COMTEL TELCOM ASSETS LP 433 E. LAS COLINAS BLVD., SUITE 700, IRVING, TEXAS 75039

August 4, 2010

RECEIVED

VIA EXPRESS DELIVERY

AUG 0 5 2010

Mr. Jeff R. Derouen, Executive Director Kentucky Public Service Commission 211 Sower Boulevard Frankfort, KY 40602-0615 PUBLIC SERVICE COMMISSION

Re:

Voluntary Certification Withdrawal by Comtel Telcom Assets LP d/b/a Excel Telecommunications, VarTec Telecom, Clear Choice Communications and VarTec Solutions and Notice of Asset Sale Closing

Dear Mr. Derouen:

Communications and VarTec Solutions ("Comtel") hereby voluntarily withdraws its operating authorities to provide local exchange and interexchange telecommunications services within your state. By way of background for this request, Comtel entered into an asset purchase agreement ("APA") with Matrix Telecom, Inc. ("Matrix") to sell substantially all of its assets, including customers, to Matrix. The purchase and sale was ultimately consummated on July 31, 2010.

Following the consummation of the purchase and sale, Comtel no longer has an employee base, customers or other telecommunications operations in any jurisdiction. The existing customers and the associated operations were transferred to Matrix which has now stepped into Comtel's shoes to allow for a seamless transition as far as the end-user customers are concerned. All of the affected customers have been provided notice in compliance with the rules of this Commission and Federal Communications Commission, and where required, the parties have obtained the approvals of the Federal Communications Commission and State Commissions. Without impacting Matrix's operating authority, customers and/or ongoing operations, Comtel respectfully requests that your office take any steps necessary to immediately withdraw any remaining operating authority and tariffs/price lists on file for corporate entities of Comtel. As previously referenced, Matrix is now serving the customers acquired from Comtel.

Comtel sincerely appreciates your service and assistance over the years and now seek your prompt attention to this necessary request. Please direct any inquiries regarding the ongoing operations of Matrix to Leslie Ellis at leslie.ellis@excel.com or at (972) 910-1411. Acknowledgment and date of receipt of this filing are respectfully requested. Please date and file stamp the attached copy of this correspondence and return it in the enclosed pre-addressed, postage- prepaid envelope.

Respectfully submitted,

Jonathan Dennis

Senior Vice President, General Counsel, and

Secretary

Comtel Assets Inc., General Partner of

Comtel Telcom Assets LP

FCFIVED

8/20/2010

PUBLIC SERVICE COMMISSION OF KENTUCKY

cc: Leslie Ellis

Manager, Regulatory Affairs

This tariff replaces KY P.S.C. Local Tariff No. 1 issued by VarTec Telecom, Inc.

TITLE PAGE

COMTEL TELCOM ASSETS LP d/b/a VarTec Telecom

KENTUCKY LOCAL EXCHANGE SERVICES TARIFF

This tariff contains the description, regulations, and rates applicable to the furnishing of local exchange telecommunications services provided by Comtel Telcom Assets LP d/b/a VarTec Telecom with principal offices at 433 E. Las Colinas Blvd., Suite 1300, Irving, Texas 75039. This tariff applies for services furnished within the Commonwealth of Kentucky. This tariff is on file with the Kentucky Public Service Commission, where copies may be inspected, during normal business hours.

(T)

Kentucky Public Service Commission 211 Sower Boulevard Frankfort, Kentucky 40602

The name, address and telephone number for the officer of VarTec Telecom who is responsible for providing information with respect to the operating procedures of VarTec Telecom is listed below.

Issued: February 23, 2007

Issued By: Becky Gipson, Sr. Director - Regulatory Affairs

433. E. Las Colinas Blvd., Suite 1300

Irving, Texas 75039

RECEIVED
Effective: March 26, 2007
2/23/2007

PUBLIC SERVICE COMMISSION OF KENTUCKY

CHECK SHEET

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

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25	Original				

^{* -} indicates those pages included with this filing

Issued: May 29, 2009

Issued By:

Becky Gipson, Sr. Director - Regulatory Affairs

433 East Las Colinas Blvd., Suite 1300

Irving, TX 75039

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Effective 1000 1, 2009 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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99	First*				
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PUBLIC SERVICE COMMISSION OF KENTUCKY

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PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE

6/8/2006 URSUANT TO 807 KA

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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Becky Gipson, Director - Regulatory Affairs

2440 Marsh Lane Carrollton, Texas 75006

CONCURRING CARRIERS

NONE

CONNECTING CARRIERS

NONE

OTHER PARTICIPATING CARRIERS

NONE

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
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PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

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Issued By: Becky Gipson, Director - Regulatory Affairs

2440 Marsh Lane Carrollton, Texas 75006 **Executive Director**

ne 8, 2006

TARIFF FORMAT

<u>Page Numbering</u> - Page numbers appear in the upper right hand corner of the page. Pages are numbered sequentially and from time to time new pages may be added to the tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Pages 3 and 4 would be numbered 3.1.

<u>Explanation of Symbols</u> - When changes are made in any tariff page, a revised page will be issued canceling the tariff page affected. Changes will be identified on the revised pges(s) through the use of the following symbols:

(C)	-	to signify changed regulation.
-----	---	--------------------------------

- (D) to signify discontinued rate, regulation, or text.
- (I) to signify increased rates.
- (M) to signify material relocated from one sheet to another without change.
- (N) to signify new rate, regulation, or text.
- (R) to signify reduced rate.
- (S) to signify reissued material.
- (T) to signify a change in text, but no change in rate or regulation.
- (Z) to signify a correction.

In addition to symbols for changes, each changed provision in the tariff shall contain a vertical line in the right hand margin of the page which clearly shows the exact number of lines being changed.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
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PUBSUANT TO 807 KAR 5:011

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

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Issued: May 8, 2006

Issued By: Becky Gipson, Director - Regulatory Affairs

2440 Marsh Lane Carrollton, Texas 75006

APPLICATION OF TARIFF

This tariff applies to the furnishing of Local Exchange Services, as defined herein, by "the Company". Local Exchange Services are furnished for the use of Customers in placing and/or receiving local telephone calls within the Local Service Area. Services, features and functions will be provided where facilities, including but not limited to, billing capability, technical capability and the ability of the Company to purchase service elements from appropriate tariffs for resale, are available.

The provision of Local Exchange Services is subject to existing regulations and terms and conditions specified in this tariff and the Company's other current tariffs, and may be revised, added to or supplemented by superceding issues. Local Exchange Services described herein may be offered in conjunction with other telecommunications services described in and regulated by the Company's Kentucky Tariff No. 1, which is currently on file with the Commission.

The Company reserves the right to offer its Customers a variety of competitive services as deemed appropriate by the Company.

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1.0 DEFINITIONS

1.1 Definitions of Terms

<u>Account</u> - A Customer record relating to service or equipment billed to a single telephone number. Service may be provided to one premise or may extend to another premise as long as it is part of the main telephone number.

<u>Building</u> - The term "same building" is to be interpreted to mean a structure under one roof, or two or more structures on the same premises which are connected by a covered passageway in which the wires or cables of the telephone company may be placed without exposure to outside electrical circuits or the weather. In no case can conduit be considered as a covered passageway. The term "same building" does not include those buildings connected by a covered public mall.

<u>Calling Card</u> - A billing convenience whereby the End User may bill the charges for a call to an approved telephone company issued calling card. The terms and conditions of the local telephone company will apply to payment arrangements.

<u>Central Office</u> - A common carrier switching center in which trunks and loops are terminated and switched.

<u>Collect Call</u> - Denotes a billing arrangement by which the charge for a message may be reversed provided the charge is accepted at the called service point. A collect call may be billed to a Calling Card or third number. If the called service point is identified as a Pay Telephone, the charges must be billed to a Calling Card or third number.

Commission - Kentucky Public Service Commission

<u>Communications System</u> - Channels and other facilities which are capable, when not connected to the Telecommunications Network, of two-way communications between terminal equipment.

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2440 Marsh Lane Carrollton, Texas 75006

1.0 DEFINITIONS (Continued)

1.1 Definitions of Terms (Continued)

Company or Carrier - Comtel Telcom assets LP d/b/a VarTec Telecom, unless otherwise clearly indicated by the context.

<u>Construction Charge</u> - A separate initial charge made for construction of pole lines, circuits, facilities, etc., in excess of that contemplated under the rates quoted herein.

<u>Customer</u> - The person, firm, corporation or other entity which subscribes to and/or utilizes the Company's network, or accepts billing for calls on the Company's network, subject to the terms and conditions of the Company's tariff regulations.

<u>Day</u> - From 8:00 a.m. up to, but not including, 5:00 p.m. local time Monday through Friday.

<u>Demarcation Point</u> - The point of demarcation and/or interconnection between a telecommunication provider's facilities and terminal equipment, protective apparatus or wiring at a subscriber's premises. Telephone company installed facilities at/or constituting the demarcation point shall consist of wire and/or a jack conforming to Sub-part F of Part 68 of the Federal Communications Commission's rules.

<u>Directory Listing</u> - The publication in the white pages telephone directory of information relative to the Customer's telephone numbers, by which telephone users are enabled to ascertain the telephone number of a desired individual or business.

Equipment Space - An area or areas, agreed upon by the parties, located on or within a structure that is specifically designated for the purpose of terminating regulated telephone services and housing facilities. The necessary security, lighting, commercial power and environmental controls are provided within this area.

<u>Exchange</u> - A telephone system which provides for service within a specified area known as the "Exchange Area."

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Carrollton, Texas 75006

1.0 **DEFINITIONS (Continued)**

1.1 Definitions of Terms (Continued)

Installation Charge - An initial and non-recurring charge made under certain conditions covering the cost or portion of the cost of the work of connecting and furnishing telephone service.

Local Exchange Service - Local telephone service provided by any individual partnership, association, joint-stock company, trust, governmental entity or corporation.

Local Service Area - The area within which service is furnished between stations without charge other than the regular exchange service charge, whether the service is flat rated or measured.

Network Control Signaling - The transmission of signals used in the telecommunications system which performs functions such as supervision (control, status and charging signals), address signaling (e.g., dialing), calling and called number identification, audible tone signals (call progress signals indicating re-order or busy conditions, alerting, coin denominations, coin collect and coin return tones) to control the operation of switching machines in the telecommunications system.

Night/Weekend - From 11:00 p.m. up to, but not including, 8:00 a.m. Sunday through Friday, all day Saturday and Sunday from 8:00 a.m. up to, but not including, 5:00 p.m.

Pay Telephone - The equipment placed by a Payphone Service Provider to facilitate the provisioning of pay telephone service to the Customer. Such service is utilized by the use of coins or alternative billing mechanisms.

<u>Premises</u> - All portions of the same building occupied by the same Customer, provided that 1) the portions are not separated from each other by intervening offices, rooms or suites not occupied by the Customers, or 2) the portions on different floors are contiguous and that the portion on the upper floor is directly above the portion occupied on the lower floor. All of the buildings occupied by the same Customer, provided that all of the buildings are located on the same plot of ground and are not intersected by a public highway (A public highway is considered to mean a vehicular thoroughfare which is governmentally owned).

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1.0 DEFINITIONS (Continued)

1.1 Definitions of Terms (Continued)

<u>Station</u> - The network control signaling unit, data set or other equipment at the Customer's premises which enables the Customer to establish the communications connections to effect communications through such connections. Denotes a termination of an individual exchange line or PBX trunk provided in accordance with the provisions of this tariff, in switching equipment located in an exchange foreign to the exchange in which the Customer is located.

Telephone Company - Comtel Telcom Assets LP d/b/a VarTec Telecom.

<u>Telephone Number</u> - A designation assigned to a subscriber's station for convenience in operating. Telephone numbers may include the name of a central office, which is termed the "Central Office Designation."

<u>Termination Charge</u> - A charge made to a subscriber if the contract is terminated prior to the expiration of the contract period.

ISSUED: September 28, 2001

EFFECTIVE: October 27, 2001

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1.0 DEFINITIONS (Continued)

1.2 Glossary of Acronyms and Trade Names

CO - Central Office

CPE - Customer Provided Equipment

DTMF- Dual Tone Multi-Frequency

ILEC - Incumbent Local Exchange Carrier

LATA- Local Access and Transport Area

LEC - Local Exchange Carrier

PBX - Private Branch Exchange

PIC - Primary Interexchange Carrier

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2.0 RULES AND REGULATIONS

2.1 Undertaking of the Company

2.1.1 General

The Company's services and facilities are furnished for communications originating at specified points within the Commonwealth of Kentucky under the terms of this tariff.

The furnishing of Local Exchange Services consists of one-way or two-way communication to or from a Demarcation Point on the Customer's premises and another Demarcation Point within a Local Service Area.

Services, features and functions will be provided where facilities include, but are not limited to, billing capability and technical capability and such capabilities are available to the Company without unreasonable expense.

The Company's services and facilities are provided on a monthly basis unless otherwise stated, and are available twenty-four hours per day, seven days per week.

A month is considered to have thirty (30) days for the purpose of computing charges in this tariff.

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2.0 RULES AND REGULATIONS (Continued)

2.1 Undertaking of the Company (Continued)

2.1.2 Scope

The Company undertakes to furnish Local Exchange Services within the Commonwealth of Kentucky under the terms and conditions of this tariff. The Company adopts the exchange maps and legal descriptions filed with the Commission by BellSouth Telecommunications, Inc., Verizon South, Inc. and other ILECs.

The Company is responsible under this tariff only for the services and facilities provided herein. Should Customers use such services and facilities to obtain access to services offered by other providers, the Company assumes no responsibility for such other service.

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2440 Marsh Lane Carrollton, Texas 75006

2.0 RULES AND REGULATIONS (Continued)

2.1 Undertaking of the Company (Continued)

2.1.3 Limitations

Service is offered subject to the availability of the necessary facilities and/or equipment, and subject to the provisions of this tariff. The Company reserves the right to negotiate special terms and conditions (i.e., special promotions) with a particular Customer/End User providing agreement is reached and signed with the Customer/End User.

The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control, or when the Subscriber or Customer/End User is using service in violation of provisions of this tariff, or in violation of the law.

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

All facilities provided under this tariff are directly controlled by the Company and the Customer may not transfer or assign the use of service or facilities without the express written consent of the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of the service or facilities.

Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.

