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PROFESSIONAL CORPORATION

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August 11, 1999

**FILED<sup>2</sup>**

AUG 11 1999

Missouri Public  
Service Commission

TA 2000-135

Mr. Dale Hardy Roberts  
Secretary/Chief Regulatory Law Judge  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

**Re: In the matter of the application of McDonald County Long Distance Company for a certificate of service authority to provide interexchange and local exchange telecommunications services.**

Dear Mr. Roberts:

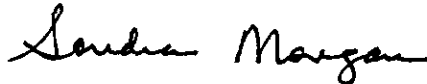
Enclosed please find the original plus fourteen (14) copies of Application for filing on behalf of McDonald County Long Distance Company in the above referenced matter. Please bring this matter to the attention of the appropriate Commission personnel.

Thank you for your attention to this matter.

Very truly yours,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:



Sondra B. Morgan

SBM/k

Enclosures

cc: Office of Public Counsel  
Aaron Gent

0000120

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

**FILED<sup>2</sup>**

AUG 11 1999

Missouri Public  
Service Commission

In the matter of the application of )  
McDonald County Long Distance )  
Company for a certificate of service )  
authority to provide interexchange )  
and local exchange )  
telecommunications services. )

Case No. TA 2000-135

**APPLICATION**

McDonald County Long Distance Company ("Applicant" or "McDonald County"), a Missouri corporation, files this verified application respectfully requesting that the Missouri Public Service Commission ("Commission") issue an order that:

(a) grants Applicant a Certificate of Service Authority to provide interexchange and local exchange telecommunications services pursuant to Chapter 392 of the Missouri Revised Statutes;

(b) grants competitive status to Applicant; and

(c) waives certain Commission rules and statutory provisions pursuant to Section 392.420, RSMO Supp. 1998.

In support of its request, Applicant states:

1. Applicant is a Missouri corporation with its principal office and place of business at 704 Highway W, Pineville, Missouri 64856-0207. A copy of Applicant's Articles of Incorporation and Certificate of Authority from the Missouri Secretary of State to transact business in Missouri is marked as Appendix A and attached hereto as if more fully incorporated herein. A list of Applicant's current officers and directors is attached as Appendix B and is incorporated by reference herein.

2. All communications, notices, orders and decisions respecting this Application and proceeding should be addressed to:

Aaron Gent  
McDonald County Long Distance Company  
704 Highway W, P.O. Box 207  
Pineville, Missouri 64856-0207

W.R. England, III, Esq.  
Sondra B. Morgan, Esq.  
Brydon, Swearngen & England, P.C.  
312 East Capitol Street  
P.O. Box 456  
Jefferson City, Missouri 65102

3. Applicant proposes to resell one plus (1+) interexchange telecommunications services and associated operator and directory assistance services to business and residential customers located throughout the State of Missouri. Initially, Applicant will only provide service to local exchange customers of McDonald County Telephone Company in the exchanges of Jane, Pineville and Anderson. Applicant will utilize its own facilities, or purchase for resale, the services or facilities of other carriers in order to provide the services sought to be provided.

4. Applicant proposes to charge for its services based upon rates, rules and regulations as proposed in the tariff attached hereto and incorporated by reference as Appendix C.

5. Applicant requests classification as a competitive telecommunications company within the State of Missouri. Applicant believes that its proposed services will be subject to sufficient competition to justify a lesser degree of regulation. Granting of this application will allow greater price and service options for telephone users.

6. Applicant also requests, pursuant to Section 392.420, RSMO 1994, that the Commission waive the application of the following rules and statutory provisions as they relate to the regulation of Applicant:

§392.240(1)	Rates-reasonable average return on investment.
§392.270	Property valuation.
§392.280	Depreciation rates.
§392.290	Issuance of stocks and bonds.
§392.310	Issuance of stocks and bonds.
§392.320	Issuance of stocks and bonds.
§392.330	Issuance of stocks and bonds.
§392.340	Reorganization.
4 CSR 240-10.020	Income on depreciation fund investments.
4 CSR 240-30.010(2)(C)	Posting exchange rates at central offices.
4 CSR 240-30.040	Uniform System of Accounts.
4 CSR 240-32.030(1)(B)	Exchange boundary maps.
4 CSR 240-32.030(1)(C)	Record of access lines.
4 CSR 240-32.030(2)	In-state record keeping.
4 CSR 240-32.050(3-6)	Telephone directories.
4 CSR 240-32.070(4)	Coin telephones.
4 CSR 240-33.030	Inform customers of lowest priced service.
4 CSR 240-33.040(5)	Finance fee.

It is Applicant's understanding that the above-referenced rules and statutory provisions have typically been waived for other interexchange carriers in prior cases.

7. The interexchange services provided by Applicant will be performed by the Applicant or by independent contractors, agents or employees of McDonald County Telephone Company. For example, billing & collection and billing inquiry services will be performed by the Applicant, or they will be provided under contractual agreements between Applicant and independent contractors, including local exchange carriers. Applicant will compensate its independent contractors, or local exchange carriers fully for all services provided on Applicant's behalf.

8. McDonald County Telephone Company has extensive experience in providing reliable and affordable telecommunications services to the public in the State of Missouri. As a

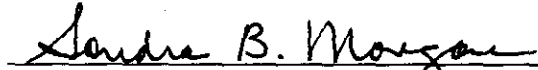
result, Applicant will have available to it the technical expertise to provide interexchange telecommunications services that meet or exceed all service standards established by the Commission. A brief description of the qualifications and experience of the officers and managers is attached as Appendix D.

9. Applicant is financially capable of providing the proposed service. For purposes of illustration, balance sheets for McDonald County Telephone which will provide the initial backing for Applicant are attached as Appendix E.

10. The Commission has found that the interexchange market which Applicant seeks to enter is sufficiently competitive so as to justify a lesser degree of regulation. In Re Classification of Service Provided by Interexchange Telecommunications Carrier within the State of Missouri, Case No. TO-88-142, Report and Order (effective October 16, 1989) at pp. 19-20. Expeditious grant of the instant Application will increase the competition in the provision of interexchange services, consistent with the Commission's policies and increase the variety and number of interexchange telecommunications providers and services available to users. Accordingly, Applicant's proposed operations are in the public interest.

WHEREFORE, Applicant respectfully requests that the Commission grant it a certificate of service authority to provide intrastate interexchange and local exchange telecommunications services to the public in the State of Missouri. If granted local exchange authority, such authority will be limited to the provisioning of dedicated, non-switched local exchange private line services. Applicant also requests classification as a competitive telecommunications company. In addition, Applicant requests a waiver of the above-referenced rules and statutory provisions.

Respectfully submitted,



W.R. England, III      Mo Bar#23975

Sondra B. Morgan      Mo Bar #35482

Brydon, Swearngen & England P.C.

312 East Capitol Avenue

P. O. Box 456

Jefferson City, MO 65102-0456

(573) 635-7166

Attorneys for MCDONALD COUNTY  
LONG DISTANCE COMPANY


**VERIFICATION**

STATE OF Missouri )  
 ) ss.  
COUNTY OF McDonald )

Aaron Gent, having been duly sworn upon his oath, states that he is President of McDonald County Long Distance Company, Applicant herein, and as such, is duly authorized to execute said Application and to make this affidavit on its behalf, that the matters and things stated in the foregoing Application and exhibits thereto are true and correct to the best of his information, knowledge and belief.



Subscribed and sworn to before me, a notary public, on this 29th day of July, 1999.



