

Strategic Telecom Systems, Inc.

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**STRATEGIC TELECOM SYSTEMS, INC.**

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OF

Knoxville, Tennessee

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Rates, Rules and Regulations for Furnishing  
Resale Telecommunications Services

Throughout the Entire State of Kentucky

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Filed with PUBLIC SERVICE COMMISSION OF KENTUCKY  
PUBLIC SERVICE COMMISSION OF KENTUCKY  
EFFECTIVE

**JUN 08 1997**

**ISSUED:** May 7, 1997

**EFFECTIVE:**

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

**ISSUED BY:**

Strategic Telecom

BY: *Phillip Lavin*  
DIRECTOR, RATES & RESEARCH DIV.

**BY:**

Anthony R. Catinella, President

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TITLE SHEET

STRATEGIC TELECOM SYSTEMS, INC.

TARIFF NO. 1

This tariff contains the description, regulations and rates applicable to the furnishing of telecommunications service for by STRATEGIC TELECOM SYSTEMS, INC. with principal offices at 6420 Baum Drive, Knoxville, Tennessee 37919. This tariff is on file with the Kentucky Public Service Commission ("Commission"), and copies may be inspected during normal business hours at the Company's principal place of business.

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SECTION 9 (1)

ISSUED BY: Anthony R. Catinella, President  
Strategic Telecom Systems, Inc.

BY *Phillip Lewis*  
DIRECTOR, RATES & RESEARCH DIV.

**CHECK SHEET**

All sheets of this tariff are effective as of the date shown at the bottom of the respective sheet(s). Original and revised sheets 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.

<u>Sheet</u>	<u>Revision</u>	<u>Sheet</u>	<u>Revision</u>
1	Original	21	Original
2	Original	22	Original
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**SYMBOLS**

The following are the only symbols used for the purposes indicated below:

- D - Delete or Discontinue
- I - Change Resulting In An Increase of Rates
- M - Moved From Another Tariff Location
- N - New Material
- R - Change Resulting In A Reduction of Rates
- T - Change In Text or Regulation But No Change In Rate or Charge

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BY Billie Lanning  
DIRECTOR, RATES & RESEARCH DIV.

TARIFF FORMAT

- A. Sheet Numbering - Sheet numbers appear in the upper-right corner of the sheet. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff.
- B. Sheet Revision Numbers - Revision numbers also appear in the upper-right corner of the sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, 4th Revised Sheet 34 cancels 3rd Revised Sheet 34.
- C. Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level of coding.
- 2.
  - 2.1.
  - 2.1.1.
  - 2.1.1.A.
  - 2.1.1.A.1.
  - 2.1.1.A.1.(a)
  - 2.1.1.A.1.(a).I.
  - 2.1.1.A.1.(a).I.(i)
  - 2.1.1.A.1.(a).I.(i).(1)
- D. Check Sheets - When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current sheet on file with the Commission.

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**SECTION 1 - DEFINITIONS AND ABBREVIATIONS**

1.1 Definitions:

Application for Service - A standard order form which includes all pertinent billing, technical, and other descriptive information which will enable the carrier to provide the communication service as required.

Authorization Code - A numerical code, one or more of which are assigned to a customer to enable Reseller to identify use of service on his account and to bill the customer accordingly for such service. Multiple authorization codes may be assigned to a customer to identify individual users or groups of users on his account.

Authorized User - A person, firm, corporation, or other entity authorized by the customer to receive or send communications.

Busy Hour - The two consecutive half hours during which the greatest volume of traffic is handled.

Cancellation of Order - A customer-initiated request to discontinue processing a service order, either in part or in its entirety, prior to its completion.

Carrier - Strategic Telecom Systems, Inc., unless specifically stated otherwise.

Company - Strategic Telecom Systems, Inc. also referred to as "Carrier."

Completed Calls - Completed calls are calls answered on the distance end. In the event a customer is charged for an incomplete call, the Company will issue a credit to the customer upon request.

Customer - The person, firm, corporation, or other entity which orders or uses service and is responsible by law for payment for communication service from the telephone utility.

Customer Provided Equipment - Terminal equipment provided by a customer.

Day Rate Period - 8:00 a.m. to 4:59 p.m., Monday through Friday.

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1.1 Definitions: (continued)

Disconnect - The disabling of circuitry preventing outgoing and incoming toll communication service provided by Carrier.