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2440 Marsh Lane Carrollton, Texas 75006 PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 6/8/2006 PURSUANT TO 807 KAR 5:011

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

Effortivo Tune 8, 2006

2.0 **RULES AND REGULATIONS (Continued)**

2.1 Undertaking of the Company (Continued)

2.1.4 Terms and Conditions

Customers may be required to enter into written service orders which shall contain or reference a specific description of the service ordered, the rates to be charged, the duration of the service, and the terms and conditions in this tariff. The Customer may also be required to execute any other documents as may reasonably be requested by the Company in connection with the provisioning of Local Exchange Services.

At the expiration of any term specified in a service order, or in any extension thereof, service shall continue on a month to month basis at the then current rates unless terminated by either party upon thirty (30) days written notice. Any termination shall not relieve the Customer of its obligation to pay any charges incurred under the service order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the service order shall survive such termination.

This tariff shall be interpreted and governed by the laws of the Commonwealth of Kentucky.

Other telecommunications companies must not interfere with the right of any person or entity to obtain service directly from the Company.

The Customer has no property right to the telephone number or any other number designation associated with services furnished by the Company. The Company reserves the right, on sixty (60) days notice, to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

2.1.5 Purpose

Service provided under this tariff may be used for any lawful purpose for which the service is technically suited. The Company reserves the right to discontinue service, limit service, or to impose requirements on Customers as required to meet changing

regulatory rules and standards of the Kentucky Public Service Commission

OF KENTUCKY **EFFECTIVE** 6/8/2006 **PURSUANT TO 807 KAR 5:011**

SECTION 9 (1)

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2440 Marsh Lane

Carrollton, Texas 75006

2.0 RULES AND REGULATIONS (Continued)

2.1 Undertaking of VarTec Telecom, Inc. (Continued)

2.1.6 Liability

With respect to any claim or suit, by a Customer or by others, for damages associated with the ordering (including the reservation of any specific number for use with a service), installation (including delays thereof), provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this tariff, and subject to the provisions of this tariff, the Company's liability, if any, shall be limited as provided herein

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, other defects, or representations by the Company, or use of these services or damages arising out of the failure to furnish the service whether caused by acts or omission, shall be limited to the extension of allowances for interruptions as set forth in Section 2.18. 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, including, but not limited to, loss of revenue or profits, for any reason whatsoever, including, but not limited to, any act or omission, failure to perform, delay, interruption, failure to provide any service or any failure in or breakdown of facilities associated with the service.

PUBLIC SERVICE COMMISSION OF KENTUCKY EFFECTIVE 6/8/2006

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Becky Gipson, Director - Regulatory Affairs

2440 Marsh Lane Carrollton, Texas 75006

2.0 RULES AND REGULATIONS (Continued)

2.1 Undertaking of VarTec Telecom, Inc. (Continued)

2.1.6 Liability (Continued)

The Company's liability for any claim or loss, expenses or damage (including indirect, special or consequential damage) arising out of mistakes, for any interruption, delay, error, omissions, or defects in any service, facility, or transmission provided under this tariff shall not exceed an amount equivalent to the proportionate monthly subscription fee charged to the Customer for the period of service or the facility provided during which such interruption, delay, error, omission, or defect occurs. Any adjustment shall apply only to the period the interruption, delay, error, omission, or defect continues beyond twenty-four (24) hours after notice of the interruption, delay, error, omission, or defect is received by Company. No other liability shall in any case attach to Company on account of interruptions, delay, error, omission, or defect of service. For the purpose of computing a credit, a month is considered to have thirty (30) days.

The Company shall not be liable for claim or loss, expense, or damage (including indirect, special, or consequential damage), for any interruption, delay, error, omission, or defect in any service, facility, or transmission provided under this tariff, if caused by any person or entity other than Company, by any malfunction of any service or facility provided by any other carrier, by an act of God, fire, war, civil disturbance, or act of government, or by any other cause beyond Company's direct control.

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Carrollton, Texas 75006

2.0 RULES AND REGULATIONS (Continued)

2.1 Undertaking of the Company (Continued)

2.1.6 Liability (Continued)

The Company shall not be liable for, and shall be fully indemnified and held harmless by Customer and Subscriber against any claim or loss, expense, or damage (including indirect, special, or consequential damage) for defamation, libel, slander, invasion of privacy, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, unfair competition, interference with or misappropriation or violation of any contract, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data, information, or other content revealed to, transmitted, processed, handled, or used by Company under this tariff; for connecting, combining, or adapting Company's facilities with Customer's apparatus or systems; for any act or omission of the Customer or Subscriber; for any personal injury or death of any person or for any loss of or damage to Customer's premises or any other property, whether owned by the Customer or others, caused directly or indirectly by the installation, maintenance, location, condition, operation, failure, presence, use, or removal of equipment or wiring provided by the Carrier, if not directly caused by negligence of the Carrier; or for failure to provide service.

No Agent or Employee of any other carrier shall be deemed to be an Agent or Employee of Company, except independent sales agents who may from time to time be employed by another carrier.

The Company shall not be liable for any defacement of or damages to the premises of a Customer resulting from the furnishing of service which is not the direct result of Company's negligence.

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Carrollton, Texas 75006

2.0 **RULES AND REGULATIONS (Continued)**

2.1 Undertaking of Company (Continued)

2.1.6 Liability (Continued)

The Company makes no warranties or representations, express or implied, including warranties of merchantability or fitness for a peculiar use, except those expressly set forth herein.

The Company shall not be liable for any act or omission of any other company or companies furnishing a portion of the service, or for damages associated with service, channels or equipment which it does not furnish, or for damages which result from the operation of Customer-provided systems, equipment, facilities or services which are interconnected with the Company services.

When a Customer's telephone number is listed incorrectly in the telephone directory due to negligence by the Company, the Company shall intercept all calls to said telephone number for 90 days and give the calling party the new number, provided existing central office equipment will permit and the Customer so desires.

In conjunction with a non-published telephone number, the Company will not be liable for failure or refusal to complete any call to such telephone when the call is not placed by the number. The Company will try to prevent the disclosure of the number of such telephone but will not be liable should such number be divulged.

When a Customer with a non-published telephone number places a call to the Emergency 911 Service, the Company will release the name and address of the calling party, where such information can be determined to the appropriate local governmental authority responsible for the Emergency 911 Service upon request of such governmental authority. By subscribing to service under this tariff, Customer acknowledges and agrees with the release of information as described herein.

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2440 Marsh Lane

Carrollton, Texas 75006

2.0 RULES AND REGULATIONS (Continued)

- 2.1 Undertaking of Company (Continued)
 - 2.1.6 Liability (Continued)

With respect to Emergency 911 Service, the following applies:

- 1. This service is offered as an aid in handling assistance calls in connection with fire, police and other emergencies. The Company is not responsible for any losses, claims, demands, suits or any liability whatsoever, whether suffered, made, instituted or asserted by the Customer 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 property, whether owned by the Customer or others, caused or claimed to have been caused by mistakes, omissions, interruptions, delays, errors or other defects in the provision of this service or installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of any equipment and facilities furnishing this service.
- 2. Neither is the Company responsible for any infringement or invasion of the right of privacy of any person or persons, caused or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, occasion by the use of Emergency 911 service features and the equipment associated therewith, or by any services furnished by the Company, including but not limited to, the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing Emergency 911 service, and which arise out of the negligence or other wrongful act of the Company, the Customer, its Customers, agencies or municipalities, or the employees or agents of any one of these.

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2.0 RULES AND REGULATIONS (Continued)

2.1 Undertaking of Company (Continued)

2.1.7 Notification of Service

The Company will provide the Customer reasonable notification, including the planned date, time and duration, of activities affecting service that may occur in normal operation of its business. Such activities may include but are not limited to, equipment or facilities additions, removals or rearrangements and routing and preventive maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned conditions affecting service, such as outage resulting from cable damage, notification to the Customer may not be possible.

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2.0 RULES AND REGULATIONS (Continued)

2.1 Undertaking of Company (Continued)

2.1.8 Provision of Equipment and Facilities

The Company shall use reasonable efforts to make services available 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, except as stated or expressly provided for in this tariff.

The Company shall use reasonable efforts to maintain facilities that it furnishes to the Customer. The Customer, or anyone designated by the Customer (except the ILEC) may not rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities installed by the Company, except upon written consent of the Company.

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. Beyond 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;
- (b) the reception of signals by Customer-provided equipment; or
- (c) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

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

Equipment the Company provides or installs at the Customer premises for use in connection with services the Company offers, shall not be used for any purpose other than that for which the Company provides, installs or has installed on its behalf.

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2.0 RULES AND REGULATIONS (Continued)

2.1 Undertaking of Company (Continued)

2.1.9 Non-Routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on the cost of the actual labor, material, or other costs incurred by or charged to the Company will apply. If installation is started during regular business hours into time periods, including but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

2.1.10 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains with the Company, its agents or contractors or the ILEC.

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2.0 RULES AND REGULATIONS (Continued)

2.1 Undertaking of Company (Continued)

2.1.11 Special Construction

If the provision of service to a Customer would require the construction of additional facilities, replacement facilities or special facilities designed to meet the Customer's particular needs, the Company, at its option, may seek to obtain the facilities from another carrier, or may construct the facilities. The Customer may be required to pay all of the Company's fees and expenses associated with obtaining or constructing the facilities, including but not limited to, any unusual maintenance costs or removal costs. Construction charges may be required, at the Company's option, prior to commencing work or when billing is rendered. The Customer may be required to enter into a written agreement to pay the construction charges if they are not paid prior to initiation of service.

Any facilities constructed by the Company by the use of construction charges, however financed, shall be and remain the property of the Company, unless otherwise agreed to by the Company pursuant to a written agreement. The Customer does not obtain any rights of ownership in facilities provided by the Company.

The charges and regulations applicable to special construction apply in connection with all classes of service, facilities or equipment furnished by the Company and are in addition to the installation charges, service connection and move charges and monthly service charges otherwise applicable to the provision of service to the Customer pursuant to other sections of this tariff.

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2.0 RULES AND REGULATIONS (Continued)

2.2 Prohibited Uses

The services the Company offers shall not be used for any unlawful purposes or for any use which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits. Services may not be used for any purpose for which any payment or other compensation is received by the Customer except when the Customer is a duly authorized regulated telecommunications companies.

The Company may require a Customer to discontinue its transmission of signals if said transmission is causing interference to others.

The Company may discontinue service if a Customer fails to comply with any of the rules herein. The Customer's service will only be suspended or discontinued as allowed under Commission Rules.

2.3 Installation and Termination

2.3.1 Customer/Subscriber Service Agreement

Customers/Subscribers may be required to sign the Company Service Order Form for the various services offered by the Company. All services offered are subject to the Rules and Regulations of the Kentucky Public Service Commission as they apply.

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2.0 RULES AND REGULATIONS (Continued)

2.4 Payment for Service and Service Dispute Resolution

2.4.1 Payment for Service

Terms of payment shall be according to the rules and regulations of the Company and subject to the rules of regulatory agencies, such as the Commission. Any objections to billed charges must be promptly reported to the Company. Adjustments to Customer's bills shall be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

The Customer is responsible for payment of all charges for service and facilities furnished by the Company to the Customer, whether authorized or not. If an entity other than the Company imposes charges on the Company, in addition to its own internal costs, and in connection with a service for which a Company charge is specified, those charges may be passed on to the Customer.

Monthly rates for any service provided under this Tariff will apply for each month, or partial month. When a Customer cancels service or when service is discontinued by the Company during a billing cycle, new charges will not be assessed for billing periods subsequent to the discontinuance of service.

Customers must remit payment for services rendered directly to the Company, unless otherwise allowed by the Company. Customers may pay for service by check, an authorized payment agent or other method of payment as deemed appropriate by the Company.

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2.0 RULES AND REGULATIONS (Continued)

2.4 Payment for Service and Service Dispute Resolution (Continued)

2.4.2 Service Dispute Resolution

Any objection to billed charges should be reported to the billing agent or Company within thirty (30) days from the day the bill is issued. Adjustments to End User's bills shall be made when circumstances exist which reasonably indicate that such changes are appropriate. End Users have the right to appeal service disputes to the Commission at the following address and phone number:

Kentucky Public Service Commission Consumer Complaint Division 730 Schenkel Lane Frankfort, Kentucky 40602 (800) 772-4636

2.4.3 Customer Obligations and Liability

The Customer is responsible for the payment of bills associated with the use of the Company's service. Whether or not authorized by the Customer, this includes payment for calls and services: (1) originated at the Customer's number(s), (2) accepted at the Customer's number(s) (e.g., collect calls) and/or (3) incurred at the specific request of the Customer.

The Customer is responsible for making the Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance for interruptions in service will be made for the period during which service is interrupted for such purposes.

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2.0 **RULES AND REGULATIONS (Continued)**

- Payment for Service and Service Dispute Resolution (Continued) 2.4
 - Customer Obligations and Liability (Continued) 2.4.3

The Customer is responsible for reimbursing the Company for damages to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer, the non-compliance by the Customer, with these regulations or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company may, upon reimbursement for damages, cooperate with the Customer in prosecuting a claim against the person causing such damage, and the Customer shall be subrogated to the Company's right of recovery of damages to the extent of such payment.

The Customer is responsible for obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide Local Exchange Service to the Customer from the cable building entrance or property line to the location of the equipment space described herein. Any 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.

The Customer is responsible for 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 the Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible as defined herein, and granting or obtaining permission for the 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.

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2.0 RULES AND REGULATIONS (Continued)

- 2.4 Payment for Service and Service Dispute Resolution (Continued)
 - 2.4.3 Customer Obligations and Liability (Continued)

The Customer is responsible for providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate the Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the operating environment on such premises.

The Customer shall be responsible for placing orders for service. When placing an order for service, Customer must provide the name(s) and address(es) of the person(s) responsible for the payment of service charges, the name(s), telephone number(s), and address(es) of the Customer contact person(s) and any other information as deemed appropriate by the Company.

The Customer is responsible for providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which the Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain the 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 and disposing of any hazardous material prior to any construction or installation work.

The Customer is responsible for not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's equipment or facilities.

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2.0 RULES AND REGULATIONS (Continued)

2.4 Payment for Service and Service Dispute Resolution (Continued)

2.4.4 Late Payment Fee

If any portion of the Customer's payment is received by the Company after the payment due date, or if any portion of the payment is received by the Company in funds which are not immediately available upon presentation, a late payment fee shall be due to the Company.

The late payment fee shall be the portion of the payment not received by the date due, multiplied by 1.5%. For unpaid balances of \$10.00 or more, a minimum late payment fee of \$5.00 shall apply.