Notary Public  
Linda Lee Barnes, Notary Public

My Commission expires:

9-1-2002

**Appendix A**

**Articles of Incorporation  
McDonald County Long Distance**



# STATE OF MISSOURI



**Rebecca McDowell Cook**  
**Secretary of State**

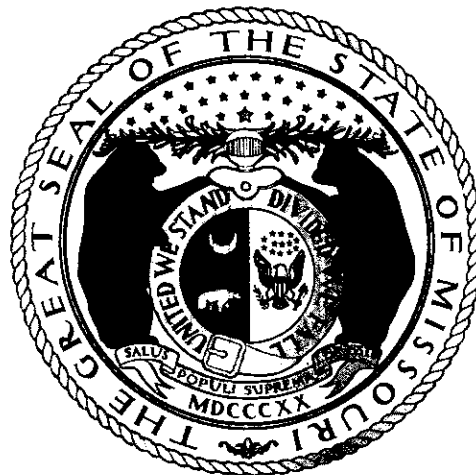
CORPORATION DIVISION  
CERTIFICATE OF CORPORATE RECORDS

MCDONALD COUNTY LONG DISTANCE COMPANY

I, REBECCA McDOWELL COOK, SECRETARY OF STATE OF THE STATE OF MISSOURI AND KEEPER OF THE GREAT SEAL THEREOF, DO HEREBY CERTIFY THAT THE ANNEXED PAGES CONTAIN A FULL, TRUE AND COMPLETE COPY OF THE ORIGINAL DOCUMENTS ON FILE AND OF RECORD IN THIS OFFICE.

IN TESTIMONY WHEREOF, I HAVE SET MY HAND AND IMPRINTED THE GREAT SEAL OF THE STATE OF MISSOURI, ON THIS, THE 15TH DAY OF JULY, 1999.

*Rebecca McDowell Cook*  
Secretary of State



# STATE OF MISSOURI



**Rebecca McDowell Cook**  
**Secretary of State**

CORPORATION DIVISION  
CERTIFICATE OF INCORPORATION

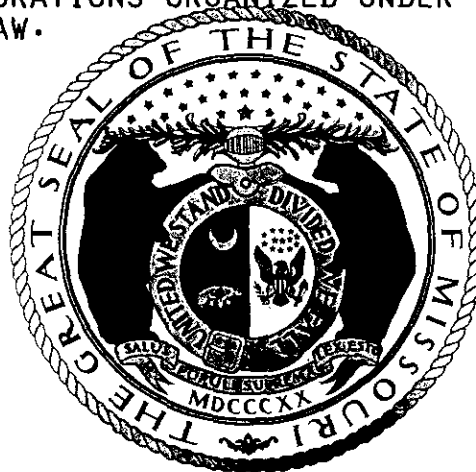
WHEREAS, DUPLICATE ORIGINALS OF ARTICLES OF INCORPORATION OF  
MCDONALD COUNTY LONG DISTANCE COMPANY

HAVE BEEN RECEIVED AND FILED IN THE OFFICE OF THE SECRETARY OF  
STATE, WHICH ARTICLES, IN ALL RESPECTS, COMPLY WITH THE  
REQUIREMENTS OF GENERAL AND BUSINESS CORPORATION LAW;

NOW, THEREFORE, I, REBECCA McDOWELL COOK, SECRETARY OF STATE  
OF THE STATE OF MISSOURI, BY VIRTUE OF THE AUTHORITY VESTED IN  
ME BY LAW, DO HEREBY CERTIFY AND DECLARE THIS ENTITY A BODY  
CORPORATE, DULY ORGANIZED THIS DATE AND THAT IT IS ENTITLED TO  
ALL RIGHTS AND PRIVILEGES GRANTED CORPORATIONS ORGANIZED UNDER  
THE GENERAL AND BUSINESS CORPORATION LAW.

IN TESTIMONY WHEREOF, I HAVE SET MY  
HAND AND IMPRINTED THE GREAT SEAL OF  
THE STATE OF MISSOURI, ON THIS, THE  
7TH DAY OF JULY, 1999.

*Rebecca McDowell Cook*  
Secretary of State



\$58.00



# State of Missouri

Rebecca McDowell Cook, Secretary of State

P.O. Box 778, Jefferson City, Mo. 65102

Corporation Division

FILED AND CERTIFICATE OF  
INCORPORATION ISSUED

JUL 07 1999

*Rebecca McDowell Cook*  
SECRETARY OF STATE

## Articles of Incorporation

(To be submitted in duplicate by an attorney or an incorporator.)

The undersigned natural person(s) of the age of eighteen years or more for the purpose of forming a corporation under The General and Business Corporation Law of Missouri adopt the following Articles of Incorporation:

### Article One

The name of the corporation is McDonald County Long Distance Company

### Article Two

The address, including street and number, if any, of the corporation's initial registered office in this state is 704

Highway W, Pineville, MO 64856-0207

and the name of its initial agent at such address is David Aaron Gent

### Article Three

The aggregate number, class and par value, if any, of shares which the corporation shall have authority to issue shall be:

<u>Class</u>	<u>No. of Shares</u>	<u>Par Value</u>	<u>Preferred</u>
Common	30,000	No par	None

The preferences, qualifications, limitations, restrictions, and the special or relative rights, including convertible rights, if any, in respect to the shares of each class are as follows:

None

#### Article Four

The extent, if any, to which the preemptive right of a shareholder to acquire additional shares is limited or denied.

None

#### Article Five

The name and place of residence of each incorporator is as follows:

Name	Street	City
Sondra Morgan	312 East Capitol Ave.	Jefferson City, MO 65

#### Article Six

(Designate which and complete the applicable paragraph.)

☒ The number of directors to constitute the first board of directors is three. Thereafter the number of directors shall be fixed by, or in the manner provided by the bylaws. Any changes in the number will be reported to the Secretary of State within thirty calendar days of such change.

OR

☐ The number of directors to constitute the board of directors is \_\_\_\_\_. (The number of directors to constitute the board of directors must be stated herein if there are to be less than three directors. The person to constitute the first board of directors may, but need not, be named.)

#### Article Seven

The duration of the corporation is perpetual

## Article Eight

The corporation is formed for the following purposes:

To engage in any lawful act or activity for which corporations may be organized under the General and Business Corporation Law of Missouri, including, but not limited to the provision of telecommunications services.

IN WITNESS WHEREOF, these Articles of Incorporation have been signed this 6th day  
of July, 19 99.

Sondra B. Morgan

Sondra B. Morgan

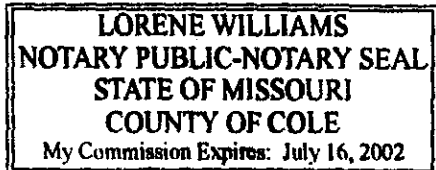
312 East Capitol Ave., PO Box 456

Jefferson City, MO 65102-0456

State of Missouri  
County of Cole } ss.

I, Lorene Williams, a Notary Public, do hereby certify that  
on this 6<sup>th</sup> day of July, 19 99, personally appeared before me  
Sandra B. Morgan (and \_\_\_\_\_),  
who being by me first duly sworn, (severally) declared that he is (they are) the person(s) who signed the foregoing  
document as incorporator(s), and that the statements therein contained are true.

(Notarial Seal)



Lorene Williams  
Notary Public  
My commission expires July 16, 2002

FILED AND CERTIFICATE OF  
INCORPORATION ISSUED

JUL 07 1999

James M. L. C.  
SECRETARY OF STATE

**Appendix B**

**Officers and Directors  
McDonald County Long Distance Company**

McDONALD COUNTY LONG DISTANCE COMPANY

Officers and Directors

Officers:

David Aaron Gent  
Ruth Clay  
Ross Babbit  
Vicki J. Babbitt

President  
Vice-President  
Secretary  
Treasurer

Directors:

David Aaron Gent  
Ross M. Babbitt  
Ruth Clay



**Appendix C**

**Proposed Tariff  
McDonald County Long Distance Company**

**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

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**REGULATIONS AND SCHEDULE OF CHARGES  
APPLICABLE TO INTRASTATE LONG DISTANCE MESSAGE  
TELECOMMUNICATIONS SERVICE FURNISHED BY**

**MCDONALD COUNTY LONG DISTANCE COMPANY**

**BETWEEN POINTS WITHIN THE STATE OF MISSOURI, AS SPECIFIED HEREIN.  
SERVICE IS PROVIDED BY MEANS OF WIRE, RADIO, TERRESTRIAL OR  
SATELLITE FACILITIES OR ANY COMBINATION THEREOF,  
AS SPECIFIED HEREIN.**

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by McDonald County Long Distance Company, within the State of Missouri. This tariff is on file with the Missouri Public Service Commission and copies may be inspected during normal business hours, at the Company's principal place of business.