Due Date - The last day for payment without unpaid amounts being subject to a late payment charge.

Evening Rate Period - 5:00 p.m. to 10:59 p.m., Sunday through Friday.

Excessive Call Attempt - A customer attempt to make a call over the Carrier's network using an invalid authorization code during a measured 15 minute period within which 10 or more incomplete call attempts are made by the customer from the same customer line, and where those attempts do not complete because the customer has not used a valid authorization code.

Holidays - Carrier's recognized holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Holiday Rate Period - The Evening Rate will apply to calls made on Carrier recognized Holidays listed herein, provided, however, that calls made on Holidays during the Night/Weekend Rate Period shall be billed at the lower of the Evening Rate and the Night/Weekend Rate.

Interexchange Utility - A utility, resale carrier or other entity that provides intrastate telecommunications services and facilities between exchanges within the state, without regard to how such traffic is carried. A local exchange utility that provides exchange service may also be considered an interexchange utility.

Local Distribution Area (LDA) - Metropolitan locations served by Carrier which have been defined by the telephone company providing local service in its local exchange tariff as "local calling area."

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*Phillip S. Garcia*  
DIRECTOR, RATES & RESEARCH DIV.

1.1 Definitions: (continued)

Measured Use Service - The provision of long distance measured time communications telephone service to customers who access the carrier's services at its switching and call processing equipment by means of access facilities obtained from another carrier by the customer or otherwise provided at its own expense (the customer is responsible for arranging for the access line).

Message - A completed telephone call by a customer or user.

Network Terminal - Any location where carrier provides services described herein.

Night/Weekend Rate Period - 11:00 p.m. to 7:59 a.m., every day; 8:00 a.m. to 10:59 p.m. Saturday; and 8:00 a.m. to 4:59 p.m. Sunday.

Normal Business Hours - 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding holidays.

Physical Change - The modification of an existing circuit, dedicated access line, or port at the request of the customer requiring some physical change or retermination.

Premises - The space occupied by an individual customer in a building, in adjoining buildings occupied entirely by that customer, or on contiguous property occupied by the customer separated only by a public thoroughfare, a railroad right of way or a natural barrier.

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1.1 Definitions: (continued)

Speed Number - A signaling arrangement by which a customer may elect to dial a pre-programmed four digit number in place of a designated ten digit number.

Terminal Equipment - All telephone instruments, including pay telephone equipment, the common equipment of large and small key and PBX systems and other devices and apparatus, and associated wiring, which are intended to be connected electrically, acoustically or inductively to the telecommunication system of the telephone utility.

Validated Account Codes - Account Codes that have restricted access.

1.2 Abbreviations:

ANI - Automatic Number Identification

FCC - Federal Communications Commission

IXC - Interexchange Carrier

LATA - Local Access Transport Area

LDA - Local Distribution Area

LEC - Local Exchange Carrier

MTS - Message Toll Service

NSF - Non-Sufficient Funds

PBX - Private Branch Exchange

SAL - Special Access Line

V&H - Vertical and Horizontal

WATS - Wide Area Telephone Service

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BY: Debbie L. Garcia  
DIRECTOR, RATES & RESEARCH D<sup>1</sup>

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**SECTION 2 - RULES AND REGULATIONS**

2.1 Carrier Undertaking

Carrier provides long distance message toll telephone service to customers for their direct transmission of voice, data, and other types of telecommunications.

Communications originate when the customer accesses Carrier directly or through the facilities of the local service carrier via one or more access lines, equal access or on a dial-up basis. Carrier may act as the customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the customer, to allow connection of a customer's location to the Carrier network. The customer shall be responsible for all charges due for such service arrangements.

The Company's services are provided on a monthly basis unless otherwise stated in this tariff, and are available twenty-four (24) hours per day, seven (7) days per week.

2.2 Limitations on Service

2.2.1 Service is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.

2.2.2 Carrier reserves the right to discontinue furnishing service upon written notice, when necessitated by conditions beyond its control or when the customer is using the service in violation of the provisions of this tariff or in violation of the law.

2.2.3 Title to any equipment provided by Carrier under these regulations remains with Carrier. 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 for service.

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2.3 Use of Service

Service may not be used for any unlawful purposes.

