pole Cost}) \times (\text{Bare Pole Factor}) \times (\text{Annual Cg.}) \times (.1818) \\ &= (153.10 \times (.78\%) \times (23.26) \times (.1818) = \$5.05 \end{aligned}$$

I. Weighted Average Cost of 40' and 45' Poles:

	Quantity	Cost
40' Poles	132	\$41,506
45" Poles	<u>32</u>	<u>12,368</u>
	<u>164</u>	<u>\$53,874</u>

$$\text{Average Cost/Pole} = \$53,874 / 164 = \$328.50$$

$$\text{Average Cost} \times \text{Bare Pole Factor} \times \text{Annual Carrying Charge} \times \text{Usage Factor} = \text{Charge}$$

$$\$328.50 \times .78 \times .2326 \times .0759 = \$4.55$$

List Of Embedded Poles As Of December 31, 1982

Pole Size	Quantity
20 Foot	522
25 Foot	1119
30 Foot	695
35 Foot	234
40 Foot	132
45 Foot	32
50 Foot	45
55 Foot	9
60 Foot	1
65 Foot	1
70 Foot	<u>0</u>
	2790

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Paul R. Gearheart, General Manager




**ATTACHMENT A**

**Customer Invoice**

**SUMMARY OF CHARGES \*\*** XXX-XXXX XXXXX PAGE 1  
**IF PAYING IN OUR OFFICE BRING THIS PAGE WITH YOU**

ISSUING PARTY IS NAME & PHONE NUMBER: 4/13/99 Doe, John  
 Date


 HAROLD TELEPHONE COMPANY, INC. P.O. BOX 100 HAROLD, KY 40324-0100 (502) 426-1234 FAX (502) 426-1235	Access Charge Other Services Line Maintenance 911 Surcharge Federal Access Itemized Messages Dual Party Relay Charge Federal Excise Tax KY Sales Tax Local Franchise Tax	XX.XX X.XX .XX .XX X.XX XX.XX .XX X.XX X.XX .XX
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PRIOR BALANCE DUE .XX  
 TOTAL AMOUNT DUE XX.XX

XXX-XXXX XXXXX PAGE 2  
**PLEASE RETURN THIS STUB WITH PAYMENT**

ISSUING PARTY IS NAME & PHONE NUMBER: 4/13/99  
 Date

TOTAL PAYMENT DUE XX.XX

  
 HAROLD TELEPHONE COMPANY, INC.  
 P.O. BOX 100  
 HAROLD, KY 40324-0100  
 (502) 426-1234  
 FAX (502) 426-1235

  
 Doe, John  
 P. O. Box XXX  
 Harold, KY XXXX-XXXX

IF NOT PAID BY THE 10TH SERVICE MAY BE DISCONNECTED

**Explanation of Codes**

<b>P = PERIOD</b>	<b>C = RATE CLASS</b>	<b>T = MESSAGE TYPE</b>
1 - DAY	1 - PERSON TO PERSON	1 - SENT PAID
2 - EVENING	3 - OPERATOR STATION	2 - THIRD P
3 - NIGHT	4 - DUAL STATION DIALED DIRECT	3 - CREDIT CARD
6 - WEEKEND	5 - OPERATOR COMPLETED	4 - COLLECT
	6 - O - CREDIT CARD	5 - SPECIAL COLLECT
		6 - COIN PAID

- @ - Non AT & T / Non Bell Cords
- \$ - Reach out KY or Pro KY Messages not in Tariff
- # - Reach out America or Pro America Messages not in Tariff
- % - Floyd County OCP Messages not in Tariff
- \* - Local Carrier Call Charges to your AT & T Card

Issue Date: April 13, 1999

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 Paul R. Gearheart, General Manager