McDonald County Long Distance Company operates as a competitive telecommunications company as defined by Case No. TA-2000-\_\_\_ within the State of Missouri.

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Issued: August 11, 1999

Effective: September 27 1999

Issued by: D. Aaron Gent, President  
McDonald County Long Distance Company  
P.O. Box 207  
Pineville, MO 64856

**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

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**WAIVER OF RULES AND REGULATIONS**

Pursuant to Case No. TA-2000- , the following statutes and rules have been waived for purposes of offering telecommunications services as set forth herein:

**STATUTES**

Section 392.240(1)	Rates-reasonable average return on investment.
Section 392.270	Property valuation.
Section 392.280	Depreciation rates.
Section 392.290	Issuance of stocks and bonds.
Section 392.310	Issuance of stocks and bonds.
Section 392.320	Issuance of stocks and bonds.
Section 392.330	Issuance of stocks and bonds.
Section 392.340	Reorganization.

**COMMISSION RULES**

4 CSR 240-10.020	Income on depreciation fund investments.
4 CSR 240-30.010(2)(C)	Posting exchange rates at central offices.
4 CSR 240-32.030(1)(B)	Exchange boundary maps.
4 CSR 240-32.030(1)(C)	Record of access lines.
4 CSR 240-32.030(2)	Records kept within state.
4 CSR 240-30.040	Uniform System of Accounts.
4 CSR 240-32.050(3-6)	Telephone directories.
4 CSR 240-32.070(4)	Coin directories.
4 CSR 240-33.030	Inform customers of lowest priced service.
4 CSR 240-33.040(5)	Finance fee.

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**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

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**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

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**TARIFF FORMAT**

1. **Sheet Numbering** - Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 8 and 9 would be 8.1.
2. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Missouri Public Service Commission. For example, the 3<sup>rd</sup> revised Sheet 8 cancels the 2<sup>nd</sup> revised Sheet 8.
3. **Paragraph Numbering Sequences** - There are nine levels of paragraph coding. Each level of coding is subservient to the next higher level.
  - 2.
  - 2.1
  - 2.1.1
  - 2.1.1.A.
  - 2.1.1.A.1.
  - 2.1.1.A.1.(a).
  - 2.1.1.A.1.(a).1.
  - 2.1.1.A.1.(a).1.(i)
  - 2.1.1.A.1.(a).1.(i)(1).

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**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

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CONCURRING CARRIERS

No Other Concurring Carriers

CONNECTING CARRIERS

No Other Connecting Carriers

OTHER PARTICIPATING CARRIERS

No Other Participating Carriers

EXPLANATION OF SYMBOLS

The following are the only symbols used for the purposes indicated below:

- |   |   |  |
|---|---|--|
| C | - | To signify changed regulation                                |
| D | - | Delete or discontinue  |
| I | - | Change resulting in an increase to a customer's bill         |
| M | - | Moved from another tariff location                           |
| N | - | New  |
| R | - | Change resulting in a decrease to a customer's bill          |
| T | - | Change in text or regulation but no change in rate or charge |

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P.O. Box 207  
Pineville, MO 64856

**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

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**1. APPLICATION OF TARIFF**

This tariff contains the intrastate regulations and rates applicable to the provision of Intrastate Long Distance Message Telecommunications Service (ILDMTS) by McDonald County Long Distance Company, (hereinafter referred to as the Company) within the State of Missouri, as specified herein.

The Company's Service is furnished subject to transmission, atmospheric and like conditions. Service is offered pursuant to rates, terms and conditions set forth in this tariff. Service is offered via the company's facilities in combination with resold services provided by other certified carriers. The Company's Service will initially be offered only to the local exchange service customers of McDonald County Telephone Company in the exchanges of Pineville, Jane and Anderson.

The rates, rules and regulations contained herein are subject to change pursuant to the rules and regulations of the Missouri Public Service Commission ("Mo PSC").

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P.O. Box 207  
Pineville, MO 64856

**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

---

**2. DEFINITIONS**

Answer Supervision: An electrical signal fed back up the line by the LEC at the distant end of a long distance call to indicate positively that the call has been answered.

Application for Service: A standard order form which includes all pertinent billing, technical, and other descriptive information which will enable the Company to provide the communication service as required.

Authorization Code: An identification number, usually an eight (8) to twelve (12) digit number, that identifies the user as a customer.

Authorized User: A person, firm, corporation or legal entity which is authorized by the Customer to be connected to the service of the Customer. Authorized User(s) must be named in the Application for Service.

Automatic Numbering Identification (ANI): A type of signaling provided by a local exchange carrier which automatically identifies through a seven (7) or ten (10) digit number assigned to the Customer, the local exchange line from which a call originates.

Billing Period: The interval between Customer invoice to Customer invoice which shall consist of thirty (30) days.

Business Service: "Business Service" refers to telecommunications service provided to the Customer for use primarily or substantially for a business, professional, institutional or other occupational purpose.

Calling Card Call: A call for which charges are billed, not to the originating telephone number, but to a telephone calling card issued by a local exchange carrier or long distance telephone company, for this purpose.

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McDonald County Long Distance Company  
P.O. Box 207  
Pineville, MO 64856



**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

---

**2. DEFINITIONS (continued)**

Cancellation of Order: A Customer-initiated request to discontinue processing a service order, either in part or in entirety, prior to its completion.

Commission: The Missouri Public Service Commission.

Company: The term "Company" denotes McDonald County Long Distance Company

Customer: The term "customer" denotes the person who or the firm or corporation that orders, cancels or amends Service, is responsible for the payment of charges, and is responsible for compliance with the Company's regulations and this tariff.

Customer Dialed Calling Card Call: A Calling Card Call which does not require the intervention of an operator.

Customer-Provided Equipment: Denotes ll equipment and facilities provided by the Customer and/or Authorized User, other than those provided by the Company.

Dedicated Access Line or Service: The generic term for a service in which the Customer's traffic passes over an access line connecting the Customer's premises to a Company switch, the line which is used solely for that Customer's traffic.

Direct Dial Call: A call for which charges are billed to the originating telephone number.

Disconnection: The disconnection of a circuit, dedicated access line or port connection being used for existing service.

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**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

---

**2. DEFINITIONS (continued)**

Domestic Message Telecommunications Service: Denotes the furnishing of station-to-station direct dial domestic switched network services to the Customer for the completion of long distance voice and dial up low speed data transmissions over voice grade channels from the Customer's premises to other domestic points as specified herein.

FCC: Federal Communications Commission.

Holiday: Any of the following Federally recognized holidays: New Years Day (January 1st), Memorial Day, Independence Day (July 4<sup>th</sup>), Labor Day, Thanksgiving, and Christmas Day (December 25<sup>th</sup>). Calls on Holidays are billed at Off-Peak rates.

Interexchange Carrier (IXC): A long distance telecommunications carrier.

Local Exchange Carrier (LEC): A company which provides telecommunications service within a Local Exchange Area.

Normal Business Hours: Normal business hours are the period between 8:00 AM and 5:00 PM, Central Time Zone, Monday through Friday, excluding Holidays.

Off Peak: The time period from 8:00 PM up to, but not including, 8:00 AM Monday through Friday, and from 8:00 PM Friday up to, but not including, 8:00 AM Monday. Calls on Holidays are billed at Off-peak rates.

Peak: The time period from 8:00 AM up to, but not including, 8:00 PM, Monday through Friday.

