

2 – REGULATIONS

2.1 UNDERTAKING OF THE COMPANY

2.1.1 SCOPE

The Company undertakes to furnish access services in accordance with the terms and conditions set forth in this tariff.

2.1.2 SHORTAGE OF FACILITIES

All service is subject to the availability of suitable facilities.

2.1.3 TERMS AND CONDITIONS

- A. Service is provided on the basis of a minimum period of at least one month, 24-hours per day. For the purpose of computing charges in this tariff, a month is considered to have 30 days.
- 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 tariff. Customer will also be required to execute any other documents as may be reasonably requested by the Company.
- C. This tariff shall be interpreted and governed by the laws of the State of Maryland without regard for its choice of laws provision.

2.1.4 LIMITATIONS ON LIABILITY

- A. Except as otherwise stated in this section, the liability of the Company for damages arising out of either: (1) the furnishing of its services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representatives, or use of these services or (2) the failure to furnish its service, whether caused by acts or omission, shall be limited to the extension of allowances to the Customer for interruptions in service as set forth in Section 2.7.

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2.1 UNDERTAKING OF THE COMPANY

2.1.4 LIMITATIONS ON LIABILITY (CONT'D)

- B. Except for the extension of allowances to the Customer for interruptions in service as set forth in Section 2.7, the Company shall not be liable to a Customer or third party for any direct, indirect, special, incidental, reliance, 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, except for willful neglect or willful misconduct.
- C. The liability of the Company for errors in billing that result in overpayment by the Customer shall be limited to a credit equal to the dollar amount erroneously billed or, in the event that payment has been made and service has been discontinued, to a refund of the amount erroneously billed.
- D. The Company shall not be liable for any claims for loss or damages involving:
 - 1. Any act or omission of: (a) the Customer, (b) any other entity furnishing service, equipment or facilities for use in conjunction with services or facilities provided by the Company; or (c) common carriers or warehousemen, except where contracted by the Company.
 - 2. Any delay or failure of performance or equipment due to causes beyond the Company's control, including but not limited to, acts of God, fires, floods, earthquakes, hurricanes, or other catastrophes; national emergencies, insurrections, riots, wars or other civil commotions; strikes, lockouts, criminal actions taken against the Company; unavailability, failure or malfunction of equipment or facilities provided by the Customer or third parties; and any law, order, regulation or other action of any governing authority or agency thereof;
 - 3. Any unlawful or unauthorized use of the Company's facilities and services;
 - 4. Libel, slander, invasion of privacy or infringement of patents, trade secrets, or copyrights arising from or in connection with the transmission of communications by means of Company-provided facilities or services; or by means of the combination of Company-provided facilities or services with Customer-provided facilities or services;
 - 5. Breach in the privacy or security of communications transmitted over the Company's facilities;

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2.1 UNDERTAKING OF THE COMPANY (CONT'D)

2.1.4.D. (Cont'd)

6. Changes in any of the facilities, operations or procedures of the Company that render any equipment, facilities or services provided by the Customer obsolete, or require modification or alteration of such equipment, facilities or services, or otherwise affect their use or performance, except where reasonable notice is required by the Company and is not provided to the Customer, in which event the Company's liability is limited as set forth in this section.
 7. Defacement of or damage to Customer premises resulting from the furnishing of services or equipment on such premises or the installation or removal thereof.
 8. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;
 9. Any noncompletion of calls due to network busy conditions;
 10. Any calls not actually attempted to be completed during any period that service is unavailable.
- E. The Company shall not be liable, for any claims, loss, demands, suits, expense, or other action or any liability whether suffered, made, instituted, or asserted by the Customer or by any other party, for any personal injury to any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or service provided by the Company

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2.1 UNDERTAKING OF THE COMPANY

2.1.4 LIMITATIONS ON LIABILITY (CONT'D)

- F. The Company does not guarantee nor make any warranty with respect to installations provided by it for use in an explosive atmosphere. The Company shall not be liable for any claims, loss, demands, suits, or other action, or any liability whether suffered, made, instituted or asserted by the Customer or by any other party, for any personal injury to any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any equipment or facilities or the service.
- G. The Company assumes no responsibility for the availability or performance of any cable or satellite systems or related facilities under the control of other entities, whether or not affiliated with the Company, or for other facilities provided by other entities used for service to the Customer, except where contracted by the Company. Such facilities are provided subject to such degree of protection or nonpreemptibility as may be provided by the other entities.
- H. 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.
- I. Acceptance of the provisions of Section 2.1.4 by the Commission does not constitute its determination that any disclaimer of warranties or representations imposed by the Company should be upheld in a court of law.

