

COMPETITIVE LOCAL CARRIER

7. General Regulations

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7.1 Liability

7.1.1 The liability of the Company for its willful misconduct or gross negligence which is the sole legal cause of damage or injury is not limited by this tariff. With respect to any other claim or suit by a customer or by any others, for damages associated with acts or omissions involving initiation, installation, provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this tariff the Company's liability, if any, is limited to the less of \$500 or the actual damages or injury sustained which in the event of any failure of service shall be deemed to be 1/30 of the monthly charge for service affected for each 24-hour period during which such failure of service occurs and is reported to or know by the Company. In addition, Customer credits for interrupted service will be issued, where applicable, in accordance with the provisions of Rule 8.12 herein.

7.1.2 In no event will the Company be responsible for consequential damages or lost profits suffered by the Customer on account of interrupted or unsatisfactory service unless the Company is found to have been willfully negligent.

7.1.3 The Company is not liable for any act or omission of any other company or companies furnishing a portion of the service. No agents or employees of other carriers shall be deemed to be agents or employees of the Company.

7.1.4 The Company shall be indemnified and held harmless by the Customer against:

(A) Claims for libel, slander, infringement of copyright or unauthorized use of any trade mar, trade name or service mark arising out of the material, data, information, or other content transmitted by the Customer over the Company's facilities; and

(B) Claims for patent infringement arising from combining or connecting the Company's facilities with apparatus and systems of the Customer; and

(C) All other claims arising out of any act or omission of the Customer in connection with any service provided by the Company.

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7. General Regulations – (Cont'd)

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7.1 Liability – (Cont'd)

7.1.5 The Company will make no refund of overpayments by a customer unless the claim for such overpayment together with proper evidence is submitted within one (1) year from the date of alleged overpayment unless billing records prepared by the Company can be produced which would justify a credit beyond one year.

7.2 Limitations of Service

7.2.1 Service is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff. The Company may decline applications for service to or from a location where the necessary facilities or equipment are not available. The Company may discontinue furnishing service in accordance with the terms of this Tariff.

7.2.2 The Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control (examples of these conditions are more fully set forth elsewhere in this Tariff), or when service is used in violation of provisions of this Tariff or the Law.

7.2.3 The Company does not undertake to transmit messages, but offers the use of its service when available, and, as more fully set forth elsewhere in this Tariff, shall not be liable for errors in transmission or for failure to establish connection.

7.2.4 The Company reserves the right to discontinue service, limit service, or to impose requirements as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.

7.2.5 The Company reserves the right to refuse an application for service made by a present or former customer who is indebted to the Company for service previously rendered pursuant to this tariff until the indebtedness is satisfied.

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7. General Regulations – (Cont'd)

7.3 Use of Service

- 7.3.1 Service may be used by the Customer for any lawful purpose for which the service is technically suited.
- 7.3.2 The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, number, process, or code. All right, title and interest to such items remain, at all times, solely with the Company.
- 7.3.3 Recording of telephone conversations of service provided by the Company under this Tariff is prohibited except as authorized by applicable federal, state and local laws.
- 7.3.4 Any service provided under this Tariff may be resold to or shared (jointly used) with other persons at the Customer's option. Service may only be resold or shared in accordance with the provisions of the specific service. Specifically, residential service may only be used, resold or shared for noncommercial purposes. The Customer remains solely responsible for all use of service ordered by it or billed to its telephone number(s) pursuant to this Tariff, for determining who is authorized to use its service, and for promptly notifying the Company of any unauthorized use. The Customer may advise its customers that a portion of its service is provided by the Company, but the Customer shall not represent that the Company jointly participates with the Customer in the provision of the service.
- 7.3.5 The Company's equipment, apparatus, channels and lines shall be carefully used. Equipment furnished by the Company shall remain its property and shall be returned to the Company whenever requested, within a reasonable period following the request, in good condition (subject to reasonable wear and tear). The Customer is required to reimburse the Company for any loss of, or damage to, the facilities or equipment on the Customer's premises, including loss or damage caused by agents, employees or independent contractors of the Customer through any negligence.

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7. General Regulations – (Cont'd)

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7.4 Responsibilities of the Customer

7.4.1 The Customer is responsible for: 1) placing any necessary orders; 2) complying with tariff regulations; 3) for assuring that users comply with tariff regulations; 4) payment of charges for calls originating from the Customer's telephone lines.