Point(s) of Presence: Location(s) where the Company maintains, through its own facilities or through arrangements with other carriers, an operations center for purposes of providing long distance service.

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**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

---

**2. DEFINITIONS (continued)**

Premises: Denotes a building or buildings on contiguous property (except railroad right-of-way-, etc) not separated by a public road.

Residential Service: Denotes telecommunications service provided to a Customer where the business use, if any, is merely incidental and where the major use is of a social or a domestic nature.

Service: "Service" means any or all service(s) provided pursuant to this tariff.

Service Points: Those locations from which the Company makes Service available to Customers.

Station: Any location from which a message can be originated or received (terminated).

Telecommunications: The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, metering, or any other form of intelligence over dedicated or switched facilities.

Usage Charge: A usage charge assessed based on minutes of use to calculate the charges due for a completed call. Additional surcharges may also apply as stated in this tariff.

United States: The term "United States" designates the forty-eight (48) contiguous states and the District of Columbia, Hawaii, Alaska, Puerto Rico, the U.S. Virgin Islands, Guam and the commonwealth of Northern Mariana Islands, as well as the off-shore areas outside the boundaries of the coastal states of the forty-eight contiguous states to the extent that such areas appertain to and are subject to the jurisdiction and control of the United States.

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**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

---

**3. REGULATIONS**

**3.1 Undertaking of the Company**

**3.1.1 Scope**

The Company undertakes to provide telecommunication Services in accordance with the terms and conditions set forth in this tariff.

**3.1.2 Shortage of Facilities**

The Company's Service is subject to availability of suitable facilities. The company reserves the right to limit the length of communications or to discontinue furnishing Service when necessary because of lack of satellite or other transmission medium capacity or because of any force majeure condition.

**3.1.3 Liability of the Company**

A. Except as stated in this Section 3.1.3, the Company shall have no liability for damages of any kind arising out of or related to events, acts, rights or privileges contemplated in this tariff. This tariff does not limit the liability of the Company for willful misconduct.

B. The liability of the Company for damage resulting in whole or in part from, or arising in connection with, the furnishing of Service under this tariff, including but not limited to mistakes, omissions, interruptions, delays, errors, or other defects or misrepresentation shall not exceed the dollar amount of the call in which the Service disruption occurred. Such dollar amount shall be credited on the customers next billing cycle.

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**3. REGULATIONS (continued)**

**3.1.3 Liability of the Company (continued)**

C. The Company shall not be liable for any failure of performance hereunder due to causes beyond its control, including but not limited to acts of God, fires, flood or other catastrophes, or any law, order, regulation, directive, action or request of the United States Government, or any other government, including state and local governments having jurisdiction over the Company, or of any department, agency, commission, bureau, corporation or other instrumentality of any one or more of said governments, or of any civil or military authority; national emergencies, insurrections, riots, wars or other labor difficulties.

D. The Company shall not be liable for any act or omission of any other entity furnishing facilities, equipment, or services used to provide the Company's Service. Nor shall the Company be liable for any damage or losses due to the failure or negligence of the Customer or due to the failure of Customer-provided equipment, facilities or services.

E. The Company reserves the right to discontinue furnishing Service without notice to the Customer when necessitated by conditions beyond its control or when the Customer is believed to be using the Service in violation of the provisions of this tariff or in violation of the law.

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**3. REGULATIONS (continued)**

**3.1.3 Liability of the Company (continued)**

F. Calls to a foreign country or area, or calls routed through a foreign country or area, are subject to such restrictions as may be enforced from time to time by the authorities in that country or area.

G. The Company, at its discretion, may discontinue or suspend all or a portion of its Service without notice to the Customer, by blocking facilities to certain countries, or by blocking calls placed using certain Authorization Codes, when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore its Service as soon as it can be provided without undue risk, and will, upon request by the Customer affected, assign a new Authorization Code to replace the one that may have been deactivated.

H. All or any portion of the Company's Service may be provided over facilities of third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of defects caused by or acts or omissions of any third parties.

I. THE COMPANY SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE DAMAGES, OR FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF ANY DEFECTS OR ANY OTHER CAUSE. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

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3. REGULATIONS (continued)

3.1.3 Liability of the Company (continued)

J. In the event parties other than the Customer (e.g., Customer's authorized users) shall have use of the Service directly or indirectly through the Customer, then Customer agrees to forever indemnify and hold the Company harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any defects. The Company shall have no liability to any person or entity other than its Customer.

3.1.4 Claims

A. The Company shall be indemnified and saved harmless by the Customer from and against all loss, liability, damage and expense, including reasonable counsel fees, due to claims for libel, slander, or infringement of copyright, trademark, trade name or patent resulting from use of the Company's Service; and any other claim resulting from act or omission of the Customer or Customer's authorized user relating to the use of the Company's Service.

B. The Company shall not be liable for use, misuse, or abuse of a Customer's Service by third parties, including, without limitation, the Customer's employees, guests or members of the public who dial the Customer's telephone number in error. Compensation for any injury the Customer may suffer due to the fault of others must be sought from such other parties.

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**3. REGULATIONS (continued)**

**3.1.4 Claims (continued)**

C. The Company is not liable for any damages, including but not limited to, toll and long distance usage charges, the Customer may incur as a result of unauthorized use of the Customer's telephone facilities or Company Authorization Codes. The Company may work with the Customer to recommend possible solutions to reduce unauthorized use. However, the Company does not warrant or guarantee that its recommendations will prevent unauthorized use, and the Customer is responsible for controlling access to, and use of, its own telephone facilities and Company Authorization Codes.

**3.1.5 Provision of Equipment and Facilities**

A. Except as otherwise indicated, Customer-provided station equipment at the Customer's premises for use in connection with this Service shall be so constructed, maintained and operated as to work satisfactorily with the Company's Service.

B. The Company shall not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where such equipment is used in connection with the Company's Service furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of Service under this tariff and to the maintenance and operation of such Service in the proper manner. Subject to this responsibility, the Company shall not be responsible for:

1. the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or

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3. REGULATIONS (continued)

3.1.4 Claims (continued)

2. the reception of signals by Customer-provided equipment.

3.2 Use of Service

The Company's Service may be used to transmit communications of the Customer in a manner consistent with the terms of this tariff and the policies and regulations of the Federal Communications Commission.

A. The Service is provided for use by the Customer and may be used by others, when so authorized by the customer, providing that all such usage shall be subject to the provisions of this tariff.

B. The Service is furnished subject to the condition that it will not be used for an unlawful purpose, and there will be no abuse or fraudulent use of the Service. Abuse or fraudulent use of the service includes, but is not limited to;

1. The use of the Service of the Company to transmit a message or to locate a person or otherwise to give or obtain information without payment of the charge applicable to the Service.
2. The obtaining, or attempting to obtain, or assisting another to obtain or attempt to obtain, Long Distance Message Telecommunications Service by rearranging, tampering with or making connection with any service components of the Company or by any trick, scheme, false representation or false credit device, or by or through any other fraudulent means or device whatsoever with intent to avoid payment, in whole or in part, of the regular charge for such Service.

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**3. REGULATIONS (continued)**

**3.2 Use of Service (continued)**

3. The use of the Service of the Company for a call or calls, anonymous or otherwise, if in a manner reasonably to be expected to frighten, abuse, torment or harass another.
4. The use of profane or obscene language.
5. The use of the Service in such a manner as to interfere unreasonably with the use of the Service by one or more other Customers, or harm the facilities of the Company or others.

C. In the event the Company determines, in its sole judgement, that there is fraudulent use of either the Services furnished by the Company or the Company's network, the Company will, without notice to the Customer or liability to the Company, discontinue Service and/or seek legal recourse to recover from the Customer all costs involved in enforcement of this provision.

**3.3 Payment for Service**

The Customer is responsible for payment of all charges for Service provided by the Company. The per-minute rates for the Prepaid Calling Card contained in Section 5.4.1 herein include all applicable Federal, state and local sales, use and excise taxes. In all other cases, applicable taxes appear as separate line items on the Customer's invoice.

