

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 0.540% 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.

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