The minimum period for service is one month (30 days), unless otherwise noted in the customer's service agreement.

2.4 Limitation of Liability

2.4.1 The liability of the carrier for damages arising out of mistakes, omissions, interruptions, delays errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the customer, commences upon activation of service and in no event exceeding an amount equivalent to the proportionate charge to the customer for the period of service during which the mistake, omission, interruption, delay, error or defect in transmission occurred. For the purpose of computing such amount, a month is considered to have 30 days.

2.4.2 The carrier is not liable for any act or omission of any other company or companies furnishing a portion of the service.

2.4.3 Carrier shall be indemnified and held harmless by the customer against all other claims arising out of any act or omission of the customer in connection with any service provided by the carrier.

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**2.4 Limitation of Liability (continued)**

2.4.4 The carrier shall not be liable for and the customer indemnifies and holds the carrier harmless from any and all loss claims, demands, suits, or other action or liability whatsoever, whether suffered, made, instituted or asserted by the customer or by any other party or persons, for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of the customer or any other property, whether owned by the customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of the equipment or wiring provided by the carrier where such installation, operation, failure to operate, maintenance, condition, location or use is not the direct result of the carrier's negligence. No agents or employees of other carriers shall be deemed to be agents or employees of the carrier.

**2.5 Interruption of Service**

A credit allowance for interruptions of service which are not due to Carrier's testing or adjusting, to the negligence of the customer, or to the failure of the channels, equipment, and/or communications systems provided by the customer, are subject to the general liability provisions set forth herein. It shall be the obligation of the customer to notify Carrier of any interruption in service. Before giving such notice, the customer shall ascertain that the trouble is not being caused by any action or omission by or within the customer's control and is not in wiring or equipment connected to the Carrier terminal.

**2.6 Restoration of Service**

The use and restoration of service in emergencies shall be in accordance with the Part 64, Subpart D of the Federal Communications Commission's Rules and Regulations which specifies the priority system for such activities.

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2.7 Customer Responsibility

2.7.1 All customers assume general responsibilities in connection with the provisions and use of Carrier's service. When facilities, equipment, and/or communication systems provided by others are connected to Carrier's facilities, the customer assumes additional responsibilities. All customers are responsible for the following:

A. The customer is responsible for placing orders for service, paying all charges for service rendered by Carrier and complying with all of Carrier's regulations governing the service. The customer is also responsible for assuring that its users comply with regulations.

B. When placing an order for service, the customer must provide:

1. The name(s) and address(es) of the person(s) responsible for the payment of service charges.

2. The name(s), telephone number(s), and address(es) of the customer contact person(s).

2.7.2 Maintenance, Testing, and Adjustment

Upon reasonable notice, the equipment provided by Carrier shall be made available to Carrier for such tests and adjustments as may be necessary to maintain them in satisfactory condition. No interruption allowance will be granted for the time during which such tests and adjustments are made.

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2.7.3 Deposits

The Company does not require a deposit for service.

2.7.4 Credit Allowance

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

- A. Credit allowances for failure of service or equipment starts when the customer notifies Carrier of the failure or when Carrier becomes aware of the failure and ceases when the operation has been restored and an attempt has been made to notify the customer.
- B. The customer shall notify Carrier of failures of service or equipment and make reasonable attempts to ascertain that the failure is not caused by customer provided facilities, any act, or omission of the customer or in wiring or equipment connected to the terminal.
- C. Only those portions of the service or equipment operation disabled will be credited. No credit allowances will be made for:
  - 1. Interruptions of service resulting from Carrier performing routine maintenance;
  - 2. Interruptions of service for implementation of a customer order for a change in the service;
  - 3. Interruption caused by the negligence of the customer or his authorized user;
  - 4. Interruptions of service because of the failure of service or equipment due to customer or authorized user provided facilities.

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**2.7.5**      Cancellation by Customer

If a customer orders services requiring special equipment and/or facilities dedicated to the customer's use and then cancels his order before the service begins, a charge will be made to the customer for the non-recoverable portions of expenditures or liabilities incurred expressly on behalf of the customer by Carrier and not fully reimbursed by installation and monthly charges. If, based on such an order, any construction has either begun or been completed, but no such services provided, the non-recoverable cost of such construction shall be borne by the customer.