**GEARHEART COMMUNICATIONS, INC.  
D/B/A COALFIELDS TELEPHONE COMPANY  
LOCAL EXCHANGE TARIFF**

**PSC KY TARIFF NO. 3**

**ATTACHMENT B**

**ATTACHMENT B**

**Exchange Maps**

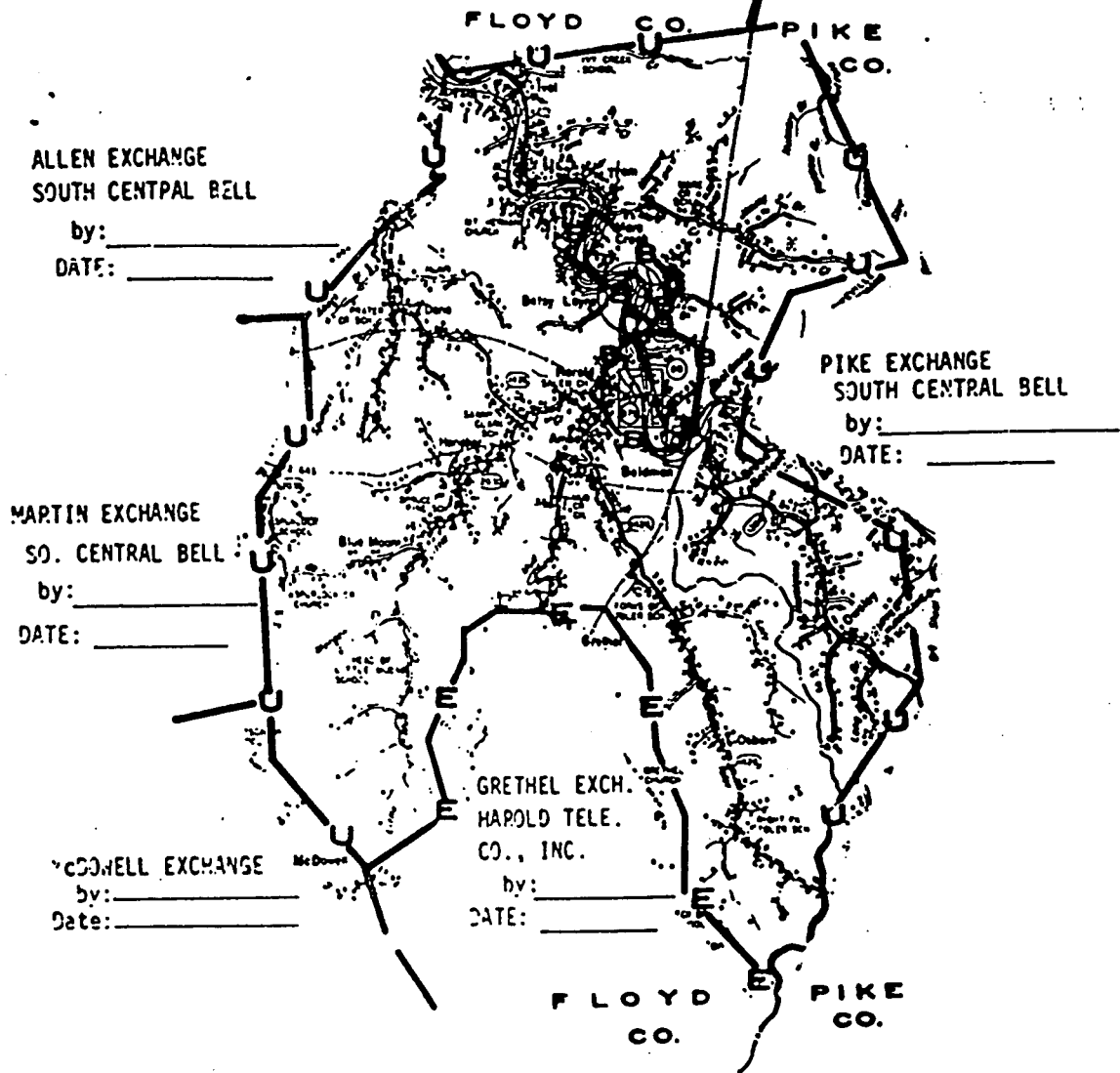
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Issue Date: April 13, 1999

