

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**TARIFF APPLICABLE TO
LOCAL EXCHANGE SERVICE
OF
AIRUS, INC.
U-7175-C**

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COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Check Sheet

Pages listed below are effective as of the date shown at the bottom of the respective pages. Original and revised pages, as named below, comprise all changes from the original tariff and are currently in effect as of the date on the bottom of this page.

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COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Preliminary Statement

Airus, Inc. (“Airus”) has been granted authority by the California Public Utilities Commission to provide competitive local exchange services within the State of California to Customers located in exchange areas served by AT&T California (“AT&T”), Citizens Telecommunications Company of California, Inc./Citizens Communications Company (“CTC”), SureWest Telephone/SureWest Communications (“SureWest”) and Verizon California, Inc. (“Verizon”).

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Explanation of Symbols

The following symbols are used in this tariff as described:

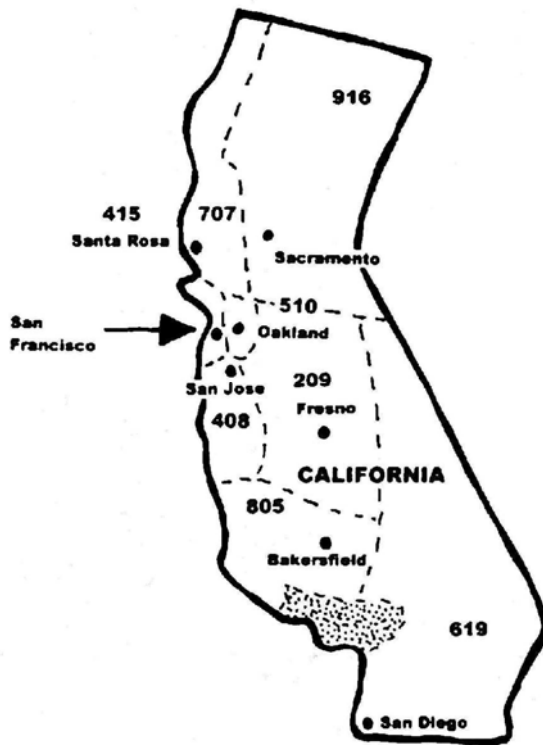
- (C) To signify changed listings, rule, or condition which may affect rates or charges
- (D) To signify discontinued material, including listing, rate, rule or condition
- (I) To signify increase
- (L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, rule or condition
- (N) To signify new material including listing, rate, rule or condition
- (R) To signify reduction
- (T) To signify change in wording of text but not change in rate, rule or condition

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

SERVICE AREA MAPS

The Company provides competitive local exchange service in California within the service territories of AT&T California (“AT&T”), Citizens Telecommunications Company of California, Inc./Citizens Communications Company (“CTC”), SureWest Telephone/SureWest Communications (“SureWest”) and Verizon California, Inc. (“Verizon”) as set forth in the map below.

The Company concurs in and hereby incorporates by this reference all current and effective service territory and local exchange boundary maps filed with the California Public Utilities Commission by CTC (Schedule Cal. P.U.C. No. AB), SureWest (Schedule Cal. P.U.C. No. A3) and Verizon (Schedule Cal. P.U.C. No. A-1).



COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES

Applicability

This Section sets forth the rates and charges applicable to Carrier's service offerings. The rates and charges are applicable to all local services provided to business, non-residential Customers as indicated.

Territory

Carrier will provide service within the base rate areas of all exchanges, as said exchanges are defined on the map filed on Sheet 6-T herein, as authorized by the California P.U.C.

Notes

- (1) When billing functions on behalf of Carrier are performed by local exchange telephone companies, or others, the payment conditions and regulations of such companies apply, including any applicable interest and/or late payment charge conditions.
- (2) Carrier will ensure an industry standard blocking rate no greater than P.01.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

Applicable Taxes and Surcharges

Pursuant to Resolution T-16901, all telecommunications carriers are required to concur with the Commission's Public Programs all-end-user surcharges and the Reimbursement Fee. Pursuant to Resolution T-16901 and Cal. Pub. Util. Code §492, Airus hereby concurs with the Public Program surcharges and Reimbursement Fee set forth in the tariffs of Pacific Bell Telephone Company d/b/a AT&T California. Airus will apply the current surcharge and fee amounts in that AT&T California tariff on the respective end user bills. All federal excise taxes, and state and local sales, use, and similar taxes, are billed as separate items and are not included in the quoted rates. Gross receipts tax will not be billed as a separate line item. Customer will be billed for and is liable for payment of all applicable federal, state and local taxes and surcharges.

Adherence to Nonpublic Utility Provider Services Law

Carrier will adhere to all applicable nonpublic utility provider services rules and law, including, but not limited to, Section 741.2 of the California Public Utilities Code.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

A. Local Exchange Services

1. Business Service - Verizon Service Area

A. Service Charges

	<u>Non-Recurring Charge</u>
Service Order Charge	
First Measured Business Line or Trunk	\$49.57 (First Line) \$27.49 (Each Add'l)
Moves, Changes, To change class, type or grade of service(per line or trunk)	\$34.50
To restore service that has been temporarily disconnected by the Company(per line or trunk, per order)	\$35.25

B. Measured Rate Service	<u>Monthly Rate</u>	<u>Per Minute Charge</u>
	\$29.75	\$0.30

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

A. Local Exchange Services (Cont'd)

2. Business Service - Citizens Communications Service Area

A. Service Charges

	<u>Non-Recurring Charge</u>
Service Order Charge	
First Measured Business Line or Trunk	\$21.50 (First Line) \$21.50 (Each Add'l)
Moves, Changes, To change class, type or grade of service(per line or trunk)	\$17.00
Line Connection Charge	\$38.50
To restore service that has been temporarily disconnected by the Company(per line or trunk, per order)	\$46.25

B. Flat Rate Service Monthly Rate
\$38.70

B. Measured Rate Service Monthly Rate Per Minute Charge
\$20.25 \$0.333

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

A. Local Exchange Services (Cont'd)

2. Business Service - AT&T Communications Service Area

A. Service Charges

	<u>Non-Recurring Charge</u>
Service Order Charge	
First Measured Business Line or Trunk	\$49.57 (First Line) \$27.49 (Each Add'l)
Moves, Changes, To change class, type or grade of service(per line or trunk)	\$34.50
To restore service that has been temporarily disconnected by the Company(per line or trunk, per order)	\$35.25

B. Measured Rate Service	<u>Monthly Rate</u>	<u>Per Minute Charge</u>
	\$29.75	\$0.30

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

A. Local Exchange Services (Cont'd)

4. Business Service - Sure West Communications Service Area

A. Service Charges

	<u>Non-Recurring Charge</u>
Service Order Charge First Measured Business Line or Trunk	\$23.75
Moves, Changes, To change class, type or grade of service(per line or trunk)	\$12.00
To restore service that has been temporarily disconnected by the Company(per line or trunk, per order)	\$26.75

