
2. GENERAL REGULATIONS

2.1. UNDERTAKING OF THE COMPANY

2.1.1. SCOPE

The Company undertakes to furnish Access Service in accordance with the terms and conditions set forth in this Service Guide.

2.1.2. SHORTAGE OF FACILITIES

All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing services when necessary because of the lack of transmission medium capacity or because of any causes beyond its control. The Company shall not be liable for errors in transmission or for failure to establish connections.

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

2.1.3. TERMS AND CONDITIONS

- A. The minimum period for which service is provided and for which rates and charges are applicable is one month unless otherwise specified. When a service is discontinued prior to the expiration of the minimum period, charges are applicable, whether the service is used or not. In addition to the one (1) month minimum, termination liabilities may apply to early cancellation of a service purchased under a Term Agreement.
- B. 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 services, and the terms and conditions in this Service Guide. Customers will also be required to execute any other documents as may be reasonably requested by the Company. Orders for Switched Access are deemed made by the Customer, and initiation of the respective obligations of the parties as set forth in this Service Guide takes place, upon the routing of calls by the Customer to and from the Company.
- C. In any action between the parties to enforce any provision of this Service Guide, the prevailing party shall be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.

2. GENERAL REGULATIONS

2.1. UNDERTAKING OF THE COMPANY (CONT'D)

2.1.3. TERMS AND CONDITIONS (CONT'D)

- D. The Company shall comply with all rules and regulations issued by the Commission. In addition, the regulations set forth herein apply to all services offered throughout this Service Guide unless otherwise specified in the service specific section of this Service Guide.

E. Use of Service

The services the Company offers shall not be used for any unlawful purpose or for any use for which the Customer has not obtained all required governmental approvals, authorization, licenses, consents and permits.

The Company may require applicants for service who intend to use the Company's offering for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and regulations, policies, orders and decisions.

The Company may require a Customer to immediately shut down its transmission if such transmission is causing interference to others.

Recording of telephone conversations of service provided by the Company is prohibited except as authorized by applicable federal, state and local laws.

F. Ownership of Facilities

The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, number, process, or code. All right, title and interest to such items remain, at all times, solely with the Company.

G. Interconnection

The Company will provide for interconnection with other carriers in accordance with the rules and regulations promulgated by the Commission.

H. Service may be terminated upon written notice to the Customer if:

1. The Customer is using the service in violation of this Service Guide; or
2. The Customer is using the service in violation of the law.

I. This Service Guide shall be interpreted and governed by the laws of the state of New Hampshire without regard for its choice of laws provision.

2. GENERAL REGULATIONS**2.1. UNDERTAKING OF THE COMPANY (CONT'D)****2.1.4. PROVISION OF EQUIPMENT AND FACILITIES**

- A. The Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in this Service Guide. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.
- B. The Company shall use reasonable efforts to maintain facilities and equipment that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by the Company, except upon the written consent of the Company.
- C. The Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided the Customer, without the prior consent of the Customer, which shall not be unreasonably withheld.
- D. Equipment the Company provides or installs at the Customer premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.
- E. The Customer shall be responsible for the payment of service charges as set forth herein for visits by the Company's agents or employees to the premises of the Customer when the service difficulty or trouble report results from the use of equipment or facilities provided by any party other than the Company, including but not limited to the Customer.
- F. 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 Service Guide, the responsibility of the Company shall be limited to the furnishing of facilities offered under this Service Guide and to the maintenance and operation of such facilities. Subject to this responsibility, the Company shall not be responsible for:
 - 1. The transmission of signals by the customer-provided equipment or for the quality of, or defects in, such transmission; or
 - 2. The reception of signals by customer-provided equipment.

