

BELLSOUTH  
 TELECOMMUNICATIONS, INC.  
 NORTH CAROLINA  
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 Charlotte, North Carolina

## ACCESS SERVICES TARIFF

Third Revised Page 1  
 Cancels Second Revised Page 1

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**E26. BELLSOUTH SWA CONTRACT TARIFFS**

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**E26. BELLSOUTH SWA CONTRACT TARIFFS**

(C)

**E26.1 Reserved for Future Use**

(N)

**E26.2 BellSouth SWA Contract Tariff No. NC2003-01**

(N)

**E26.2.1 General Regulations**

(N)

- A. The start date of BellSouth SWA Contract Tariff No. NC2003-01 is the first bill period following execution of the Letter of Agreement with the customer. (N)
- B. Customers may choose either a one or two year agreement that terminates upon completion. (N)
- C. The regulations, terms, conditions and volume discounts provided herein shall apply to the customer's applicable BellSouth SWA usage and revenues achieved in the state of North Carolina. (N)

**E26.2.2 Subscription Conditions**

(N)

- A. To subscribe to BellSouth SWA Contract Tariff No. NC2003-01, the customer and BellSouth must execute a Letter of Agreement. BellSouth shall provide a Letter of Agreement for the customer to execute. The Letter of Agreement shall contain: (N)
  - 1. BellSouth SWA Contract Tariff No. NC2003-01 tariff reference (N)
  - 2. Start and termination date (N)
  - 3. Customer's name and billing address (N)
  - 4. Billing Account Number to which the credit will be applied (N)
  - 5. Access Customer Name Abbreviations (ACNAs) and Customer Identifications Codes (CICs) to be included in the BellSouth SWA Contract Tariff No. NC2003-01 (N)
  - 6. BellSouth SWA Contract Tariff No. NC2003-01 term (i.e., one or two years) (N)
  - 7. Commitment Level usage (N)
- B. To subscribe to BellSouth SWA Contract Tariff No. NC2003-01, the customer must have been a BellSouth SWA customer for the previous twelve (12) months. (N)
- C. The customer's most recent twelve (12) months local switching usage will be projected forward for twelve (12) months utilizing linear regression analysis. The customer's annual usage commitment level will be a minimum of 90 percent of this projection. (N)
- D. When the customer subscribes to BellSouth SWA Contract Tariff No. NC2003-01, the customer must identify to the Telephone Company, all Access Customer Name Abbreviations (ACNAs) and Carrier Identification Codes (CICs) to be included in BellSouth SWA Contract Tariff No. NC2003-01. (N)
- E. The customer must be the billing responsible party for all BellSouth SWA billing elements associated with the ACNAs and CICs included in the Letter of Agreement. (N)
- F. Any additions after the Letter of Agreement is executed will be handled as a merger or acquisition or transfer of service regulations as set forth in E26.2.3 following. (N)
- G. A customer subscribing to BellSouth SWA Contract Tariff No. NC2003-01 may not subscribe to any other BellSouth SWA Contract Tariff for the services as set forth in H. following. (N)
- H. The following BellSouth SWA services will be used in determining the BellSouth SWA revenues that are eligible to receive the volume discount based on the established local switching usage Commitment Level. (N)
  - 1. Local Switching (N)
    - Local Switching 1 (N)
    - Local Switching 2 (N)
    - Local Switching 3 (N)
    - Local Switching 4 (N)
- I. A customer may not combine its local switching minutes of use with another customer, whether an individual, partnership, association or corporation, for the purpose of meeting the established minimum local switching usage, as set forth in E26.2.5.B. following. (N)

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**E26. BELLSOUTH SWA CONTRACT TARIFFS****E26.2 BellSouth SWA Contract Tariff No. NC2003-01 (Cont'd)**

(N)

**E26.2.2 Subscription Conditions (Cont'd)**

(N)

**J. Cancellation of BellSouth SWA Contract Tariff No. NC2003-01**

(N)

1. Except as set forth in 2. following, during the term period of BellSouth SWA Contract Tariff No. NC2003-01 as defined by the customer's Letter of Agreement, a customer who cancels this BellSouth Contract Tariff No. NC2003-01 is subject to shortfall and termination liability as described in E26.2.5, following. (N)
2. A customer who cancels this BellSouth SWA Contract Tariff No. NC2003-01 under this paragraph is subject only to shortfall calculations of E26.2.5, following. Cancellation of BellSouth SWA Contract Tariff No. NC2003-01 and subscription to another BellSouth SWA Contract Tariff is allowed only on the anniversary date as defined by the customer's Letter of Agreement and upon meeting the condition below. At a minimum, the term of the new Letter of Agreement will be the remaining term of the initial Letter of Agreement. (N)
  - a. Customer adds CIC codes that are desired to become part of the volume discount contract tariff. (N)