Late payment fees do not apply to the disputed portion of unpaid balances, if resolved in favor of the Customer. Any disputed portion of unpaid balances, if resolved in favor of the Company, may be subject to the late payment fee as of the original due date noted on the Customer's bill. Undisputed amounts of the same bill may be subject to the late payment fee if they remain unpaid by the due date noted on the Customer's bill. Late payment penalty shall not be assessed on unpaid penalty charges.

2.4.5 Billing Contents

VarTec's invoice will clearly indicate the name and address of the Company, the name and address of the Customer and the address for remittance of payment. In addition, the invoice will include all pertinent billing information which will consist of at least the invoice date, payment due date, account number, invoice number, summary of charges and detail of charges. Finally, the invoice will include a change of address form, the Customer Service and billing inquiry toll-free number and may include notices or other information directed to the Customer.

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2.0 RULES AND REGULATIONS (Continued)

2.4 Payment for Service and Service Dispute Resolution (Continued)

2.4.6 Alternative Payment Processing

The Company allows Customers to make payment for services rendered through alternative payment processing options, including but not limited to, credit card payments and automated clearing house ("ACH") transactions. Customers may make payment using alternative payment processing through the Company's Customer Care Center, the Company's internet website or other methods approved by the Company. When a payment for service is made by an alternative payment processing option, processing fees as described in Section 4.9 of this Tariff may apply. The acceptance of alternative payment processing options for the satisfaction of the Customer's debts to Carrier shall not constitute a waiver by Carrier of its right to payment by legal tender.

2.4.7 Multi-brand and Affiliate Credit and Collections Practices

VarTec may collect on behalf of the Company and/or its affiliates or brands in one or more transactions as permitted by law.

VarTec reserves the right to apply credit balances from one VarTec affiliate or brand to another to satisfy outstanding account balances.

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2.0 RULES AND REGULATIONS (Continued)

2.5 Claims

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

- (a) any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to, employees or guests of either the Company or the Customer, to the extent caused by or resulting from negligent or intentional act or omission of the Customer, its employees, agents, representatives or
- (b) 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, with limitation, use of the Company's services and facilities in a manner not contemplated by the service order between the Customer and the Company.

2.6 Customer Equipment and Channels

2.6.1 Interconnection of Facilities

Services furnished by the Company may be connected to the services or facilities of other authorized telecommunications companies only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other telecommunications companies which are applicable to such connections. Service furnished by the Company is not part of a joint undertaking with such other carriers.

Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing Local Exchange Service and the channels, facilities, or equipment of others may be provided at the Customer's expense.

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2.0 **RULES AND REGULATIONS (Continued)**

- 2.6 Customer Equipment and Channels (Continued)
 - 2.6.1 Interconnection of Facilities (Continued)

Facilities furnished under this tariff may be connected to Customer-provided terminal equipment in accordance with the provision of this tariff.

2.6.2 Customer Responsibility

> The Customer is responsible for taking all necessary legal steps for interconnecting his/her Customer-provided terminal equipment of communications systems with the Company's facilities. Customers shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnections.

2.7 Inspections

Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth herein for the installation, operation, and maintenance of any Customer-provided facilities and equipment to any Company-owned facilities and equipment. No credit will be allowed for any interruptions occurring during such inspections.

If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment and personnel. The Company may immediately and without notice deny service when the Customer submits the Company or non-Company personnel to hazardous conditions. When the Customer circumvents the Company's ability to charge for its services, to prevent and protect against fraud or acts in a way that may cause immediate harm to the local exchange network or other Company services, the Company will give the Customer prior notice before denying service pursuant to Commission Rules.

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2.0 RULES AND REGULATIONS (Continued)

2.8 Establishment and Re-establishment of Credit

The Company may conduct a credit investigation of each Customer or applicant prior to accepting the service order. A Customer whose service has been discontinued by the Company for non-payment of bills for any telecommunications service will be required to pay all bills due to the Company for telecommunications services or make other arrangements satisfactory to the Company and to re-establish credit before service is restored or any service started.

2.9 Deposits

The Company may require a deposit, or an increase in the amount of deposit, of a Customer who cannot establish a credit standing satisfactory to the Company. If the actual bills of the Customer subsequently rendered prove that the deposit is either insufficient or excessive, the deposit may be changed in accordance with the facts.

Any such deposit may be held during the continuance of the service as security for the payment of any and all amounts accruing for the service. Interest will accrue on all deposits at the rate prescribed by law (KRS 278.460 establishes a rate of six percent (6%)), beginning on the date of deposit.

A deposit is returned to the Customer, less any amounts due the Company when service is disconnected. If a residential Customer has paid all bills by the due date for the last twelve (12) months, the Company must promptly refund the deposit. The Company is not required to refund deposits on business or commercial accounts until the account is closed. Refunds may be made through a credit on the next billing cycle. Even though a deposit is made, the Customer must still pay bills, including any advance payments, when requested. A Customer's payment of a deposit does not waive or modify the Company's practice of disconnecting service for failure to pay any bills.

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2.0 RULES AND REGULATIONS (Continued)

2.10 Advance Payments

The Company may require a Customer or applicant to make an advance payment as a condition of continued or new service. The Company reserves the right to require from an applicant advance payments of recurring and non-recurring charges, estimated usage charges and other charges and guarantees in such amount as may be deemed necessary by the Company for safeguarding its interests. In addition, where special construction is involved, advance payment of the construction charges quoted may be required at the time of application. The advance payment will be applied to any indebtedness for the service and facilities for which the advance payment is made.

2.11 Notices

2.11.1 Notice to the Customer

Notice from Company to a Customer normally will be given in writing, either delivered or mailed to the Customer's address of record in compliance with 807 KAR 5:006, Section 14. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.

In emergencies, where delay may result in impaired service or in hazards to the Customer, the public, or Company's facilities, Company may resort to verbal notices given by telephone, radiotelephone, personal contact, or other means of communication.

The Company or the Customer shall advise the other party of any changes to the address designated for notices, billing or other communications.

2.11.2 Notices from the Customer

Notices from a Customer to Company may be given verbally by the Customer or the Customer's authorized Agent at Company's office, or by written communication mailed thereto. Written notice is required when specified in tariff schedules or in

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2.0 RULES AND REGULATIONS (Continued)

2.12 Rendering and Payment of Bills

2.12.1 Returned Check Charge

When a payment for service is made by check, draft, or similar negotiable instrument, a returned check charge in the amount of \$25.00 will be made by Company for each such item returned unpaid by a bank to Company for any reason. The acceptance of checks, drafts, or other negotiable instruments for the satisfaction of the Customer's debts to Company shall not constitute a waiver by Company of its right to payment by legal tender.

2.13 Fraud

The Company shall have the right to refuse or discontinue service if the acts of the Customer, including furnishing false credit information or the conditions upon their premises, are such as to indicate intention to defraud Company.

2.14 Non-Compliance with Company's Rules

The Company may discontinue service if a Customer fails to comply with any of the rules herein.

2.15 Telephone Calls with Intent to Annoy

The Company may discontinue service of any Customer who, with intent to annoy, telephones another and addresses to or about such other person any obscene language or addresses to such other person any threat to inflict injury to the person or property of the person addressed or any family member.

The Company may discontinue service of any Customer who, with intent to annoy, repeatedly telephones another without disclosing his true identity to the person answering the telephones, whether or not conversation ensues during the telephone calls.

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2.0 **RULES AND REGULATIONS (Continued)**

2.16 Cancellation, Discontinuance and Changes

2.16.1 Cancellation of Application for Service

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 these specified herein.

Where, prior to cancellation by the Customer, the Company incurs any expenses in installing the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, 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 begun.

Where the Company incurs an expense in connection with special construction, or where special arrangements of facilities or equipment have begun, before the Company receives a cancellation notice, a charge equal to the costs incurred, less net salvage, applies.

The charges described above will be calculated and applied on a case-by-case basis.

2.16.2 Cancellation of Service

If a Customer cancels a service order or terminates services before the completion of the term for any reason whatsoever, the Customer agrees to pay the Company the following:

- (a) all nonrecurring charges reasonably expended by the Company to establish service to the Customer.
- any disconnection, early cancellation, or termination charges reasonably (b) incurred and paid to third parties by the Company.
- all recurring charges associated with the service being utilized for the (c) balance of applicable term.
- any other charges set forth in this tariff or in the service order for such early (d) cancellation or termination.

termination and be payable within the period, as set forth with the tentil CKY

The above sums shall become due as of the effective tate 5 Rine Cancol Millians ION

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2.0 **RULES AND REGULATIONS (Continued)**

Cancellation, Discontinuance and Changes (Continued) 2.16

2.16.3 Discontinuance of Service

The Company may discontinue or refuse to furnish any and/or all service(s) to the Customer or applicant for service without incurring any liability if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities, equipment, assets or service.

The discontinuance of service(s) by the Company pursuant to this Section does not relieve the Customer of any obligation to pay the Company for charges due for service(s) rendered up to the time of discontinuance. In addition, the Company may declare all future monthly and other charges which would have been payable by the Customer during the remainder of the term for which such services would have otherwise been provided to the Customer, to be immediately due and payable.

In the event the Company incurs fees or expenses including attorneys' fees in collecting or attempting to collect any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.

The Company may, without incurring any liability, discontinue or suspend service without notice or refuse service if: (a) the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, its past or current use of communications services, or its planned use of the Company's service(s); (b) the Customer uses service to transmit a message, locate a person or otherwise give or obtain information without payment for the service or (c) the Customer uses, or attempts to use, service with the intent to avoid the payment, either in whole or in part, of the tariffed charges for the service by using or attempting to use any fraudulent means or devices.

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2.0 RULES AND REGULATIONS (Continued)

2.16 Cancellation, Discontinuance and Changes (Continued)

2.16.3 Discontinuance of Service (Continued)

The Company may, without incurring any liability, discontinue or suspend service within ten (10) days written notice, or refuse service if (a) the Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, his/her past or current use of communications services or his/her planned use of service(s); (b) any material portion of the facilities used by the Company to provide service to the Customer is condemned or a casualty renders all or any material portion of such equipment or facilities inoperable beyond feasible repair; (c) any governmental order or directive calls for the discontinuation of service, the Customer alters the services to be provided, or the Customer violates an applicable federal, state or local law or regulation or (d) the Customer uses service without payment for the service or the Customer fails to pay any amounts owing to the Company for services to which the Customer subscribes or had subscribed or used.

2.16.4 Changes in Service

If the Customer makes or requests material changes in circuit engineering, equipment or facility specifications, service parameters, premises locations, or otherwise materially modifies any provision of the application for service, Customer charges shall be adjusted accordingly.

2.16.5 Restoration of Service

When a Customer's service has been disconnected in accordance with this tariff, service will be re-established only upon the basis of an application for new service.

If a service has been suspended, discontinued or disconnected for nonpayment, service will be re-established upon receipt of all charges due, which includes charges for services and facilities during the period of suspension and which may include a service restoration fee. If the Customer has a history of payments returned for insufficient funds, the Company may require payment by cash, money order or certified check. If such payment is made by personal check, restoration of service will be effective only upon bank clearance of the check.

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2.0 RULES AND REGULATIONS (Continued)

2.17 Credit Allowance - Directory Listings

For listings in alphabetical telephone directories and information records furnished without additional charge, no liability shall be attached to the Company. Subject to the provisions of Section 2.1.6 of this tariff, the Company shall allow, for errors or omissions in alphabetical telephone directories (excluding the use of bold face type), an amount within the following limits:

- (a) for listings and lines of information in alphabetical telephone directories furnished at additional charge, an amount not in excess of the charge for that listing during the effective life of the directory in which the error or omission occurred.
- (b) for listings in information records furnished at additional charge, an amount not in excess of the charge for the listing during the period the error or omission continued.

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2.0 RULES AND REGULATIONS (Continued)

2.18 Allowances for Interruptions in Service

When the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the Customer, or the operation or failure of the facilities or equipment provided by the Customer, a pro rata adjustment of the monthly charges subject to interruption will be allowed for the service and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a period of twenty-four (24) hours or more from the time the interruption is reported to or known to exist by the Company, except as otherwise specified in the Company's tariffs.

It shall be the obligation of the Customer to notify the Company immediately of any interruption in service for which a credit allowance is desired by Customer. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer within his or her control, or is not in wiring or equipment, if any, furnished by Customer and connected to the Company's terminal. 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.

2.18.1 Credit Allowances

Credit for failure of service or equipment will be allowed only when failure is caused by or occurs in, facilities or equipment owned, provided and billed for by the Company.

Credit allowances for failure of service or equipment starts when Customer notifies the Company of the failure or when the Company becomes aware of the failure and ceases when the operation has been restored and an attempt has been made to notify Customer.

2.18.2 Credit Allowances (Continued)

For calculating credit allowances, every month is considered to have thirty (30) days. A credit allowance is applied on a pro rata basis against the monthly charges 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. Credit allowances for services outages that exceed 24 hours in duration will be rounded up

to the next whole twenty-four (24) hours.

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2.0 **RULES AND REGULATIONS (Continued)**

2.18 Allowances for Interruptions in Service (Continued)

2.18.3 Limitations on Allowances

No credit will be made for interruptions due to the negligence of, or noncompliance with, the provisions of this tariff by, the Customer or for interruptions due to the negligence of any person using the Company's facilities with the Customer's permission. No credit will be given by the Company for interruptions due to the failure or malfunction of non-Company equipment or 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. No credit will be given to the Customer for interruptions of service during a period in which the Customer continues to use the service on an impaired basis, 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, or interruption of service due to circumstances or causes beyond the control of the Company.

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2.0 RULES AND REGULATIONS (Continued)

2.19 Transfers and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and equipment or facilities provided by the Company without the written consent of the Company. The Company may assign its rights and duties without prior notice or consent (a) to any subsidiary, parent company or affiliate of the Company; (b) pursuant to any sale or transfer or substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

2.20 Violation of Regulations

When any terminal equipment or communications system is used with Local Exchange Services in violation of any of the provisions of this tariff, the Company will take any necessary immediate action to protect its services or interests, including disconnection of the service, and will promptly notify the Customer of the violation in writing. Within seven (7) days upon receipt of said notification, the Customer shall discontinue such improper use of the terminal equipment or communications system or correct the violation and shall confirm in writing to the Company that such use has ceased or that the violation has been corrected. Failure of the Customer to discontinue such use or to correct the violation and to give the required written confirmation to the Company within the time stated above shall result in disconnection of the Customer's service until such time as the Customer complies with the provisions of this tariff.