7.4.2 The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required for installation, repair, maintenance, inspection or removal of equipment associated with the provision of Company services.

7.4.3 The Customer is responsible for maintaining its terminal equipment and facilities in good operating condition. The Customer is liable for any loss through theft, of any company equipment installed at the Customer's premises.

7.4.4 The Customer shall be responsible for all calls placed by or through the Customer's equipment by any person. In particular and without limitation to the foregoing, the Customer is responsible for any calls placed by or through the Customer's equipment via any remote access features. The Customer is responsible for all calls placed via their authorization code as a result of the Customer's intentional or negligent disclosure of the authorization code.

7.4.5 The Customer has certain specific obligations pertaining to the use of Switched Access Service. These obligations are as follows:

7.4.6 Customers are responsible for providing the following reports to the Company when applicable.

When a customer orders Switched Access Service for both interstate and intrastate use, the Customer is responsible for providing reports as set forth in paragraph 7.5 below. Charges will be apportioned in accordance with those reports.

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7. General Regulations – (Cont'd)

(N)

7.4 Responsibilities of the Customer – (Cont'd)

7.4.7 The Customer facilities shall provide the necessary on and off-hook supervision for accurate timing of calls.

7.4.8 The Customer shall be responsible for its own expense for the overall design of its services and for any redesigning or rearrangements of its services which may be required because of changes in facilities, operations or procedures of the Company, minimum protection criteria or operating or maintenance of the facilities.

7.4.9 The Customer shall, in cooperation with the Company, coordinate in planning the actions to be taken to maintain maximum network capability following natural or man-made disasters which affect telecommunications service.

7.5 Jurisdictional Reports

7.5.1 For Feature Group B Switched Access Transport Service(s) for both interstate and intrastate use, the projected interstate percentage of use must be provided by the Customer in a whole number to the Company. The Company will designate the number obtained by subtracting the projected interstate percentage of use from 100 (100-projected interstate percentage = intrastate percentage) as the projected intrastate percentage of use. When a Customer orders feature Group B Switched Access Transport Service, the Customer shall state, in its order, the projected Percent Interstate Usage (PIU) factor for each Feature Group B Switched Access Transport Service group ordered.

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7. General Regulations – (Cont'd)

7.5 Jurisdictional Reports – (Cont'd)

7.5.1 (Cont'd)

For Feature Group D Switched Access Transport 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 Transport 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 shall 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.

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 shall 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 of the call. This percentage shall be used by the Company as the projected interstate percentage, the Customer shall utilize the same considerations as those set forth below.

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

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COMPETITIVE LOCAL CARRIER

7. General Regulations – (Cont'd)

(N)

7.5 Jurisdictional Reports – (Cont'd)

7.5.2 For the purposes of developing the projected interstate percentage, the Customer shall 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.

7.5.3 These whole number percentages will be used by the Company to apportion the sue, rate, and/or non-recurring charges between interstate and intrastate until a revised report is received.

7.5.4 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 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 = intrastate access minutes). The intrastate access minutes for the group will be billed as set forth in this tariff.

7.5.5 Effective on the first day of each quarter of each year, the Customer may update the jurisdictional reports that require a projected interstate percentage. The Customer shall forward to the Company, to be received no later than twenty (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 each quarter, for each service arranged for interstate and intrastate use. Except as set forth above 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 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 above.

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7. General Regulations – (Cont'd)

(N)

7.2 Jurisdictional Reports – (Cont'd)

7.5.6 The Customer reported projected interstate percentage of use as set forth above will be used for the apportionment of any monthly rates or non-recurring 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 date used to develop the projected interstate percentage of use as set forth above. 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.

7.5.7 The Customer shall 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 shall supply the date within thirty (30) calendar days of the Company request.

7.5.8 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.

7.5.9 No pro-rating or back billing will be done based on the report. The Company may require call detail records to substantiate projected interstate usage provided to the Company. In the Event that the required jurisdictional report is not provided, the Company recorded or estimated percentage of interstate usage will be applied to the bill.

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7. General Regulations – (Cont'd)

7.5 Jurisdictional Reports – (Cont'd)

7.5.10 The Company may request this detailed information annually. If the audit results represent a substantial deviation from the Customer's previously reported PIU for the period upon which the audit was based, the call detail records may be requested ore than once annually.