**K. The services to which the incentives set forth in this BellSouth SWA Contract Tariff No. NC2003-01 apply, are obtained from Section E6. of this Tariff. BellSouth reserves the right to change the terms, conditions, rates, and charges applicable for services in Section E6. or other sections of this Tariff during the term of this Contract Tariff unless otherwise specified in this Contract Tariff. General regulations and ordering options for the BellSouth SWA services are as set forth in Sections E2. and E5. of this Tariff.**

(N)

**E26.2.3 Mergers and Acquisitions and Transfer of Service**

(N)

**A. In the event the customer merges with another company or is acquired by another company; the following regulations will apply:**

(N)

1. The customer may elect to terminate subscription to BellSouth SWA Contract Tariff No. NC2003-01. A customer who cancels subscription to BellSouth SWA Contract Tariff No. NC2003-01 is subject to shortfall and termination liability as described in E26.2.5, following. (N)
2. The customer may not combine revenues with the merged or acquired company's revenues for the purpose of obtaining volume discounts provided under BellSouth SWA Contract Tariff No. NC2003-01. (N)
3. The customer may continue subscribing to BellSouth SWA Contract Tariff No. NC2003-01 for the duration of the term provided that the customer continues the subscription as if it were the same entity that existed prior to the merger or acquisition. (N)

**B. If customer requests a transfer of service, pursuant to Transfer of Service regulations in Sections E2. and E6. of this Tariff, the customer's subscription to BellSouth SWA Contract Tariff No. NC2003-01 shall be terminated.**

(N)

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**E26. BELLSOUTH SWA CONTRACT TARIFFS**

**E26.2 BellSouth SWA Contract Tariff No. NC2003-01 (Cont'd)**

**E26.2.4 BellSouth SWA Revenue Volume Discounts**

- A. Each year of the customer's Letter of Agreement is defined as twelve (12) consecutive bill periods following the beginning date of the Letter of Agreement. For purposes of calculating the BellSouth SWA volume discounts, month one (1) is the first complete bill period after the beginning date of the Letter of Agreement. For example, if the beginning date of the Letter of Agreement is June 6, 2003 bill period, and the bill period is the twelfth, then month one (1) for purposes of calculating the BellSouth SWA volume discounts will be the July 12, 2003 bill period.
- B. The BellSouth SWA Pricing Flexibility volume discounts provided herein will be determined during the first month after the end of each year of the customer's Letter of Agreement. During the second month following the end of each year of the Letter of Agreement, the BellSouth SWA volume discounts will be applied via a credit to the customer's bill.
- C. The BellSouth SWA volume discounts are applicable to the BellSouth SWA services as set forth in E26.2.2.H. preceding.
- D. The BellSouth SWA volume discounts specified in BellSouth SWA Contract Tariff No. NC2003-01 will not be applied to taxes and nonrecurring BellSouth SWA revenues.

**E26.2.5 BellSouth SWA Contract Tariff No. NC2003-01 Volume Discount Plan**

- A. BellSouth SWA Contract Tariff No. NC2003-01 provides for annual volume discounts based upon annual local switching minutes of use (MOU) above a stated minimum usage achieved, and the Commitment Level and term year as defined in the Letter of Agreement. Discounts are achieved in term years when the achieved local switching volume is equal to or above a Commitment Level usage. When equaled or exceeded, discounts are applied to the Commitment Level usage.
- B. The Commitment Level usage and the achievable volume discounts associated with the BellSouth SWA services are shown in the table below. Volume discounts are not applicable to any usage levels outside of the MOU usage ranges stated in table below:

Annual Usage Commitment Level and Discounts		
Commitment Level MOUs	Year 1 Discounts	Year 2 Discounts
> 80M to 160M	0.7%	1.2%
> 160M to 480M	1.3%	1.8%
> 480M to 800M	2.7%	3.2%
> 800M to 1.12B	4.0%	4.5%
> 1.12B to 1.42B	5.4%	5.9%
> 1.42B	6.7%	7.2%

- C. The volume discount received for a given year under BellSouth SWA Contract Tariff No. NC2003-01 is determined by multiplying the eligible BellSouth SWA revenue associated with the Commitment Level usage, times the discount percentage achieved as determined in A. preceding.