2.20.1 Intentional Abuse of Service

The Company has the right to refuse telephone service to any premises and at any time to discontinue telephone service, if it finds it necessary to do so to protect itself against intentional abuse. Intentional abuse of service includes, without limiting the generality of the foregoing, the use of service or facilities of Company to transmit a message or to locate a person or otherwise to give or obtain information, without payment of a message toll charge of an exchange service charge. Another form of such abuse is an intentional uninterrupted connection of one exchange station to another station, excluding those connections charged for on an elapsed time basis, which permits the use of the facilities in a manner similar to private line service. It also includes intentional receiver off-hook conditions.

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2.0 RULES AND REGULATIONS (Continued)

2.21 Taxes

Any assessments, franchise fees, privileges, licenses, occupation, excise, or other similar fees or taxes, whether in a lump sum or at a flat rate, based upon receipts or property units, imposed upon the Company by any governmental authority shall be added pro rata, insofar as practical, to the rates and charges stated in the Company's rate schedules. The Company shall, so long as any such tax or fee is in effect, add to the bills of the Customers an amount sufficient to recover any such tax or fee and may list this amount separately on the bill. In addition, the Customer will be billed and is responsible for payment of applicable Telecommunications Relay Service ("TRS") surcharge at \$.02 per line per month, Telecommunications Access Program ("TAP") at \$.02 per line per month and the Kentucky Lifeline Surcharge at \$.08 per line per month.

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3.0 SERVICE DESCRIPTIONS

3.1 General

VarTec's Local Exchange Service provides Customers with unlimited calling to points within their designated local calling area. VarTec concurs with the exchange areas and exchange maps filed by the incumbent Local Exchange Carriers currently on file with the Commission. VarTec's service area is limited to the exchanges listed in Section 3.1.1 following.

The Company also provides optional services to allow Customers to efficiently manage the call flow generated over their telephone line(s). These services are subject to availability of facilities and compatibility with Customer type of access line and premises equipment. Optional services are only available to Customers of the Company's basic local services and are not available on Centrex and PBX trunks. When multiple services are activated on the same line, certain services may take precedence over others.

3.1.1 Service Areas and Zones

Local exchange telecommunications services provided by the Company shall be limited to Customers within the following exchanges as defined by the exchange maps filed by the incumbent Local Exchange Carriers and currently on file with the Commission.

3.1.1.A Zone A

Danville Louisville Maysville Owensboro

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SERVICE DESCRIPTIONS (Continued) 3.0

3.1 General (Continued)

Service Areas and Zones (Continued) 3.1.1

3.1.1.B Zone B

Bardstown	Bowling Green	Central City
Corbin	Earlington	Frankfort
Fort Campbell	Georgetown	Henderson
Hopkinsville	Louisa	Madisonville
Mayfield	Middlesboro	Murray
Oak Grove	Paintsville	Pikeville
Richmond	Rose Terrace	Shelbyvile
Symsonia	Winchester	Woodburn

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3.0 SERVICE DESCRIPTIONS (Continued)

3.1 General (Continued)

3.1.1 Service Areas and Zones (Continued)

3.1.1.C Zone C

Allen Bagdad Aurora Beattyvl Beaver Dam Bedford Benham-Lynch Benton Bloomfield **Bluff Springs** Burgin Bremen Cadiz Calhoun Campbelsburg Carlisle Carrollton Canton Cayce Centertown Chaplin Cloverport Clay Clinton Cornishville Crab Orchard Corydon Crofton Cynthiana Cropper **Dawson Springs** Dixon Drakesboro Eddyville Elkhorn City Elkton Eminence Fedscreek Ensor Finchville Ford Fordsville Franklin Fredonia Freeburn **Fulton** Ghent Gilbertsville Greenville Gracey Guthrie Habit Hanson Hardinsburg Harlan Harrodsburg Hartford Hawesville Hebbardsville Hickman Inez Island Jackson Junction City Kirksville La Fayette La Grange Lawrenceburg Lebanon Junction Littlerock Livermore Maceo Mackville Marion Martin

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3.0 SERVICE DESCRIPTIONS (Continued)

3.1 General (Continued)

3.1.1 Service Areas and Zones (Continued)

3.1.1.C Zone C (Continued)

McCarr	McDaniels	McDowell
Millerburg	Milton	Mooresville
Morganfield	Morgantown	Mortons Gap
Mount Eden	Mount Sterling	Nebo
Neon	New Haven	New Liberty
No Middleton	Nortonville	Owentown
Panther	Paris	Pembroke
Perryville	Pineville	Pleasant Ridge
Port Royal	Prestonsburg	Princeton
Providence	Robards	Russellville
Sacramento	Sadieville	Salvisa
Sebree	Sharon Grove	Simpsonville
Slaughters	Sorgho	So Williamson
Springfield	St Charles	Stamping Ground
Stanford	Stanley	Stanton
Stone	Sturgis	Sulphur
Taylorsvi	Trenton	Utica
Virgie	W Louisvl	Waco
Waddy	Wallinscrk	Warfield
Water Vly	Wayland	West Point
Whitesburg	Whitesville	Williamsburg

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3.0 SERVICE DESCRIPTIONS (Continued)

3.2 Basic Residential Local Service

Basic Residential Local Service allows residential Customers to place local calls according to the rates as set forth herein. The standard features of Basic Residential Local Service include an assigned telephone number, dial tone, Dual Tone Multi-Frequency (DTMF-i.e., Touch Tone) and rotary signaling, access to long distance services and unlimited local calling within the standard local calling area.

Customers of Basic Residential Local Service have the ability to utilize 911/E911 emergency services, 711, 611 and 411 services (where available), operator services and long distance services. Three (3) calls per month are allowed and included per line for Directory Assistance inquiries within the local calling area. In addition, the Customer will have a listing in the applicable 911/E911 database, white pages telephone directory and the Directory Assistance database. Information obtained from the Customer is required but may have a designation for non-publication.

Increments for provision of non-optional Extended Area Service will be added when applicable.

Rates and charges associated with Basic Residential Local Service are set forth in Section 4.2 following.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.2 Basic Residential Local Service (Continued)

3.2.1 One Choice® Additional Line Service

One Choice Additional Line Service provides the same features and benefits of Basic Residential Service as described in Section 3.2, including unlimited local calling and the ability to utilize 911 emergency services. As of March 23, 2004, One Choice Additional Line Service is only available to existing customers of the One Choice® Additional Line Service. One Choice® Additional Line Service is only available to Customers who also subscribe to one of the Company's One Choice® Classic Bundled Packages in Sections 3.2.2, 3.2.3 and 3.2.4, and this service may not be available in all areas. One Choice® Additional Line Service must be installed at the same service address as the Customer's primary line subscribed to one of the One Choice® Classic Bundled Packages. Any additional benefits of the Customer's selected One Choice® Classic Bundled Package, such as included long distance minutes or Call Management features, do not apply to One Choice® Additional Line Service. Optional Call Management features as described in Sections 3.4 and 4.4 are available to subscribers of One Choice® Additional Line Service and will be billed at the rates defined therein in addition to all charges associated with the Customer's One Choice® Additional Line Service.

In order to subscribe to One Choice[®] Additional Line Service, Customers must select the Company as the primary service provider for interexchange services for the One Choice[®] Additional Line. Furthermore, Customers must select one of the following two long distance plans: FiveLine[®] Service as described in Section 3.17 of the Company's Kentucky Telecommunications Services Tariff or One Choice[®] Long Distance Service (a.k.a. VarTec VoiceSM Service) as described in Section 3.29.1 of the Company's Kentucky Telecommunications Services Tariff.

Rates and charges associated with One Choice® Additional Line Service are set forth in Section 4.2.1 following.

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - 3.2.2 One Choice® Premium Package

One Choice® Premium Package provides residential Customers in Kentucky with local and long distance calling for a flat rate. As of March 23, 2004, the One Choice® Premium Package is only available to existing customers of the One Choice® Premium Package. In order to subscribe to One Choice® Premium Package, Customers must select the Company as the primary service provider for local exchange, intraLATA interexchange and interLATA interexchange telecommunications services. Furthermore, Customers must select one of the following two long distance plans: FiveLine® Service as described in Section 3.17 of the Company's Kentucky Telecommunications Services Tariff or One Choice® Long Distance Service (a.k.a. VarTec Voice® Service) as described in Section 3.29.1 of the Company's Kentucky Telecommunications Services Tariff. The availability of One Choice® Premium Package to Customers may be restricted based upon both the Company's access to resold services through BellSouth and the Customer's creditworthiness as determined by information contained in a credit bureau report received from a credit reporting agency.

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- 3.0 SERVICE DESCRIPTIONS (Continued)
 - 3.2 Basic Residential Local Service (Continued)
 - 3.2.2 One Choice® Premium Package (Continued)

One Choice® Premium Package includes Basic Residential Local Service as described in Section 3.2, Call Waiting Deluxe as described in Section 3.4.15, Caller ID - Deluxe as described in 3.4.11, Call Return as described in Section 3.4.8. and 100 minutes of domestic long distance usage which are subject to call length minimums associated with the Customer's selected long distance service, the FiveLine® Service or the One Choice® Long Distance Service (a.k.a. VarTec Voice® Service). Any additional long distance usage beyond the included minutes will be billed according to the same selected long distance plan. The included long distance usage does not accumulate on a month-to-month basis, and no credit will be given to Customers who do not use the included allotted minutes. One Choice® Premium Package does not include equipment associated with the Caller ID - Deluxe feature.

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - 3.2.3 One Choice® Classic Select Package

One Choice® Classic Select Package provides residential Customers in Kentucky with local and long distance calling for a flat rate. As of March 23, 2004, One Choice® Classic Select Package is only available to existing customers of the One Choice® Classic Select Package (formerly known as One Choice® Select Package). In order to subscribe to One Choice® Classic Select Package, Customers must select the Company as the primary service provider for local exchange, intraLATA interexchange and interLATA interexchange telecommunications services. Furthermore, Customers must select one of the following two long distance plans: FiveLine® Service as described in Section 3.17 of the Company's Kentucky Telecommunications Services Tariff or One Choice Long Distance Service (a.k.a. VarTec VoiceSM Service) as described in Section 3.29.1 of the Company's Kentucky Telecommunications Services Tariff. The availability of One Choice® Classic Select Package to Customers may be restricted based upon both the Company's access to resold services through BellSouth and the Customer's creditworthiness as determined by information contained in a credit bureau report received from a credit reporting agency.

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- 3.0 SERVICE DESCRIPTIONS (Continued)
 - 3.2 Basic Residential Local Service (Continued)
 - 3.2.3 One Choice® Classic Select Package (Continued)

One Choice® Classic Select Package includes Basic Residential Local Service as described in Section 3.2, Call Waiting Deluxe as described in Section 3.4.15, Caller ID - Deluxe as described in 3.4.11, Call Return as described in Section 3.4.8, Repeat Dialing as described in Section 3.4.1, Call Block as described in Section 3.4.2 and 200 minutes of domestic long distance usage which are subject to call length minimums associated with the Customer's selected long distance service, the FiveLine® Service or the One Choice® Long Distance Service (a.k.a. VarTec VoiceSM Service). Any additional long distance usage beyond the included minutes will be billed according to the same selected long distance plan. The included long distance usage does not accumulate on a month-to-month basis, and no credit will be given to Customers who do not use the included allotted minutes. One Choice® Classic Select Package does not include equipment associated with the Caller ID - Deluxe feature.

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - 3.2.4 One Choice® Classic Elite Package

One Choice® Classic Elite Package provides residential Customers in Kentucky with local and long distance calling for a flat rate. As of March 23, 2004, One Choice® Classic Select Package is only available to existing customers of the One Choice Classic Select Package (formerly known as One Choice Select Package). In order to subscribe to One Choice[®] Classic Elite Package, Customers must select the Company as the primary service provider for local exchange, intraLATA interexchange and interLATA interexchange telecommunications services. Furthermore, Customers must select one of the following two long distance plans: FiveLine® Service as described in Section 3.17 of the Company's Kentucky Telecommunications Services Tariff or One Choice[®] Long Distance Service (a.k.a. VarTec VoiceSM Service) as described in Section 3.29.1 of the Company's Kentucky Telecommunications Services Tariff. The availability of One Choice® Elite Package to Customers may be restricted based upon both the Company's access to resold services through BellSouth and the Customer's creditworthiness as determined by information contained in a credit bureau report received from a credit reporting agency.

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - 3.2.4 One Choice® Classic Elite Package (Continued)

One Choice® Classic Elite Package includes Basic Residential Local Service as described in Section 3.2, Call Waiting Deluxe as described in Section 3.4.15, Caller ID-Deluxe as described in 3.4.11, Call Return as described in Section 3.4.8, Repeat Dialing as described in Section 3.4.1, Call Block as described in Section 3.4.2, Three-Way Calling as described in Section 3.4.13, Speed Dialing 8 as described in Section 3.4.12, Anonymous Call Rejection as described in Section 3.4.14 and 300 minutes of domestic long distance usage which are subject to call length minimums associated with the Customer's selected long distance service, the FiveLine® Service or the One Choice® Long Distance Service (a.k.a. VarTec Voice® Service).

Any additional long distance usage beyond the included minutes will be billed according to the same selected long distance plan. The included long distance usage does not accumulate on a month-to-month basis, and no credit will be given to Customers who do not use the included allotted minutes. One Choice® Classic Elite Package does not include equipment associated with the Caller ID - Deluxe feature.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.2 Basic Residential Local Service (Continued)

3.2.5 VarTec Friends-R-FreeSM Classic Package

The VarTec Friends-R-FreeSM Classic Package provides Customers with local and long distance calling for a flat monthly rate. As of December 21, 2002, VarTec Friends-R-FreeSM Classic Package is only available to existing customers of the VarTec Friends-R-FreeSM Classic Package (formerly known as VarTec Friends-R-FreeSM Package). In order to select the VarTec Friends-R-FreeSM Classic Package, Customers must subscribe to the Company as their primary service provider for local exchange services. Customers may also select the Company for intraLATA interexchange and interLATA interexchange telecommunications services or may utilize the Company's interexchange services by using a Company-designated 10-1X-XXX access code. Furthermore, Customers must select one of the following two (2) the Company long distance plans: FiveLine® Service as described in Section 3.17 of the Company's Kentucky P.S.C. Telecommunications Services Tariff or One Choice® Long Distance Service (a.k.a. VarTec VoiceSM Service) as described in Section 3.29.1 of the Company's Kentucky P.S.C. Telecommunications Services Tariff. The availability of the VarTec Friends-R-FreeSM Classic Package may be restricted based upon the Customer's creditworthiness as determined by information contained in a credit bureau report received from a credit reporting agency. The VarTec Friends-R-FreeSM Classic Package includes Basic Residential Local

The VarTec Friends-R-FreeSM Classic Package includes Basic Residential Local Service as described in Section 3.2, Call Return as described in Section 3.4.8, Call Waiting Deluxe as described in Section 3.4.15, Three-Way Calling as described in Section 3.4.13, Caller ID-Deluxe as described in Section 3.4.11 and Call Block as described in Section 3.4.2. The VarTec Friends-R-FreeSM Classic Package does not include equipment associated with the Caller ID-Deluxe feature.