2.1.5 PROVISION OF EQUIPMENT AND FACILITIES

- A. Except as otherwise indicated, customer-provided station equipment at the Customer's premises for use in conjunction with this service shall be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.
- B. The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is connected to service furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of services under this tariff and to the maintenance and operation of such services in the proper manner. Subject to this responsibility, the Company shall not be responsible for:

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2.1 UNDERTAKING OF THE COMPANY

2.1.5.B (Cont'd)

1. the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or
2. the reception of signals by Customer-provided equipment; or
3. network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

2.1.6 OWNERSHIP OF FACILITIES

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

2.2 PROHIBITED USES

- A. The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorization, licenses, consents and permits, except where such approvals are the responsibility of the Company.
- B. 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.
- C. The Company may require a Customer to immediately shut down its transmission if such transmission is causing interference to others.
- D. A customer, joint user, or authorized user may not assign, or transfer in any manner, the service or any rights associated with the service without the written consent of the Company. The Company will permit a Customer to transfer its existing service to another entity if the existing Customer has paid all charges owed to the Company for regulated access services. Such a transfer will be treated as a disconnection of existing service and installation of new service, and non-recurring installation charges as stated in this tariff will apply.

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2.3 OBLIGATIONS OF THE CUSTOMER

2.3.1 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.

2.3.2 LIABILITY OF THE CUSTOMER

- A. The Customer will be liable for damages to the facilities of the Company 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. Reserved
- 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 Tariff 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 Tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.

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2.3 OBLIGATIONS OF THE CUSTOMER (CONT'D)

2.3.3 JURISDICTIONAL REPORTING REQUIREMENTS

A. For Feature Group D Switched Access Service(s), the Company, where jurisdiction can be determined from call detail, will determine the PIU as follows:

1. For originating access minutes, the PIU will be developed on a monthly basis, by end office trunk group, by dividing the measured interstate originating access minutes (the access minutes where the calling number is in one state and the called number is in another state) by the total originating access minutes.
2. For terminating access minutes, the Customer has the option to provide the Company with a projected PIU factor. Customers who provide a PIU factor shall supply the Company with an interstate percentage of the Feature Group D terminating access minutes for each account to which the Customer may terminate traffic. Should the Customer not supply a terminating PIU factor, the data used by the Company to develop the PIU for originating access minutes will be used to develop the PIU for such terminating access minutes.

When a Customer orders Feature Group D Switched Access Service, the Customer shall supply a projected PIU for each end office trunk group involved to be used in the event that originating call detail is insufficient to determine the jurisdiction of the usage. For purposes of developing the PIU, the Customer shall utilize the same considerations as those set forth in Section 2.3.3.C, following.

B. Where the call detail data is insufficient to develop jurisdiction, the Customer must provide the Company with a PIU using the following steps:

1. For purposes of developing the PIU, the Customer shall consider every call that enters the Customer's network at a point within the same state as the state where the called station is located to be intrastate and every call that enters the Customer's network at a point in a state different from the state in which the called station is located to be interstate.
2. The Company will designate the number obtained by subtracting the PIU from 100 ($100 - \text{projected interstate percentage} = \text{intrastate percentage}$) as the projected intrastate percentage of use.
3. A whole number percentage will be used by the Company to apportion the usage, monthly recurring, and/or nonrecurring charges between interstate and intrastate until a revised report is received.