B. Flat Rate Service Monthly Rate
\$39.85

B. Measured Rate Service Monthly Rate
\$24.85

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

B. Custom Calling Services

1. Business Service - Verizon Service Area

Monthly Recurring Charge
Per Line

Call Waiting	\$6.00
Call Forwarding	\$4.00
Three Way Calling	\$5.00
Remote Call Forwarding	\$17.00

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

B. Custom Calling Services (Cont'd)

2. Business Service - Citizens Communications Service Area

Monthly Recurring Charge
Per Line

Call Waiting	\$6.25
Call Forwarding	\$3.75
Three Way Calling	\$6.25
Remote Call Forwarding	\$16.00

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

B. Custom Calling Services (Cont'd)

3. Business Service - AT&T Communications Service Area

Monthly Recurring Charge
Per Line

Call Waiting	\$6.00
Call Forwarding	\$4.00
Three Way Calling	\$5.00
Remote Call Forwarding	\$17.00

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

B. Custom Calling Services (Cont'd)

4. Business Service - Sure West Communications Service Area

	Monthly Recurring Charge Per Line
Call Waiting	\$6.25
Call Forwarding	\$3.75
Three Way Calling	\$6.25
Remote Call Forwarding	\$28.00

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

C. Directory Assistance Services

1. Business Service - Verizon Service Area

Customer Dialed - after call allowance (if applicable)

Local 411	\$1.25 per Call
National 411	\$1.50 Per Call

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

C. Directory Assistance Services (Cont'd)

2. Business Service - Citizens Communications Service Area

Customer Dialed	<u>Primary Listing</u>	<u>Each Additional Listing</u>
Local 411	\$0.00 per Call	\$1.00

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

C. Directory Assistance Services (Cont'd)

3. Business Service - AT&T Communications Service Area

Customer Dialed - after call allowance (if applicable)

Local 411	\$1.25 per Call
National 411	\$1.50 Per Call

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RATES (Cont'd)

C. Directory Assistance Services (Cont'd)

4. Business Service - SureWest Communications Service Area

Customer Dialed	<u>Primary Listing</u>	<u>Each Additional Listing</u>
Local 411	\$0.00 per Call	\$1.75

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RULES

Rule 1 - Definitions

“Applicant” refers to an individual, partnership, corporation, association, or government agency who applies to the Company for any new or additional telephone service.

“Business Hours” refers to the time after 8:00 A.M. and before 5:00 P.M., Monday through Friday excluding holidays

“Company” refers to Airus, Inc.

“Commission” or “CAPUC” refers to the California Public Utilities Commission.

“Completed call” is a call which the Company’s network has determined has been answered by a person, answering machine, fax machine, computer modem device, or other answering device.

“Consumer Affairs Branch” refers to the CPUC office where consumers may complain about a telephone, gas or electric utility service or billing problem within California, which they have not been able to resolve with the utility. Consumers may write or call the CPUC at:

CPUC, Consumer Affairs Branch 505 Van Ness Avenue, Room 2003, San Francisco, CA 94102 Or; email to “consumer-affairs@cpuc.ca.gov” Phone 1-415-703-1170, or 1-800-649-7570. For TDD, call 1-800-229-6846.

“Customer” refers to the firm, company, corporation, or other entity that contracts for service under this tariff and that is responsible for the payment of charges as well as compliance with the Company's regulations pursuant to this tariff.

“Delinquent or Delinquency” refers to an account for which payment has not been paid in full on or before the last day for timely payment.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 1 - Definitions

“Local Access Transport Area ("LATA")” refers to a geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 820192.

“Nonrecurring Charges” refer to a one-time charge associated with given service or item of equipment which applies on a per-service and/or per item basis each time the service or item of equipment is provided.

“Service” refers to any telecommunications service(s) provided by the Company under this tariff.

“Station” refers to a telephone instrument consisting of a connected transmitter, receiver, and associated apparatus to permit sending or receiving telephone messages.

“Tariffs” refer to the tariffs, price lists, and generally applicable terms and conditions on file with a state or federal regulatory authority or publicly available on the Company’s website in accordance with the regulations of a state or federal regulatory authority.

“Telephone Numbers” refer to The North American Numbering Plan [NPA-NXX-XXXX] numbers assigned to Customers and used in conjunction with the Services provided pursuant to this tariff.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 2 - Description of Service

This tariff contains the regulations, rates and charges applicable to facilities-based and resold interexchange and/or local exchange services provided by the Company that originate and terminate within the State of California.

The Company installs (or may utilize vendors service to install), operates and maintains the communications services provided herein in accordance with the terms and conditions set forth under this tariff. It 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 Company's network. The Customer will be responsible for all charges due for such service arrangement.

The Company's services are provided on a monthly basis unless ordered on a longer term basis, and are available

2.1 Local Exchange Service

Local Exchange Service is telephone service that entitles the Customer to originate local calls, without toll charges, to all local exchange access lines connected to a Central Office (CO) of the exchange, or to all exchange access lines served by COs of the extended local service area where comprised of more than one exchange. Service will be provided where facilities are available from the Local Exchange Company (LEC). Service is classified as business service and business rates apply when any of the following conditions exist:

When the service is furnished at a location where a business, trade or practice is performed and where the use of the location is not confined primarily to domestic activities.

Service for social clubs will be considered business service.

When the directory listing is to be a business listing, except when a residence telephone number is advertised as an alternate call number in connection with a business telephone number.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 2 - Description of Service (cont'd)

2.3 Custom Calling Services

Custom Calling Service is an optional service arrangement of central office services furnished to business Customers. Custom Calling Features are offered subject to availability and suitably equipped central office facilities.

2.4 Directory Assistance

Directory Assistance (DA) is defined as furnishing aid in obtaining telephone numbers. The Directory Assistance operator will not transfer, forward or redial a Customer's call to any other location for any purpose other than the provision of DA service. The service is furnished subject to the condition that there will be no abuse or fraudulent use of the service. Abuse or fraudulent use of the service includes the obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain Directory Assistance service, by rearranging, tampering with, or making connection with any facilities of the Company, or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, with attempt to avoid payment, in whole or in part, of the regular charge for such service. In addition to any other action authorized by this Tariff, the Company may, in such cases of abuse or fraudulent use, assess appropriate Directory Assistance charges on the Customer's regular telephone account.