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**3. REGULATIONS (continued)**

**3.4    Discontinuation of Service**

3.4.1. The Company may discontinue the service under the following circumstances, provided suitable notice has been given to the customer, as required.

- A.    Non-payment of any sum due to the Company for service for more than twenty-eight (28) days beyond the date of rendition of the bill for such services; or
- B.    A violation of or failure to comply with any regulation governing the furnishing of service; or
- C.    An order of a court or other government authority having jurisdiction which prohibits the Company from furnishing service; or
- D.    Failure to post a required deposit; or
- E.    Material misrepresentation of identity in obtaining service or the use of service in a manner that in the opinion of the company constitutes fraud or abuse.

3.4.2 Service shall not be disconnected unless written notice by first class mail is sent or delivered to the customer at least 5 days prior to the date of the proposed discontinuance. At least 24 hours preceding discontinuance, a reasonable effort shall be made to contact the customer to advise him of the proposed discontinuance and what steps must be taken to avoid it.

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**3. REGULATIONS (continued)**

**3.5 Obligations of the Customer**

- 3.5.1 The Customer shall be responsible for damages to the Company's facilities or that of its Local Exchange Carrier(s) caused by the act or omission of the Customer, its authorized users, officers, directors, employees, agents, contractors, licensees or invitees or any person or entity who gains access to the Service of the Customer through the negligence of the Customer.
- 3.5.2 The Customer shall provide access to the Customer's or Authorized User's premises by Company personnel for inspection, repair and/or removal of any facilities or equipment of the Company on an unrestricted basis, twenty-four (24) hours per day, seven (7) days a week.
- 3.5.3 The Customer will guarantee the compliance by the Customer's Authorized User(s) with all provisions of this tariff and contractual obligations between the Customer and the Company. The Customer will be liable for the acts or omissions of its Authorized User(s) relative to compliance with the provisions of this tariff.

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**3. REGULATIONS (continued)**

**3.5 Obligations of the Customer (continued)**

3.5.4 The Customer may not assign or transfer to a third party, whether by operation of law or otherwise, the right to use the Service provided under this tariff, provided however, that, where there is no interruption or relocation of use, such assignment or transfer may be made to the following:

- A. Another Customer of the Company, provided that the assignee or transferee assumes all accrued and unpaid obligations of the transferring Customer including, but not limited to, all indebtedness for such Service, and the unexpired portion of the minimum period and the termination liability applicable to such Service, if any; or
- B. A court-appointed receiver, trustee or other person acting pursuant to the laws of bankruptcy, receivership, reorganization, insolvency, liquidation or other similar proceedings, provided that the assignee or transferee assumes all accrued and unpaid obligations of the transferring Customer, but not limited to, all indebtedness for such Service, and the unexpired portion of the minimum period and the termination liability applicable to such Service, if any.

3.5.5 If the Customer wishes to assign or transfer the right to use the Service provided under this tariff, written consent of the Company is required prior to such assignment or transfer, which consent may be granted or withheld at the sole discretion of the Company. All regulations and conditions contained in this tariff shall apply to such assignee or transferee.

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**3. REGULATIONS (continued)**

- 3.5.6 The assignment or transfer of Service does not relieve or discharge the assignor or transferor from remaining jointly and severally liable with the assignee or transferee for any obligations existing at the time of the assignment or transfer.
- 3.5.7 With respect to the Company's 800/888/877 Service, the Customer must obtain an adequate number of access lines for service to handle its expected demand in order to prevent interference or impairment of the Service or any other Service provided by the Company. The Company will have the right to determine such adequacy giving due consideration to (1) the total call volume, (2) average call duration, (3) time-of-day characteristics, and (4) peak calling period. The Company, without incurring liability and without notice to the Customer, may disconnect or refuse to furnish Service to any Customer that fails to comply with these conditions.
- 3.5.8 Any mistakes, omissions, accidents, interruptions, delays, errors or defects in Transmission or Service which are caused or contributed to, directly or indirectly, by an act or omission of the Customer, by others through the use of facilities or equipment furnished by any other person using the Customer's facilities shall not result in any liability to the Company. The Customer shall pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof, including the costs of any Local Exchange Carrier labor and materials. The Company shall be indemnified, defended and held harmless by the Customer against any and all claims, demands, causes of action and

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3. REGULATIONS (continued)

3.5 Obligations of the Customer (continued)

liability relating to Services provided pursuant to this agreement, including payment to the Company associated with reasonable attorney's fees.

3.6 Billing and Payment Regulations

3.6.1 Service shall be provided and billed for on a monthly basis. Service shall continue to be provided until the Company's receipt of a written request from the Customer for the disconnection of the Service, unless other restrictions apply. Payment is to be made to the address designated on the invoice or such other location as the Company may direct in writing from time to time. In addition to charges for the Company's Service, the Customer shall pay any applicable Federal, state or local use, excise, sales or privileges taxes or assessments such as the Universal Service Fund assessment, resulting from the Services furnished by the Company. Such taxes or assessments shall not be counted toward the attainment of any volume or revenue commitment and will not be discounted.

3.6.2 The Customer is responsible for payment of all charges for Service furnished by the Company. This includes payment for calls or Service:

- A. Originated at the Customer's number(s) whether authorized or not;
- B. Accepted at the Customer's number(s) (e.g. 800/888/877 Service);
- C. Billed to the Customer's number via third number billing, a calling card, a Company-assigned Authorization Code, or other special billing number; or
- D. Incurred at the request of the Customer.

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**3. REGULATIONS (continued)**

**3.6 Billing and Payment Regulations (continued)**

- 3.6.3 The Customer's responsibility for payment of all charges for Service furnished by the Company is not changed by virtue of any use, misuse, or abuse of the Customer's Service or Customer-provided systems, equipment, facilities or Services interconnected to the Customer's 800/888/877 Service, which may be occasioned by third parties, including, without limitation, the Customer's employees, guests and/or members of the public who dial the Customer's 800/888/877 number by mistake.
- 3.6.4 In instances of a dispute, the Customer is required to pay the undisputed portion of the invoice in its entirety. Undisputed amounts not paid within twenty-one (21) days from the due date stated on the invoice will be considered delinquent. A Late Payment Charge of \$1.20 per month will be charged to customer accounts with an unpaid balance 22 or more days past due to compensate the Company for the additional administrative expense associated with these accounts.
- 3.6.5 The Company may require applicants or Customers to provide information pertaining to their financial ability to pay for Service. Upon application for Service, Customer shall be deemed to have authorized the Company to obtain such routine credit information and verification as the Company shall require in accordance with its then-existing credit policies.

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**3. REGULATIONS (continued)**

**3.6 Billing and Payment Regulations (continued)**

- A. The Company may require a deposit if the customer is unable to establish a good credit rating, or if the customer has undisputed charges in two (2) out of the last twelve (12) billing periods which have become delinquent. The deposit shall not exceed estimated charges for two months service based on the average bill during the preceding twelve months or in the case of new applicants, two months average monthly bill for all subscribers within a customer class. The deposit shall bear interest at a rate of 9% simple interest per annum, and will be returned upon satisfactory payment of all undisputed charges during the last 12 billing periods, or discontinuance of service.
- B. At the time an application for service is made, an applicant may be required to pay an amount equal to at least one month's service and/or service connection charges, which may be applicable to the customer's account on the first bill rendered.

3.6.6 In the event that a check or draft tendered by a customer is returned, a fee of \$10.00 will apply. The fee will be accessed when a check or instrument issued by a Customer is returned without payment for any reason whatsoever, unless the return is bank error, in which case documentary evidence is required to waive the fee.