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2.3 OBLIGATIONS OF THE CUSTOMER

2.3.3 JURISDICTIONAL REPORTING REQUIREMENTS (CONT'D)

- C. The projected interstate percentage of use will be used to determine the charges as follows:

The number of access minutes for a trunk group will be multiplied by the projected interstate percentage of use to determine the interstate access minutes. (i.e., number of access minutes x projected interstate percentage of use = interstate access minutes). The number of interstate access minutes so determined will be subtracted from the total number of access minutes (i.e., number of access minutes - interstate-access minutes = intrastate access minutes). The intrastate access minutes for the group will be billed as set forth in Section 6. following.

- D. Effective on the first of January, April, July and October of each year, the Customer may update the jurisdictional reports that require a projected interstate percentage. The Customer shall forward to the Company, to be received no later than 20 calendar days after the first of each such month, a revised report showing the interstate percentage of use for the past three months ending the last day of December, March, June and September, respectively, for each service arranged for interstate and intrastate use. Except as set forth in Section 2.3.3(A) preceding where jurisdiction can be determined from the recorded message detail, the revised report will serve as the basis for the next three months billing and will be effective on the bill date in the following month (i.e., February, May, August, and November) for that service. No prorating or back billing will be done based on the report. If the Customer does not supply the report, the Company will assume the percentage to be the same as that provided in the last quarterly report. For those cases in which a quarterly report has never been received from the Customer, the Company will assume the percentage to be the same as that provided in the order for service as set forth in Section 2.3.3(A) preceding.
- E. The Customer reported projected interstate percentage of use as set forth in Section 2.3.3(A) preceding will be used for the apportionment of any monthly rates or nonrecurring charges associated with Feature Group D Switched Access Service until the end of the quarter during which the service was activated. Thereafter, a projected interstate percentage for such apportionment will be developed quarterly by the Company based on the data used to develop the projected interstate percentage of use as set forth in Section 2.3.3(A) preceding. Where call detail is insufficient to make such a determination, the Customer will be requested to project a interstate percentage of use to be used by the Company for such apportionment.

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2.3 OBLIGATIONS OF THE CUSTOMER

2.3.3 JURISDICTIONAL REPORTING REQUIREMENTS (CONT'D)

- F. The Customer shall keep sufficient detail from which the percentage of interstate use can be ascertained 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 30 calendar days of the Company request.
- G. The Customer may provide an additional percentage of interstate use for Entrance Facility and Direct Trunked Transport subject to the reporting requirements previously listed in this section. The percentage of interstate use may be provided per individual facility or at the billing account level. Should the Customer not provide a percentage of interstate use, the Company will use the reported Feature Group D aggregated percentage of interstate use.

2.4 CUSTOMER EQUIPMENT AND CHANNELS

2.4.1 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, subject to the customer's approval.

- 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 requirements regarding the equipment and interconnections are being complied with the installation, operation and maintenance of Customer-provided equipment and in the wiring of the connection of Customer channels to Company-owned facilities.
- B. If the protective requirements in connections 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 Customer with a statement of technical parameters that the Customer's equipment must meet.

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2.5 CUSTOMER DEPOSITS AND ADVANCE PAYMENTS

2.5.1 ADVANCE PAYMENTS

Where special construction is involved, the Company may require a Customer to make an advance payment before services and facilities are furnished. The advance payment may include an amount equal to the estimated non-recurring charges for the special construction. The advance payment will be credited to the Customer's initial bill. An advance payment may be required in addition to a deposit.

2.5.2 DEPOSITS

- A. To safeguard its interests, the Company may require the Customer to make a deposit to be held as a guarantee for the payment of charges in accordance with COMAR. 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:
1. two month's charges for a service or facility which has a minimum payment period of one month; or
 2. 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.
- B. A deposit may be required in addition to an advance payment.
- C. 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.
- D. Customer deposits shall be maintained in a bank located in Maryland. Customers who make a deposit for service will receive interest, at a rate set on such deposit not less than the rate calculated by the method set forth in COMAR 20.30.01.04 (for non-residential customers) or COMAR 20.30.02.04 (for residential customers) as appropriate.

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2.6 PAYMENT ARRANGEMENTS

2.6.1 PAYMENT FOR SERVICE

The Customer is responsible for the payment of all charges for facilities and services furnished by the Company to the Customer.