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - 3.2.5 VarTec Friends-R-FreeSM Classic Package (Continued)

Customers who select the VarTec Friends-R-FreeSM Classic Package will receive an allotment of 100 minutes per month of interstate and intrastate (interLATA and intraLATA) usage. The call length minimums with the Customer's selected long distance calling plan, the FiveLine[®] Service or One Choice[®] Long Distance Service (a.k.a.VarTec VoiceSM Long Distance Service) will apply to the included 100 minutes. Any additional long distance usage beyond the included 100 minutes will be billed according to the Customer's selected long distance plan. The 100 minutes of long distance domestic usage will not accumulate on a month-to-month basis, and no credit will be given to Customers who do not use the included allotted minutes. Unused minutes will be forfeited at the end of the calendar month.

As noted above, rates and charges for the FiveLine® Service or One Choice® Long Distance Service (a.k.a.VarTec VoiceSM Long Distance Service) are listed in the VarTec Telecom, Inc. Kentucky P.S.C. Telecommunications Services Tariff - Sections 3.17 and 3.29.1, respectively.

If VarTec Friends-R-FreeSM Classic Package Customers originate calls by dialing 1+ (Area Code) and telephone number or 1+ (10-1X-XXX) + (Area Code) and telephone number on a direct-dialed basis and terminate calls to other VarTec Friends-R-FreeSM Classic or VarTec Friends-R-FreeSM Package Customer's telephone number(s), they will be eligible to receive Friends-R-FreeSM Classic Feature as described in Section 3.2.5.1 following.

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - 3.2.5 VarTec Friends-R-FreeSM Classic Package (Continued)
 - 3.2.5.1 Friends-R-FreeSM Classic Feature

Customers of the VarTec Friends-R-FreeSM Classic Package may place unlimited 1+, direct-dialed calls or use a Company-designated casual calling (dial-around) code when dialing long distance calls to other Customers subscribing to the Company's Friends-R-FreeSM Classic Package or the Company's Friends-R-FreeSM Package at no additional charge. However, the long distance usage to other Customers subscribing to the Company's Friends-R-FreeSM Classic Package or the Company's Friends-R-FreeSM Package is not deducted from the included 100 minutes of domestic long distance usage described above.

Customer telephone numbers which are not capable of being subscribed to an interexchange carrier, and telephone numbers which are associated with Company 800/8XX service(s) or access codes associated with Company services other than switched services (e.g., travel calling card service numbers) are not eligible for inclusion in or the benefits of the Company's Friends-R-FreeSM Classic Feature.

If a Customer discontinues his or her VarTec Friends-R-FreeSM Classic Package, only those eligible long distance calls which were made while he or she was a Customer with the VarTec Friends-R-FreeSM Classic Package will receive the Friends-R-FreeSM Classic Feature.

The Friends-R-FreeSM Classic Feature does not apply to service which is provided on any special access line or Local Exchange Company service line for which the Customer pays a rate described as a business or commercial special access line in an applicable Local Exchange Company access service tariff.

The VarTec Friends-R-FreeSM Classic Package is intended for residential use only, and all terms of the Friends R. FreeSM Classic Package Acceptable
Use Policy set forth as follows in Section 3.2.5.2 apply.

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- 3.0 SERVICE DESCRIPTIONS (Continued)
 - 3.2 Basic Residential Local Service (Continued)
 - 3.2.5 VarTec Friends-R-FreeSM Classic Package (Continued)
 - 3.2.5.2 Acceptable Use Policy

Friends-R-FreeSM Classic service is for residential voice use only and provides unlimited interstate and intrastate long distance calls between residential telephone lines that are enrolled in the Friends-R-FreeSM Classic or Friends-R-FreeSM service plans. Only calls that originate from and terminate at telephone numbers enrolled in the Friends-R-FreeSM Classic or Friends-R-FreeSM service plans are eligible. Certain excessive uses or calling patterns, however, may be considered evidence of abuse or disallowed commercial or data usage and may result in termination of the service and/or assessment of a fee. Calling patterns other than that which are considered usual and normal based on Customer calling history or industry standards may cause termination of service.

The Friends-R-FreeSM Classic service plan is intended only for residential voice use usage. Use for home office, small business, large commercial business, or other commercial use is prohibited and may result in termination of the service. Customer account usage and calling patterns may be reviewed periodically at the discretion of VarTec Telecom. Customer use of the Friends-R-Free SM Classic service plan that reflects calling patterns other than those that are considered usual and normal for residential customers based on industry standards or personal past calling history may be considered abuse and result in termination of service without refund or the possibility of renewal.

VarTec Telecom reserves the right in its sole discretion to cancel service for violation of this policy or other terms and conditions of service at any time. By selecting VarTec Telecom Friends-R-FreeSM Classic service plan, Customer agrees to use the service in accordance with this acceptable use policy and other terms and conditions of service and to indemnify and hold VarTec Telecom harmless from any claims resulting from use or misuse of its products and services. This Ageeptable Use Policy may be revised periodically without notice. Customers agree that revisions are applicable to your then current service and usage. UBLIC SERVICE COMMISS OF KENTUCKY

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - 3.2.5 VarTec Friends-R-FreeSM Classic Package (Continued)
 - 3.2.5.2 Acceptable Use Policy (Continued)

Prohibited Use/Abuse

The following are prohibited uses of the Friends-R-FreeSM Classic service plan that may result in termination of service:

- Calling patterns and usage that considerably exceed what is considered usual and normal for residential customers by industry standards
- Calling usage that considerably exceeds your established history of usage
- Use for any type of commercial business
- Commercial faxing, fax broadcasting, or fax blasting
- Use of Auto-Dialers or predictive dialer
- Use of Phone Chat Rooms
- Calls to 900 or 976 numbers
- Modem data transfer
- Use for dialing into an ISP or any type of data transmission
- Use for medical transcription
- Use is not for call back, call sell, or debit card services.
- Service is not to be used for call centers or telemarketing
- Any use not consistent with residential voice usage, or for which the service is otherwise intended.

Customers who exceed 2000 minutes of combined intrastate and interstate long distance usage in one month may have their service plan evaluated for compliance with this acceptable use policy. Depending on the evaluation results, Customers whose use constitutes, in VarTec's sole discretion, violation of this policy will be notified in writing that their Friends-R-FreesM Classic service plan may be terminated and/or a \$50.00 data/commercial usage fee assessed for any subsequent violation.

The Company reserves the right, in the event of fraud, to terminate service immediately without notice or exigent circumstances.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.2 Basic Residential Local Service (Continued)

3.2.6 VarTec Friends-R-FreeSM Package

The VarTec Friends-R-FreeSM Package provides Customers with local and long distance calling for a flat monthly rate. As of March 23, 2004, the Friends-R-FreeSM Package is only available to existing customers of the Friends-R-FreeSM Package. In order to select the VarTec Friends-R-FreeSM Package, Customers must subscribe to the Company as their primary service provider for local exchange services. Customers may also select the Company for intraLATA interexchange and interLATA interexchange telecommunications services or may utilize the Company's interexchange services by using a Company-designated 10-1X-XXX access code. Furthermore, Customers must select one of the following two (2) Company long distance plans: FiveLine® Service as described in Section 3.17 of the Company's Kentucky P.S.C. Telecommunications Services Tariff or One Choice® Long Distance Service (a.k.a. VarTec VoiceSM Service) as described in Section 3.29.1 of the Company's Kentucky P.S.C. Telecommunications Services Tariff. The availability of the VarTec Friends-R-FreeSM Package may be restricted based upon the Customer's creditworthiness as determined by information contained in a credit bureau report received from a credit reporting agency.

The VarTec Friends-R-FreeSM Package includes Basic Residential Local Service as described in Section 3.2, Call Waiting as described in Section 3.4.9, Caller ID - Deluxe as described in Section 3.4.11 and Call Waiting -Deluxe as described in Section 3.4.15. The VarTec Friends-R-FreeSM Package does not include equipment associated with the Caller ID - Deluxe feature.

If VarTec Friends-R-FreeSM Package Customers originate calls by dialing 1+ (Area Code) and telephone number or 1+ (10-1X-XXX) + (Area Code) and telephone number on a direct-dialed basis and terminate calls to other VarTec Friends-R-FreeSM Package or VarTec Friends-R-FreeSM Classic Package Customer's telephone number(s), they will be eligible to receive Friends-R-FreeSM Feature as described in Section 3.2.5.1 following.

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - 3.2.6 VarTec Friends-R-FreeSM Package (Continued)

3.2.6.1 Friends-R-FreeSM Feature

Customers of the VarTec Friends-R-FreeSM Package may place unlimited 1+, direct-dialed calls or use a Company-designated casual calling (dialaround) code when dialing long distance calls to other Customers subscribing to the Company's Friends-R-FreeSM Package or Friends-R-FreeSM Classic Package at no additional charge.

Customer telephone numbers which are not capable of being subscribed to an interexchange carrier, and telephone numbers which are associated with Company 800/8XX service(s) or access codes associated with Company services other than switched services (e.g., travel calling card service numbers) are not eligible for inclusion in or the benefits of the Company's Friends-R-FreeSM Feature.

If a Customer discontinues his or her VarTec Friends-R-FreeSM package, only those eligible long distance calls which were made while he or she was a Customer with the VarTec Friends-R-FreeSM Package will receive the Friends-R-FreeSM Feature.

The Friends-R-FreeSM Feature does not apply to service which is provided on any special access line or Local Exchange Company service line for which the Customer pays a rate described as a business or commercial special access line in an applicable Local Exchange Company access service tariff.

The VarTec Friends-R-FreeSM Package is intended for residential use only, and all terms of the Friends-R-FreeSM Package Acceptable Use Policy set forth as follows in Section 3.2.6.2 apply.

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - VarTec Friends-R-FreeSM Package (Continued) 3.2.6
 - 3.2.6.2 Acceptable Use Policy

Friends-R-FreeSM service is for residential voice use only and provides unlimited interstate and intrastate long distance calls between residential telephone lines that are enrolled in the Friends-R-FreeSM or Friends-R-FreeSM Classic service plans. Only calls that originate from and terminate at telephone numbers enrolled in the Friends-R-FreeSM or Friends-R-FreeSM Classic service plans are eligible. Certain excessive uses or calling patterns, however, may be considered evidence of abuse or disallowed commercial or data usage and may result in termination of the service and/or assessment of a fee. Calling patterns other than that which are considered usual and normal based on Customer calling history or industry standards may cause termination of service.

The Friends-R-FreeSM service plan is intended only for residential voice use usage. Use for home office, small business, large commercial business, or other commercial use is prohibited and may result in termination of the service. Customer account usage and calling patterns may be reviewed periodically at the discretion of VarTec Telecom. Customer use of the Friends-R-Free SM service plan that reflects calling patterns other than those that are considered usual and normal for residential customers based on industry standards or personal past calling history may be considered abuse and result in termination of service without refund or the possibility of renewal.

VarTec Telecom reserves the right in its sole discretion to cancel service for violation of this policy or other terms and conditions of service at any By selecting VarTec Telecom Friends-R-FreeSM service plan, Customer agrees to use the service in accordance with this acceptable use policy and other terms and conditions of service and to indemnify and hold VarTec Telecom harmless from any claims resulting from use or misuse of its products and services. This Acceptable Use Policy may be revised periodically without notice. Custon ers agree that revisions are applicable to your then current service and usage. UBLIC SERVICE COMMISSION

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - 3.2.6 VarTec Friends-R-FreeSM Package (Continued)
 - 3.2.6.2 Acceptable Use Policy (Continued)

Prohibited Use/Abuse

The following are prohibited uses of the Friends-R-FreeSM service plan that may result in termination of service:

- Calling patterns and usage that considerably exceed what is considered usual and normal for residential customers by industry standards
- Calling usage that considerably exceeds your established history of usage
- Use for any type of commercial business
- Commercial faxing, fax broadcasting, or fax blasting
- Use of Auto-Dialers or predictive dialer
- Use of Phone Chat Rooms
- Calls to 900 or 976 numbers
- Modem data transfer
- Use for dialing into an ISP or any type of data transmission
- Use for medical transcription
- Use is not for call back, call sell, or debit card services.
- Service is not to be used for call centers or telemarketing
- Any use not consistent with residential voice usage, or for which the service is otherwise intended.

Customers who exceed 2000 minutes of combined intrastate and interstate long distance usage in one month may have their service plan evaluated for compliance with this acceptable use policy. Depending on the evaluation results, Customers whose use constitutes, in VarTec's sole discretion, violation of this policy will be notified in writing that their Friends-R-Freesm service plan may be terminated and/or a \$50.00 data/commercial usage fee assessed for any subsequent violation.

The Company reserves the right, in the event of fraud, to terminate service

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - One Choice® Classic Unlimited Package 3.2.7

One Choice® Classic Unlimited Package provides residential Customers in Kentucky with local and long distance calling for a flat rate. As of March 23, 2004, One Choice® Classic Unlimited Package is only available to existing customers of the One Choice® Classic Unlimited Package (formerly known as One Choice® Unlimited Package). In order to select One Choice® Classic Unlimited Package, Customers must subscribe to the Company as the primary service provider for local exchange, intraLATA interexchange and interLATA interexchange telecommunications services. The availability of the One Choice® Classic Unlimited may be restricted based upon the Customer's creditworthiness as determined by information contained in a credit bureau report received from a credit reporting agency.

One Choice® Classic Unlimited includes Basic Residential Local Service as described in Section 3.2, Call Block as described in Section 3.4.2, Call Forwarding as described in Section 3.4.3, Call Waiting as described in Section 3.4.9, Caller ID -Deluxe as described in Section 3.4.11, Speed Calling as described in Section 3.4.12, Anonymous Call Rejection as described in Section 3.4.14 and Call Waiting ID Deluxe as described in Section 3.4.15 and unlimited domestic long distance usage subject to the terms and conditions of the VarTec One Choice® Classic Unlimited Package Acceptable Use Policy. The unlimited domestic long distance usage only applies to non-operator assisted, direct dialed domestic calls. One Choice® Unlimited Package does not include equipment associated with the Caller ID feature.