The following example demonstrates application of the discount:

- Customer Annual Commitment Level – 480M minutes of use
- Achieved Volume – 490M minutes of use
- Contract Year – first year of a one-year contract
- All usage is Local Switching 2
- Local Switching 2 rate - \$.002328/minute
- From Table – applicable discount is 2.7 percent

Therefore:

Volume Discount = Eligible Revenue X Discount Rate

Volume Discount = (480M minutes X \$.002328/minute) X 2.7 percent

Volume Discount = \$30,171

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**E26. BELLSOUTH SWA CONTRACT TARIFFS****E26.2 BellSouth SWA Contract Tariff No. NC2003-01 (Cont'd)**

(N)

**E26.2.5 BellSouth SWA Contract Tariff No. NC2003-01 Volume Discount Plan (Cont'd)**

(N)

- D. When the Commitment Level usage volume is not met during a year of the term, a shortfall liability is incurred by the customer. The shortfall usage is equal to the difference in the customer's Commitment Level and the achieved local switching usage volume. The shortfall liability would be equal to the shortfall usage, times the customer's average local switching rate per MOU. The customer's average local switching rate per MOU is equal to revenue generated from the local switching usage rate elements as described in E26.2.2.H. preceding, divided by the achieved local switching usage volume.

(N)

The following example demonstrates application of shortfall:

(N)

Customer Annual Commitment Level – 480M minutes of use

(N)

Achieved Volume – 475M minutes of use

(N)

Contract Year – first year of a one-year contract

(N)

All usage is Local Switching 2

(N)

Local Switching 2 rate - \$.002328/minute

(N)

Therefore:

(N)

Shortfall Usage = Commitment Level – Achieved Volume

(N)

Shortfall Usage = 480M minutes – 475M minutes

(N)

Shortfall Usage = 5M minutes

(N)

Shortfall Liability = Shortfall Usage X Avg Local Switching Rate

(N)

Shortfall Liability = 5M minutes X \$.002328/minute

(N)

Shortfall Liability = \$11,640

(N)

- E. In the event of an early termination of the contract, shortfall usage calculations will be based upon the monthly usage values which comprise the annual Commitment Level. If upon comparing the shortened term commitment to the achieved usage level, a shortfall usage is determined to exist, then a shortfall liability is incurred. The shortfall liability will be calculated as described in D. above.
- F. A termination liability is incurred when a customer terminates the agreement before the end date of the agreement. The termination liability is equal to 90 percent of the volume discount received during the term of the agreement.
- G. This BellSouth SWA Contract Tariff No. NC2003-01 will also provide, as a one-time promotional offer, that the customer may obtain a partial prepayment of the first annual SWA Pricing Flexibility volume discount. To qualify for this prepayment, the customer must subscribe to this plan via a Letter of Agreement (LOA) to begin no later than 30 days after the effective date of the tariff. Using the customer's usage between the commencement of this LOA and December 4, 2003, BellSouth will determine if the customer is on track to earn the discount described at the end of the first year of the LOA. If so, BellSouth will calculate by December 15, 2003, the prorated volume discount and remit to the subscriber the prepayment of this pro rata volume discount as soon as practical thereafter. At the end of the first year of the LOA, if an annual credit has been earned, the prepayment will be subtracted from this annual volume discount amount. If, at the end of the first year, the volume discount has not been earned, then the prepayment shall be returned to BellSouth with interest calculated for the period during which the prepayment was held by the customer (Interest equals prime plus two percent – the prime interest rate is that rate which is effective at the end of the first year of the LOA.).

(N)

(N)

(N)

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**E26. BELLSOUTH SWA CONTRACT TARIFFS****E26.3 BellSouth SWA Contract Tariff No. NC2005-01****E26.3.1 General Regulations**

- A. The start date of BellSouth SWA Contract Tariff No. NC2005-01 is the first bill period following execution of the Letter of Agreement with the customer.
- B. The BellSouth SWA Contract Tariff is a one (1) year agreement that terminates upon completion.
- C. The regulations, terms, conditions and volume discounts provided herein shall apply to the customer's applicable BellSouth SWA usage and revenues achieved in the state of North Carolina.