A. Taxes

The Customer is responsible for payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges or surcharges (however, designated) (excluding taxes on the Company's net income) imposed on or based upon the provision, sale or use of network services.

2.6.2 BILLING AND COLLECTION OF CHARGES

The Customer is responsible for payment of all charges incurred by the Customer or other users for services and facilities furnished to the Customer by the Company.

- A.** Non-recurring charges are due and payable within 30 days after the date of the invoice.
- B.** The Company shall present invoices for Recurring Charges monthly to the Customer, in advance of the month in which service is provided, and Recurring Charges shall be due and payable within 30 days after the date of the invoice. When billing is based upon customer usage, usage charges will be billed monthly for the preceding billing period.
- C.** When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month in which service was furnished will be calculated on a pro rate basis. For this purpose, every month is considered to have 30 days.
- D.** Billing of the Customer by the Company will begin on the Service Commencement Date, which is the day on which the Company notifies the Customer that the service or facility is available for use, except that the Service Commencement Date may be postponed by mutual agreement of the parties, or if the service or facility does not conform to standards set forth in this tariff or the Service Order. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued.

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2.6 PAYMENT ARRANGEMENTS

2.6.2 BILLING AND COLLECTION OF CHARGES (CONT'D)

- E. If any portion of the payment is received by the Company after the date due, or if any portion of the payment is received by the Company in funds which 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 date due, multiplied by a late factor. The late factor shall be the lesser of
1. a rate of 1.5 percent per month; or
 2. the highest interest rate which may be applied under state law for commercial transactions.
- F. 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.

2.6.3 BILLING DISPUTES

A. General

All bills are presumed accurate, and shall be binding on the Customer unless notice of the disputed charge(s) is provided to the Company. For the purposes of this section, "notice" is defined as written notice to the Company, containing sufficient documentation to investigate the dispute, including the account number under which -the bill has been rendered, the date of the bill, and the specific items on the bill being disputed.

B. Late Payment Charge

1. The undisputed portions of the bill must be paid by the payment due date to avoid assessment of a late payment charge on the undisputed amount under Section 2.6.2.E, preceding.
2. In the event that a billing dispute is resolved by the Company in favor of the Customer, any disputed amount withheld pending resolution of the billing dispute shall not be subject to the late payment charge.

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2.6 PAYMENT ARRANGEMENTS

2.6.3 BILLING DISPUTES (CONT'D)

C. Adjustments or Refunds to the Customer

1. In the event that the Company resolves the billing dispute in favor of a Customer who has withheld payment of the disputed amount pending resolution of the disputed bill, the Company will credit the Customer's account for the disputed amount in the billing period following the resolution of the dispute.
2. In the event that the Company resolves the billing dispute in favor of a Customer who has paid the total amount of the disputed bill, the Company will credit the Customer's account for any overpayment by the Customer in the billing period following the resolution of the dispute.
3. In the event that the Company resolves the billing dispute in favor of a Customer who has paid the total amount of the disputed bill but canceled the service, the Company will issue a refund of any overpayment by the Customer.
4. All adjustments or refunds provided by the Company to the Customer at the Customer's request, or provided by the Company to the Customer by way of compromise of a billing dispute, and which are accepted by the Customer, are considered final.

D. Unresolved Billing Disputes

Customers may notify the carrier of billing or other disputes either orally or in writing. There is no time limit for submitting disputes. In the case of a billing dispute between the Customer and the Company for service furnished to the Customer, which cannot be settled to the mutual satisfaction of the Customer and the Company, the Customer may take the following course of action:

1. First, the Customer may request and the Company will provide an in-depth review of the disputed amount.
2. Second, if after investigation and review by the Company, a disagreement remains as to the disputed amount, the Customer may file an appropriate complaint with:

Office of External Relations
Maryland Public Service Commission
6 St. Paul Street
Baltimore, Maryland 21202
410-767-8028 (Office of External Relations)
410-767-8000 (Main PSC number)
1-800-492-0474 (Toll-free PSC number)

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2.6 PAYMENT ARRANGEMENTS (CONT'D)

2.6.4 DISCONTINUANCE OF SERVICE FOR CAUSE

- A. Upon nonpayment of any amounts owing to the Company, the Company may, by giving five (5) days' 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 ten (10) days' 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 ten (10) days' notice to the Customer, may discontinue or suspend service without incurring any liability.
- D. To the extent that the Company is not adequately protected by a security deposit, 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 by giving less than five (5) days' notice 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 regulation, the Company may upon ten (10) days' notice discontinue service without incurring any liability.
- F. In the event of illegal 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 Section 2.6.4(A) or 2.6.4(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 tariff, 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 (discounted to present value at six percent).