One Choice® Classic Unlimited Package is intended for residential use only and all terms of the Acceptable Use Policy for One Choice® Classic Unlimited Package apply. At the Company's sole discretion, action may be taken to limit access to toll services if the Customer's toll usage exceeds normal calling patterns or differ from usual and normal industry standards for residential Customers. The Company may also limit or prohibit access to toll services if usage exceeds the Customer's established history of toll usage. These actions may be taken without notice and without incurring liability.

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- 3.0 SERVICE DESCRIPTIONS (Continued)
 - 3.2 Basic Residential Local Service (Continued)
 - 3.2.7 One Choice® Classic Unlimited Package (Continued)
 - 3.2.7.1 Acceptable Use Policy for One Choice® Classic Unlimited Package One Choice® Classic Unlimited service provides unlimited interstate and intrastate long distance calls for residential voice use only. Certain excessive uses or calling patterns, however, may be considered evidence of abuse or disallowed commercial or data usage and may result in termination of service or assessment of a fee. Calling patterns other than that which are considered usual and normal based on Customer calling history or industry standards may cause termination of service.

The One Choice® Classic Unlimited plan is intended only for residential voice use usage. Use for home office, small business, large commercial business, or other commercial use is prohibited and may result in termination of the service. Customer account usage and calling patterns may be reviewed periodically at the discretion of VarTec Telecom. Customer use of the One Choice® Classic Unlimited service plan that reflects calling patterns other than those that are considered usual and normal for residential customers based on industry standards or personal past calling history may be considered abuse and result in termination of service without refund or the possibility of renewal.

VarTec Telecom reserves the right in its sole discretion to cancel service for violation of this policy or other terms and conditions of service at any time. By selecting VarTec Telecom One Choice® Classic Unlimited service plan, Customer agrees to use the service in accordance with this acceptable use policy and other terms and conditions of service and to indemnify and hold the company harmless from any claims resulting from use or misuse of its products and services.

This Acceptable Use Policy may be revised periodically without notice. Customers agree that revisions are applicable to their then current service and usage.

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- 3.0 SERVICE DESCRIPTIONS (Continued)
 - 3.2 Basic Residential Local Service (Continued)
 - 3.2.7 One Choice® Classic Unlimited Package (Continued)
 - 3.2.7.1 Acceptable Use Policy for One Choice® Classic Unlimited Package (Continued)

Prohibited Use/Abuse

The following are prohibited uses of the One Choice® Classic Unlimited service plan that may result in termination of service:

- Calling patterns and usage that considerably exceed what is considered usual and normal for residential customers by industry standards
- Calling usage that considerably exceeds your established history of usage
- Use for any type of commercial business
- Commercial faxing, fax broadcasting, or fax blasting
- Use of Auto-Dialers or predictive dialer
- Use of Phone Chat Rooms
- Calls to 900 or 976 numbers
- Modem data transfer
- Use for dialing into an ISP or any type of data transmission
- Use for medical transcription
- Use is not for call back, call sell, or debit card services
- Service is not to be used for call centers or telemarketing
- Any use not consistent with residential voice usage, or for which the service is otherwise intended.

Customers who exceed 2000 minutes of combined intrastate and interstate long distance usage in one month may have their service plan evaluated for compliance with this acceptable use policy. Depending on the evaluation results, Customers whose use constitutes, in VarTec's discretion, violation of this policy will be notified in writing that their One Choice Classic Unlimited service plan may be terminated and/or a \$50.00 data/commercial usage fee assessed for any subsequent violation, the Company reserves that right, in the event of fraud, to terminate service immediately without holds on exigent circumstances.

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SERVICE DESCRIPTIONS (Continued) 3.0

3.2 Basic Residential Local Service (Continued)

3.2.8 One Choice® Basic Package

One Choice® Basic Package provides residential Customers in Kentucky with local and long distance calling for a flat rate. In order to subscribe to One Choice® Basic Package, the Customer must select the Company as the primary service provider for local exchange, intraLATA interexchange and interLATA interexchange telecommunications services. Furthermore, the Customer must select one of the following two long distance service plans: One Choice® \$.05 Plan or One Choice® \$.03 Plan as described in Sections 3.42.1 and 3.42.2 of the Company's Kentucky Tariff No. 2 "Telecommunications Services Tariff." Rates and charges for the One Choice® Basic Package may vary based on the Customer's selected long distance calling plan. The availability of One Choice® Basic Package to the Customer may be restricted based upon both the Company's access to services through the incumbent local exchange carrier and the Customer's creditworthiness as determined by information contained in a credit bureau report received from a credit reporting agency.

One Choice® Basic Package is a bundled service package which includes Basic Residential Local Service as described in Section 3.2 and the following three Call Management Features: Caller ID as described in Section 3.4.11, Call Waiting as described in Section 3.4.9 and Three-Way Calling as described in Section 3.4.13. The Customer will also receive 200 minutes of domestic long distance usage subject to the Customer's selected long distance plan, and any additional long distance usage beyond the included minutes will be billed according to the same selected long distance plan. The included long distance usage does not accumulate on a month-to-month basis, and no credit will be given to Customers who do not use the included minutes.

One Choice® Basic Package does not include equipment associated with the Caller ID feature. If the Customer's service is discontinued prior to the conclusion of a billing period, the Customer will remain responsible for the monthly charges for the entire billing period. Rates and charges associated with One Choice® Basic Package are set forth in Section 4.2.8 following.

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - 3.2.9 One Choice® Select Package

One Choice® Select Package provides residential Customers in Kentucky with local and long distance calling for a flat rate. In order to subscribe to One Choice® Select Package, the Customer must select the Company as the primary service provider for local exchange, intraLATA interexchange and interLATA interexchange telecommunications services. Furthermore, the Customer must select one of the following two long distance service plans: One Choice® \$.05 Plan or One Choice® \$.03 Plan as described in Sections 3.42.1 and 3.42.2 of the Company's Kentucky Telecommunications Services Tariff. Rates and charges for the One Choice® Select Package may vary based on the Customer's selected long distance calling plan. The availability of One Choice® Select Package to the Customer may be restricted based upon both the Company's access to services through the incumbent local exchange carrier and the Customer's creditworthiness as determined by information contained in a credit bureau report received from a credit reporting agency.

One Choice® Select Package is a bundled service package which includes Basic Residential Local Service as described in Section 3.2 and the following five Call Management Features: Caller ID as described in Section 3.4.11, Call Waiting as described in Section 3.4.9, Three-Way Calling as described in Section 3.4.13, Call Waiting ID as described in Section 3.4.15 and Call Return as described in Section 3.4.8. The Customer will also receive 200 minutes of domestic long distance usage subject to the Customer's selected long distance plan, and any additional long distance usage beyond the included minutes will be billed according to the same selected long distance plan. The included long distance usage does not accumulate on a month-to-month basis, and no credit will be given to Customers who do not use the included minutes.

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- 3.0 SERVICE DESCRIPTIONS (Continued)
 - 3.2 Basic Residential Local Service (Continued)
 - 3.2.9 One Choice® Select Package (Continued)

One Choice[®] Select Package does not include equipment associated with the Caller ID feature. If the Customer's service is discontinued prior to the conclusion of a billing period, the Customer will remain responsible for the monthly charges for the entire billing period. Rates and charges associated with One Choice[®] Select Package are set forth in Section 4.2.8 following.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.2 Basic Residential Local Service (Continued)

3.2.10 One Choice® Elite Package

One Choice® Elite Package provides residential Customers in Kentucky with local and long distance calling for a flat rate. In order to subscribe to One Choice® Elite Package, the Customer must select the Company as the primary service provider for local exchange, intraLATA interexchange and interLATA interexchange telecommunications services. Furthermore, the Customer must select one of the following two long distance service plans: One Choice® \$.05 Plan or One Choice® \$.03 Plan as described in Sections 3.42.1 and 3.42.2 of the Company's Kentucky Telecommunications Services Tariff. Rates and charges for the One Choice® Elite Package may vary based on the Customer's selected long distance calling plan. The availability of One Choice® Elite Package to the Customer may be restricted based upon both the Company's access to services through the incumbent local exchange carrier and the Customer's creditworthiness as determined by information contained in a credit bureau report received from a credit reporting agency.

One Choice® Elite Package is a bundled service package which includes Basic Residential Local Service as described in Section 3.2 and the following eight Call Management Features: Caller ID as described in Section 3.4.11, Call Waiting as described in Section 3.4.9, Three-Way Calling as described in Section 3.4.13, Call Waiting ID as described in Section 3.4.15, Call Return as described in Section 3.4.8, Speed Calling as described in Section 3.4.12, Call Forwarding as described in Section 3.4.3, and Repeat Dialing as described in Section 3.4.1. The Customer will also receive 500 minutes of domestic long distance usage subject to the Customer's selected long distance plan, and any additional long distance usage beyond the included minutes will be billed according to the same selected long distance plan. The included long distance usage does not accumulate on a month-to-month basis, and no credit will be given to Customers who do not use the included minutes.

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- 3.0 SERVICE DESCRIPTIONS (Continued)
 - 3.2 Basic Residential Local Service (Continued)
 - 3.2.10 One Choice® Elite Package (Continued)

In addition to the features described herein, One Choice® Elite Package includes subscription to an unregulated service, the Company's Voice Mail. One Choice® Elite Package does not include equipment associated with the Caller ID feature. If the Customer's service is discontinued prior to the conclusion of a billing period, the Customer will remain responsible for the monthly charges for the entire billing period. Rates and charges associated with One Choice® Elite Package are set forth in Section 4.2.8 following.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.2 Basic Residential Local Service (Continued)

3.2.11 One Choice® Unlimited Package

One Choice® Unlimited provides residential Customers in Kentucky with local and long distance calling for a flat rate. In order to subscribe to One Choice® Unlimited, the Customer must select the Company as the primary service provider for local exchange, intraLATA interexchange and interLATA interexchange telecommunications services. Furthermore, the Customer must select the One Choice® \$.05 Plan as described in Section 3.42.1 of the Company's Kentucky Telecommunications Services Tariff. The availability of One Choice® Unlimited to the Customer may be restricted based upon both the Company's access to services through the incumbent local exchange carrier and the Customer's creditworthiness as determined by information contained in a credit bureau report received from a credit reporting agency.

One Choice® Unlimited is a bundled service package which includes Basic Residential Local Service as described in Section 3.2 and the following eight Call Management Features: Caller ID as described in Section 3.4.11, Call Waiting as described in Section 3.4.9, Three-Way Calling as described in Section 3.4.13, Call Waiting ID as described in Section 3.4.15, Call Return as described in Section 3.4.8, Speed Calling as described in Section 3.4.12, Call Forwarding as described in Section 3.4.3, and Repeat Dialing as described in Section 3.4.1. Customers will also receive unlimited domestic long distance usage. The unlimited domestic long distance usage is for residential voice use only and applies to non-operator assisted, direct-dialed domestic calls. Use for home office, small business, large commercial business, or other commercial use is prohibited and may result in termination of the service.

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.2 Basic Residential Local Service (Continued)
 - 3.2.11 One Choice® Unlimited Package (Continued)

In addition to the features described herein, One Choice® Unlimited includes subscription to an unregulated service, the Company's Voice Mail. One Choice® Unlimited does not include equipment associated with the Caller ID feature. If the Customer's service is discontinued prior to the conclusion of a billing period, the Customer will remain responsible for the monthly charges for the entire billing period. Rates and charges associated with One Choice® Unlimited are set forth in Section 4.2.8 following.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.2 Basic Residential Local Service (Continued)

3.2.12 Additional Line Service

Additional Line Service provides the same features and benefits of Basic Residential Local Service as described in Section 3.2, including unlimited local calling and the ability to utilize 911 emergency services. Additional Line Service is only available to Customers who also subscribe to the Company's Basic Residential Local Service or an associated bundled service package as described herein, and Additional Line Service must be installed at the same service address as the Customer's primary line. Any additional benefits of the Customer's selected local service package, such as included long distance minutes or Call Management features, do not apply to Additional Line Service. Optional Call Management features as described in Section 3.4 are available to subscribers of Additional Line Service and will be billed at the rates defined therein in addition to all charges associated with the Customer's Additional Line Service.

In order to subscribe to Additional Line Service, Customers must select the Company as the primary service provider for interLATA interexchange and intraLATA interexchange services for the additional line. Furthermore, Customers must select one of the following two long distance plans: One Choice[®] \$.05 Plan or One Choice[®] \$.03 Plan as described in Sections 3.42.1 and 3.42.2 of the Company's Kentucky Telecommunications Services Tariff. Rates and charges for Additional Line Service may vary based on the Customer's selected long distance calling plan.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.3 (Reserved for Future Use)

3.4 Call Management Features

The Company offers optional Call Management Services as described herein to allow Customers to efficiently manage the call flow generated over their telephone line(s). These services are subject to availability of facilities and compatibility with Customer type of access line and premises equipment. Optional services are only available to Customers of the Company's basic local service and are not available on Centrex and PBX trunks. When multiple services are activated on the same line, certain services may take precedence over others.

Rates and charges associated with the Call Management Features described herein are set forth in Section 4.4 following.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.4 Call Management Features (Continued)

3.4.1 Repeat Dialing

Repeat Dialing enables the Customer to redial automatically the last outgoing telephone number. If that telephone number is busy, the service will make call attempts to the telephone number for a maximum of thirty (30) minutes beginning with the Customer's activation of Repeat Dialing, in an effort to establish the call. The Customer will be signaled with a distinctive ring when the call can be completed. Customers access Repeat Dialing by dialing *66 and can cancel an Repeat Dialing activation by dialing *86.

3.4.2 Call Block

Call Block enables the Customer to block calls from up to six pre-selected telephone numbers and/or the last incoming call (with or without knowing the number). To block specified telephone numbers, the Customer builds a screening list via code activation. Customers may access their screening list to add telephone numbers by dialing *60. Customers may deactivate Call Block by dialing *80. To block an unknown telephone number after receiving the call, the Customer enters a blocking code to add the number to the Customer's screening list. In the event that facilities are unavailable to provide incoming call screening from the Customer's list, standard call completion will occur. Customers whose telephone numbers are blocked are directed to a prerecorded announcement regarding the block.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.4 Call Management Features (Continued)

3.4.3 Call Forwarding

Call Forwarding enables the Customer to transfer all incoming calls to another telephone number. The Customer is responsible for the payment of charges (i.e., toll charges) for each call between the Customer's call forwarding equipped telephone and the telephone to which the call is being forwarded. The transmission may not meet normal standards depending upon the distance and routing necessary. Customers who are subscribed to Call Forwarding activate the service by dialing #72 and can deactivate the service by dialing #73.