3.6.7 All stated charges in this tariff are computed by the Company exclusive of any federal, state, or local use, excise, gross receipts, sales, or privilege taxes, duties, fees, or similar liabilities (other than general income or property taxes), including Universal Service Fund assessments, whether

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**3. REGULATIONS (continued)**

**3.6    Billing and Payment Regulations (continued)**

charged to or against the Company or its Customer. Such taxes, fees, etc, shall be paid by the Customer in addition to the charges stated in the tariff. All such taxes, duties and fees shall each be shown as a separate line item on the Customer's monthly invoice.

3.6.8 If Customer seeks to have the Company reinstitute Service, Customer shall pay to the Company prior to the time Service is reinstituted (1) all accrued and unpaid charges, and (2) a deposit, as determined by the Company.

3.6.9 The Company reserves the right, under federal law, to backbill for a period of up to two (2) years for an amount equal to the accrued and unpaid charges for use of the Company's Service actually made by Customer.

3.6.10 Customers billed by a Local Exchange Carrier (LEC), Competitive Local Exchange Carrier (CLEC), or other local exchange telephone company, on behalf of the Company, are responsible for any late payment charges imposed by the Local Exchange Carrier, Competitive Local Exchange Carrier, or local exchange telephone company.

**3.7    Credit Allowances**

**3.7.1    Interruption of Service**

A.    Credit for failure of Service or equipment will be allowed only when such failure is caused by or occurs in facilities or equipment

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**3. REGULATIONS (continued)**

**3.7 Credit Allowances (continued)**

provided by the Company. As used in this tariff, all equipment, facilities and/or Service for which the Company renders an invoice for payment are considered provided by the Company whether or not the equipment, facilities and/or Service are owned and operated by the Company unless otherwise provided by the terms of this tariff.

- B. No credit will be allowed for failure of Service or equipment due to Customer-provided facilities or any act or omission of the Customer, its Authorized User(s), officers, directors, employees, agents, contractors, licensees or invitees or any person or entity who gains access to the Service of the Customer through the negligence of the Customer.
- C. Credit allowance time for failure of Service or equipment starts when the Customer notifies the Company of the failure or when the Company has actual knowledge of the failure, and ceases when the Service has been restored and an attempt has been made to notify the Customer.
- D. Only those portions of the Service or equipment operation materially interfered with will be credited.
- E. The Customer shall notify the Company of failures of Service or equipment and make reasonable attempts to ascertain whether the failure is caused by Customer-provided equipment.

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**3. REGULATIONS (continued)**

**3.7.2 Limitation Allowances**

No credit allowances will be made for:

- A. Interruptions due to the negligence of, or noncompliance with the provisions of this tariff by the Customer, Authorized User. Or other common carrier providing service connected to the Service of the Company.
- B. Interruptions of Service due to the failure or malfunction of facilities, power or equipment provided by the Customer, authorized user, or other common carrier providing service connected to the Service offered by the Company.
- C. Interruptions of Service during any period in which the Company is not given access to the premises at which the Company-provided Service is interrupted or terminated.
- D. Interruptions of Service that occur or continue due to the Customer's failure to authorize replacement of any element of special construction.
- E. Interruptions of Service during any period when the Customer or Authorized User has relinquished Service to the Company for maintenance purposes or for implementation of a Customer order for a change in Service.

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**3. REGULATIONS (continued)**

**3.8    Equipment**

- 3.8.1    The Customer shall assume all responsibility for obtaining all necessary permits, authorizations or consents for interconnecting Customer-provided equipment and facilities with the Company's Service or facilities as well as ensuring that the Customer-provided equipment or facilities are properly interfaced with the Company's Service or equipment.
- 3.8.2    The Customer shall operate its equipment and facilities so as not to interfere with any other Customer's use of the Company's Service or equipment.
- 3.8.3    The Customer shall comply with the minimum protective criteria generally accepted in the telephone industry and other appropriate criteria as may be prescribed by the Company to protect the integrity of the Company's Service or for safety reasons.
- 3.8.4    The Customer shall be responsible for the installation, operation or maintenance of any Customer-provided equipment. Where such equipment is connected to Service furnished by the Company pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of Services under this tariff and to the maintenance and operation of such Services in the proper manner. Subject to this responsibility, the Company shall not be responsible for the following:

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**3. REGULATIONS (continued)**

**3.8 Equipment (continued)**

- A. The through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission;
- B. The reception of signals by Customer-provided equipment; or
- C. Network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

**3.9 Determination and Rendering of Charges**

- 3.9.1 For billing purposes, Service will be deemed to be started on the day the Service and its associated equipment, if any, is installed. Where billing is based upon Customer usage, billing for all usage commences on the date usage begins.
- 3.9.2 Subject to the Company's right to terminate or suspend Service as otherwise provided in this tariff, the minimum service period is thirty (30) days. Termination by the Customer is effective as of the end of the next business day after receiving the Customer's written request to cancel Service.
- 3.9.3 All monthly recurring charges are billed one month in advance. Initial and final months billing, when the service period is less than one month, will be prorated one-thirtieth (1/30th) of the month's recurring charge for each day the Service was rendered or equipment was provided.
- 3.9.4 Usage charges are billed monthly for the preceding billing period. For periods less than the monthly billing period, minimum usage charges are

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**3. REGULATIONS (continued)**

**3.9 Determination and Rendering of Charges (continued)**

prorated at one-thirtieth (1/30th) of the monthly minimum amount for each day the Service was rendered.

3.9.5 The duration of a call is rated in intervals of the billing increments described for each Service provided in this tariff. If the final interval of a call is less than the applicable billing increment, it will be rounded up to a full increment for purposes of billing.

3.9.6 Computed usage charges or credits for each call are rounded to the nearest cent when possible.

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**3. REGULATIONS (continued)**

**3.10 Special Services**

3.10.1 For purposes of this tariff, a Special Service is deemed to be any service requested by the Customer for which there is no prescribed rate/service in this tariff. Such specially contracted rates/services will be available to Customers on an individual case basis and will be tarified as entered into.

**3.11 Calculations of Billable Time (Usage Charges)**

3.11.1 Unless otherwise specifically stated in this tariff, all calls, regardless of time period, lasting one (1) minute or a fraction thereof, are subject to a minimum billing increment of one (1) minute. Calls are billed in one (1) minute increments thereafter, with partial minutes rounded up to the next full minute.

3.11.2 Chargeable time begins when the connection is established between the calling station and the called telephone number and ends when the connection is terminated.

3.11.3 In determining usage charges, Peak/Off-Peak/Holiday rate periods, as defined in Section 5.1 of this tariff, apply, unless otherwise indicated, and are based on the time where the call originates. In cases where a call begins in one rate period and continues into another rate period, the rate in effect in each period will apply to the portion of the call occurring within the applicable rate period.

3.11.4 All per-call charges of fractional cents shall be rounded to the next full cent unless otherwise stated.

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**4. SERVICE OFFERINGS**

**4.1 General Description**

The Company offers switched long distance network services for voice grade and low speed dial-up data transmission services offered on a usage-sensitive basis. Service is provided subject to the terms and conditions of this tariff. The Services offered are:

- A. Domestic Message Telecommunications Service;
- B. Inbound (800/888/877) Toll Free Service; and
- C. Calling Card Service.

**4.2 Direct Dial Domestic Service**

4.2.1 The Company provides direct dialed termination of domestic station-to-station calls originating from its service points in the United States to the areas in the United States, as defined in "Definitions", Section 2, of this tariff. The Customer uses the Company's direct dialed Domestic Message Telecommunications Service by dialing 1 + the area code + the desired telephone number.