2. GENERAL REGULATIONS**2.1. UNDERTAKING OF THE COMPANY (CONT'D)****2.1.4. PROVISION OF EQUIPMENT AND FACILITIES (CONT'D)**

- G. Service is offered subject to the availability of facilities and provision of this Service Guide. The Company's obligation to furnish facilities and service is dependent upon its ability to secure and retain, without unreasonable expense, suitable facilities from the underlying carrier, if an underlying carrier is involved.
- H. The Company shall not be required to furnish, or continue to furnish, facilities or service where the circumstances are such that the proposed use of the facilities or service would tend to adversely affect the Company's property, service or economic conditions.
- I. Service furnished by the Company may be physically or logically connected with services or facilities of affiliated or unaffiliated third parties and with private systems, subject to technical limitations established by the Company. Service furnished by the Company may make use of the services, facilities or equipment owned, or controlled either directly or via contractual or other arrangements, by the Company.

2.1.5. LIABILITY OF THE COMPANY

- A. The liability of the Company for damages arising out of the furnishing of its Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts or omission, shall be limited to the extension of allowances for interruption as set forth in Section 2.5. The extension of such allowances for interruption shall be the sole remedy of the Customer and the sole liability of the Company. The Company will not be liable for any direct, indirect, incidental, special, consequential, exemplary or punitive damages to Customer as a result of any Company service, equipment or facilities, or the acts or omissions or negligence of the Company's employees or agents
- B. The Company shall not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockouts, work stoppages, or other labor difficulties.

2. GENERAL REGULATIONS**2.1. UNDERTAKING OF THE COMPANY (CONT'D)****2.1.5. LIABILITY OF THE COMPANY (CONT'D)**

- C. When the services or facilities of third-parties are used separately or in conjunction with the Company's facilities or equipment in establishing a physical or logical connection to points not reached by the Company's facilities or equipment, the Company shall not be liable for any act or omission of such third-parties or their agents or employees.
- D. The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of customer-provided equipment or facilities.
- E. The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any 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 any installation so provided. The Company reserves the right to require each Customer to sign an agreement acknowledging acceptance of the provisions of this Section 2.1.5.E as a condition precedent to such installations.
- F. The Company is not liable for any defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof, unless such defacement or damage is caused by negligence or willful misconduct of the Company's agents or employees.
- G. The Company shall be indemnified, defended, and held harmless by the Customer against any claim, loss or damage arising from the Customer's use of services involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.
- H. The entire liability for any claim, loss, damage or expense from any cause whatsoever shall in no event exceed sums actually paid to the Company by the Customer for the specific services giving rise to the claim. No action or proceeding against the Company shall be commenced more than one year after the service is rendered.
- I. The Company makes no warranties or representations, express or implied either in fact or by operation of law, statutory or otherwise, including warranties of merchantability or fitness for a particular use, except those expressly set forth herein.

2. GENERAL REGULATIONS**2.1. UNDERTAKING OF THE COMPANY (CONT'D)****2.1.6. DISCONTINUANCE OF SERVICE FOR CAUSE**

- A. Upon nonpayment of any amounts owing to the Company, the Company may, by giving 24 hours prior written notice to the Customer, discontinue or suspend service without incurring any liability.
- B. Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 24 hours prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.
- C. Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.
- D. Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, or failing to discharge an involuntary petition within the time permitted by law, the Company may immediately discontinue or suspend service without incurring any liability.
- E. Upon any governmental prohibition or required alteration of the services to be provided or any violation of an applicable law or regulation, the Company may immediately discontinue service without incurring any liability.
- F. In the event of fraudulent use of the Company's network, the Company may without notice suspend or discontinue service. The Customer will be liable for all related costs. The Customer will also be responsible for payment of any reconnection charges.
- G. Upon the Company's discontinuance of service to the Customer under 2.1.6.A. or 2.1.6.B., the Company, in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this Service Guide, 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.

2. GENERAL REGULATIONS

2.2. OBLIGATIONS OF THE CUSTOMER

2.2.1. CUSTOMER PREMISES PROVISIONS

- A. The Customer shall provide the personnel, power and space required to operate all facilities and associated equipment installed on the premises of the Customer.
- B. The Customer shall be responsible for providing Company personnel access to premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Company.