2.5 Demarcation Point

The Company will provide facilities, equipment, and services to its local loop demarcation point and concurs with the definitions and descriptions of local loop demarcation in AT&T California Tariff No. A2 Section 2.1.20.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 3 - Application for Service

- 3.1 Service is installed by arrangement between Airus and the Customer.
- A. Service may be initiated based on a written or oral agreement between the CLC and the Customer. In either case, prior to the agreement, the Customer will be informed of all rates and charges for the services the Customer desires and any other rates or charges which will appear on the Customer's first bill.
 - B. If the agreement is oral, within 10 days of initiating the service order, the CLC will provide a confirmation letter setting forth a brief description of the services ordered and itemizing all charges which will appear on the Customer's bill. The letter must be in language other than English if the sale was in another language.
 - C. Within 10 days of initiating service, the CLC will state in writing for all new Customers all material terms and conditions that could affect what the Customer pays for telecommunications services provided by the CLC.
 - D. Potential Customers who are denied service for failure to establish credit or pay deposit as described in this tariff must be given the reason for the denial in writing within 10 days of service denial.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 3 - Application for Service (cont'd)

3.3 Cancellation of Application for Service (Cont'd)

- A. When a Customer cancels an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below. The special charges described in this section will be calculated on a case by case basis.
- B. Where, prior to cancellation by the Customer, the Company incurs any expenses, a charge equal to the costs the Company incurred will apply.
- C. The Customer will be responsible for payment of all bills for service furnished until the cancellation date. A termination liability charge applies to early cancellation of a term agreement.
- D. At the expiration of the term specified in each Service Order, service will continue on a month to month basis at the then current rates unless terminated by either party. Any termination will not relieve the Customer of his or her obligation to pay any charges incurred under the Service Order and this tariff prior to termination.

3.4 Termination Liability:

- A. Unless otherwise specified in individually negotiated contracts, the termination liability for services purchased under a Term Agreement will be equal to the lesser of either:
 - 1) 20% of the balance of the total billing payable during the life of the term, or
 - 2) the difference between the monthly rate for the selected term plan and the monthly rates for the longest term plan that the Customer could have satisfied prior to early discontinuance of service.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 4 - Contracts

- A. Contracts will only be used in special circumstances for Individual Case Basis ("ICB") service offerings or Special Construction. The terms and conditions of each contract offering are subject to the agreement of both the Customer and Company. Such contract offerings will be made available to similarly situated Customers in substantially similar circumstances. Contracts are available to any similar situated Customer. ICB arrangements will be filed in accordance with G.O. 96-B.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 5 - Special Information Required on Forms

A. Customer Bills

The Company name will be identified on each Customer bill. Each bill will prominently display a toll-free number for service or billing inquiries, together with an address where the Customer may write to the Company. If the Company uses a billing agent, the Company will also include the name of the billing agent it uses. Each bill for telephone service will contain notations concerning the following:

1. When the bill will be paid by the Customer to the Company;
2. Billing detail, including the period of service covered by the bill;
3. Late payment charges and when they will be applied;
4. How the Customer may pay the bill;
5. How to contact the Company with questions about the bill;
6. If a Customer's bill contains charges for interLATA and interstate toll calling billed by the Company on behalf of an interexchange carrier authorized to provide those services then, the bill will include a toll-free number for service or billing inquires.

Each bill will also include the following statement:

"This bill is now due and payable; it becomes subject to a late payment charge if not paid within 30 calendar days of the invoice date. Should you have any questions regarding this bill please request an explanation from Your Company Name. "

"If you believe you have been incorrectly billed you may file a complaint with the California Public Utilities Commission, Consumer Affairs Branch, 505 Van Ness Avenue, San Francisco, California. To avoid having service disconnected, payment of the disputed bill should be made "under protest " to the CPUC or payment arrangements should be made agreeable to the Company pending the outcome of the Commission's Consumer Affairs Branch review. The Consumer Affairs Branch will review the basis of the billed amount, communicate the results of its review to the parties and inform you of your recourse to pursue the matter further with the Commission".

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 5 - Special Information Required on Forms (cont'd)

A. Customer Bills (Cont'd)

Any prorated bill will use a 30-day month to calculate the pro-rata amount. Prorating will apply only to recurring charges. All nonrecurring and usage charges incurred during the billing period will be billed in addition to prorated amounts.

B. Deposit Receipts

Each deposit receipt will contain the following provision:

"This deposit, less the amount of any unpaid bills for service furnished by Your Company Name, will be refunded, together with any interest due, within 30 calendar days after the discontinuance of service, or after 12 months of service, whichever comes first. However, deposits may not receive interest if the Customer has received a minimum of two notices of discontinuance of service for nonpayment of bills in a 12-month period. "

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 6 - Establishment and Reestablishment of Credit

- A. Each application for service will provide credit information satisfactory to the CLC or pay a deposit. Deposit will not be required if the applicant:
- 1) Provides credit history acceptable to the CLC. Credit information contained in the applicant's account record may, but will not be limited to, account established date, "can-be-reached" number, name of employer, employer's address, Customer's driver's license number or other acceptable personal identification, billing name, and location of current and previous service. Credit cannot be denied for failure to provide social security number.
 - 2) A cosigner or guarantor may be used providing the cosigner or guarantor has acceptable credit history with the serving CLC or another acceptable local carrier.
 - 3) A CLC cannot refuse a deposit to establish credit for service. However, it may request the deposit to be in cash or other acceptable form of payment (e.g., cashier's check, money order, bond, letter of credit).

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 7 - Advance Payments and Deposits

A. Advance Payments:

At the time an application for service is made, an applicant may be required to pay an amount equal to one month's service charges and/or the service connection and/or equipment charges which may be applicable as well as any non recurring charges for any required special construction. The amount of the first month's service is credited to the Customer's account on the first bill rendered. Company may not require advance payments for usage.

B. Deposits:

- 1) The Company may, at its sole discretion, require an applicant or an existing Customer to post a guarantee for the payment of charges as a condition to receiving service or additional services. The Company reserves the right to review an applicant's or a Customer's credit history at any time to determine if a deposit is required.
- 2) Deposits will not be required by the Company based on race, sex, creed, national origin, marital status, age, number of dependents, condition of physical handicap, source of income, or geographical area of business.
- 3) Deposits will be no greater than twice the estimated average monthly bill for the class of service applied for. In the event Customer requests services in addition to basic service, the average bill will reflect the aggregate services requested by the Customer.
- 4) Deposits will be refunded with interest within 30 days after discontinuance of service or after 12 months of service, whichever comes first. Interest will be added to the deposit using the 3 month commercial paper rate published by the Federal Reserve Board, except under the following conditions: no interest will be given if the Customer has received a minimum of two notices in a 12-month period.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 8 - Notices

Notices provided to the Customer by the Company will be as follows:

A. Rate Information:

- 1) Rate information and information regarding the terms and conditions of service will be provided in writing upon request by a current or potential Customer. Notice of major increases in rates will be provided in writing to Customers and postmarked at least 30 days prior to the effective date of the change. No Customer notice will be required for minor rate increases or for rate decrease. Customers will be advised of optional service plans in writing as they become available. In addition, Customers will be advised of changes to the terms and condition of service no later than the company's next periodic billing cycle.
- 2) When a CLC provides information to a consumer which is allegedly in violation of its tariffs, the consumer will have the right to bring a complaint against the CLC.