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2.6 PAYMENT ARRANGEMENTS (CONT'D)

2.6.5 ORDERING, RATING AND BILLING OF ACCESS SERVICES WHERE MORE THAN ONE EXCHANGE COMPANY IS INVOLVED

- A. Meet point billing applies where a Customer orders switched access service to a tandem operated by another Exchange Telephone Company which subtends an end office operated by the Company. All recurring and nonrecurring charges for services provided by each Exchange Telephone Company are billed under each company's applicable rates as set forth in Section 2.6.5.C following.
- B. 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).
- C. The Company will handle ordering, rating and billing of Access Services under this tariff where more than one Exchange Telephone Company is involved in the provision of Access Service as follows.
 - 1. For Feature Group D Switched Access Service, when the first point of switching is not in the same Exchange Telephone Company's territory as the Customer premises, the Customer must supply a copy of the order to the Exchange Telephone Company in whose territory the Customer premises is located and any other Exchange Telephone Company(s) involved in providing the service.
 - 2. Each Exchange Telephone Company will provide the portion of Local Transport to an interconnection point (IP) with another Exchange Telephone Company, and will bill the charges in accordance with its Access Service tariff. The rate for the Transport elements will be determined as set forth in D following. All other appropriate charges in each Exchange Telephone Company tariff are applicable.

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2.6 PAYMENT ARRANGEMENTS

2.6.5 ORDERING, RATING AND BILLING OF ACCESS SERVICES WHERE MORE THAN ONE EXCHANGE COMPANY IS INVOLVED (CONT'D)

D. The charge for the Local Transport Facility and Termination rate elements for services provided as set forth in Section 2.6.5.C preceding are determined as follows:

1. Determine the appropriate Switched Access Transport mileage by computing the airline mileage between the two ends of the Transport Facility, as defined in Section 4.1.3, following. Determine the airline mileage for Transport Facility charge using the V&H method as set forth in Section 2.10.2 following.
2. For Feature Group D Switched Access Service, the Local Transport Facility and Termination charges are determined by using the steps set forth in (a) through (c) following for the total Local Transport-Common Switched Transport charges.

(a.) Multiply:

The number of access minutes by the number of airline miles as determined in (1) preceding by the Company's appropriate Local Transport Facility per mile per access minute rate by the Company's billing percentage factor.

(b.) Multiply:

The number of access minutes by the Company's appropriate Local Transport Termination per minute rate.

The resulting amount is the Company's total Local Transport Termination charge.

(c.) Add:

The products of (a) and (b) for the Company's total Local Transport-Common Switched Transport charges.

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2.6 PAYMENT ARRANGEMENTS

2.6.5 ORDERING, RATING AND BILLING OF ACCESS SERVICES WHERE MORE THAN ONE EXCHANGE COMPANY IS INVOLVED (CONT'D)

- E. The interconnection points will be determined by the Exchange Telephone Companies involved. The billing percentage (BP) factor for the Company for the service between the involved offices will be listed in NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF F.C.C. NO. 4, except as noted in 2.6.5.F, below.
- F. Until the NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF F.C.C. NO. 4 is revised to include the following meet points, the applicable billing percentage factors for Feature Group D Switched Access Service traffic between certain Company end offices and Verizon - Maryland, Inc. offices are as set forth in any applicable Company tariff filed with the FCC.
- G. Should any changes be made to the meet point billing arrangements as set forth in Section 2.6.5.C preceding, the Company will give affected customers 30 days' notice.
- H. Should the Company act as an intermediate, non-terminating local exchange carrier, Local Transport Termination rates, as determined in Section 2.6.5.D preceding, will not be applied to the meet point billing arrangement.