4.2.2 The rates for Direct Dial Domestic Service are set forth in Section 5.2 of this tariff.

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**4. SERVICE OFFERINGS (continued)**

**4.3 Inbound (800/888/877) Toll Free Service**

4.3.1 The Company's Inbound (800/888/877) Toll Free Service enables the Customer to receive 800/888/877 service calls at the Customer's residence or business. The Service is accessed via 800/888/887 NPA's originating on Feature Group facilities provided by the LEC and terminating on a regular residential or business line. The following regulations apply to all Inbound (800/888/877) Toll Free Service:

- A. The Company reserves the right to require an applicant for the Company's Inbound 800/888/877 Toll Free Service to supply the following information when requesting service: an initial traffic forecast, identification of anticipated busy hour, identification of its geographical target areas, and a schedule of marketing and promotional activities. The Company also may require that a new traffic forecast be submitted by the Customer quarterly after service is initiated.
- B. The Company's Inbound 800/888/877 Toll Free Service is furnished upon condition that the Customer contracts for adequate facilities, and must obtain an adequate number of access lines for the Company's Inbound 800/888/877 Toll Free Service, to permit the use of this Service without injurious effect upon it or any Service rendered by the Company, or to prevent interference or impairment of this Service or any other Service provided by the Company, based on (1) total call volume, (2) average call duration, (3) time-of-day characteristics, and (4) peak calling

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**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

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**4. SERVICE OFFERINGS (continued)**

**4.3 Inbound (800/888/877) Toll Free Service (continued)**

period. The Company, without incurring any liability and without notice to the Customer, may disconnect or refuse to furnish the Company's Inbound 800/888/877 Toll Free Service to any Customer that fails to comply with these conditions.

**4.4 Calling Card Service**

- 4.4.1 The Company will issue a customer dialed Calling Card, using 800/888/877 access, provided subject to the terms of this tariff.
- 4.4.2 The Company reserves the right to place a monthly maximum usage limit on each Calling Card. The company reserves the right to, without incurring any liability, discontinue the furnishing of Service to a Customer immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents or Service.
- 4.4.3 All International usage on the Calling Card will be blocked.
- 4.4.4 The Customer is required to notify the Company immediately when a Customer's Calling Card, using the Customer's Authorization number issued by the Company, needs to be deactivated or terminated. The Customer is responsible to immediately notify the Company when a Customer's Calling Card is lost, stolen, misplaced, has suspected or confirmed misuse, or when fraud is known, anticipated or suspected on a Calling Card.

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**4. SERVICE OFFERINGS (continued)**

4.4.5 The Company will deactivate the Calling Card within twenty-four (24) hours after notification from the Customer. The notification can be in writing to the Company, or by contacting the Company's Customer

**4.5 Operator Services**

4.5.1 Operator Service as provided by Company includes live operator and/or automated operator functions, for the purpose of assisting in the processing of telephone services such as: long distance via collect calls, calling card calls, or third-party billed calls. Company operators may be contacted by dialing 0+ the number desired or 0- the number desired. Calls will be billed at Company MTS service rates as set forth in Section 5 plus the appropriate service charges.

4.5.2 In providing operator services, Company agrees that:

- A. Company will not knowingly bill for incomplete calls and will remove any charge(s) for incomplete calls upon subscriber notification or carrier's knowledge of the charge(s) for incomplete calls.
- B. Company will advise the caller and billed party (if different from the end user) that Company is the operator service provider at the time of the initial contact.
- C. Company will provide rate quotes, including all rate components and any additional charges, upon request, at no charge.

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**4. SERVICE OFFERINGS (continued)**

**4.5 Operator Services (continued)**

- D. Company will allow only tariff charges approved by the Commission, or otherwise allowed by law for the provision of operator services, to appear on billings rendered by local exchange companies (LECs) on behalf of carrier and will not collect location surcharges imposed by traffic aggregations.
- E. Company will arrange for listings of its name on a LEC's billing of Company's charges, if the LEC has multi-carrier bill listing capability.
- F. Company will employ reasonable calling card verification procedures which are acceptable to the companies issuing the calling cards which it determines to be invalid or cards which it is unable to verify.
- G. Company will direct all "00-" emergency calls to the local exchange carrier (LEC) at no charge.
- H. Company's contracts with tariff aggregations will contain provisions which:
  - 1. Prohibit the blocking of access to an end user's interexchange carrier of choice;

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**4. SERVICE OFFERINGS (continued)**

**4.5    Operator Services (Continued)**

2.    Provide for the prominent posting or display, on or near the telephones to be utilized by end users, of material setting forth the name of the carrier, complaint procedures, instructions on reaching the LEC operator as well as other interexchange carriers, and procedures for emergency calls.

**4.6    Dedicated Interexchange Digital Private Line Service**

- 4.6.1    Digital transmission facilities between Company service points, when connected with dedicated access to customer locations, allow for communications between locations of the customer or his authorized user. These combined facilities are utilized on a dedicated (non-switch) basis between two or more customer locations, as specified by the customer.

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4. SERVICE OFFERINGS (continued)

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**INTRASTATE LONG DISTANCE MESSAGE TELECOMMUNICATIONS SERVICE**

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**5. RATES**

**5.1 Rate Periods**

5.1.1 Rates are applicable based on time of the day (standard or daylight savings), and day of the week, and are associated with Service offered on Dial Station-to-Station and Person-to-Person basis for Domestic Direct Dialed Calls, Inbound Toll Free (800/888/877) Calls, and Company issued Calling Card Calls. Peak and Off-Peak rates apply to the types of Services offered by the Company, unless otherwise specifically designated in this tariff. The rate charged is determined by the day and time (standard or daylight savings) at the originating service point. When a connection is established in one rate period and ends in another rate period, the rate for each rate period applies to the portion of the connection occurring within that rate period.

5.1.2 The rate periods are:

- A. Peak Period - the time period from 8:00 AM to, but not including, 8:00 PM Monday through Friday.
- B. Off-Peak Period - all other time periods other than Peak Period.
- C. Holiday Rate Period - for the following Federal observed holidays, the Off-Peak rates will apply:
  - 1. New Years Day (January 1<sup>st</sup>)
  - 2. Memorial Day
  - 3. Independence Day (July 4<sup>th</sup>)
  - 4. Labor Day
  - 5. Thanksgiving
  - 6. Christmas Day (December 25<sup>th</sup>)

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**5. RATES (continued)**

**5.2 Direct Dialed Domestic Service**

5.2.1 The Company offers Direct Dialed termination in the United states, as defined in Section 4.1 of this tariff. Service is furnished subject to availability of both the telecommunications facilities and the required billing capabilities. Unless specific written authorization from the Company is provided, the Service may not be used to aggregate the long distance communications of multiple end users for resale, or to provision communications services for others.

5.2.2 The Company provides the following Domestic Direct Dialed programs:

**A. Option 1.**

1. Option 1 is a flat rate pricing plan, with the rate per minute applicable to all rate periods (Peak, Off-Peak,).
2. Option 1 pricing is for intrastate intraLATA and intrastate interLATA customer dialed station to station, sent paid, non-coin Long Distance Message Telecommunication Service, unless otherwise specified in this tariff.
3. Option 1 rates and charges are in addition to all other rates and charges paid by a Customer for all other Services of the local exchange carrier providing local service.
4. Discounts, if applicable, apply only to the actual qualified usage portion of the bill. When the application of the discount results in a fractional charge, the amount will be rounded to the nearest cent.