Call Forwarding may also include the Call Forwarding - Busy Line and Call Forwarding - Don't Answer features described in Sections 3.4.4 and 3.4.5. However, only one Call Forwarding feature is allowed for each telephone line.

3.4.4 Call Forwarding - Busy Line

Call Forwarding - Busy Line allows incoming calls that encounter a busy condition to be forwarded to a pre-designated telephone number. The pre-designated telephone number can only be changed via a service order. The Call Forwarding -Busy Line Customer is responsible for the payment of charges (i.e., toll charges) for each call between his/her call forwarding equipped telephone line and the line to which the call is being forwarded. The transmission may not meet normal standards depending upon the distance and routing necessary.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.4 Call Management Features (Continued)

3.4.5 Call Forwarding - No Answer

Call Forwarding - No Answer allows incoming calls which are not answered after a pre-determined number of rings to be automatically forwarded to a pre-designated telephone number. The pre-designated telephone number and preferred number of rings may only be changed via a service order. The Call Forwarding - No Answer Customer is responsible for the payment of charges (i.e., toll charges) for each call between his/her call forwarding equipped telephone line and the line to which the call is being forwarded. The transmission may not meet normal standards depending upon the distance and routing necessary.

3.4.6 Remote Access to Call Forwarding

Remote Access to Call Forwarding provides the Customer the features of a Call Forwarding service as described in Section 3.4.3 with the ability to activate, deactivate or change Call Forwarding designations from a remote location. This service can only be accessed from a DTMF equipped telephone which has a full set of characters, including "*" and "#." All charges incurred to access the remote number will be billed appropriately. The transmission may not meet normal standards depending upon the distance and routing necessary. The Customer must also subscribe to one of the Call Forwarding features described herein.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.4 Call Management Features (Continued)

3.4.7 Preferred Call Forwarding

Preferred Call Forwarding provides the Customer with the ability to forward incoming calls from up to six pre-selected telephone numbers to another telephone number. The Customer can construct or modify a telephone number screening list. The Company equipment will screen incoming calls against the Customer's list and forward only those from telephone numbers on the list. The Preferred Call Forwarding Customer is responsible for the payment of charges (i.e., toll charges) for each call between the Preferred Call Forwarding equipped telephone line and the line to which the call is being forwarded. Calls from numbers not on the list will receive standard call completion. The Customer must also subscribe to one of the Call Forwarding features as described herein.

Subscribers to Preferred Call Forwarding activate the service and construct or modify the screening list by dialing *63 and following the prompts. This service may be temporarily deactivated by dialing *83.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.4 Call Management Features (Continued)

3.4.8 Call Return

Call Return enables the Customer to redial automatically the last incoming call, whether or not it was answered. If that telephone number is busy, automated continuous attempts will occur to call the number for a maximum of thirty (30) minutes beginning with the Customer's activation of Call Return in an attempt to establish the call. The Customer will be signaled with a distinctive ring when the call can be completed. Customers activate Call Return by dialing *69.

3.4.9 Call Waiting

Call Waiting alerts Customers via a tone signal while a call is in progress to indicate a second call is waiting and, by operation of the switchhook, allows the Customer to place the first call on hold and answer the waiting call. Call Waiting subscribers may deactivate Call Waiting for the duration of one call by dialing *70 prior to the direct-dialed digits. Call Waiting is automatically reactivated for the next originating or terminating call.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.4 Call Management Features (Continued)

3.4.10 Caller ID - Basic

Caller ID - Basic allows the Customer to identify the calling party prior to the telephone being answered. Caller ID - Basic displays the telephone number of the calling party on the Customer's CPE before the call is answered at the Customer's premises. Caller ID - Basic requires a period of time equivalent to two ringing tones in order to produce the name and telephone number display on the CPE. Caller ID - Basic displays non-published telephone numbers, unless the Customer who has a non-published listing activates a call identification block.

Any Customer subscribing to Caller ID - Basic will be responsible for the provision of a display device which will be located on the Customer's premises. The installation, repair, and technical capability of that equipment to function in conjunction with the feature specified herein will be the responsibility of the Customer. Company assumes no liability and will be held harmless for any incompatibility of this equipment to perform satisfactorily with the network features described herein.

Information transmitted via Caller ID- Basic is intended solely for the use of the Caller ID - Basic subscriber. Resale of this information is prohibited by this tariff. Information will not be displayed if the called party is off-hook or if the called party answers during the first ring interval. Information will be displayed for calls made from another central office only if it is linked by appropriate facilities. Caller ID - Basic is not available on operator-handled calls.

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SERVICE DESCRIPTIONS (Continued) 3.0

3.4 Call Management Features (Continued)

3.4.11 Caller ID - Deluxe

Caller ID - Deluxe allows the Customer to identify the calling party prior to the telephone being answered. Caller ID - Deluxe displays the name and telephone number of the calling party on the Customer's CPE before the call is answered at the Customer's premises. Caller ID - Deluxe requires a period of time equivalent to two ringing tones in order to produce the name and telephone number display on the CPE. Caller ID - Deluxe displays non-published telephone numbers, unless the Customer who has a non-published listing activates a call identification block.

Any Customer subscribing to Caller ID - Deluxe will be responsible for the provision of a display device which will be located on the Customer's premises. The installation, repair, and technical capability of that equipment to function in conjunction with the feature specified herein will be the responsibility of the Customer. Company assumes no liability and will be held harmless for any incompatibility of this equipment to perform satisfactorily with the network features described herein.

Information transmitted via Caller ID - Deluxe is intended solely for the use of the Caller ID - Deluxe subscriber. Resale of this information is prohibited by this tariff. CPN will not be displayed if the called party is off-hook or if the called party answers during the first ring interval. CPN will be displayed for calls made from another central office only if it is linked by appropriate facilities. Caller ID -Deluxe is not available on operator-handled calls.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.4 Call Management Features (Continued)

3.4.12 Speed Dialing

Speed Dialing enables a Customer to place calls to other telephone numbers by dialing a one or two digit code rather than the complete telephone number. Speed Dialing 8 Number allows for an eight (8) telephone number capacity, wherein the telephone numbers are assigned a one digit code.

Customers may program Speed Dialing 8 Number by dialing 74# and waiting for the dial tone. Customers then dial the code (consisting of numbers 2 through 9) to be assigned and the telephone number, including area code if necessary. To dial the number, Customers dial the code number followed by the pound sign (#).

3.4.13 Three-Way Calling

Three-Way Calling enables a Customer to add a third party to an existing call without operator assistance, thereby establishing a three-way conversation. The transmission may not meet normal standards depending on the distance and routing necessary to activate a three-way call.

Customers access Three-Way Calling during a current call by pressing and releasing the receiver button to receive a second dial tone, dialing the third-party telephone number, and pressing and releasing the receiver button to connect the two calls.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.4 Call Management Features (Continued)

3.4.14 Anonymous Call Rejection

Anonymous Call Rejection allows a Customer to reject all calls which have been indicated as anonymous, unavailable or private by the calling party. When Anonymous Call Rejection is active, the called party receives no alerting for a call that has been rejected. The call is routed to a denial announcement and subsequently terminated.

Customers who are subscribed to Anonymous Call Rejection activate the service by dialing *77 and can deactivate the service by dialing *87.

3.4.15 Call Waiting Deluxe

Call Waiting Deluxe allows the Customer to identify the calling party on a waiting call prior to the telephone being answered. Call Waiting Deluxe displays the telephone number and/or name of the calling party on a Customer's CPE while a call is in progress. Call Waiting Deluxe requires a period of time equivalent to two ringing tones in order to produce the name and telephone number display on the CPE. Call Waiting Deluxe displays non-published telephone numbers, unless the Customer who has a non-published listing activates a call identification block. Call Waiting Deluxe requires subscription to Call Waiting and Caller ID Services as described in Sections 3.4.10 and 3.4.11.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.4 Call Management Features (Continued)

3.4.16 Calling Number Blocking

Calling Number Blocking allows Customers to prevent the transmission of their Directory Number and/or Directory Name on outgoing calls to subscribers of caller identification services. Calling Number Blocking is provided on a continuous basis, and applies to all outgoing calls placed from the Customer's telephone number.

3.4.17 Caller ID - Deluxe with ACR

Caller ID - Deluxe with ACR provides the features of Caller ID - Deluxe as described in Section 3.4.11 as well as the features of Anonymous Call Rejection as described in Section 3.4.14. Caller ID - Deluxe with ACR is subject to availability of facilities and compatibility with Customer type of access line and premises equipment.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.4 Call Management Features (Continued)

3.4.18 Call Trace

Call Trace allows the Customer to initiate an automatic trace of the last call received by dialing a code (*57). The following information is automatically recorded:

- 1) The originating telephone number;
- 1) The date and time of the call; and
- 2) The date and time call trace was activated.

When Call Trace successfully identifies a calling number, a recording instructs the customer to call a toll free number, which will activate a Voice Response Script and assist the Customer in establishing an open file. Should the Customer decide to prosecute the call originating party, the Customer should contact the Company for further instructions. Activation of Call Trace never authorizes the Company to provide the called party with the name or telephone number of the calling party.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.5 Directory Assistance

The Company furnishes Directory Assistance Service whereby Customers may request assistance in determining directory listing information. The rates set forth herein apply to calls from Customers who request assistance in determining directory listing information for telephone users who are located in the same local calling area or intraLATA calling area.

A residential Customer is allowed three direct-dialed Directory Assistance calls per residential exchange line per month at no additional charge. No credit will be given for any unused portion of the Customer's allowance, and call allowances are not transferrable between separate accounts of the same Customer. No credit will be given for requests in which the telephone number is non-published or unlisted, or for telephone numbers which are not found in the directory.

Customers are allowed up to two Directory Assistance listing requests per direct-dialed Directory Assistance call. Where a Customer makes more than two requests on a call, each subsequent request in excess of the Customer's allowance is billed an additional fee. A maximum of ten Directory Assistance requests is allowed per direct-dialed Directory Assistance call.

Additional charges may apply to Customers who place Directory Assistance calls via an operator or have Directory Assistance charges billed to a telephone calling card or a telephone number other than the originating telephone number. A maximum of two requests per call applies to Directory Assistance calls placed via an operator or billed to a telephone calling card or a telephone number other than the originating telephone number. Where dialing facilities are not available, Directory Assistance calls via an operator are considered as direct-dialed calls.

Rates and charges associated with Directory Assistance are set forth in Section 4.5 following.

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3.0 SERVICE DESCRIPTIONS (Continued)

- 3.5 Directory Assistance (Continued)
 - 3.5.1 Directory Assistance Call Completion

Directory Assistance Call Completion (DACC) provides Customers with the option of having local calls automatically completed upon request of a telephone listing from the Directory Assistance operator. The call may be completed automatically or by the Directory Assistance operator. DACC is available where facilities permit.

The DACC portion of the call may either be billed in the same manner as the Directory Assistance portion or alternately billed (i.e., third number or collect billing). There are no allowances for DACC; however, the appropriate call allowances as described is Section 3.5 apply to the Directory Assistance portion of the call.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.6 **Directory Listings**

Upon the request of a directory listing publication, the Company will provide list of names and telephone numbers of Customers and joint-users for the purpose of informing calling parties of the telephone numbers of Customers and those entitled to use Customer's service. The Company limits the length of any listing by the use of abbreviations when, in the opinion of the directory publishing company, the clearness of the listing or the identification of the Customer or joint-user is not impaired thereby. Listings must conform to the practices of the directory publishing company with respect to its directories.

VarTec will furnish upon request the name and address of the Customer to exchange service when such service is used to provide recorded announcements under the provisions of this tariff. Listings are regularly provided in connection with all classes of exchange service, unless the Customer subscribes to non-published exchange service or non-listed service. The contract period for Directory Listings where the listing actually appears in the directory is the effective period of the directory. Where the listing has not been printed in the directory, the contract period is one month.

One Residential Primary Listing is provided without charge for each separate Customer service or joint-user. The Primary Listing must be the actual name of the Customer to whom the service is rendered or the name of a member of the Customer's family or household.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.6 Directory Listings (Continued)

A residential Customer may request that part or all of the address information which would otherwise be listed in the directory be deleted by the Company. Such deletion will be continued in successive directories without further request by the Customer until the Customer requests publication of part or all of the deleted address information in the directory.

Rates and charges associated with Directory Listings and the optional features described below are set forth in Section 4.6 following.

3.6.1 Non-Published Service

Customers who desire their telephone numbers to be omitted from directory publications may subscribe to Non-Published Service. Incoming calls to a Customer subscribing to Non-Published Service will be completed only when the calling party places the call by telephone number, notwithstanding any claim made by the calling party. When a call is placed from a telephone number associated with a Non-Published listing, the number may be disclosed if the called party has equipment to display Caller ID. Customers may prevent the display of their telephone number by subscribing to and activating Calling Number Blocking.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.6 Directory Listings (Continued)

3.6.2 Non-Listed Service

At the Customer's request, any one or all of the Customer's primary listings, additional listings or other listings associated with the same or different residence telephone service line normally published in the directory will be omitted from the directory but will be listed in the directory assistance records available to the general public. The Customer indemnifies and holds the Company harmless against any and all claims for damages caused or claimed to have been caused directly or indirectly by the publication of the listing, which the Customer has requested be omitted from the directory or the disclosing of such a listing to any person. Where such a listing is published in the telephone directory, the Company's liability shall be limited to a refund of any monthly charges assessed by the Company for the particular Non-Listed Service.

When a call is placed from a telephone number associated with a Non-Listed listing, the number may be disclosed if the called party has equipment to display Caller ID.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.6 Directory Listings (Continued)

3.6.3 Residential Additional Listings

Residential Additional Listings may be the names of members of the Customer's family or of other persons residing in the Customer's household. A Dual Name Additional Listing may be provided for two persons who share the same surname and reside at the same address, or for a person known by two names. This listing is composed of a surname, two first names, address and telephone number.

Residential Additional Listings are not offered for purchase in the alphabetical business section of a directory separated for individual listings and business listings, except that a residential service number may be included in the business section as an alternate listing under a business service listing. A residential service number will be included in the business section when the listing contains a healing profession designation.