**E26.3.2 Subscription Conditions**

- A. To subscribe to BellSouth SWA Contract Tariff No. NC2005-01, the customer and BellSouth must execute a Letter of Agreement. BellSouth shall provide a Letter of Agreement for the customer to execute. The Letter of Agreement shall contain:
  - 1. BellSouth SWA Contract Tariff No. NC2005-01 tariff reference
  - 2. Start and termination date
  - 3. Customer's name and billing address
  - 4. Billing Account Number to which the credit will be applied
  - 5. Access Customer Name Abbreviations (ACNAs) and Customer Identifications Codes (CICs) to be included in the BellSouth SWA Contract Tariff No. NC2005-01
  - 6. BellSouth SWA Contract Tariff No. NC2005-01 term
  - 7. Commitment Level usage
- B. To subscribe to BellSouth SWA Contract Tariff No. NC2005-01, the customer must have been a BellSouth SWA customer for the previous twelve (12) months.
- C. The customer's most recent twelve (12) months local switching usage will be projected forward for twelve (12) months. The customer's annual usage commitment level will be a minimum of ninety-five percent (95%) of this projection. Commitment levels ranging from ninety-five percent (95%) through less than ninety-eight (98%) of this projection are subject to the shortfall calculations as described in E26.3.5.E. following when commitment levels are not attained. For commitment levels ninety-eight percent (98%) or greater, shortfall liabilities will not apply unless the customer cancels this SWA Contract Tariff No. NC2005-01.
- D. When the customer subscribes to BellSouth SWA Contract Tariff No. NC2005-01, the customer must identify to the Telephone Company, all Access Customer Name Abbreviations (ACNAs) and Carrier Identification Codes (CICs) to be included in BellSouth SWA Contract Tariff No. NC2005-01.
- E. The customer must be the billing responsible party for all BellSouth SWA billing elements associated with the ACNAs and CICs included in the Letter of Agreement.
- F. Any additions after the Letter of Agreement is executed will be handled as a merger or acquisition or transfer of service regulations as set forth in E26.3.3. following.
- G. A customer subscribing to BellSouth SWA Contract Tariff No. NC2005-01 may not subscribe to any other BellSouth SWA Contract Tariff for the services as set forth in H. following.
- H. The following BellSouth SWA services will be used in determining the BellSouth SWA revenues that are eligible to receive the volume discount based on the established local switching usage Commitment Level.
  - 1. Local Switching
    - Local Switching 1
    - Local Switching 2
    - Local Switching 3
    - Local Switching 4
- I. A customer may not combine its local switching minutes of use with another customer, whether an individual, partnership, association or corporation, for the purpose of meeting the established minimum local switching usage, as set forth in E26.3.5.B. following.

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**E26. BELLSOUTH SWA CONTRACT TARIFFS**

(N)

**E26.3 BellSouth SWA Contract Tariff No. NC2005-01 (Cont'd)**

(N)

**E26.3.2 Subscription Conditions (Cont'd)**

(N)

## J. Cancellation of BellSouth SWA Contract Tariff No. NC2005-01

(N)

1. Except as set forth in 2. following, during the term period of BellSouth SWA Contract Tariff No. NC2005-01 as defined by the customer's Letter of Agreement, a customer who cancels this BellSouth Contract Tariff No. NC2005-01 is subject to shortfall and termination liability as described in E26.3.5. following. (N)
2. A customer who cancels this BellSouth SWA Contract Tariff No. NC2005-01 under this paragraph is subject only to shortfall calculations of E26.3.5. following. Cancellation of BellSouth SWA Contract Tariff No. NC2005-01 and subscription to another BellSouth SWA Contract Tariff is allowed only on the anniversary date as defined by the customer's Letter of Agreement and upon meeting the condition below. At a minimum, the term of the new Letter of Agreement will be the remaining term of the initial Letter of Agreement. (N)
  - a. Customer adds CIC codes that are desired to become part of the volume discount contract tariff. (N)

## K. The services to which the incentives set forth in this BellSouth SWA Contract Tariff No. NC2005-01 apply, are obtained from Section E6. of this Tariff. BellSouth reserves the right to change the terms, conditions, rates, and charges applicable for services in Section E6. or other sections of this Tariff during the term of this Contract Tariff unless otherwise specified in this Contract Tariff. General regulations and ordering options for the BellSouth SWA services are as set forth in Sections E2. and E5. of this Tariff. (N)

(N)

**E26.3.3 Mergers and Acquisitions and Transfer of Service**

(N)

## A. In the event the customer merges with another company or is acquired by another company; the following regulations will apply: (N)

1. The customer may elect to terminate subscription to BellSouth SWA Contract Tariff No. NC2005-01. A customer who cancels subscription to BellSouth SWA Contract Tariff No. NC2005-01 is subject to shortfall and termination liability as described in E26.3.5, following. (N)
2. The customer may not combine revenues with the merged or acquired company's revenues for the purpose of obtaining volume discounts provided under BellSouth SWA Contract Tariff No. NC2005-01. (N)
3. The customer may continue subscribing to BellSouth SWA Contract Tariff No. NC2005-01 for the duration of the term provided that the customer continues the subscription as if it were the same entity that existed prior to the merger or acquisition. (N)

## B. If customer requests a transfer of service, pursuant to Transfer of Service regulations in Sections E2. and E6. of this Tariff, the customer's subscription to BellSouth SWA Contract Tariff No. NC2005-01 shall be terminated. (N)