B. Discontinuance of Service Notice

1) Notice by Customers:

Customers are responsible for notifying the CLC of their desire to discontinue service on or before the date of disconnection. Such notice may be either verbal or written.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 8 - Notices (cont'd)

2) Notice by CLC

Notice to disconnect service for nonpayment of bills will be provided in writing by first class mail to the Customer not less than 7 calendar days prior to termination. Each notice will include all of the following information:

- a. The amount that is delinquent.
- b. The date when payment or arrangements for payment are required in order to avoid termination.
- c. The procedure the Customer may use to initiate a complaint or to request an investigation concerning service or charges.
- d. The procedure the Customer may use to request amortization of the unpaid charges.
- e. The telephone number of a representative of the Company who can provide additional information or institute arrangements for payment.
- f. The telephone number of the CAB where the Customer may direct inquiries
- g. Notification that local service may not be discontinued for nonpayment of Category III or other unregulated competitive services.
- h. The name and address of the Customer whose account is delinquent.

C. Regarding Change in Ownership or Identity

The Company will notify Customers in writing of a change in ownership or identity of the Company on the Customer's next monthly billing invoice.

D. Rules for CLC Notices

Notices the Company sends to Customers, or to the Commission, will be a legible size and printed in a minimum point size of ten (10) and are deemed made on the Date of Presentation.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 9 - Rendering and Payments of Bills

- A. The Customer is responsible for payment of all charges for service furnished to the User. Bills are due and payable on the date of presentation.
- B. Bills may be paid by mail or in person at the business office of the Company or an agency authorized to receive such payment. All charges for service are payable only in United States currency. Payments may be made by cash, check, money order, or cashier's check.
- C. The Company reserves the right to assess late payment charges for Customers whose account(s) carries principal owing from the prior billing period. Any charges not paid in full within thirty (30) days of the due date specified on the billing invoice may be considered delinquent and subject to a late fee of 1.5% of the net total of the bill. The late payment date will be prominently displayed on the Customer's bill and will be at least thirty (30) days after the Date of Presentation on the billing envelope.
- D. If a Customer's service has been discontinued within the past 12 months or if the Customer incurs usage charges during a billing period which are equal to at least 200% of the amount of the Customer deposit or guarantee, payment may be demanded for the usage charges by a telephone call to the Customer followed by a written notification of such demand sent by first class mail. If the requested payment is not made within 7 days from the rendition of written notification or a mutually established late payment arrangement date or 30 days from the date of the bill, the usage charge will be deemed delinquent. Charges considered delinquent may be subject to a late fee of 1.5% per month of the bill remained unpaid. This amount will be assessed from the date payment was due.
- E. The Company will credit payments within twenty-four (24) hours of receipt.
- F. Recurring monthly charges may be invoiced one month in advance. Invoicing cycles are approximately thirty (30) days in length.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 9 - Rendering and Payments of Bills *(cont'd)*

- G. A bill will not include any previously unbilled charge for service furnished prior to three months immediately preceding the date of the bill, with the following exception: collect calls, credit card calls, third party billed calls, "error file" (calls which cannot be billed due to the unavailability of complete billing information to the Company). An additional exception for backbilling is permitted for a period of one and one-half years in cases involving toll fraud.
- H. Any objections to bill over-charged must be reported to the Company or its billing agent within three years after receipt of bill. Adjustments to the Customer's bill will be made to the extent that circumstances exist which reasonably indicate that such changes are appropriate.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 10 - Disputed Bills Procedure

- A. In the case of a dispute between a Customer and the Company as to the correct amount of a bill rendered by the Company for service furnished to the Customer, which cannot be adjusted with mutual satisfaction, the Customer may make the following arrangements:
- 1) First, the Customer may make a request, and the Company will comply with the request, for an investigation and review of the disputed amount.
 - 2) The undisputed portion of the bill must be paid by the Due By Date (no sooner than 15 days of the date of presentation) shown on the bill or the service will be subject to disconnection if the Company has notified the Customer by written notice of such delinquency and impending termination.
 - 3) If there is still disagreement after the investigation and review by a manager of the Company, the Customer may appeal to the California Public Utilities Commission's Consumer Affairs Branch ("CAB") for its investigation and decision. To avoid disconnection of service, the Customer must submit the claim and, if the bill has not been paid, deposit the amount in dispute with CAB within seven (7) calendar days after the date the Company notifies the Customer that the investigation and review are completed and that such deposit must be made or service will be interrupted. However, the service will not be disconnected prior to the Due By Date shown on the bill.
 - 4) The Company may not disconnect the Customer's service for nonpayment as long as the Customer complies with (B) and (C) above.
 - 5) The Company will respond to CAB's requests for information within ten (10) business days.
 - 6) CAB will review the claim of the disputed amount, communicate the result of its review to the Customer and Company and make disbursement of the deposited amount.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 10- Disputed Bills Procedure (*cont'd*)

7) After the investigation and review are completed by the Company as noted in (A) above, if the Customer elects not to deposit the amount in dispute with CAB, such amount becomes due and payable at once. In order to avoid disconnection of service, such amount must be paid within seven (7) calendar days after the date the Company notifies the Customer that the investigation and review are completed and that such payment must be made or service will be interrupted. However, the service will not be disconnected prior to the Due By Date shown on the bill.

8) The CPUC address:

California Public Utilities Commission
Consumer Affairs Branch
505 Van Ness Avenue
San Francisco, CA 94102

(415) 703-4973

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 11 - Discontinuation and Restoration of Service

- A. Customers are responsible for notifying the Company of their desire to discontinue service on or before the date of termination. Such notice may be either in writing or verbal. Customers remain responsible for payment of all bills for services furnished.
- B. The Company may terminate service, with at least seven (7) days written notice sent to the Customer via U.S. First Class Mail, for non-payment of bills.
- C. Termination will not occur unless payment has not been made to the Company by the due date specified on the Customer's billing invoice, which will be at least fifteen (15) days after the Date of Presentation on the billing envelope.
- D. Service may be discontinued for nonpayment of bills provided notice of the proposed discontinuance is provided pursuant to Rule 813(2) of this tariff.
- E. Service will not be initially terminated on any Saturday, Sunday, legal holiday or any other day the Company's service representatives are not available to serve Customers.
- F. The Company may terminate service, with at least seven (7) days' written notice to the Customer, for non-compliance with Commission regulations, for failure of the Customer to adhere to contractual obligations, and for failure of the Customer to permit the Company to have reasonable access to its equipment.
- G. The Company may terminate service without notice in the event of any of the following occurrences: hazardous conditions on the Customer's premises; the Customer's maintaining and/or operating its own equipment in such a manner as to adversely affect the Company's equipment or service to others; Customer tampering with the Company's equipment; the Customer's unauthorized or illegal use of the Company's service or equipment; or the acts of the Customer are such as to indicate intention to defraud the Company (including fraudulently placing and receiving Calls and/or providing false credit information) .
- H. For residence services disconnected for nonpayment, the Company must continue to provide access to 911 services to the Customer.
- I. In the event the Company terminates service for nonpayment, the Customer may be liable for all reasonable court cost and attorneys fees as determined by CPUC or by the court.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 11 - Discontinuation and Restoration of Service (*cont'd*)