**2.7.6**      Payment and Billing

- A. Service is provided and billed on a monthly basis. Each customer bill will set forth the company's name, address and toll free Customer Service telephone number which is available 24 hours per day. Each bill will list the charges for individual calls made and taxes will be listed as separate line items. The date after which a penalty may apply to the gross amount shall be indicated on the customer's bill.
- B. Payment is due upon receipt. Payment will be considered timely if paid within 20 days after the bill is rendered. The bill shall be considered rendered when deposited in the U.S. mail with postage prepaid.
- C. In the event of a dispute concerning a bill, Customer must pay a sum equal to the amount of the undisputed portion of the bill and proceed with complaint procedures set forth in this tariff.
- D. The customer is responsible for payment of all charges for service furnished to the customer under this tariff. Charges are based on actual usage during a month will be billed monthly in arrears.

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2.7.6 Payment and Billing (continued)

- E. Customer is responsible for payment of any state and local taxes (i.e. gross receipts tax, sales tax, municipal utilities tax) which will be listed as separate line items and which are not included in the quoted rates.
- F. In accordance with KAR 5:006 Section 8 (3)(h), Customers failing to pay a bill for services by the due date will be charged a one-time late payment penalty on the amount owed for such services. Any payment received by the customer will first be applied to the bill for services rendered.
- G. Prepaid Calling Card services will be billed directly by the underlying service provider.

2.7.7 Application of Charges

The charges for service are those charges in effect during the period in service was furnished.

2.7.8 Customer Complaint Procedure

Carrier will resolve any disputes brought to its attention as promptly and effectively as possible. Customer Service Representatives can be reach via 1-800-370-9060. This toll free telephone number is stated on all customer bills. The toll free number for prepaid calling cards will be listed on each individual card.

Any unresolved disputes may be directed to the attention of the Commission.

In the event of a dispute concerning an invoice, the customer must pay a sum equal to the amount of the undisputed portion of the bill and notify the Company of the disputed portion.

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2.8 Carrier Responsibility

2.8.1 Calculation of Credit Allowance

Pursuant to limitations set forth herein, when service is interrupted the credit allowance will be computed on the following basis:

- A. No credit shall be allowed for an interruption of less than two hours.
- B. When a minimum usage charge is applicable and the customer fails to meet a usage minimum credit, the outage shall be applied against that minimum equal to 1/360th of the monthly minimum charges associated with the portion of service disabled for each period of two hours or major fraction thereof that the interruption continues beyond two hours.
- C. Carrier will try its best to resolve any disputes properly brought to its attention. Unresolved disputes may be directed to the attention of the Commission.

2.8.2 Cancellation of Credit

Where Carrier cancels a service or the provision of equipment and the final service period is less than the monthly billing period, a credit will be issued for any amounts billed in advance, prorated at 1/30th of the monthly recurring charge for each day the service was rendered or the equipment was provided. This credit will be issued to the customer or applied against the balance remaining on the customer's account.

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2.8.3 Disconnection of Service by Carrier

Carrier, upon 10 days written notice to the customer, may discontinue service or cancel an application for service without incurring any liability for any of the following reasons:

- A. Non-payment of any sum due to Carrier for service for more than thirty days beyond the date of rendition of the bill for such service;
- B. A violation of any regulation governing the service under this tariff;
- C. A violation of any law, rule, or regulation of any government authority having jurisdiction over the service; or
- D. Carrier is prohibited from furnishing services by order of a court or other government authority having jurisdiction.
- E. Carrier may immediately terminate service, without notice if a dangerous condition exist which could subject a person to imminent harm.

2.8.4 Fractional Monthly Charges

Charges for a fractional part of a month are calculated by counting the number of days in the billing period service was discontinued. Divide the number of days by thirty days and then multiply by the monthly charge.

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**SECTION 3 - DESCRIPTION OF SERVICE AND RATES**

3.1 Timing of Calls

The customer's monthly usage charges for Carrier service are based upon the total number of minutes the customer uses and service options subscribed to. Chargeable time begins when the connection is established between the calling station and the called station or PBX. Chargeable time ends when the either party "hangs up."

There are no charges incurred if a call is not completed.

3.2 Start of Billing

The Start of Service date is the first day which service is actually provided to the customer. The End of Service date is the last day or any portion thereof that service is provided to customer.