(N)

**E26.3.4 BellSouth SWA Revenue Volume Discounts**

(N)

- A. The year of the customer's Letter of Agreement is defined as twelve (12) consecutive bill periods following the beginning date of the Letter of Agreement. For purposes of calculating the BellSouth SWA volume discounts, month one (1) is the first complete bill period after the beginning date of the Letter of Agreement. For example, if the beginning date of the Letter of Agreement is June 6, 2005 bill period, and the bill period is the twelfth, then month one (1) for purposes of calculating the BellSouth SWA volume discounts will be the July 12, 2005 bill period. (N)
- B. The BellSouth SWA Pricing Flexibility volume discounts provided herein will be determined during the first month after the end of the year of the customer's Letter of Agreement. During the second month following the end of the year of the Letter of Agreement, the BellSouth SWA volume discounts will be applied via a credit to the customer's bill. (N)
- C. The BellSouth SWA volume discounts are applicable to the BellSouth SWA services as set forth in E26.3.2.H. preceding. (N)
- D. The BellSouth SWA volume discounts specified in BellSouth SWA Contract Tariff No. NC2005-01 will not be applied to taxes and nonrecurring BellSouth SWA revenues. (N)

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**E26. BELLSOUTH SWA CONTRACT TARIFFS**

**E26.3 BellSouth SWA Contract Tariff No. NC2005-01 (Cont'd)**

**E26.3.5 BellSouth SWA Contract Tariff No. NC2005-01 Volume Discount Plan**

- A. BellSouth SWA Contract Tariff No. NC2005-01 provides for annual volume discounts based upon annual local switching minutes of use (MOU) above a stated minimum usage achieved, and the Commitment Level and term year as defined in the Letter of Agreement. Discounts are achieved in a term year when the achieved local switching volume is equal to or above a Commitment Level usage. When equaled or exceeded, discounts are applied to the Commitment Level usage.
- B. The Commitment Level usage and the achievable volume discounts associated with the BellSouth SWA services are shown in the table below. Volume discounts are not applicable to any usage levels outside of the MOU usage ranges stated in table below:
- C. The Commitment Level usage and the achievable volume discounts associated with the BellSouth SWA Common Transport IP Option, which allow termination or origination (when/where available and capacity permits) of Internet Protocol (IP) traffic are shown in the table below. The SWA Common Transport IP Option discount will be in addition to the discount obtained from the BellSouth SWA services as described in E26.3.5.B. proceeding. Only SWA Common Transport IP Option MOU eligible for the discounts as described in the table for Additional SWA Common Transport IP Option Discounts. Volume discounts are not applicable to any usage levels outside of the MOU usage ranges stated in the Additional SWA Common Transport IP Option Discounts section in the table below:

<b>Annual Usage Commitment Level and Discounts</b>		
<b>Commitment Level MOUs</b>	<b>BellSouth SWA services discounts as described on E26.3.5A</b>	<b>Additional SWA Common Transport IP Option Discounts as described in E26.3.5C</b>
> 80M to 160M	0.7%	9.5%
> 160M to 360M	1.3%	9.5%
> 360M to 450M	2.7%	17.3%
> 450M	4.0%	23.7%

- D. The volume discount received for a given year under BellSouth SWA Contract Tariff No. NC2005-01 is determined by multiplying the eligible BellSouth SWA revenue associated with the Commitment Level usage, times the discount percentage achieved as determined in A. preceding.

The following example demonstrates application of the discount:

- Customer Annual Commitment Level – 480M minutes of use
- Achieved Volume – 490M minutes of use
- Contract Year – first year of a one-year contract

All usage is Local Switching 2

- Local Switching 2 rate - \$.002328/minute
- From Table – applicable discount is 2.7 percent

Therefore:

- Volume Discount = Eligible Revenue X Discount Rate
- Volume Discount = (480M minutes X \$.002328/minute) X 2.7 percent
- Volume Discount = \$30,171



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**E26. BELLSOUTH SWA CONTRACT TARIFFS****E26.3 BellSouth SWA Contract Tariff No. NC2005-01 (Cont'd)****E26.3.5 BellSouth SWA Contract Tariff No. NC2005-01 Volume Discount Plan (Cont'd)**

- E. The SWA Common Transport IP Option MOU volume discount received for the year under BellSouth SWA Contract Tariff No. NC2005-01 is determined by multiplying the eligible SWA Common Transport IP Option revenue associated with the Commitment Level usage, times the discount percentage achieved as determined in A, preceding.

