SECTION 3 - APPLICATION OF RATES

3.1 Rates

There are two (2) categories of rates and charges: Nonrecurring charges and monthly recurring charges.

3.2 Nonrecurring Charges

Nonrecurring charges are one-time charges that apply for specific work activity (i.e., installation or change to an existing Service).

3.2.1 Installation of Service

Nonrecurring charges apply to each Service installed. The applicable charges are specified within each Service rate section.

3.2.2 Installation of Optional Features and Functions

Nonrecurring charges apply for the installation of optional features and functions. The charge applies whether the feature or function is installed with the initial establishment of Service or any time thereafter. The applicable charges are specified within each Service rate section.

3.2.3 Section Not in Use

3.2.4 Record Order Charges

For PremierSERVSM Frame Relay Service, a Nonrecurring charge applies for receiving, recording and processing information in connection with Customer initiated changes to Customer's account information (i.e. change in Customer billing name or billing address). In these instances, a record order is issued. Once a record order is issued, Customer may request additional changes to their account information without a subsequent record order being issued, provided the additional changes are requested during the same business day.

The Record Order Charge is \$14 per Record Order.

SECTION 3 - APPLICATION OF RATES (Cont'd)

3.2 Nonrecurring Charges (Cont'd)

3.2.5 Service Order Change Charges

For PremierSERVSM Frame Relay Service, a Service Order Change Charge applies when Customer requests an addition to, change to, or rearrangement of Service, within three (3) days prior to the Service Due Date, and the request requires engineering redesign. Customer will be notified as to whether or not the Service Order Change Charge applies.

The Service Order Change Charge is \$50 per service order.

Customer may request to extend a Due Date for service provided the new Service Due Date is no more than thirty (30) calendar days beyond the original Service Due Date. Should a request be made to extend for more than thirty (30) calendar days beyond the originally Scheduled Service Due Date, the original Service Order will be cancelled and a new order for service must be placed. There will be a \$250 cancellation charge for cancelled orders.

3.2.6 Expedite Order Charges

For PremierSERVSM Frame Relay Service, if Customer desires that Service be provided on a due date earlier than the due date offered the Customer, the Customer may request the Service be provided on an expedited basis.

There will be a \$250 charge for Expedite Orders that are limited to PVC additions or Port Installations. For Port and Access Expedite Order requests, there is a minimum charge of \$500 per Service Order. In addition, the Company will pass on and bill the Customer any additional charges it incurs from other service providers, such as ILECs, IXCs and CLECs, necessary to complete the Expedite Order. Company will provide Customer an estimate of any additional charges involved prior to the charges being incurred by Customer.

If the Company determines that the Service can be provided on an expedited basis and the Customer accepts the new expedited date and agrees to pay any applicable costs, the Expedite Order will then be processed.

If the Company is unable to meet the agreed upon expedited Service date, but the Service is still provided on an expedited basis (prior to original due date offered by the Company), Customer will still incur applicable expedite charges.

SECTION 3 - APPLICATION OF RATES (Cont'd)

3.2 Nonrecurring Charges (Cont'd)

3.2.7 Additional Labor Charge

This Section applies to PremierSERVSM Frame Relay Service only.

In this section, normally scheduled working hours are generally 8:00 a.m. to 5:00 p.m. Monday through Friday, excluding Holidays. However, the hours may vary based on Company policy, union contract and location.

Additional Labor is that labor requested by Customer on a given Service and agreed to by Company as set forth below. Company will notify Customer that Additional Labor Charges will apply before any additional labor is undertaken.

There is a half-hour minimum charge for any Additional Labor. All Additional Labor Charges for work performed during normally scheduled working hours will be billed at \$50 for the first half-hour and \$25 for each subsequent quarter hour or fraction thereof, per technician.

All Additional labor performed outside of normally scheduled working hours (overtime) will be billed at \$62.50 for the first half-hour and \$31.25 for each subsequent quarter hour or fraction thereof, per technician. A call-out of Company personnel for Additional Labor at a time not consecutive with Company's normally scheduled working hours is subject to a minimum charge of four hours.

If more than one technician is involved in the same Additional Labor project, the total amount of time for all technicians involved will be aggregated prior to the distribution of time between the first half-hour and each additional quarter hour rate categories.