7.5.11 For the purposes of developing the projected interstate percentage, the Customer shall 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.

7.5.12 Whole number percentages will be used by the Company to apportion the use, rates and/or non-recurring charges between interstate and intrastate.

7.6 Mixed Interstate and Intrastate Access Service

When mixed interstate and intrastate Access Service is provided, all charges including non-recurring charges, usage charges, and optional features will be prorated between interstate and intrastate. The percentage provided in the reports as set forth above will service as the basis for prorating the charges. The percentage of an Access Service to be charged as intrastate is applied in the following manner:

7.6.1 For non-recurring chargeable rate elements, multiply the percent intrastate use times the quantity of chargeable elements times the state of tariff rate per element.

7.6.2 For usage sensitive chargeable rate elements, multiply the percent intrastate use times actual use (measure or Company assumed average use) times the stated rate.

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7. General Regulations – (Cont'd)

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7.7 Meet Point Billing

Meet Point Billing applies when more than one exchange telephone company is involved in the provision of Access Service. All recurring and non-recurring charges for services provided by each exchange telephone company are billed under each company's applicable rates as set forth below.

The Company accepts and adheres to the Ordering and Billing Forum guidelines, Multiple Exchange Carrier Access Billing and Multiple Exchange Carrier Ordering and Design.

The Company will handle ordering, rating and billing of Access Service under this Tariff where more than one exchange telephone company is involved in the provision of Access Service as follows:

7.7.1 For Feature Group B and/or D Switched Access Service, when service is jointly provided by more than one exchange telephone company, the Customer must supply a copy of the order to each exchange telephone company involved in providing the service.

Each exchange telephone company will provide the portion of Switched Access Local Transport to an interconnection point ("IP") with another exchange telephone company, and will bill the charges in accordance with its Switched Access Service tariff. The rate for the Transport elements will be determined as set forth below. All other appropriate charges in each exchange telephone company tariff are applicable.

7.7.2 The charge for the Switched Access Local Transport Facility and Termination rate elements for services provided as set forth above are determined as follows:

(A) Determine the appropriate Switched Access Local Transport mileage by computing the airline mileage between the tow ends of the Switched Access Local Transport Facility, as defined below. Determine the airline mileage for the Switched Access Local Transport Facility charge using the method as set forth in this Tariff.

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7. General Regulations – (Cont'd)

7.7 Meet Point Billing – (Cont'd)

7.7.2 (Cont'd)

(B) For Feature Groups B or D Switched Access Service, the Switched Access Local Transport Facility and Termination charges are determined by using the steps set forth in (1) through (3) below for the total Local Transport-Common Switched Transport charges.

(1) Multiply:

The number of access minutes by the number of airline miles as determined in (1) preceding by the Company's appropriate Switched Access Local Transport Facility per mile per access minute rate by the Company's billing percentage factor.

(2) Multiply:

The number of access minutes by the Company's appropriate Switched Access Local Transport Termination per minute rate. The resulting amount is the Company's total Switched Access Local Transport Termination charge.

(3) Add:

The products of (a) and (b) for the Company's total Local Transport-Common Switched Transport charges.

(C) The interconnection points will be determined by the Exchange Telephone Companies involved. The billing percentage factor for the Company for the service between the involved offices will be listed in National Exchange Carrier Association, Inc. Tariff FCC No. 4, except as noted below.

7.7.3 Until the National Exchange Carrier Association, Inc. Tariff FCC No. 4 is revised to include the meet points referenced in (C) above, the applicable billing percentage factors for Feature Group B or E Switched Access Service traffic between certain Company locations and Pacific Bell or GTE California, Inc., end offices.

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7. General Regulations – (Cont'd)

7.7 Meet Point Billing – (Cont'd)

7.7.4 Should any changes be made to the meet point billing arrangements as set forth in (A) preceding, the Company will give affected Customers thirty (30) days notice.

7.7.5 Should the Company act as an intermediate, non-terminating local exchange carrier, Switched Access Local Transport Termination rates, as determined in (B) preceding, will not be applied to the meet point billing arrangement.

7.8 Promotions

7.8.1 From time to time, the Carrier may provide promotional offerings to introduce a current or potential subscriber to a service not being used by the Subscriber. These offerings may be limited to certain dates, times or locations and may waive or reduce recurring or non-recurring charges. No promotion will be offered until it is filed with and approved by the CPUC.

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