The following example demonstrates application of the Annual SWA Common Transport IP Option discount:

Customer Annual Commitment Level – 480M minutes of use

Achieved Volume – 500M minutes of use (10M minutes of use are SWA Common Transport IP Option minutes of use)

Contract Year – first year of a one-year contract

Annual Discount for SWA Common Transport IP Option

Local Switching 2 rate - \$.002328/minute

From Table – applicable SWA Common Transport IP Option discount is 23.7 percent.

Therefore:

Additional SWA Common Transport IP Option Volume Discount = Eligible Revenue X Discount Rate

Additional SWA Common Transport IP Option Volume Discount = (10M minutes X \$.002328/minute) X 23.7 percent

Additional SWA Common Transport IP Option Volume Discount = \$5,517 for the SWA Common Transport IP Option MOU

- F. When the Commitment Level usage volume is not met during the year of the term, a shortfall liability is incurred by the customer. The shortfall usage is equal to the difference in the customer's Commitment Level and the achieved local switching usage volume. The shortfall liability would be equal to the shortfall usage, times the customer's average local switching rate per MOU. The customer's average local switching rate per MOU is equal to revenue generated from the local switching usage rate elements as described in E26.3.2.H. preceding, divided by the achieved local switching usage volume.

The following example demonstrates application of shortfall:

Customer Annual Commitment Level – 480M minutes of use

Achieved Volume – 475M minutes of use

Contract Year – first year of a one-year contract

All usage is Local Switching 2

Local Switching 2 rate - \$.002328/minute

Therefore:

Shortfall Usage = Commitment Level – Achieved Volume

Shortfall Usage = 480M minutes – 475M minutes

Shortfall Usage = 5M minutes

Shortfall Liability = Shortfall Usage X Avg Local Switching Rate

Shortfall Liability = 5M minutes X \$.002328/minute

Shortfall Liability = \$11,640

- G. In the event of an early termination of the contract, shortfall usage calculations will be based upon the monthly usage values which comprise the annual Commitment Level. If upon comparing the shortened term commitment to the achieved usage level, a shortfall usage is determined to exist, then a shortfall liability is incurred. The shortfall liability will be calculated as described in E. above.

- H. This BellSouth SWA Contract Tariff No. NC2005-01 will also provide, as a one-time promotional offer, that the customer may obtain a partial prepayment of the first annual SWA Pricing Flexibility volume discount. To qualify for this prepayment, the customer must subscribe to this plan via a Letter of Agreement (LOA) to begin no later than 30 days after the effective date of the tariff. Using the customer's usage between the commencement of this LOA and December 4, 2005, BellSouth will determine if the customer is on track to earn the discount described at the end of the first year of the LOA. If so, BellSouth will calculate by December 15, 2005, the prorated volume discount and remit to the subscriber the prepayment of this pro rata volume discount as soon as practical thereafter. At the end of the year of the LOA, if an annual credit has been earned, the prepayment will be subtracted from this annual volume discount amount. If, at the end of the year, the volume discount has not been earned, then the prepayment shall be returned to BellSouth with interest calculated for the period during which the prepayment was held by the customer (Interest equals prime plus two percent – the prime interest rate is that rate which is effective at the end of the year of the LOA.).

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**E26. BELLSOUTH SWA CONTRACT TARIFFS****E26.4 BellSouth SWA Contract Tariff No. NC2005-02**

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**E26. BELLSOUTH SWA CONTRACT TARIFFS****E26.4 BellSouth SWA Contract Tariff No. NC2005-02 (Cont'd)****E26.4.2 Subscription Conditions (Cont'd)**

## H. (Cont'd)

## 2. SWA 8XX Toll Free Dialing Ten Digit Screening Service

-Per Toll Free Dialing Call Utilizing BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening Service with Toll Free Dialing Number Delivery

-Per Toll Free Dialing Call Utilizing BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening Service with Toll Free Dialing Number Delivery for Toll Free Dialing Numbers with Optional and Destination Features

-Per Toll Free Dialing Call Utilizing BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening Service with POTS Number Delivery

-Per Toll Free Dialing Call Utilizing BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening Service with POTS Number Delivery for Toll Free Dialing Numbers with Optional Complex Feature. i.e., Call handling and Destination Features

I. A customer may not combine its local switching minutes of use or SWA 8XX Toll Free Dialing Ten Digit Screening Service with another customer, whether an individual, partnership, association or corporation, for the purpose of meeting the established minimum local switching usage, as set forth in E26.4.5.B. following. For a customer to qualify for this NC2005-02 SWA Contract Tariff, the customer must have at least 160M SWA local switching minutes of use and 23M SWA 8XX Toll Free Dialing Ten Digit Screening Service queries.