SECTION 3 - APPLICATION OF RATES (Cont'd)

3.2 Nonrecurring Charges (Cont'd)

3.2.7 Additional Labor Charge (Continued)

3.2.7.A Overtime Installation

Overtime installation is that Company installation effort outside of normally scheduled working hours.

3.2.7.B Stand By

Stand by includes all time in excess of one-half (1/2) hour during which Company personnel stand by to make installation acceptance tests or cooperative tests with a Customer to verify facility repair on a given Service.

3.2.7.C Maintenance of Service

When Customer reports trouble to Company for clearance and no trouble is found in Company's equipment/facilities or trouble found is due to Customer Equipment, Customer will be billed for Maintenance of Service for the period of time beginning when the technician arrives at the Customer's premises and ending when the service is completed. No charge will be applied if the trouble is in Company's equipment/facilities.

3.2.7.D Testing and Maintenance with Other Companies

Additional testing, maintenance or repair of facilities which connect to facilities of other telephone companies, is that which is in addition to the normal effort required to test, maintain or repair facilities provided solely by the Company. For Testing and Maintenance Services, if the Customer elects not to release a circuit during the Company's normal working hours, Company will work with the Customer to reach a mutually agreed upon time.

3.2.7.E Other Labor

Other Labor is that additional labor not included in 3.2.7.A through 3.2.7.C, preceding, and labor incurred to accommodate a specific Customer request that involves only labor which is not covered by any other Section.

SECTION 3 - APPLICATION OF RATES (Cont'd)

3.3 Monthly Recurring Charges

Monthly recurring charges are the rates applied each month for the Service being provided.

3.4 Minimum Period

The minimum periods for which services are provided and for which rates and charges apply are as follows:

- **3.4.1** Services are provided for a minimum of one (1) month, unless otherwise specified.
- **3.4.2** The minimum period for the PremierSERVSM Frame Relay Service offering in Sections 4.1 through 4.4 is twelve (12) months.
- **3.4.3** When Service is discontinued prior to the expiration of the minimum period, charges are applicable whether the Service is used or not, as follows:
 - **3.4.3.A** When a Service with a one (1) month minimum period is discontinued prior to the expiration of the minimum period, a one (1) month charge will apply at the rate in effect at the time Service is discontinued.
 - **3.4.3.B** When a Service with a minimum period greater than one (1) month is discontinued prior to the expiration of the minimum period, the applicable charge will be 50% of the total monthly charges at the rate in effect at the time Service is discontinued, for the remainder of the minimum period.

3.5 Term Pricing Plans (TPP)

- **3.5.1** For PremierSERVSM Frame Relay Service, Term Pricing Plans (TPP) provide Customer with stabilized rates for the duration of the agreed upon term. Except as otherwise provided herein, TPP monthly rates will be exempt from Company-initiated rate increases throughout the selected TPP Service period. The TPP start date for each Service commences on the date installation is complete, and Service under that TPP ends on the anniversary date of the installation.
- 3.5.2 Customer may request an existing TPP Service period be converted to a new TPP Service period without incurring termination or nonrecurring charges provided the new Service period is equal to or greater than the remaining portion of the original TPP Service period.
- **3.5.3** If the Customer requests that Service provided under a TPP be converted to a term shorter than the remaining portion of the existing TPP, the request will be treated as a termination of Service and termination charges will apply.

SECTION 3 - APPLICATION OF RATES (Cont'd)

3.5 Term Pricing Plans (TPP) (Cont'd)

3.5.4 Customer must provide Company written notice of intent to renew TPP no later than sixty (60) calendar days prior to its expiration. Nonrecurring charges do not apply if TPP is renewed. The renewal rates will be the applicable rates in effect on our current Tariff at the time the TPP expires. If Customer does not renew a TPP or does not notify Company of its intent to renew, Customer's Service will convert to the then current Out of Term rates until the Customer cancels or renews the Service with a new TPP term.

3.5.5 Termination charges

Except as noted in 3.5.2 preceding, Customers who terminate a TPP prior to the expiration of the term period will incur termination charges equal to 50% of the total monthly recurring charges for the remainder of Customer's TPP term.

3.6 Moves

This Section applies to PremierSERVSM Frame Relay Service.