- J. Service will not be discontinued for nonpayment of Category III services, as defined by the CPUC.
- K. If a Customer cancels his or her order for service before the service begins, a charge equal to the greater of \$25.00 or the actual costs incurred by the Company in provisioning the service prior to the cancellation will be levied upon the Customer. However, no charge will be levied if a Customer cancels his or her service within three (3) days or the date the order was placed in writing or within three (3) days of the date of the Company's confirmation. No cancellation charge applies to orders cancelled due to delays in installation that are caused by the Company that are (7) days past the promised due date. The Customer will be informed of the cancellation charge at the time the order is placed.
- L. Restoration of Service

The Customer may restore service by full payment in any reasonable manner including by personal check. However, the Company may refuse to accept a personal check if a Customer's check for payment of service has been dishonored, excepting bank error, within the last twelve months. There is a \$25.00 charge for restoration of service after disconnection; if, however, the equipment necessary for service has been removed, a complete activation fee will apply.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 12 - Temporary Service

- A. Conditions precedent to rendering temporary service or service to speculative projects will be developed on an Individual Case Basis. The Company will not provide temporary service or service to speculative projects unless in its judgment such service provision is consistent with the best interests of the Company and its Customers.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 13 - Continuity of Service

A. The Company will not provide a credit allowance for interruption of service caused by the Customer's facilities, equipment, or systems.

B. Credit Allowance for Interruptions

- 1) For calculating credit allowances, every month is considered to have 30 days. 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.
- 2) An interruption credit allowance is determined by (I) calculating the Average Station Value for one full day (Average Station Value divided by 30 days) (II) multiplying the result of (I) by the "credit" as specified following then (III) multiplying the result of (II) by the number of stations affected.

Interruption of 24 Hours or Less -

<u>Length of Service Interruption</u>	<u>Credit</u>
Less than 30 minutes	None
30 minutes up to but not including 3 hours	1/10 day
3 hours up to but not including 6 hours	1/5 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 24 hours inclusive	One day

- 3) Two or more interruptions of 30 minutes or more during any period up to but not including 3 hours, will be considered as an interruption.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 13 - Continuity of Service (*cont'd*)

4) Interruptions Over 24 Hours and less than 72 hours:

Credit will be allowed in 1/5 day multiples for each 3 hour period of interruption or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

5) Interruption Over 72 hours:

Credit will be allowed in 2 day multiples for each full 24 hour period of interruption or fraction thereof. No more than 30 day's credit will be allowed for any period of 1 month.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 13 - Continuity of Service (*cont'd*)

C. Limitation on Allowances

No credit allowance will be made for:

- 1) Interruptions due to the negligence of, or noncompliance with the provisions of this tariff by the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company.
- 2) Interruption due to the failure or malfunction of non-Company equipment.
- 3) Interruptions of service during any period in which the Company is not given access to the premises for the purpose of investigating and correcting interruptions.
- 4) Interruptions of service during any period when the Customer, authorized user, or joint user has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements.
- 5) Interruption of service due to circumstances or causes beyond the control of the Company.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 14 - Service Connection and Facilities on Customers' Premises

A. Customer Equipment and Channels

1. Interconnection of Facilities

In order to protect the Company's facilities and personnel and the service furnished to other Customers by the Company from potentially harmful effects, the signals applied to the Company's service will 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 will be provided at the Customer's expense.

2. Inspections

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 in respect to the installation, operation and maintenance of Customer-provided equipment and in the wiring of the connection of Customer channels to Company-owned facilities.

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 canceling 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.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 14 - Service Connection and Facilities on Customers' Premises

A. Customer Equipment and Channels (Cont'd)

3. Provision of Equipment and Facilities

Except as otherwise indicated, customer-provided station equipment at the Customer's premises for use in conjunction with this service will be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.

The Company will 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 will 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 will not be responsible for:

the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or

the reception of signals by Customer-provided equipment; or

network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

4. Ownership of Facilities

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

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 14 - Service Connection and Facilities on Customers' Premises

A. Customer Equipment and Channels (Cont'd)

5. Customer Premises Provisions

The Customer will provide the personnel, power and space required to operate all facilities and associated equipment installed on the premises of the Customer.

The Customer will 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.

6. Liability of the Customer

The Customer will be liable for damages to the facilities of the Company caused by negligence or willful acts of its offices, employees, agents or contractors of the Customer where such negligence is not the direct result of the Company's negligence.

B. If required for the provisioning of the Company's services, the Customer must provide the Company, free of charge, with any necessary equipment space, supporting structure, conduit and electrical power.

C. The Customer is responsible for arranging access to its Premises at times mutually agreeable to the Company and the Customer when required for Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of the Company's services.

D. The Customer must pay the Company for replacement or repair of damage to the Company's equipment or facilities caused by negligent or improper use on the part of the Customer, Users, or others.

E. The Customer must indemnify the Company for the theft of any Company equipment or facilities installed at the Customer's Premises.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 15 - Measurement of Service

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

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 F.C.C. 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 will be determined utilizing the applicable "V" (vertical) and "H" (horizontal) coordinates on an individual case basis.

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:

$$\text{square root of } (1/10 \text{ times } (V1 - V2)^2 + (H1 - H2)^2)$$

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

Rule 15 - Measurement of Service

Rate Periods except Holidays - Applies to intraLATA intrastate traffic

Rate Period	From	Times Applicable To But Not Including	Days Applicable
	8:00 A.M.	9:00 P.M.	Monday - Friday
Day	9:00 P.M.	11:00 P.M.	Monday - Friday
Evening	11:00 P.M.	8:00 A.M.	Weekend
Night	11:00 P.M.	8:00 A.M.	(Friday - Monday)

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RULE 16 - General Rules Application to the Provision of Services

A. Undertaking of the Company

1. Terms and Conditions

In any action between the parties to enforce any provision of this tariff, the prevailing party will be entitled to recover its legal fees and court costs from the non-prevailing party in addition to other relief a court may award.