Residential Additional Listings may be nicknames, abbreviated names, names which are commonly spelled in more than one way, and rearrangements of names when, in the opinion of the directory publishing company, they are necessary for the proper identification of the Customer.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.7 Operator Assistance Services

The Company furnishes local assistance through an operator whereby Customers may request the services described herein. The rates set forth in Section 4.7 apply to local operator assistance requests originating for all classes and grades of services.

3.7.1 Line Status Verification

Line Status Verification allows an operator to determine the condition of an access line that a Customer requests to be checked. This service is provided where facilities exist through the Company provided operator. Line Status Verification requests will not be processed on a collect (reversal of charge) or person-to-person basis.

3.7.2 Busy Interrupt

Busy Interrupt allows an operator to interrupt a conversation in progress to ascertain willingness to establish a conversation with an alternate party. This service is provided where facilities exist through a Company provided operator. Busy Interrupt requests will not be processed on a collect (reversal of charge) or personto-person basis, except in the case of an emergency situation, when the caller may bill collect if necessary.

The charge for Busy Interrupt applies whenever the operator interrupts the conversation even if the interrupted parties refuse to terminate the conversation in progress.

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SERVICE DESCRIPTIONS (Continued) 3.0

3.7 Operator Assistance Services (Continued)

3.7.3 RingBack^{sм}

RingBack[™] enables the Customer to redial automatically the last outgoing telephone number that received a busy condition. When a Customer receives a busy condition, an announcement will offer to activate RingBackSM and complete the call when the line becomes available. The service will make call attempts to the telephone number for a maximum of thirty (30) minutes beginning with the Customer's activation of RingBacks, in an effort to establish the call. The Customer will be signaled with a distinctive ring when the call can be completed.

RingBack[™] is available where central office facilities exist and is only available on a per use basis. Customers are not required to subscribe to this service in order to utilize RingBackSM. Charges associated with RingBackSM will apply, whether the call was completed or not.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.7 Operator Assistance Services (Continued)

3.7.4 Local Operator Services

Customers may obtain the assistance of a local operator to complete the following local exchange telephone calls:

- 1) Person to Person Calls completed with the assistance of a Company operator to a particular person or station specified by the calling party. Charges may be billed to the called party, a non-proprietary calling card, a calling station or a third-party station.
- Station to Station Calls other than person-to-person calls completed with or without the assistance of a Company operator. Charges may be billed to a non-proprietary calling card.
- 3) Third-Party Billed Call Calls which are charged to a telephone number other than the originating or terminating telephone number. Originator dials zero, and the operator completes the remainder of the call.
- 4) Collect Call Calls which are charged to the terminating telephone number.

 Originator dials zero and the operator completes the remainder of the call.

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3.0 SERVICE DESCRIPTIONS (Continued)

3.8 Service Order Charges

Customers are billed applicable Service Order Charges when the Company receives, records and processes information in connection with a Customer request to add or change existing services. Service Order Charges apply to Customers who order new service or features, discontinue services or features, request telephone number changes, or transfer service from one premises to another. Service Order Charges also apply to service requests, including but not limited to, reconnection of existing service, temporary suspension of service, name changes on an account, or when service is required at the Customer's premises.

The applicable Service Order Charges for the items described above are set forth in Section 4.8 following.

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4.0 RATE SCHEDULES

4.1 General

The rates for the services described in Section 3.0, including but not limited to, Basic Residential Local Service, Call Management Features, Operator Services and Directory Listings, are provided herein. The rates and charges set forth herein may include one-time charges, per-call charges or monthly subscription charges.

4.2 Basic Residential Local Service - Rates and Charges

Subscribers to Basic Residential Local Service will be billed at the following rate in addition to all charges associated with the Customer's optional services and/or long distance usage:

Monthly Rate	
Zone A	\$34.95
Zone B	\$34.95
Zone C	\$49.95

4.2.1 One Choice® Additional Line Service - Rates and Charges

Subscribers to One Choice® Additional Line Service will be billed at the following rate in addition to all charges associated with the Customer's One Choice® Classic Bundled Package, optional services and/or long distance usage, if any:

Zones A and B Monthly Rate Zone C Monthly Rate

\$32.95

Service Not Available

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- 4.0 RATE SCHEDULES (Continued)
 - 4.2 Basic Residential Local Service - Rates and Charges (Continued)
 - 4.2.2 One Choice® Premium Package - Rates and Charges

Subscribers of One Choice® Premium Package will be billed at the following rate in addition to all charges associated with the Customer's optional services and/or long distance usage, if any:

Zones A and B Monthly Rate \$44.95 Zone C Monthly Rate Service Not Available

In addition, optional Call Management features as described in Sections 3.4 and 4.4 are available to subscribers of One Choice® Premium Package and will be billed at the rates set forth therein in addition to all charges associated with the Customer's One Choice® Premium Package.

4.2.3 One Choice® Classic Select Package - Rates and Charges

> Subscribers of One Choice® Classic Select Package will be billed at the following rate in addition to all charges associated with the Customer's optional services and/or additional long distance usage, if any:

Zones A and B Monthly Rate \$49.95 Zone C Monthly Rate Service Not Available

In addition, optional Call Management features as described in Sections 3.4 and 4.4 are available to subscribers of One Choice® Classic Select Package and will be billed at the rates set forth therein in addition to all charges associated with the Customer's One Choice® Classic Select Package.

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4.0 RATE SCHEDULES (Continued)

- 4.2 Basic Residential Local Service Rates and Charges (Continued)
 - 4.2.4 One Choice® Classic Elite Package Rates and Charges

Subscribers of One Choice [®] Classic Elite Package will be billed at the following rate in addition to all charges associated with the Customer's optional services and/or additional long distance usage, if any:

Zones A and B Monthly Rate - \$59.95

Zone C Monthly Rate - Service Not Available

In addition, optional Call Management features as described in Sections 3.4 and 4.4 are available to subscribers of One Choice® Classic Elite Package and will be billed at the rates set forth therein in addition to all charges associated with the Customer's One Choice® Classic Elite Package.

4.2.5 VarTec Friends-R-FreeSM Classic Package - Rates and Charges

Subscribers of the VarTec Friends-R-FreeSM Classic Package will be billed at the following rate in addition to all charges associated with the Customer's optional services and/or long distance usage:

Zones A and B Monthly Rate - \$49.95 (I)
Zone C Monthly Rate - Service Not Available

In addition, optional Call Management features as described in Section 3.4 are available to subscribers of VarTec Friends-R-FreeSM Classic Package and will be billed at the rates set forth in Section 4.4 of the Rate Schedule in addition to all charges associated with the Customer's VarTec Friends-R-FreeSM Classic Package.

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- 4.0 RATE SCHEDULES (Continued)
 - 4.2 Basic Residential Local Service Rates and Charges (Continued)
 - 4.2.6 VarTec Friends-R-FreeSM Package Rates and Charges

Subscribers of the VarTec Friends-R-FreeSM Package will be billed at the following rate in addition to all charges associated with the Customer's optional services and/or long distance usage:

Zones A and B Monthly Rate

\$39.95

Zone C Monthly Rate

Service Not Available

In addition, optional Call Management features as described in Section 3.4 are available to subscribers of VarTec Friends-R-FreeSM Package and will be billed at the rates set forth in Section 4.4 of the Rate Schedule in addition to all charges associated with the Customer's VarTec Friends-R-FreeSM Package.

4.2.7 One Choice® Classic Unlimited Package - Rates and Charges

Subscribers of One Choice[®] Classic Unlimited Package will be billed at the following rate in addition to all charges associated with the Customer's optional services and/or toll charges, if any:

Zones A and B Monthly Rate

\$59.95

Zone C Monthly Rate

Service Not Available

In addition, optional Call Management features as described in Section 3.4 are available to subscribers of One Choice® Classic Unlimited Package and will be billed at the rates set forth therein in addition to all charges associated with the Customer's One Choice® Classic Unlimited Package.

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4.0 RATE SCHEDULES (Continued)

- 4.2 Basic Residential Local Service Rates and Charges (Continued)
 - 4.2.8 One Choice® Bundled Service Packages Rates and Charges

The One Choice® bundled service packages will be billed at the following rates in addition to all charges associated with the Customer's optional services and/or additional long distance usage, if any. The following per line monthly rates apply to the Customer's primary billing telephone number and any additional telephone numbers billed to the same account. Rates apply to Zones A and B as described in Section 3.1.1.A and 3.1.1.B.

One Choice® Basic Package	Monthly Rate	
-With One Choice® \$.05 Plan	\$39.95	(I)
-With One Choice® \$.03 Plan	\$42.90	1
One Choice® Select Package	Monthly Rate	
-With One Choice® \$.05 Plan	\$39.95	1
-With One Choice® \$.03 Plan	\$42.90	
One Choice® Elite Package	Monthly Rate	ĺ
-With One Choice® \$.05 Plan	\$49.95	
-With One Choice® \$.03 Plan	\$52.90	
One Choice® Unlimited Package	Monthly Rate	
-With One Choice® \$.05 Plan	\$59.95	(I)

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- 4.0 RATE SCHEDULES (Continued)
 - 4.2 Basic Residential Local Service Rates and Charges (Continued)
 - 4.2.9 Additional Line Service Rates and Charges

Additional Line Service will be billed at the following rates in addition to all charges associated with the Customer's optional services and/or additional long distance usage, if any. The following per line monthly rates apply to each additional telephone number billed to the same account:

Additional Line Service	Monthly Rate	
-With One Choice® \$.05 Plan	\$32.95	(I)
-With One Choice® \$.03 Plan	\$30.90	(I)

4.3 (Reserved for Future Use)

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4.0 RATE SCHEDULES (Continued)

4.4 Call Management Features - Rates and Charges

Subscribers to Call Management Features will be billed at the following rates in addition to all charges associated with the Customer's basic local service plan. In addition, some Call Management Features may be activated and utilized by the Customer on a per-use basis and will be billed the rates as described herein.

	Monthly Rate	Per Use Charge
Repeat Dialing	\$3.95	\$.95
Call Block	\$3.95	N/A
Call Forwarding	\$3.95	N/A
Call Forwarding - Busy Line	\$3.95	N/A
Call Forwarding - No Answer	\$3.95	N/A
Remote Access to Call Forwarding	\$3.95	N/A
Preferred Call Forwarding	\$3.95	N/A
Call Return	\$3.95	\$0.95
Call Waiting	\$3.95	N/A
Caller ID - Basic	\$3.95	N/A
Caller ID - Deluxe	\$6.95	N/A
Speed Dialing 8	\$3.95	N/A .
Three-Way Calling	\$3.95	\$0.95
Anonymous Call Rejection	\$3.95	N/A
Call Waiting Deluxe	\$3.95	N/A
Calling Number Blocking	\$3.95	N/A
Caller ID - Deluxe with ACR	\$6.95	N/A
Call Trace	\$4.20	N/A

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4.0 RATE SCHEDULES (Continued)

4.5 Directory Assistance - Rates and Charges

The following Directory Assistance rates apply where the Customer places a direct dialed call to Directory Assistance. These rates are in addition to applicable usage charges or in lieu of local call rates from pay telephones. No credit will be given for requested listing information that is not found in the directory.

Direct-Dialed

Directory Assistance Call

\$0.95

4.5.1 Directory Assistance Call Completion

The following Directory Assistance Call Completion rates apply in addition to any applicable Directory Assistance rates as described in Section 4.5, as well as the Long Distance Message Telecommunications Service rates associated with the completion of the call, if applicable.

DACC Charge

\$0.00

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Executive Director

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4.0 RATE SCHEDULES (Continued)

4.6 Directory Listings - Rates and Charges

Subscribers will be billed at the following rates for Directory Listings and optional features in addition to all charges associated with the Customer's basic local service plan:

Monthly Rate

Primary Listing	No charge
Non-Published Number	\$3.50
Non-Listed Number	\$1.80
Residential Additional Listing ¹	\$1.20
Directory Listings Change Charge	\$5.00

¹ Residential Extra Listing charges are incurred from the time the listing is posted to the Directory Assistance records.

4.7 Operator Assistance Services - Rates and Charges

Local Operator Assistance Service rates are in addition to applicable usage charges or in lieu of local call rates from pay telephones.

	<u>Per Use Charge</u>
Busy Line Verification	\$1.05
Busy Interrupt	\$1.95
RingBack [™]	\$0.80
Person to Person	\$5.70
Station to Station	\$3.05
Third-Party Billed Call	\$3.05
Collect Call	\$3.05

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4.0 RATE SCHEDULES (Continued)

4.8 Service Order Charges - Rates and Charges

Customers will be billed the following charges for services described below. Additional charges may apply for service orders that require overtime labor performed at hours of the day or days of the week other than normal work hours.

	One-Time Charge
Customer requests to add a feature to an account	No charge
Customer requests to remove a feature from an account	\$5.00
Customer requests a billing name change on his/her account	\$5.00
Customer requests a telephone number change	\$25.00
Customer requests to transfer primary line from one service address to another	\$42.00
Customer requests to transfer an additional telephone line from one service address to another	\$15.00
Suspension of service by the Company	No charge
Restoration of Customer's service following suspension by the Company6	\$20.00
Installation of a primary telephone line at new service address	\$42.00
Installation of an additional telephone line at new service address	\$15.00
Block Change Charge	\$5.00
PIC Change Charge	PUBLI © 59PERVICE

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SECTION 9 (1)

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4.0 RATE SCHEDULES (Continued)

4.9 Alternative Payment Processing Fees

The following fees apply for Customers who make payment for services rendered using alternative payment processing options. Per use charges apply for individual transactions. Customers may elect to enroll in the Company's Recurring Payment Plan, whereby the Customer's payment is automatically processed by the Company each month through the Customer's selected alternative payment processing option.

	Credit Card Payment	ACH Payment
One-time Payment (per use)	N/C	N/C
Online Payments (per use)	N/C	N/C
Recurring Payments	N/C	N/C

Beginning February 1, 2004, any residential Customer who enrolls in the Company's Recurring Payment Plan will be eligible to receive a one-time credit in the amount of ten dollars (\$10.00). This credit will be applied to the Customer's monthly billing statement after the Customer's first successful and valid automated payment transaction and should appear on one of the following two billing statements. Each Customer will be eligible to receive the credit only once per Customer account. A Customer becomes ineligible to receive this credit if, prior to the credit being applied to the Customer's account, one or more of the following occurs: 1) the account is suspended for non-payment of charges; 2) the account is suspended for violation(s) of regulations in this tariff; 3) the Customer cancels services or withdraws from the Recurring Payment Plan or 4) the Customer fails to comply with relevant laws and regulations.

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