3.6.1 Moves Within the Same Building

Moves within the same building will incur a charge equal to one-half (1/2) of the nonrecurring charges of the shortest term available and all associated special construction and material charges for the Service. There will be no change in TPP term requirements.

3.6.2 Moves To a Different Building

Moves to a different building will incur a charge equal to the nonrecurring charges of the shortest term available and all associated special construction and material charges for the Service. There will be no change in TPP term requirements, except as noted in 3.6.3 below.

3.6.3 When Termination Charges Apply

If an order to move Service provided under a TPP does not meet one or more of the conditions described below, it will be treated as a discontinuance of Service and the establishment of a new Service and termination charges will apply. Except as noted, the monthly rates for the new Service will be those in effect at the time Service is moved. All nonrecurring charges and special construction charges associated with the establishment of the new Service will apply.

SECTION 3 - APPLICATION OF RATES (Cont'd)

3.6 Moves (Cont'd)

3.6.3 When Termination Charges Apply (Cont'd)

3.6.3.1 Moves at Same Transmission Speed

For moves or changes at the same transmission speed, the Customer may move Service to a new location without incurring termination charges provided all of the following conditions are met:

- 1) The new Service is provided solely by Company;
- 2) The Customer's request to disconnect Service and request for new Service are received at the same time;
- 3) The new Service date requested by the Customer is within one hundred twenty (120) days of the Customer disconnect request;
- The new Service has a transmission speed equal to the transmission speed of the existing Service;
- 5) For Permanent Virtual Circuits (PVCs), the move must be associated with the move of one or more associated ports;
- 6) The new Service retains the same TPP effective date and term as the original TPP established at the former location; and
- 7) The total TPP revenue for the new Service is equal to or greater than the remaining TPP revenue of the original Service.

3.6.3.2 Moves Involving Upgrades in Transmission Speed

For moves involving upgrades in transmission speed, the Customer may move Service to a new location and upgrade to a higher speed Company Service without incurring termination charges provided all of the following conditions are met:

- 1) The new Service is provided solely by Company;
- 2) The Customer's request to disconnect Service and request for new Service are received at the same time;
- 3) The new Service date requested by the Customer is within one hundred twenty (120) days of the Customer disconnect request;
- 4) The new Service has a transmission speed greater than the transmission speed of the existing Service;
- 5) For PVCs, the move must be associated with the move of one or more associated ports;
- 6) The new Service establishes a new TPP effective date with a term equal to or greater than the original TPP term established at the former location; and
- 7) The total TPP revenue for the new Service is equal to or greater than the remaining TPP revenue of the original Service.

SECTION 3 - APPLICATION OF RATES (Cont'd)

3.7 Upgrades Not Involving Moves

This Section applies to PremierSERVSM Frame Relay Service.

Customer may upgrade Service to a higher transmission speed or to another Company Service of equal or greater transmission speed without incurring termination charges if all of the following conditions are met:

- 1) The new Service is provided solely by Company;
- 2) The new Service is provided to the same Customer location;
- 3) For PVCs, the new Service must be provided between the same two locations;
- The Customer's requests to disconnect Service and request for new Service are received at the same time;
- 5) For Service upgraded pursuant to this section, the new Service establishes a new TPP effective date with a term equal to or greater than the original TPP term established with the original Service.; and
- The total TPP revenue for the new Service is equal to or greater than the remaining TPP revenue of the original Service.

Any applicable nonrecurring or special construction charges associated with the new Service will apply.

3.8 Service Order Cancellation Charge

Customer may cancel a Service Order at any time prior to the Service Due Date. The cancellation date is the date the Company receives written or verbal notice from the Customer that the order is to be cancelled. The following conditions apply to service Order cancellations:

- 3.8.1 For PremierSERVSM Frame Relay Service, if Customer cancels an order for Service more than three (3) business days after Firm Order Confirmation (FOC) has been provided Customer will incur a \$250 cancellation charge. This cancellation charge will be billed in addition to any other charges Company incurs, including but not limited to applicable cancellation or termination charges from other Service providers such as ILECs, IXCs and CLECs. The Service Order Cancellation Charge will apply per Service Order.
- 3.8.2 For Service Orders cancelled less than three (3) business days before the Service Due Date, the request will be treated as a disconnect and will include applicable termination charges equal to 50% of the total monthly recurring charges. The above \$250 cancellation charge will not apply.