2.2.2. LIABILITY OF THE CUSTOMER

- A. The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invitees, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.
- B. To the extent caused by any negligent or intentional act of the Customer as described in A., preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees, for (1) any loss, destruction or damage to property of any third party, (2) the death of or injury to persons, including, but not limited to, employees or invitees of either party, and (3) any liability incurred by the Company to any third party pursuant to this or any other price list or tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.
- C. The Customer shall not assert any claim against any other Customer or user of the Company's services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this Service Guide including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other Customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other Customer or user and not by any act or omission of the Company. Nothing in this Service Guide is intended either to limit or to expand the Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.

2. GENERAL REGULATIONS**2.2. OBLIGATIONS OF THE CUSTOMER (CONT'D)****2.2.3. DETERMINATION OF JURISDICTION**

When ordering Switched Access Service, the Customer may be required to provide a projected PIU factor, which may be subject to audit by the Company. Where jurisdiction can be determined from the call detail, the Company will develop a projected PIU factor from the call detail which will be used to bill the Customer.

The Company will use the jurisdictional report provided by the Customer, or, in the absence of such report, the Company projected PIU factor developed from the call detail, to bill all interstate and intrastate rates and/or nonrecurring charges until the Company receives a revised report from the Customer or updates the Company projected PIU factor developed from the call detail.

The Customer shall keep sufficient detail from which the PIU can be ascertained for at least 18 months and upon request of the Company make the records available for inspection. Such a request will be initiated by the Company no more than once per year. The Customer shall supply the data within thirty (30) calendar days of the Company request.

The Company may, in its sole discretion:

- waive any and all of the jurisdictional reporting obligations imposed by this Service Guide on the Customer and/or the Company, or
- assign a default PIU of 50%.

2.2.4. CHANGES IN SERVICE REQUESTED

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

2.2.5. NOTICE TO COMPANY FOR CANCELLATION OF SERVICE

Customers desiring to terminate service shall provide the Company 30 days written notice of their desire to terminate service.

2. GENERAL REGULATIONS**2.2. OBLIGATIONS OF THE CUSTOMER (CONT'D)****2.2.6. CLAIMS**

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

- A. Any loss, destruction or damage to property of the Company or any third party, or the death or injury to persons, including, but not limited to, employees or invitees of either party, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- 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, without limitation, use of Company services and facilities in a manner not contemplated by the agreement between the Customer and the Company.

2.2.7. TRANSFERS AND ASSIGNMENTS

The Customer may not assign or transfer the use of service without the express prior written consent of the Company. The Company will only permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company. Such transfer or assignment shall only apply where there is no interruption of the use or location of service. All rates, terms and conditions shall apply to all such permitted transferees or assignees.

2. GENERAL REGULATIONS**2.3. CUSTOMER EQUIPMENT AND CHANNELS****2.3.1. INTERCONNECTION OF FACILITIES**

In order to protect the Company's facilities and personnel and the services furnished to other customers by the Company from potentially harmful effects, the signals applied to the Company's service shall be such as not to cause damage to the facilities of the Company. Any special interface equipment necessary to achieve the compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.

- A. The Company may, upon notification to the Customer, at a reasonable time, make such tests and inspections as may be necessary to determine that the Customer is complying with the Company's requirements for the installation, operation and maintenance of customer-provided equipment and for the wiring of the connection of Customer equipment to Company-owned facilities.
- B. If the protective requirements in connection with customer-provided equipment are not being complied with, the Company may take such action as necessary to protect its facilities and personnel and will promptly notify the Customer by registered mail in writing of the need for protective action. In the event that the Customer fails to advise the Company within 10 days after such notice is received or within the time specified in the notice that corrective action has been taken, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

2.3.2. INSPECTION AND TESTING

- A. Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary, without penalty or liability, to determine that the Customer is complying with the requirements set forth in Section 2.3 for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of customer-provided facilities and equipment to Company-owned facilities and equipment.
- B. 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 will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

2. GENERAL REGULATIONS**2.4. ORDERING, RATING AND BILLING OF ACCESS SERVICES WHERE MORE THAN ONE EXCHANGE COMPANY IS INVOLVED**

The Company accepts and adheres to the Ordering and Billing Forum guidelines, Multiple Exchange Carrier Access Billing (MECAB) and Multiple Exchange Carrier Ordering and Design (MECOD).