3.3 Interconnection

Services furnished by Carrier may be interconnected with services or facilities of other authorized communications common carriers and with private systems, subject to the technical limitations established by Carrier. Service furnished by Carrier is not part of a joint undertaking with such other carriers. Any special interface equipment of Carrier and other participating carriers shall be provided at the customer's expense.

The customer is responsible for taking all necessary legal steps for interconnecting his customer-provided terminal equipment or communications systems with Carrier's. The customer shall secure all licenses, permits, right-of-ways, and other arrangements necessary for such interconnection.

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DIRECTOR OF RATES & RESEARCH DIV.

3.4 Terminal Equipment

Carrier's service may be used with or terminated in customer provided terminal equipment or customer provided communication systems, such as teleprinters, handsets, or data sets. Such terminal equipment will be furnished and maintained at the expense of the providing customer, except as otherwise agreed in advance and in writing. The customer is responsible for all costs at their premises, including personnel, wiring, electrical power, and the like incurred in the use of Carrier's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry.

3.5 Calculation of Distance

Usage charges are generally flat rated. However, if a rate is based on the airline mileage between points, the calculations are made as follows:

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The company uses the rate centers and associated vertical and horizontal coordinates defined by AT&T in its FCC tariff No. 10.

Formula: 
$$\sqrt{\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}}$$

3.6 Minimum Call Completion Rate

The customer can expect a call completion rate of 99% of calls attempted during peak use periods.

3.7 Special Services

A Special Service is deemed to be any service requested by the customer for which there is no prescribed rate in this tariff. Special Services charges will be developed on an individual case basis and submitted to the Commission for prior approval.

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3.8 Service Offerings

The Company will provide the following services:

3.8.1 Message Toll Service (MTS)

"1+" Dialing is achieved by customer's telephone lines being programmed by the local telephone company (LEC) to automatically route 1+ calls to the Company's network.

In non-equal access areas, the customer gains access to the network by dialing a 10XXX access code provided by the Company.

3.8.2 800 Service

800 Service is virtual banded inbound toll service which permits calls to be completed at the subscriber's location without charge to the calling party. Access to the service is gained by dialing a ten digit telephone number which terminates at the customer's location. 800 services originate via normal shared use facilities and are terminated via the customers' local exchange service access line.

Carrier will accept a prospective 800 service customer's request for up to ten (10) 800 telephone numbers and will reserve such number(s) on a first come first serve basis. All requests for 800 number reservations must be made in writing, dated and signed by a responsible representative of the customer. Carrier does not guarantee the availability of number(s) until assigned. The 800 services telephone number(s) so requested, if found to be available, will be reserved for and furnished to the eligible customer.

If a customer who has received an 800 number does not subscribe to 800 service within 90 days, the company reserves the right to make the assigned number available for use by another customer.

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PURSUANT TO 807 KAR 5.011,  
SECTION 9 (1)  
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3.8.3 Travel Card Service

Allows subscribers who are away from home or office to place calls by gaining access to the Carrier's network via an 800 number and personal identification code issued by the Company.

3.8.4 Directory Assistance

The Company will not provide directory assistance service.

3.8.5 Operator Service

The company will not provide alternative operator service.

All 0- and 911 emergency calls will be immediately defaulted directly to the LEC for proper handling.

3.8.6 Prepaid Calling Card Service

A. General:

Prepaid Calling Card Service is voice grade switched telecommunications service that allows an end user to place calls charged to prepaid cards issued by the company. The end user accesses the network by dialing an 800 number printed on the back of the card via a touch-tone telephone.

Cards will be offered to customers on a first come, first served basis. The number of cards offered by the company will be subject to technical limitations.

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3.8.6 Prepaid Calling Card Service (continued)

B. Unit Value:

Prepaid Calling Cards may be obtained from the company or authorized agent in various denominations with a per unit value which is inclusive of all taxes. One unit equals one minute (or fraction thereof) of domestic calling. The prices apply 24 hours per day, 7 days a week.

Unless the card is given away by STS to its Independent Representatives as part of a promotion, the value of the long distance telephone service assigned to the card will be clearly and prominently printed on the card in dollar amounts (e.g. \$5.00, \$10.00, \$15.00, etc.) or on the individual enclosure containing the card.

The total number of minutes assigned to each card will be clearly and prominently printed on the card (e.g. 5, 10, 15, 20, 30 minutes, etc.) or on the individual enclosure containing the card.

