

PAYMENTS, DEPOSITS, ADJUSTMENTS AND CREDITS (cont'd)**Late Payment Charge - Business**

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For Business customers, a late payment charge of 2.5% of the unpaid balance or \$15.00, whichever is greater, shall apply to amounts for basic local exchange services, toll, end user access charges, unregulated services such as custom calling and voice mail, and various surcharges for services such as 911 and local number portability, shown on a monthly bill which remain unpaid after the due date.

This charge does not apply to:

- amounts which are in dispute at the time the late payment charge would otherwise be applied
- federal excise tax or any other taxes levied by law directly on the customer
- accounts of the federal, state, county or local government

Credit, deposit and collection procedures outlined elsewhere in this Guidebook or the tariff are not waived or foreclosed by the application of a late payment charge.

Late Payment Charge - Residence

For Residence customers, a late payment charge of \$6.50 shall apply to amounts for toll, end user access charges, basic local exchange services, unregulated services such as custom calling and voice mail, and various surcharges for services such as 911 and local number portability, shown on the monthly bill which remain unpaid after the due date.

This charge does not apply to:

- Call Plan 100
- interzone calling
- amounts which are in dispute at the time the late payment charge would otherwise be applied
- federal excise tax or any other taxes levied by law directly on the customer
- accounts of the federal, state, county or local government

Credit, deposit and collection procedures outlined elsewhere in this guidebook are not waived or foreclosed by the application of a late payment charge.

Checks Returned on Customer Accounts

A charge will apply whenever a check or draft presented for payment of service is not accepted by the institution on which it was written. In case of error by the institution on which the check or draft is written, the charge will be waived by the Company.

PAYMENTS, DEPOSITS, ADJUSTMENTS AND CREDITS (Cont'd)

E. Applicable Taxes, Fees etc.

Various telecommunications services as defined in the Michigan Telecommunications Act, and other services and products provided by the Company, are subject to certain federal, state and local taxes. The Company is required to bill these taxes to the customer and remit payments on behalf of the taxing entity. These taxes include a 3% federal excise tax, 6% State of Michigan Use Tax, and 5% City of Detroit Utility User Tax which are billed on a monthly basis. Applicability of the different taxes is governed by federal, state and local statutes, rules, regulations and ordinances. The majority of telecommunications services provided by the Company are subject to both federal excise and State of Michigan use taxes. Individual telecommunications and other services and products are subject to the different taxes depending on the nature of the service, the points of origination or termination of the service, and the municipality in which the customer is located. In addition, telecommunications services may be subject to governmental charges that the Company is required to bill the customer ("Mandatory Fees") or charges that the Company is permitted to recover ("Discretionary Fees"). Discretionary Fees are designed, in a commercially reasonable manner, to recover local, state and/or federal charges the company is required to pay to governmental entities, including, but not limited to, Universal Service Fund charges, some of which can change quarterly or more often.

MI STATE ACCESS FUND SURCHARGE

AT&T assesses the Michigan (MI) State Access Fund surcharge of 0.680% on retail intrastate telecommunications charges. The MI State Access Fund provides support to rural telecommunications carriers operating in high cost areas of the state in order to maintain affordable rates to end users. The charges appear as "MI State Access Fund" on the customer bill. (C)

MI 911 SURCHARGE

Pursuant to state law, the Company assesses the following 911 surcharges:

Statewide 9-1-1 Surcharge: The charge is \$.19 per month per device.

County Surcharge: The charge varies by county and is capped at \$3.00 per month per device.

Technical Surcharge: The charge varies by county and is capped at \$.80 per month per access line.

F. Prepayment

Applicants for a service and facilities, other than Federal, State, or Municipal governmental agencies, may be required to prepay one billing period's charges for basic local exchange service as a condition of receiving the regulated service. If an applicant's basic local exchange service is subject to usage-sensitive pricing then the prepayment shall not be more than the average of charges for similar services purchased in the applicant's exchange during the most recent calendar year for which data is available.

G. SHUT OFF (TEMPORARY DISCONTINUANCE) FOR NONPAYMENT

1. Where service has been temporarily shut off in accordance with the provisions of this Guidebook and the service is re-established, a Restoral of Service Charge is made as specified in Part 3, Section 1. This charge covers the customer's entire service and facilities, and is in addition to all other charges due.
2. The Restoral of Service charge does not apply where service has been actually discontinued; in that event, upon payment of all charges due, the service will be re-established on the basis of a new application for service and the payment of the charges associated with such application.

H. CONVENIENCE FEE FOR PAYMENT MADE WITH A COMPANY REPRESENTATIVE

A fee may apply for each instance of payment made with a Company Representative when authorized by the subscriber. The subscriber would be informed by the Company Representative of any applicable charges prior to processing the subscriber's payment. This fee would not apply when automated payment systems are unavailable due to system outages.

Charge: Residence \$5.00 Business 5.00

TOLL RESTRICTION

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1. For cause as provided herein and without incurring any liability, the Company may elect to impose a toll restricted service on a customer in the following circumstances:
 - a. Suspicion of fraud.
 - b. Non-compliance by a customer with a mutually accepted deferred payment arrangement established between the Company and the customer.
 - c. When a customer has a persistent history of bill paying problems, including, but not limited to, the following:
 - customer has increasing or continuing significant bill arrearages.
 - customer is continually in treatment.
 - customer's monthly payments do not cover current charges.
 - d. When a customer has an unsatisfactory credit history or reference.
 - e. When an unpaid balance with an utility exists at the time of application for new service.
 - f. Where an unpaid bill which is the responsibility of an occupant at the address exists.
2. The Company may impose, but is not limited to, the following types of toll restriction: third number blocks, collect calls blocks, pay-per-call blocks, and toll usage credit limits. The Company will allow interexchange carriers to do the following:
 - a. "opt-out", that is exclude all of their toll subscribers from the Company's toll usage credit limits.
 - b. Notify the Company that specific direct bill subscribers' toll is to be excluded from the Company's toll usage credit limits.

The Company may also restrict customers access to unregulated services such as custom and/or advanced custom calling features.
3. Subject to (4) below, company imposed toll restriction or the imposition of toll usage credit limits by the Company may be made five days after the mailing of written notice to the customer at the address to which the bills for the service are sent. New subscribers, if eligible, will receive written confirmation in the new services fulfillment letter.
4. In the event of fraudulent use of service, toll restriction may be imposed by the Company immediately and the Company will attempt to reach the customer by telephone.
5. The imposition of toll restriction service by the Company is in addition to any rules and regulations relating to billing and payments specified elsewhere.