2.5. ALLOWANCE FOR INTERRUPTIONS IN SERVICE**2.5.1. GENERAL**

- A. A credit allowance will be given when service is interrupted, except as specified in 2.5.2, following. A service is interrupted when it becomes inoperative to the Customer; e.g., the Customer is unable to transmit or receive because of a failure of a component furnished by the Company under this Service Guide.
- B. An interruption period begins when the Customer reports a service, facility or circuit to be inoperative and, if necessary, releases it for testing and repair. An interruption period ends when the service, facility, or circuit is operative.
- C. If the Customer reports a service, facility, or circuit to be interrupted but declines to release it for testing and repair, the service, facility, or circuit is considered to be impaired but not interrupted. No credit allowances will be made for a service, facility, or circuit considered by the Company to be impaired.

2.5.2. NOTIFICATION OF SERVICE-AFFECTING ACTIVITIES

The Company will provide the Customer reasonable notification of service-affecting activities 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 routine preventative maintenance. Generally, such activities are not specific to an individual Customer but affect many customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the Customer may not be possible.

2. GENERAL REGULATIONS

2.5. ALLOWANCE FOR INTERRUPTIONS IN SERVICE (CONT'D)

2.5.3. LIMITATIONS ON ALLOWANCES

No credit allowance will be made for any interruption in service:

- A. Due to the negligence of or noncompliance with the provisions of this Service Guide by any person or entity other than the Company, including but not limited to the Customer or other common carriers connected to the service of the Company;
- B. Due to the failure of power, equipment, systems, connections or services not provided by the Company;
- C. Due to circumstances or causes beyond the control of the Company;
- D. During any period in which the Company is not given full and free access to its facilities and equipment for the purposes of investigating and correcting interruptions;
- E. During any period in which the Customer continues to use the service on an impaired basis;
- F. 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;
- G. That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction; and
- H. That was not reported to the Company within thirty (30) days of the date that service was affected.

2.5.4. USE OF ANOTHER MEANS OF COMMUNICATIONS

If the Customer elects to use another means of communications during the period of interruption, the Customer must pay the charges for the alternative service used.

2. GENERAL REGULATIONS**2.5. ALLOWANCE FOR INTERRUPTIONS IN SERVICE (CONT'D)****2.5.5. APPLICATION OF CREDITS FOR INTERRUPTIONS IN SERVICE**

In case of an interruption to any service, allowance for the period of interruption, if not due to the negligence of the Customer, shall be as follows:

- A. For Switched Access Service, no credit shall be allowed for an interruption of less than 24 hours. The Customer shall be credited for an interruption of 24 hours or more at the rate of 1/30 of (a) any applicable monthly rates, or (b) the assumed minutes of use charge for each period of 24 hours or major fraction thereof that the interruption continues.
- B. The credit allowance(s) for an interruption or for a series of interruptions shall not exceed (a) any applicable monthly rates, or (b) the assumed minutes of use charge for the service interrupted in any one monthly billing period.

2.6. PRIVACY RULES

Automatic Number Identification (ANI) derived information may be used only for billing, routing, screening, ensuring network performance, completing calls or performing, services directly related to the telephone caller's original call or transaction. Therefore, should the business that receives ANI information have an established Customer relationship with the caller, the business may offer products or services to the caller that are directly related to the products or services previously purchased by the caller. The business that receives ANI information may not establish marketing lists or conduct ongoing market calls for unrelated products or services or sell the information derived from ANI (caller's name, address, telephone billing number, purchasing habits, etc.) to third parties unless it gets the prior written consent of the caller.

2. GENERAL REGULATIONS**2.7. APPLICATION OF RATES AND CHARGES**

The regulations set forth in this section govern the application of rates for services contained in other sections of this Service Guide.