Effective Date: May 17, 1999

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

**ATTACHMENT B (EXCHANGE MAPS)  
HAROLD EXCHANGE SERVICE AREA MAP**



ISSUED: \_\_\_\_\_ EFFECTIVE: \_\_\_\_\_

**LEGEND**

- EXCHANGE SERVICE AREA BOUNDARY — E — E —
- SYSTEM AREA BOUNDARY — U — U —
- BASE RATE AREA — B — B —
- COUNTY LINE — . . . —

by: \_\_\_\_\_  
**HAROLD TELEPHONE**

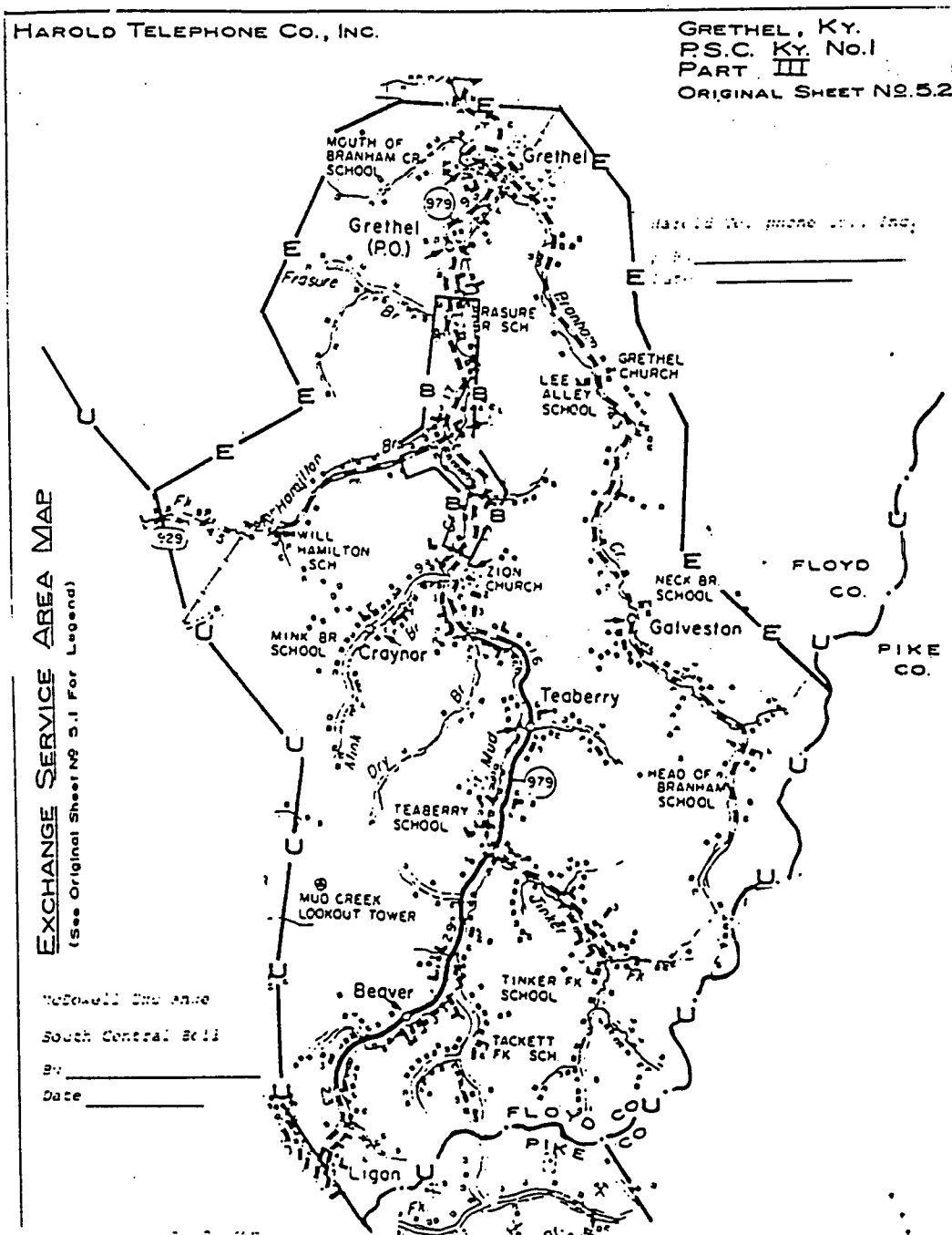