Customers may be required to enter into written service orders which will 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. Customers will also be required to execute any other documents as may be reasonably requested by the Company.

This tariff will be interpreted and governed by the laws of the State of California without regard for its choice of laws provision.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RULE 16 - General Rules Application to the Provision of Services

A. Undertaking of the Company (Cont'd.)

2. Liability of the Company

Except as otherwise stated in this Tariff, 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, will be limited to the extension of allowances for interruption as set forth in Rule 14. The extension of such allowances for interruption will 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 the Customer as a result of any Company service, equipment or facilities, or any acts or omissions or negligence of the Company's employees or agents.

The Company will not be liable for any delay or failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood, explosion or other catastrophes; any law, order, regulation, direction, action, or request of the United States government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way materials; or strikes, lock-outs, work stoppages, or other labor difficulties.

The Company will not be liable for (a) any act or omission of any entity furnishing to the Company or to the Company's Customers facilities or equipment used for interconnection with Network Services; or (b) for the acts or omissions of common carriers or warehousemen.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**RULE 16 - General Rules Application to the Provision of Services
(Cont'd.)**

A. Undertaking of the Company (Cont'd.)

2. Liability of the Company (Cont'd.)

The Company will 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 equipment or facilities provided by the Customer or third parties.

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 as a condition precedent to such installations.

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 gross negligence or willful misconduct of the Company's agents or employees.

The Company will be indemnified, defended and held harmless by the Customer against any claim, loss or damage arising from Customer's use of services, involving claims for libel, slander, invasion of privacy, or infringement of copyright arising from the Customer's own communications.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**RULE 16 - General Rules Application to the Provision of Services
(Cont'd.)**

A. Undertaking of the Company (Cont'd.)

2. Liability of the Company (Cont'd.)

The entire liability for any claim, loss, damage or expense from any cause whatsoever will in no event exceed sums actually paid the Company by the Customer for the specific services in the month in which the event giving rise to the liability occurred. No action or proceeding against the Company will be commenced more than one year after the event giving rise to the liability occurred.

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.

3. Claims

The Company will be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to claims of libel, slander, or infringement of copyright in connection with the material transmitted over the Company's facilities; and any other claim resulting from any act or omission of the Customer or end users of the Customer relating to the use of the Company's services or facilities.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**RULE 16 - General Rules Application to the Provision of Services
(Cont'd.)**

A. Undertaking of the Company (Cont'd.)

4. Limitation of Liability

- A. The Company concurs in the Limitations of Liability as filed in the Pacific Bell Tariff California P.U.C. No. A2, as amended.
- B. The Company shall be indemnified and held harmless by any subscriber, user or by any other entity against claims for libel, slander or the infringement of copyright arising from the material transmitted over its services; and against all other claims arising out of any act or omission of a subscriber or of any other entity in connection with the services provided by the Company.
- C. The Company is not liable for any act or omission of any entity furnishing facilities or services connected with or provided in conjunction with the services of the Company.
- D. The Company shall not be liable for any personal injury, or death of any person or person, and for any loss or damage sustained by reason of acts, mistakes, omissions, errors or defects in providing its services, whatever shall be the cause which is not the direct result of the Company's gross negligence or willful misconduct.
- E. Except as otherwise provided herein, no liability for indirect, incidental or consequential damages shall attach to the Company, its agents, servants or employees, for damages or costs arising from errors, mistakes, omissions, interruptions, failures, delays, or defects or malfunctions of equipment or facilities, in the course of establishing, furnishing, maintaining, rearranging, moving, terminating, or changing the service or facilities (including the obtaining or furnishing of information in respect thereof or with respect to the customer or users of the service or facilities) in the absence of willful and wanton conduct or gross negligence, whether a claim for such liability is premised upon breach of contract, breach of warranty, fulfillment of warranty, negligence, strict liability, misrepresentation, fraud, or any other theories of liability.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**RULE 16 - General Rules Application to the Provision of Services
(Cont'd.)**

- A. Undertaking of the Company (Cont'd.)
4. Limitation of Liability (Cont'd.)
- E. The Company shall not be liable for any failure of performance due to causes beyond its control, including, without limitation, acts of God, fires, floods or other catastrophes, national emergencies, insurrections, riots or wars, strikes, lockouts, work stoppage or other labor difficulties, acts or omissions of other telecommunications carriers or service providers, and any law, order, regulation or other action of any governing authority or agency thereof.
- F. The Company shall not be liable to a customer or service user or any other person, firm, entity, for any failure to perform its obligations under this Schedule due to any cause or causes beyond its reasonable control, which is not the direct result of the Company's gross negligence or willful misconduct.
- G. The remedies set forth herein shall not be exclusive and the Company at all times shall be entitled to all rights available to it under either law or equity.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**RULE 16 - General Rules Application to the Provision of Services
(Cont'd.)**

B. Prohibited Uses

The services the Company offers will 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.

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.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**RULE 16 - General Rules Application to the Provision of Services
(Cont'd.)**

C. Obligations of the Customer

1. Jurisdictional Report Requirements

For Feature Group D Switched Access Service(s), the Company, where jurisdiction can be determined from the call detail, will determine the projected interstate percentage as follows. For originating access minutes, the projected interstate percentage will be developed on a monthly basis by end office trunk group when the Feature Group D Switched Access Service access minutes are measured 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 when the call detail is adequate to determine the appropriate jurisdiction. For terminating access minutes, the Customer has the option to provide the Company with a projected PIU factor. Customers who provide a PIU factor will 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.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**RULE 16 - General Rules Application to the Provision of Services
(Cont'd.)**

C. Obligations of the Customer (Cont'd.)

1. Jurisdictional Report Requirements (Cont'd.)

Should the Customer not supply a terminating PIU Factor, the data used by the Company to develop the projected interstate percentage for originating access minutes will be used to develop projected interstate percentage for such terminating access minutes. When a Customer orders Feature Group D Switched Access Service, the Customer will supply a projected interstate percentage of use for each end office trunk group involved to be used in the event that originating call details are insufficient to determine the jurisdiction for the call. This percentage will be used by the Company as the projected interstate percentage for such call detail. For purposes of developing the projected interstate percentage, the Customer will utilize the same considerations as those set forth above.

The Company will designate the number obtained by subtracting the projected interstate percentage for originating and terminating access minutes from 100 (100 -projected interstate percentage = intrastate percentage) as the projected intrastate percentage of use.

For purposes of developing the projected interstate percentage, the Customer will 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.

These whole number percentages will be used by the Company to apportion the use, rates, and/or nonrecurring charges between interstate and intrastate until a revised report is received.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**RULE 16 - General Rules Application to the Provision of Services
(Cont'd.)**

C. Obligations of the Customer (Cont'd.)

1. Jurisdictional Report Requirements (Cont'd.)

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 Rate Schedule A.