2.7.1. MEASURING ACCESS MINUTES

Customer traffic will be measured in minutes of use by the Company at its End Office, Trunk Gateway, or functionally equivalent locations. Originating and terminating calls will be measured (i.e., recorded or assumed) by the Company to determine the basis for computing chargeable access minutes. Access minutes or fractions thereof are accumulated over the billing period and are then rounded up to the nearest access minute.

2.7.2. RATES BASED UPON DISTANCE

Where the charges for service are specified based upon distance, the following rules apply:

- A. Distance between two points is measured as airline distance. In the case of distance measurement for tandem transport, the two points are the access tandem and the Company's End Office, Trunk Gateway, or functionally equivalent location. Their measurement points are a set of geographic "V" (vertical) and "H" (horizontal) coordinates.
- B. The airline distance between any two points is determined as follows:
 - 1. Obtain the "V" and "H" coordinates for each point.
 - 2. Compute the difference between the "V" coordinates of the two points; and the difference between the two "H" coordinates.
 - 3. Square each difference obtained in step (2) above.
 - 4. Add the square of the "V" difference and the square of the "H" difference obtained in step (3).
 - 5. Divide the sum of the squares by 10. Round to the next higher whole number if any fraction is obtained.
 - 6. Obtain the square root of the whole number result obtained above. Round to the next higher whole number if any fraction is obtained. This is the airline mileage.

2. GENERAL REGULATIONS**2.7. APPLICATION OF RATES AND CHARGES (CONT'D)****2.7.3. NONRECURRING CHARGES**

Nonrecurring charges are one-time charges that apply for a specific work activity (i.e., installation or service rearrangements).

A. Installation of Service

Nonrecurring charges apply to each Access Service installed. For Switched Services ordered on a per trunk basis, the charge is applied per trunk. For Switched Services ordered on a busy hour minutes of capacity basis, the charge is also applied on a per trunk basis but the charge applies only when the capacity ordered requires the installation of an additional trunk(s).

B. Service Rearrangements

All changes to existing services other than changes involving administrative activities only will be treated as a discontinuance of the existing service and an installation of a new service. The nonrecurring charge described in A., preceding, will apply for this work activity. Moves that change the physical location of the point of termination are described below.

1. Moves Within the Same Building

When the move is to a new location within the same building, the charge for the move will be an amount equal to one half of the nonrecurring charge for the capacity affected. There will be no change in the minimum period requirements.

2. Moves to a Different Building

Moves to a different building will be treated as a discontinuance and start of service and all associated nonrecurring charges will apply. New minimum period requirements will be established for the new service. The Customer will also remain responsible for satisfying all outstanding minimum period charges for the discontinued service.

2. GENERAL REGULATIONS

2.8. BILLING AND PAYMENT

The Company shall bill on a current basis all charges incurred by and credits due to the Customer. The Company shall bill in advance charges for all services provided during the ensuing billing period except for services billed on a per usage basis.

Billing shall be based on usage as determined by call detail. When call detail is unavailable, bills shall be based on estimated PIU as described in Section 2.2.3. The Company will apply a default 50% assumed PIU factor when call detail is unavailable and the Customer fails to provide PIU.

All bills for service provided to the Customer by the Company are due (payment date) within 30 calendar days of the bill date and are payable in immediately available funds. If such payment due date would cause payment to be due on a Saturday, Sunday or Legal Holiday, payment for such bills shall be due from the Customer as follows:

If such payment due date falls on a Sunday or on a Legal Holiday, the payment due date shall be the first non-Holiday date following such Sunday or Legal Holiday. If such payment due date falls on a Saturday or on a Legal Holiday that is observed on Tuesday, Wednesday, Thursday or Friday, the payment due date shall be the last non-Holiday day preceding such Saturday or Legal Holiday.

The Customer will be assessed a charge of twenty-five dollars (\$25.00) for each check submitted by the Customer to the Company which a financial institution refuses to honor.