At the time of sale, prepaid calling card customers will have information which allows them to know, or compute the price per minute of intrastate calls for the prepaid card (i.e., either the price per minute, or the price of the card and the number of minutes provided on the card, or on the individual enclosure containing the card.)

Credit allowances for failure of service will be granted in accordance with the terms set forth in this tariff.

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**3.8.6**      Prepaid Calling Card Service    (continued)**C.**      Collector Cards:

An additional fee will be incurred by the customer in instances where the card itself has value distinct from the value of the underlying telecommunications service. These instances occur where the card is specially printed to depict a picture of a licensed property or where the materials used in production of the card have independent value.

The tariff usage value of the prepaid calling card will be shown on one side of the card (and will apply to all telephone calls made using the card) and the independent, or collector's value may be displayed on the opposite side of the card.

**D.**      Exclusions:

The following types of calls can not be completed with Prepaid Calling Card Service:

- 1.) Calls to 700, 800, 900 and 950 numbers;
- 2.) Calls to Directory Assistance; and
- 3.) Operator Assisted Calls at a surcharge. (Call completion will be provided by customer service personnel at no charge to the customer if the customer encounters difficulty in completing a call.)

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3.8.6 Prepaid Calling Card Service (continued)

E. Card Depletion/Renewal and Expiration:

Prepaid Calling Cards will be reduced and depleted proportionately with customer usage. At the beginning of each call, the user will be notified as to the amount of minutes available on the card. Customers will be given a notice one minute before the card balance is depleted. When the available time is depleted, the card will be terminated.

Except in the instance of cards utilized for international calling, no card will be decremented in increments that exceed one full minute. That is, rates will be charged in increments not exceeding one full minute. If a prepaid calling card expires on a certain date, that date will be clearly and prominently indicated on the card. If the card expires a certain amount of time after activation or after first use, or after last use, that will be clearly indicated. If an expiration date is not disclosed, the card will be active as long as time remains on the card.

The end user can extend the use of a Prepaid Calling Card by charging additional units on an authorized credit card. The system will "voice prompt" the user through the process necessary to purchase these additional increments or information may be provided directly to customer service representatives. An online credit check will be done to ensure that approved credit is available.

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**3.8.6**     Prepaid Calling Card Service     (continued)**E.**     Card Depletion/Renewal and Expiration: (cont.)

A prepaid card will have a clearly defined procedure for refunding the consumer's money or reissuing a new prepaid card should a prepaid card become unusable. Such refund shall be equal to the value remaining on the consumer's card. This information is available from the card provider either through its toll free 1-800 customer service number, or its refund and reissue policy will be printed on the card. The term "unusable" means that the issuer has ceased providing telephone service for the card, or the Commission has determined that the inadequacy of service provided makes the card unusable.

**F.**     Special Responsibility

The company is not responsible for theft, loss or unauthorized use of any Prepaid Calling Card of the associated Personal Identification Number (PIN). Where applicable, the reseller of Prepaid Calling Cards is solely responsible for the collection and payment of all applicable federal, state and local use, excise, sales and/or privilege taxes, duties or similar fees assessed by any government body or regulatory authority in connection with the service.

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3.8.6 Prepaid Calling Card Service (continued)

G. Card Distributors

The company will make Prepaid Calling Cards available to wholesalers or distributors whose price per card will be based on the number of cards purchased and frequency of purchases.

H. Sample Prepaid Calling Cards

If a prepaid calling card is a sample (a sample card is one with no time allocated to it), or other non-functioning card, the card will clearly indicate, either on the card or on the individually enclosure containing the card, that it is a sample with no time assigned to it.

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**SECTION 4 - RATES AND CHARGES**

4.1. Usage Charges and Billing Increments

A. Usage Charges

Unless flat rated, usage charges are determined by the time of day rate periods and minutes of use within each rate period. The rate period is determined by the time and day of call origination at the customer's location.

B. Billing Increments

Usage is billed in increments set forth in the individual product rate sections.

C. Rounding

All calls are rounded to the next highest billing increment. Any partial cents per call will be rounded up to the next highest cent.

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**4.2 Switched 1+ MTS Rates**

The rates set forth below are based upon customer's actual prior monthly usage or upon a reasonable estimate of service to be used on a monthly basis.