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 will 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 Rule 18.3.1(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 Rule 2.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**RULE 16 - General Rules Application to the Provision of Services
(Cont'd.)**

C. Obligations of the Customer (Cont'd.)

1. Jurisdictional Report Requirements (Cont'd.)

The Customer reported projected interstate percentage of use as set forth preceding will be used for the apportionment of any monthly rates or nonrecurring charges associated with Feature Groups B or 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 Rule 18.3.1(A) preceding. Where call detail is insufficient to make such a determination, the Customer will be requested to project an interstate percentage of use to be used by the Company for such apportionment.

The Customer will 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 will supply the data within thirty (30) calendar days of the Company request.

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 B or Feature Group D aggregated percentage of interstate use.

In the absence of both a Customer provided PIU, and the necessary jurisdictional information in the call detail to determine jurisdiction, the default PIU will be zero.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RULE 17 - Promotional Offerings

The Company may, from time to time, engage in special Promotional Offerings limited to certain dates, times, or locations designed to attract new Customers or to increase Customers awareness of a particular tariff offering. These promotions will be approved by the Commission with specific starting and ending dates, and be made part of this tariff.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RULE 18 - Change in Service Provider

A. Solicitation of Customer authorization for service termination and transfer.

Solicitations by Airus or its agents of customer authorization for termination of service with an existing carrier and the subsequent transfer must include information regarding the current rates, terms and conditions of service with Airus. Solicitations by Airus, or its agents must conform with California Public Utilities Code Section 2889.5. All solicitations sent by Airus or its agents to customers must be legible and printed in a minimum point size type of at least 10 points.

B. Unauthorized Service Termination and Transfer

Airus will be liable for both the unauthorized termination of service with an existing carrier and the subsequent unauthorized transfer. Airus is responsible for the actions of their agents that solicit unauthorized service termination and transfers. California law requires that any carrier who engages in any unauthorized activity must restore the customer's service to the original carrier without charge to the customer, and reimburse the original carrier for reestablishing service at the tariff rate of the original carrier. All billings during the unauthorized service period will be refunded to the customer. A.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RULE 19 - Legal Requirements for Refusal or Discontinuance of Service

California Public Utilities Commission Decision No. 91188 in Case No. 4930 requires that each communications utility operating under the jurisdiction of the PUC include the provisions of the rule set forth in Appendix "B" of that Decision as a part of the rules in the Company's tariff schedules. Accordingly, Appendix "B" of Decision No. 91188, Case No. 4930, is quoted herein:

APPENDIX B

1. Any communications utility operating under the jurisdiction of this Commission will refuse service to a new applicant and will disconnect existing service to a Customer upon receipt from any authorized official of a law enforcement agency of a writing, signed by a magistrate, as defined by Penal Code Sections 807 and 808, finding that probable cause exists to believe that the use made or to be made of the service is prohibited by law, or that the service is being or is to be used as an instrumentality, directly or indirectly, to violate or to assist in the violation of the law. Included in the magistrate's writing will be a finding that there is probable cause to believe not only that the subject telephone facilities have been or are to be used in the commission or facilitation of illegal acts, but that the character of such acts is such that, absent immediate and summary action in the premises, significant dangers to public health, safety, or welfare will result.
2. Any person aggrieved by any action taken or threatened to be taken pursuant to this rule will have the right to file a complaint with the Commission and may include therein a request for interim relief. The Commission will schedule a public hearing on the complaint to be held within 20 calendar days of the filing of the complaint. The remedy provided by this rule will be exclusive. No other action at law or in equity will accrue against any communications utility because of, or as a result of, any matter or thing done or threatened to be done pursuant to the provisions of this rule."
3. If communications facilities have been physically disconnected by law enforcement officials at the premises where located, without central office disconnection, and if there is not presented to the utility the written finding of a magistrate, as specified in paragraph 1 of this rule, then upon written request of the Customer the utility will promptly restore such service.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RULE 19 - Legal Requirements for Refusal or Discontinuance of Service (Cont'd)

4. Any concerned law enforcement agency will have the right to Commission notice of any hearing held by the Commission pursuant to paragraph 2 of this rule, and will have the right to participate therein, including the right to present evidence and argument and to present and cross-examine witnesses. Such law enforcement agency will be entitled to receive copies of all notices and orders issued in such proceeding and will have both (1) the burden of proving that the use made or to be made of the service is prohibited by law, or that the service is being or is to be used as an instrumentality, directly or indirectly, to violate or to assist in the violation of the law and that the character of such acts is such that, absent immediate and summary action in the premises, significant dangers to public health, safety, or welfare will result, and (2) the burden of persuading the Commission that the service should be refused or should not be restored.
5. The utility, immediately upon refusal or disconnection of service in accordance with paragraph 1 of this Rule, will notify the applicant or Customer in writing that such refusal or disconnection has been made pursuant to a request by a law enforcement agency, naming the agency, and will include with said notice a copy of this rule together with a statement that the applicant or Customer may request information and assistance from the Commission at its San Francisco or Los Angeles office concerning any provision of this rule.
6. At the expiration of 15 days after refusal or disconnection of service pursuant to paragraph 1 of this rule, the utility, upon written request of the applicant or Customer, will provide or restore such service unless the law enforcement agency concerned will have notified the Company in writing of its objection to such provision or restoration of service, in which event service may be provided or restored only in a complaint proceeding pursuant to paragraph 2 of this rule. At the time of giving any such notice of objection, the law enforcement agency will mail or deliver a copy thereof to the applicant or Customer. Nothing in this paragraph will be construed to preclude the granting of interim relief in a proceeding initiated pursuant to paragraph 2 of this rule.
7. Each contract for communications service, by operation of law, will be deemed to contain the provisions of this rule. Such provisions will be deemed to be a part of any application for communications service. Applicants for service will be deemed to have consented to the provisions of this rule as a consideration for the furnishing of such service.

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

RULE 19 - Legal Requirements for Refusal or Discontinuance of Service (Cont'd)

8. The term 'person,' as used herein, includes a Customer to communications service, an applicant for such service, a corporation, a company, a co-partnership, an association, a political subdivision, a public officer, a governmental agency, and an individual.
9. The term 'communications utility,' as used herein, includes a 'telephone corporation' and a 'telegraph corporation,' as defined in Division 1 of the California Public Utilities Code."