If any portion of the payment is received by the Company after the due date, or if any portion of the payment is received by the Company in funds that are not immediately available upon presentment, then a late payment penalty shall be due to the Company. The late payment penalty shall be the portion of the payment not received by the due date, multiplied by a late factor. The late factor shall be 1.5% per month.

2. GENERAL REGULATIONS**2.8. BILLING AND PAYMENT (CONT'D)****2.8.1. TAXES**

The Customer is responsible for payment of any sales, use, gross receipts, excise, access, franchise or other local, state and federal taxes, charges, fees or surcharges (however designated) (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of network services. Where applicable, such taxes will be billed by the Company to the Customer and will be separately stated on the Customer's invoice; provided, however, that the Company will not bill to the Customer such taxes as may be exempted by a tax exemption or resale certificate for operation in any jurisdiction in which the Customer obtains such a certificate.

2.8.2. CLAIMS AND DISPUTES

In the event that a billing dispute occurs concerning any charge billed to the Customer by the Company, the Customer must submit a documented claim for the disputed amount. The Customer will submit all documentation as may reasonably be required to support the claim. All claims must be submitted to the Company within 120 days of receipt of billing for that service. If the Customer does not submit a claim as stated above, the Customer waives all rights to filing a claim thereafter.

The Customer must pay all undisputed charges by the applicable due date. After filing a claim for disputed charges with the Company, the Customer may be required, at the Company's sole discretion, to place all disputed amounts into a U.S.-based, interest bearing escrow account with a third party escrow agent, with costs paid for by the disputing party.

All disputes between the Company and the Customer that cannot be settled through negotiation may be resolved by arbitration upon written demand of either party. Arbitration shall be referred to the American Arbitration Association (AAA) and conducted pursuant to its Commercial Arbitration Rules, unless the parties agree otherwise. The arbitrator shall have the authority to award compensatory damages solely; such award shall be final and binding and may be entered in any court having jurisdiction thereof. The provisions of the Federal Arbitration Act shall govern such arbitration. This dispute process does not preclude the Customer from filing a complaint with the Commission.

2. GENERAL REGULATIONS**2.8. BILLING AND PAYMENT (CONT'D)****2.8.3. PAYMENT OF DEPOSITS**

To safeguard its interests, the Company may require a Customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:

- two months' charges for a service or facility which has a minimum payment period of one month; or
- the charges that would apply for the minimum payment period for a service or facility which has a minimum payment period of more than one month; except that the deposit may include an additional amount in the event that a termination charge is applicable.

A deposit may be required in addition to an Advance Payment.

When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account. If the amount of the deposit is insufficient to cover the balance due to the Customer's account, the Company retains the right to collect any amounts owing after the deposit has been applied plus any costs related to the collection of any remaining balance.

Deposits held will accrue interest at a simple interest rate equal to the rate applicable for the late payment charge set forth in 2.9, preceding. Interest will not accrue on any deposit after the date on which reasonable effort has been made to return it to the Customer.

2. GENERAL REGULATIONS**2.8. BILLING AND PAYMENT (CONT'D)****2.8.4. ADVANCE PAYMENTS**

To safeguard its interests, the Company may require a Customer to make an Advance Payment before services and facilities are furnished. The Advance Payment will not exceed an amount equal to the non-recurring charge(s) and one month's charges for the service or facility. In addition, where special construction is involved, the Advance Payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the Customer. The Advance Payment will be applied, as a credit, to the Customer's billed service charges. When there has been a decrease in the number of services originally ordered, only the portion of the Advance Payment for services actually installed will be credited. An Advance Payment may be required in addition to a deposit.

2.9. SPECIAL CONSTRUCTION

All rates and charges quoted herein provide for the furnishing of facilities when suitable facilities are available or where the design or construction of the necessary facilities does not involve unusual costs.

When, at the request of the Customer, the Company designs and/or constructs facilities that it would otherwise not construct, or the construction of such facilities involves a greater expense than would otherwise be incurred, Special Construction nonrecurring charges may apply.

2.10. 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 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 but at the Customer's request extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.