2.6.6 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 according to the term and conditions set forth in 3.2.4 following, Access Order Modifications.

2.6.7 CUSTOMER OVERPAYMENT

The Company will pay interest on a Customer overpayment. Customer overpayment shall mean a payment to the Company in excess of the correct charges for service when caused by erroneous billing by the Company. The rate of interest shall be the unadjusted interest rate paid on Customer deposits or the late payment penalty rate, whichever is greater. Interest shall be paid from the date when the Customer overpayment was made, adjusted for any changes in the deposit interest rate or late payment penalty rate, and compounded monthly, until the date when the overpayment is refunded. No interest shall be paid on Customer overpayments that are refunded within thirty (30) days after such overpayment is received by the Company.

2 - REGULATIONS

2.6 PAYMENT ARRANGEMENTS (CONT'D)

2.6.8 NOTICE TO COMPANY FOR CANCELLATION OF SERVICE

Customers desiring to terminate service shall provide Company thirty (30) days written notice of desire to terminate service.

2.7 ALLOWANCE FOR INTERRUPTIONS IN SERVICE

2.7.1 GENERAL

- A. A credit allowance will be given when service is interrupted, except as specified in Section 2.7.2 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 tariff.
- 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 that the customer continues to use on an impaired basis.

2.7.2 LIMITATIONS ON ALLOWANCES

- A. No credit allowance will be made for any interruption in service:
 - 1. Due to the negligence of or noncompliance with the provisions of this Tariff by the Customer;
 - 2. Due to the failure of power, equipment, systems, connections or services not provided by the Company;
 - 3. During any period in which the Company is not given full access to its facilities and equipment for the purposes of investigating and correcting interruptions;
 - 4. During any period in which the Customer continues to use the service on an impaired basis;

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2.7 ALLOWANCE FOR INTERRUPTIONS IN SERVICE

2.7.2.A (Cont'd)

5. During any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements; and
6. That occurs or continues due to the Customer's failure to authorize replacement of any element of special construction.

2.7.3 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.

2.7.4 APPLICATION OF CREDITS FOR INTERRUPTIONS IN SERVICE

- A. Credits for interruptions in service that is provided and billed on a flat rate basis for a minimum period of at least one month, beginning on the date that billing becomes effective, shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which the event that gave rise to the claim for a credit occurred. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.
- B. For calculating credit allowances, every month is considered to have thirty (30) days.
- C. A credit allowance will be given for interruptions in service of 15 minutes or more. Two or more interruptions of 15 minutes or more during any one 24-hour period shall be considered as one cumulative interruption.

2 - REGULATIONS

2.7 ALLOWANCE FOR INTERRUPTIONS IN SERVICE

2.7.4 APPLICATION OF CREDITS FOR INTERRUPTIONS IN SERVICE (CONT'D)

D. Interruptions of 24 Hours or Less

<u>Length of Interruption</u>	<u>Interruption Period To be Credited</u>
Less than 15 minutes	None
15 minutes up to but not including 3 hours	1/8 Day
3 hours up to but not including 6 hours	1/4 Day
6 hours up to but not including 9 hours	2/5 Day
9 hours up to but not including 12 hours	3/5 Day
12 hours up to but not including 15 hours	4/5 Day
15 hours up to but not including 24 hours	One Day

E. Continuous Interruption Over 24 Hours and Less Than 72 Hours

Interruptions over 24 hours and less than 72 hours will be credited 1/5 day for each three-hour period or fraction thereof that occurs following the expiration of the initial 24-hour period. No more than one full day's credit will be allowed for any period of 24 hours.

F. Interruptions over 72 Hours

Interruptions over 72 hours will be credited 2 days for each full 24-hour period that occurs following the expiration of the initial 72-hour period. No more than 30 days credit will be allowed for any one month period.

2.7.5 CANCELLATION FOR SERVICE INTERRUPTION

A customer may cancel or terminate service if any circuit experiences a single continuous outage of 8 hours or more or cumulative service credits equaling 16 hours in a continuous 12 month period. The right to cancel service under this provision applies only to the single circuit which has been subject to the outage or cumulative service credits.