For the information of the Company's Subscribers, the addresses of the Commission's offices are as follows:

For Northern California:

Public Utilities Commission
Consumer Affairs Branch
State Building
505 Van Ness Avenue, Rm. 2003
San Francisco, California 94102

For Southern California:

Public Utilities Commission
Consumer Affairs Branch
State Building
107 South Broadway, Rm. 5109
Los Angeles, California 90012

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

SAMPLE FORMS

Individual Case Basis Agreement

This Individual Case Basis (ICB) Service Agreement ("Agreement") is between Airus, Inc., a Delaware corporation, or its assigns, ("Airus") at 840 South Canal Street, 7th Floor, Chicago, IL 60607, and _____ herein called "Customer"), whose address is _____

This Agreement is effective when signed by both the parties and subsequently approved by the California Public Utilities Commission ("CPUC") or Federal Communications Commission ("FCC"), as appropriate.

1. SERVICE TERM

The Service Term begins on the date the Service is installed, but in no event prior to the receipt of the required approval of the CPUC or FCC. Following the expiration of the term, the Agreement will continue on a month-to-month basis, upon the terms and conditions and pricing then in effect and specified in the applicable tariff(s).

2. SERVICE

(a) Service Type and Quantity (check all that apply)

(b) ICB Arrangement (specific ICB rates must be listed): _____

(c) The telecommunications services offered by Airus under this Agreement are offered pursuant to Airus' tariffs, which are filed with the CPUC for intrastate services and with the FCC for interstate services. The services provided hereunder are offered under, and pursuant to, the pricing, terms, conditions and limitations as set forth in such tariffs. Customer agrees to abide by and be bound by the terms and conditions and applicable nonrecurring and monthly recurring charges of said tariffs and said tariffs are fully incorporated herein. The tariffs are available for review at Airus' offices. For services that are not tariffed, the terms and conditions of this Agreement will govern, except that, for services provided hereunder that are also offered under one or more tariffs, in the event of a conflict between this Agreement and such tariff, the tariff will control.

(d) This Agreement will at all times be subject to such changes and modifications by the CPUC and the FCC, as said Commissions may, from time to time, direct in the exercise of their appropriate jurisdiction.

TERMS AND CONDITIONS CONTINUE ON REVERSE

By signing this form, I agree to pay all charges incurred on my account, including any applicable federal state or local use, excise, sales, privilege taxes, duties or similar liabilities by the stated due date and to adhere to all of the terms and conditions set forth in this agreement. Further, I represent that I am authorized to approve and accept the responsibility of the terms and conditions herein.

AIRUS, INC

CUSTOMER:

Company / Organization Name

By: _____
Print Name: _____
Title: _____
Date: _____

By: _____
Print Name: _____
Title: _____
Date: _____

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**SAMPLE FORMS (CONT'D)
SAMPLE INVOICE**

INVOICE DATE:

Billing Period:

Account Number:

Account Status:

Page:

Invoice:

Due Date:

Payment is due ___ days from Invoice Date.

TO:

SAMPLE CUSTOMER

ADDRESS

CITY, ST ZIP

**PLEASE REMIT PAYMENT VIA WIRE
BANK**

ROUTING AND TRANSIT #:

ACCOUNT: AIRUS, Inc.

ACCOUNT #:

REFERENCE INVOICE:

Please submit any billing inquiries to regulatory@airustel.com

PREVIOUS BALANCE	\$
Minus Payments (See Transaction Summary)	\$
Credits/Debits (See Transaction Summary)	\$
TOTAL PAYMENTS/CREDITS/DEBITS	\$
Past Due Balance Forward – Please Pay Now	\$
Usage Charges	\$
Directory Assistance Charges	\$
Other Charges	\$
Late Fees	\$
TOTAL CURRENT CHARGES DUE BY _____	\$
TOTAL ACCOUNT BALANCE	\$

Please separate this part and send with your payment

SAMPLE CUSTOMER

ADDRESS

CITY, ST ZIP

Invoice:

Closing Date:

Balance to be Paid:

Amount Paid _____

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**SAMPLE FORMS (CONT'D)
SAMPLE INVOICE (CONT'D)**

INVOICE DATE:

Billing Period:

Account Number:

Account Status:

Page:

Invoice:

Due Date:

Payment is due ___ days from Invoice Date.

TRANSACTION SUMMARY ANALYSIS

Date	WTN	Description	Amount
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Account Number :

Payments and Adjustments

DATE	PAYMENT BY WIRE	\$
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"This bill is now due and payable; it becomes subject to a late payment charge if not paid within 30 calendar days of the invoice date. Should you have any questions regarding this bill please request an explanation from Your Company Name. "

"If you believe you have been incorrectly billed you may file a complaint with the California Public Utilities Commission, Consumer Affairs Branch, 505 Van Ness Avenue, San Francisco, California. To avoid having service disconnected, payment of the disputed bill should be made "under protest " to the CPUC or payment arrangements should be made agreeable to the Company pending the outcome of the Commission's Consumer Affairs Branch review. The Consumer Affairs Branch will review the basis of the billed amount, communicate the results of its review to the parties and inform you of your recourse to pursue the matter further with the Commission".

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

**SAMPLE FORMS (CONT'D)
SAMPLE INVOICE (CONT'D)**

INVOICE DATE:

Billing Period:

Account Number:

Account Status:

Page:

Invoice:

Due Date:

Payment is due ___ days from Invoice Date.

USAGE ANALYSIS

CODE	NUMBER	MINUTES	AMOUNT
EXAMPLE	10	100	\$
<hr/>			
GRAND TOTAL	10	100	\$

PLEASE REMIT PAYMENT VIA WIRE TO:

BANK

ROUTING AND TRANSIT #:

ACCOUNT: Airus, Inc.

ACCOUNT #:

SWIFT CODE:

REFERENCE INVOICE:

Please submit any billing inquiries to regulatory@airustel.com

COMPETITIVE LOCAL EXCHANGE SERVICES TARIFF

SAMPLE FORMS (CONT'D)

Sample Customer Notice of Discontinuance of Service for Non-Payment of Bills

(date)

Customer Name

Customer Address Customer telephone number and/or account number

Dear (Customer):

Our records indicate that the subject account remains past due. We request payment in the amount of \$(amount) be received in our office no later than (date). On (date plus 7 days) a disconnect order will be submitted to our order cancellation department if payment has not been received by that time. If your service is disconnected, you will be required to pay a deposit equal to two months' usage, in addition to reconnect charges of (reconnect amount). Your local service will not be disconnected for non-payment of any charges for unregulated telecommunications services that may be included in the amount shown above.

To prevent an interruption in service and to avoid the additional charges **PLEASE MAIL YOUR PAYMENT TODAY** to:

Accounts Payable
Airus Inc.
Address

If you believe that the amount now overdue was billed in error, Airus will investigate the disputed amount upon written request. If, after investigation and review by Airus, there is still disagreement over the amount due, you may appeal the dispute to the Consumer Affairs Branch of the California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, CA 94102, 1-800-649-7570.

If you have any questions regarding the amount due or wish to make arrangements for payment, please contact your Airus representative at 1-312-878-4162.

(Service Representative)
Airus, Inc.