Issue Date: April 13, 1999

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

**ATTACHMENT B**

**Exchange Maps**



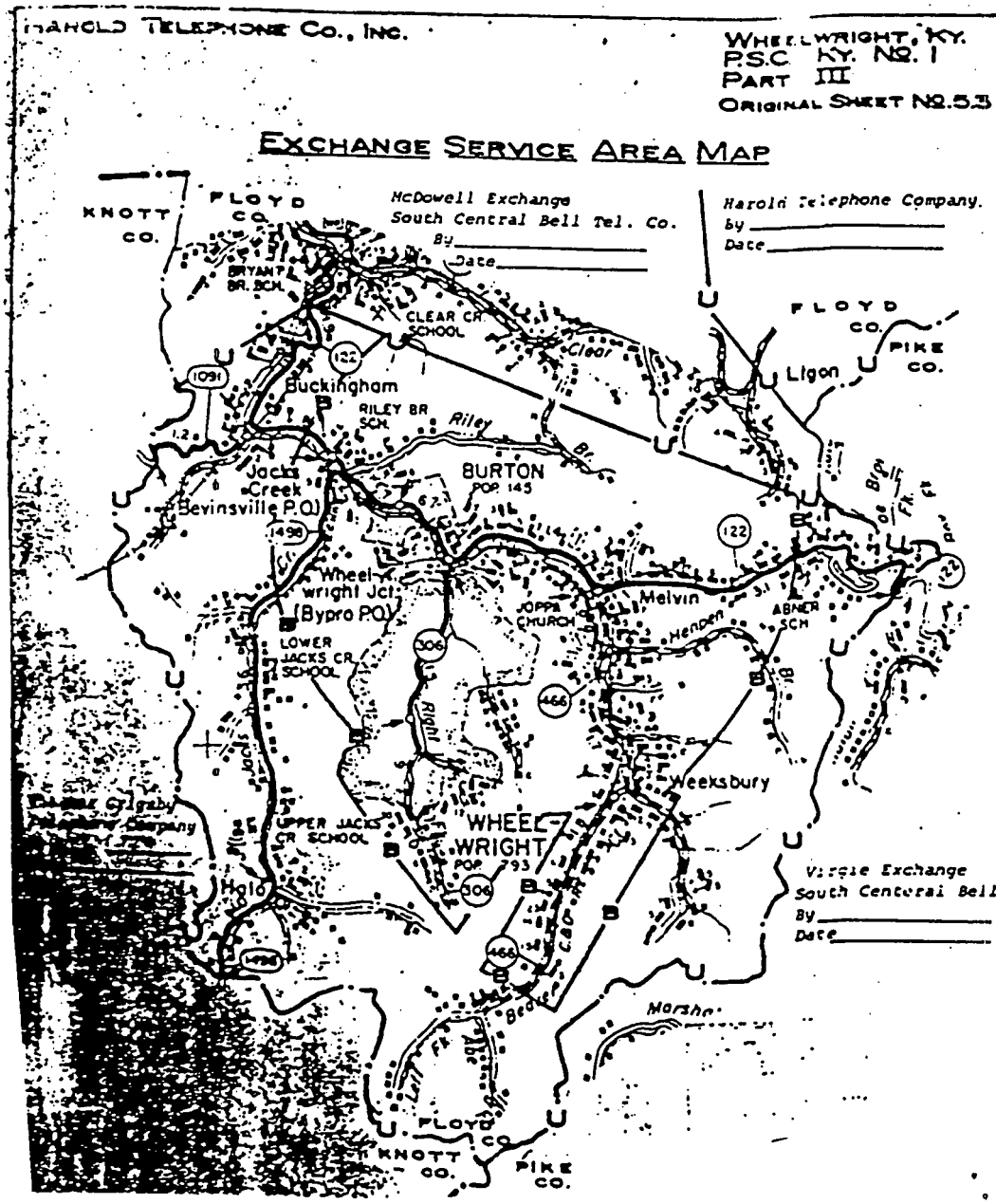
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Paul R. Gearheart, General Manager

ATTACHMENT B

Exchange Maps



Issue Date: April 13, 1999

Effective Date: May 17, 1999

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Paul R. Gearheart, General Manager