2 - REGULATIONS

2.8 CANCELLATION OF SERVICE/TERMINATION LIABILITY

If, after three (3) business days from placing a service order, a Customer cancels a Service Order or terminates services before the completion of the minimum term for any reason whatsoever other than a service interruption (as defined in Section 2.7.1), the Customer agrees to pay Company termination liability charges, which are defined below. These charges shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in Section 2.6.2.

2.8.1 TERMINATION LIABILITY

- A. Customer's termination liability for cancellation of service shall be equal to:
1. all unpaid Non-Recurring charges reasonably expended by Company to establish service to Customer, plus;
 2. all Recurring Charges specified in the applicable Service Order for the balance of the then current term discounted at the prime rate announced in the Wall Street Journal on the third business day following the date of cancellation;
 3. minus a reasonable allowance for costs avoided by the Company as a direct result of Customer's cancellation.

2.9 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 - REGULATIONS

2.10 APPLICATION OF RATES

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

2.10.1 CHARGES BASED ON DURATION OF USE

- A. Customer traffic to end offices will be measured (i.e., recorded or assumed) by the Company at end office switches. Originating and terminating calls will be measured (i.e., recorded or assumed) by the Company to determine the basis for computing chargeable access minutes. In the event the Customer message detail is not available because the Company lost or damaged tapes or experienced recording system outages, the Company will estimate the volume of lost Customer access minutes of use based on previously known values.
- B. For originating calls over Feature Group D, usage measurement begins when the originating Feature Group D switch receives the first wink supervisory signal forwarded from the Customer's point of termination.
- C. The measurement of originating call usage ends when the originating Feature Group D switch receives disconnect supervision from either the originating end user's end office, indicating the originating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.
- D. For terminating calls over Feature Group D, the measurement of access minutes begins when the terminating Feature Group D switch receives answer supervision from the terminating end user's end office, indicating the terminating end user has answered.
- E. The measurement of terminating call usage over Feature Group D ends when the terminating Feature Group D switch receives disconnect supervision from either the terminating end user's end office, indicating the terminating end user has disconnected, or the Customer's point of termination, whichever is recognized first by the switch.
- F. Access minutes or fractions thereof are accumulated over the billing period for each end office and are then rounded up to the nearest access minute for each end office.

2 - REGULATIONS

2.10 APPLICATION OF RATES (CONT'D)

2.10.2 RATES BASED UPON DISTANCE

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

1. Distance between two points is measured as airline distance between the wire centers of the originating and terminating telephone lines. The wire center is a set of geographic coordinates, as referenced in NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF FCC No. 4, associated with each NPA-NXX combination (where NPA is the area code and NXX is the first three digits of a seven-digit telephone number). Except that, until the NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF F.C.C. NO. 4 is revised to include certain Company wire centers, the airline distance should be determined utilizing the "V" (vertical) and "H" (horizontal) coordinates as set forth in any applicable Company tariffs on file with the FCC.

B. The airline distance between any two wire centers is determined as follows:

1. Obtain the "V" and "H" coordinates for each wire center from the above-referenced NECA tariff.
2. Compute the difference between the "V" coordinates of the two wire centers; 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
7. Formula
$$(((V1 - V2)^2 + (H1 - H2)^2)/10)^{1/2}$$

2 - REGULATIONS

2.10 APPLICATION OF RATES (CONT'D)

2.10.3 MILEAGE

- A. The mileage to be used to determine the Transport Facility monthly rates are calculated on the airline distance between the end office switch where the call carried by Local Transport originates or terminates and the customer's serving wire center. The V&H coordinates method is used to determine mileage. This method is set forth in Section 2.10.2.
- B. The Transport Mileage rate is shown in Section 6.3.3 in terms of per mile per access minute. To determine the rate to be billed, first compute the mileage. Should the calculation result in a fraction of a mile, always round up to the next whole mile before determining the mileage. Then multiply the mileage by the Transport Mileage rate. The amount to be billed shall be the product of this calculation (i.e., the number of miles multiplied by the per mile rate) multiplied by the number of access minutes.