J. The services to which the incentives set forth in this BellSouth SWA Contract Tariff No. NC2005-02 apply, are obtained from Section E6. of this Tariff. BellSouth reserves the right to change the terms, conditions, rates, and charges applicable for services in Section E6. or other sections of this Tariff during the term of this Contract Tariff unless otherwise specified in this Contract Tariff. General regulations and ordering options for the BellSouth SWA services are as set forth in Sections E2. and E5. of this Tariff.

**E26.4.3 Mergers and Acquisitions and Transfer of Service**

A. In the event the customer merges with another company or is acquired by another company, the following regulations will apply:

1. The customer may not combine Local Switching usage volumes and SWA 8XX Toll Free Dialing Ten Digit Screening Service queries with the merged or acquired companies Local Switching usage volumes and SWA 8XX Toll Free Dialing Ten Digit Screening Service queries for the purpose of obtaining volume discounts provided under BellSouth SWA Contract Tariff No. NC2005-02.

2. The customer may continue subscribing to BellSouth SWA Contract Tariff No. NC2005-02 for the duration of the term provided that the customer continues the subscription as if it were the same entity that existed prior to the merger or acquisition.

B. If customer requests a transfer of service, pursuant to Transfer of Service regulations in Sections E2. and E6. of this Tariff, the customer's subscription to BellSouth SWA Contract Tariff No. NC2005-02 shall be terminated.

**E26.4.4 BellSouth SWA Revenue Volume Discounts**

A. The year of the customer's Letter of Agreement is defined as twelve (12) consecutive bill periods following the beginning date of the Letter of Agreement. For purposes of calculating the BellSouth SWA volume discounts, month one (1) is the first complete bill period after the beginning date of the Letter of Agreement. For example, if the beginning date of the Letter of Agreement is June 6, 2006 bill period, and the bill period is the twelfth, then month one (1) for purposes of calculating the BellSouth SWA volume discounts will be the July 12, 2006 bill period.

B. The BellSouth SWA Pricing Flexibility volume discounts provided herein will be determined during the first month after the end of the year of the customer's Letter of Agreement. During the second month following the end of the year of the Letter of Agreement, the BellSouth SWA volume discounts will be applied via a credit to the customer's bill.

C. The BellSouth SWA volume discounts are applicable to the BellSouth SWA services as set forth in E26.4.2.H. preceding.

D. The BellSouth SWA volume discounts specified in BellSouth SWA Contract Tariff No. NC2005-02 will not be applied to taxes and nonrecurring BellSouth SWA revenues.

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**E26. BELLSOUTH SWA CONTRACT TARIFFS**

**E26.4 BellSouth SWA Contract Tariff No. NC2005-02 (Cont'd)**

**E26.4.5 BellSouth SWA Contract Tariff No. NC2005-02 Volume Discount Plan**

- A. BellSouth SWA Contract Tariff No. NC2005-02 provides for annual volume discounts based upon annual local switching minutes of use (MOU) and annual SWA 8XX Toll Free Dialing Ten Digit Screening Service queries achieved and the Commitment Level and term year as defined in the Letter of Agreement. Discounts are achieved in a term year when the achieved local switching volume and/or SWA 8XX Toll Free Dialing Ten Digit Screening Service is equal to or above a Commitment Level usage. When equaled or exceeded, discounts are applied to the Commitment Level usage and/or SWA 8XX Toll Free Dialing Ten Digit Screening Service queries. If the customer's achieved volume is below the Commitment Level usage and/or SWA 8XX Toll Free Dialing Ten Digit Screening Service queries, no discounts will be rewarded to the customer.
- B. The Commitment Level usage, 8XX Toll Free Dialing Ten Digit Screening Service queries and the achievable volume discounts associated with the BellSouth SWA services are shown in the table below. Volume discounts are not applicable to any usage levels or SWA 8XX Toll Free Dialing Ten Digit Screening Service Queries outside of the MOU usage ranges or SWA 8XX Queries stated in the following tables below.
- C. The Commitment Level usage SWA 8XX Toll Free Dialing Ten Digit Screening Service queries and the achievable volume discounts associated with the BellSouth SWA Common Transport IP Option, which allow termination or origination (when/where available and capacity permits) of Internet Protocol (IP) traffic are shown in the table below. The SWA Common Transport IP Option discount will be in addition to the discount obtained from the BellSouth SWA services as described in E26.4.5.B. preceding. Only SWA Common Transport IP Option MOU that go through the BellSouth Tandem are eligible for the discounts as described in the table for Additional SWA Common Transport IP Option Discounts. Volume discounts are not applicable to any usage levels outside of the MOU usage ranges stated in the Additional SWA Common Transport IP Option Discounts section in the tables below:

<b>Annual Usage Commitment Level and Discounts</b>		
<b>Commitment Level MOUs</b>	<b>BellSouth SWA services discounts as described on E26.4.5A</b>	<b>Additional SWA Common Transport IP Option Discounts as described in E26.4.5C</b>
> 160M to 360M	1.3%	9.5%
> 360M to 450M	2.7%	17.3%
> 450M	4.0%	23.7%

<b>Annual 8XX Toll Free Dialing Ten Digit Screening Service Commitment Level and Discounts</b>	
<b>Commitment Level Queries</b>	<b>BellSouth SWA services discounts as described on E26.4.5A</b>
> 23M to 24M	7%
> 24M to 25M	10%
> 25M	15%

- D. The volume discount received for a given year under BellSouth SWA Contract Tariff No. NC2005-02 is determined by multiplying the eligible BellSouth SWA revenue associated with the Commitment Level usage, times the discount percentage achieved as determined in A. preceding.

The following example demonstrates application of the discount:

- Customer Annual Commitment Level – 361M minutes of use
- Achieved Volume – 455M minutes of use
- Contract Year – first year of a one-year contract
- All usage is Local Switching 2
- Local Switching 2 rate - \$.002328/minute
- From Table – applicable discount is 2.7 percent

Therefore:

- Volume Discount = Eligible Revenue X Rate X applicable discount
- Volume Discount = (455M minutes X \$.002328/minute) X 2.7 percent
- Volume Discount = \$28,599

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**E26. BELLSOUTH SWA CONTRACT TARIFFS****E26.4 BellSouth SWA Contract Tariff No. NC2005-02 (Cont'd)****E26.4.5 BellSouth SWA Contract Tariff No. NC2005-02 Volume Discount Plan (Cont'd)**

- E. The SWA Common Transport IP Option MOU volume discount received for the year under BellSouth SWA Contract Tariff No. NC2005-02 is determined by multiplying the eligible SWA Common Transport IP Option revenue associated with the Commitment Level usage, times the discount percentage achieved as determined in A, preceding.

The following example demonstrates application of the Annual SWA Common Transport IP Option discount:

Customer Annual Commitment Level – 361M minutes of use

Achieved Volume – 455M minutes of use (10M minutes of use are SWA Common Transport IP Option minutes of use)

Contract Year – first year of a one-year contract

Annual Discount for SWA Common Transport IP Option

Local Switching 2 rate - \$.002328/minute

From Table – applicable SWA Common Transport IP Option discount is 17.3 percent.

Therefore:

Additional SWA Common Transport IP Option Volume Discount = Eligible Revenue X Rate X applicable discount

Additional SWA Common Transport IP Option Volume Discount = (10M minutes X \$.002328/minute) X 17.3 percent

Additional SWA Common Transport IP Option Volume Discount = \$4,027 for the SWA Common Transport IP Option MOU

- F. The SWA 8XX Toll Free Dialing Ten Digit Screening Service Query volume discount received for a given year under BellSouth SWA Contract Tariff No. 2005-02 is determined by multiplying the eligible BellSouth SWA 8XX Toll Free Dialing Ten Digit Screening Service queries total billed revenue times the discount percentage achieved as determined in (A) preceding.

The following example demonstrates application of the discount:

Customer Annual Commitment Level – 24M queries

Achieved Volume – 25.5M queries

Contract Year – first year of a one-year contract

Total Billed Revenue 8XX Toll Free Dialing Ten Digit Screening Service query total billed revenue from the contract term = \$102,000

From Table – applicable discount is 10.0 percent

Therefore:

Volume Discount = Total billed revenue X Discount percent

Volume Discount = (\$102,000 X 10 percent)

Volume Discount = \$10,200

- G. This BellSouth SWA Contract Tariff No. NC2005-02 will also provide, as a one-time promotional offer, that the customer may obtain a partial prepayment of the first annual SWA Pricing Flexibility volume discount. To qualify for this prepayment, the customer must subscribe to this plan via a Letter of Agreement (LOA) to begin no later than 30 days after the effective date of the tariff. Using the customer's usage between the commencement of this LOA and December 4, 2006, BellSouth will determine if the customer is on track to earn the discount described at the end of the first year of the LOA. If so, BellSouth will calculate by December 15, 2006, the prorated volume discount and remit to the subscriber the prepayment of this pro rata volume discount as soon as practical thereafter. At the end of the year of the LOA, if an annual credit has been earned, the prepayment will be subtracted from this annual volume discount amount. If, at the end of the year, the volume discount has not been earned, then the prepayment shall be returned to BellSouth with interest calculated for the period during which the prepayment was held by the customer (Interest equals prime plus two percent – the prime interest rate is that rate which is effective at the end of the year of the LOA.).