**Residential Plans:**

<u>Plan</u>	<u>Monthly Usage</u>	<u>Rate Per Minute</u>
Plan 1	\$ 0 - \$ 99	\$0.1750
Plan 2	\$100 - \$ 199	\$0.1650
Plan 3	\$200 - \$ 299	\$0.1550
Plan 4	\$300 - \$ 499	\$0.1450
Plan 5	\$500 +	\$0.1350

**Commercial Plans:**

<u>Plan</u>	<u>Monthly Usage</u>	<u>Rate Per Minute</u>
Plan 6	\$ 0 - \$ 199	\$0.1600
Plan 7	\$200 - \$ 399	\$0.1500
Plan 8	\$400 - \$ 699	\$0.1400
Plan 9	\$700 - \$ 999	\$0.1300
Plan 10	\$1000 +	\$0.1200

Billed in whole minute increments.

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4.3 800 Service Rates

The rates set forth below are based upon customer's actual prior monthly usage or upon a reasonable estimate of service to be used on a monthly basis.

**Residential Plans:**

<u>Plan</u>	<u>Monthly Usage</u>	<u>Rate Per Minute</u>
Plan 1	\$ 0 - \$ 99	\$0.1750
Plan 2	\$100 - \$ 199	\$0.1650
Plan 3	\$200 - \$ 299	\$0.1550
Plan 4	\$300 - \$ 499	\$0.1450
Plan 5	\$500 +	\$0.1350

**Commercial Plans:**

<u>Plan</u>	<u>Monthly Usage</u>	<u>Rate Per Minute</u>
Plan 6	\$ 0 - \$ 199	\$0.1600
Plan 7	\$200 - \$ 399	\$0.1500
Plan 8	\$400 - \$ 699	\$0.1400
Plan 9	\$700 - \$ 999	\$0.1300
Plan 10	\$1000 +	\$0.1200

Monthly Service Charge: \$5.00 per line.

Billed in whole minute increments.

4.4 Travel Card Service Rates

Per Call Surcharge: \$0.50 per call

The Rates Per Minute set forth below are applicable to Travel Card Service in addition to the surcharge stated above:

<u>Plan</u>	<u>Monthly Usage</u>	<u>Rate Per Minute</u>
Plan A	\$ 0 - \$ 499	\$0.3000
Plan B	\$ 500 - \$ 999	\$0.2500
Plan C	\$1,000 +	\$0.2000

Billed in whole minute increments.

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4.5 Prepaid Calling Card Rates

Prepaid calling cards rates will remain uniform during the life of the card.

4.5.1 End User Rate Maximum of \$1.00 per minute to end users.

4.5.2 Distributor Rates

**5 Minute Cards:**

<u>Quantity</u>	<u>Wholesale Price/Minute</u>
10	\$0.450
20	\$0.425
100	\$0.400
200	\$0.375
1,000	\$0.350
2,000	\$0.325
5,000	\$0.300
10,000	\$0.275
20,000	\$0.250

**10 Minute Cards:**

<u>Quantity</u>	<u>Wholesale Price/Minute</u>
4	\$0.450
10	\$0.425
50	\$0.400
100	\$0.375
500	\$0.350
1,000	\$0.325
2,500	\$0.300
5,000	\$0.275
10,000	\$0.250

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4.5.2 Distributor Rates (continued)**20 Minute Cards:**

<u>Quantity</u>	<u>Wholesale Price/Minute</u>
2	\$0.450
6	\$0.425
24	\$0.400
50	\$0.375
250	\$0.350
500	\$0.325
1,250	\$0.300
2,500	\$0.275
5,000	\$0.250

All Prepaid Calling Card services will be billed in whole minute increments.

4.6 Returned Check Charge

Any customer issuing Carrier check(s) returned to Carrier will be charged \$15.00 per check.

4.7 Special Promotions

Carrier may from time to time offer special promotions to customers upon prior Commission approval of such promotion.

4.8 Late Payment Penalty

In accordance with KAR 5:006 Section 8 (3)(h), Customers failing to pay a bill for services by the due date will be charged a one-time late payment penalty on the amount owed for such services. Any payment received by the customer will first be applied to the bill for services rendered.

Customers will be charged 1.5% of any amounts owed to the Company beyond the due date as set forth within this tariff.

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