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5. RATES (continued)

5.2 Direct Dialed Domestic Service (continued)

5. Rate per Minute:

Peak Period      \$.16 per minute

Off Peak Period: \$.16 per minute

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5. RATES (continued)

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5. RATES (continued)

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**5. RATES (continued)**

**5.3    Inbound (800/888/877) Toll Free Service**

**5.3.1    Domestic Inbound (800/888/877) Toll Free Service, using a Common Business Line (CBL) termination, is provided subject to the terms of this tariff.**

- A.    Toll Free Service rates and charges are in addition to all other rates and charges paid by a Customer for all other Services of the local exchange carrier providing local service.**
- B.    Discounts, if applicable, apply only to the actual qualified usage portion of the bill. When the application of the discount results in a fractional charge, the amount will be rounded to the nearest cent.**
- C.    A non-recurring set up fee of \$5.00 per 800/888/877 number will apply.**
- D.    A monthly recurring charge of \$3.00 per 800/888/877 number will apply.**
- E.    Rate per Minute:**
  - Peak Period:            \$.22 per minute**
  - Off-Peak Period:        \$.20 per minute**

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**5. RATES (continued)**

**5.3 Inbound (800/888/877) Toll Free Service (continued)**

**5.3.2 Personal 800 Domestic Inbound (800/888/877) Toll Free Service, using a residential line termination, is provided subject to the terms of this tariff.**

- A. Personal 800 Toll Free Service rates and charges are in addition to all other rates and charges paid by a Customer for all other Services of the local exchange carrier providing local service.**
- B. Discounts, if applicable, apply only to the actual qualified usage portion of the bill. When the application of the discount results in a fractional charge, the amount will be rounded to the nearest cent.**
- C. A monthly recurring charge of \$2.00 per 800/888/877 number will apply.**
- D. Rate per Minute:**
  - Peak Period: \$ .20 per minute**
  - Off-Peak Period: \$ .20 per minute**

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**5. RATES (continued)****5.4 Calling Card Rates**

5.4.1 Company provided, Customer dialed Calling Cards are provided subject to the terms of this tariff.

- A. Calling Cards usage is billed at an initial one (1) minute minimum usage charge, and in one (1) minute additional increments after the first full minute of usage.
- B. Discounts, if applicable, apply only to the actual qualified usage portion of the bill, and not to the per call surcharge. When the application of the discount results in a fractional charge, the amount will be rounded to the nearest cent.
- C. A per call surcharge of \$.50 will be applied.
- D. Rate per Minute:
  - Peak Period: \$.25 per minute
  - Off-Peak Period: \$.25 per minute

**5.5 Operator Service Rates**

	<u>0+ Rate</u>	<u>0-Rate</u>
1. Directory Assistance	\$1.20	\$2.20
2. Automated Collect	\$2.35	\$3.35
3. Automated Card	\$1.00	\$2.00
4. Operator-Assisted		
a. Collect	\$2.35	\$3.35
b. Billed to Third Party	\$2.35	\$3.35

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**5. RATES (continued)****5.5    Operator Service Rates (continued)**

5.	Person-to-Person	\$4.50	\$5.50
6.	Station-to-Station	\$2.30	\$3.30

**5.6    Dedicated Interexchange Digital Private Line Service****5.6.1    Voice Grade Facility**

- A.    Two point effective two/four wire grade analog or 64 Kbps digital interface (digitalized voice or otherwise compatible 64 Kbps bit stream facility)

Rate:            \$ ICB

**5.6.2    DS1/1.544 Mbps Facility**

- A.    Two point digital interface operating at 1.544 Mbps, which may be furnished on either a channelized or non-channelized basis

Rate:            \$ ICB

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5. RATES (continued)

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**Appendix D**

**Qualifications and Experience of Management**

## DESCRIPTION OF QUALIFICATIONS OF OFFICERS

D. Aaron Gent is the President and CEO of McDonald County Long Distance Company. Prior to the formation of this corporation, Mr. Gent served as Vice President of McDonald County Telephone Company. Prior to this position he was marketing and network manager at McDonald County Telephone company. Mr. Gent began his career in telecommunications as a lineman for McDonald County Telephone Company in 1994. He then moved to Kansas City and accepted a position with the University of Missouri Kansas City in their telecommunications department as a senior technician. Part of the training he received here included the procurement and installation of major Telecommunications systems. He was also an intricate part in the computerization of records and network maps at the university. Mr. Gent then worked as a contractor in the Kansas City based branch of the General Services Administration (GSA). He was a telecommunications engineer whose chief function was the procurement of telecommunication equipment for all branches of the armed forces, as well as numerous Federal organizations. He was instrumental in competing out the GSA Wide Area Network in Kansas City resulting in savings of over five hundred thousand dollars a year to the Government for local private line circuits. Mr. Gent received a Bachelor of Science in 1993 from Rockhurst College in Kansas City.

R. Ruth Clay is Vice President and Chief Financial Officer of McDonald County Long Distance Company. Ms Clay received her degree in Business Administration in 1995, and a degree in Accounting in 1996. Following her graduation she accepted an entry-level position at Wal-Mart home office as a phone bank operator. She was quickly promoted to the highest hourly management position, Divisional Merchandise Management Assistant. In this position Ms Clay was responsible for the management of over 60 personnel. Ms Clay handled the accounts for the Lawn and garden departments in every Wal-Mart store across the United States, she also handled agreement and debt reconciliation with suppliers. She handled complaints from customers and assisted in settling complaints between retail suppliers and customers. Ms Clay has also been indirectly involved with the telecommunications industry being a third generation member of a family owned local provider. Although her Telecommunications experience is somewhat limited, her accounting background (directly related to her primary function in the company), is rather extensive.

Ross M. Babbitt, Secretary of McDonald County Long Distance Company, has served as Vice president of McDonald County Telephone Company from June 1990 till April 1999, and is currently President of McDonald County Telephone Company. For the past nine years, Mr. Babbitt has been responsible for overall management of all operations and all decisions regarding outside plant, internal business operations, and financial planning. Mr. Babbitt has helped plan and implement multi-million dollar plant upgrades, including the transition from analog to digital switching. With Mr. Babbitt's guidance, extensive plant upgrades, and changes to internal processes, overall customer satisfaction with McDonald County Telephone Company greatly improved.

The McDonald County Telephone Company has employed Mrs. Vicki Babbitt in one aspect or another for most of her life. Since 1990, Mrs. Babbitt has been the Secretary/Treasurer and Chief Financial Officer of McDonald County Telephone Company. She will be assisting and advising Ms Clay in financial decisions for McDonald County Long Distance. During her experience at McDonald County Telephone, Mrs. Babbitt was responsible for handling all financial aspect of the company. Including issuing payroll, handling the general ledger, and maintaining sufficient operational capital on a limited earning budget. Mrs. Babbitt handled all invoicing and billing of suppliers, and was the business office manager.

**Appendix E**

**Illustrative Balance Sheets  
McDonald County Telephone Company**

**McDonald County Telephone Company**  
**Comparative Balance Sheets**  
**(Unaudited)**

**ASSETS**

	December 31,	
	1998	1997
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$152,361	\$355,343
Temporary Cash Investments	485,430	523,189
Telecomm. Accounts Receivable	124,776	84,081
Accounts Receivable	254,307	287,681
Materials and Supplies	48,012	86,943
Prepayments	18,908	17,850
<b>Total Current Assets</b>	<b>1,083,794</b>	<b>1,355,087</b>
<b>Non-current Assets:</b>	<b>500</b>	<b>500</b>
<b>Telephone Plant:</b>		
Telephone Plant in Service	8,465,617	7,611,323
Less: Accumulated Depreciation	2,190,103	1,748,339
<b>Net Telephone Plant in Service</b>	<b>6,275,514</b>	<b>5,864,984</b>
Telephone Plant Under Construction	87,067	13,496
<b>Total Telephone Plant</b>	<b>6,362,581</b>	<b>5,878,480</b>
<b>Total Assets</b>	<b>\$7,446,875</b>	<b>\$7,234,067</b>

**McDonald County Telephone Company  
Comparative Balance Sheets  
(Unaudited)**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

	December 31,	
	1998	1997
<b>Current Liabilities:</b>		
Accounts Payable	\$42,360	\$118,315
Accrued Income Taxes	5,891	98,745
Accrued Other Taxes	0	2,299
		<hr/>
<b>Total Current Liabilities</b>	<b>48,251</b>	<b>217,359</b>
<b>Deferred Credits:</b>		
Deferred Operating Inc Tax	632,550	624,582
Other Deferred Credit	82,914	135,351
		<hr/>
<b>Total Deferred Credits</b>	<b>715,464</b>	<b>759,933</b>
<b>Stockholders' Equity:</b>		
Common Stock, par value \$25, 2,266 Shares Authorized and Outstanding	58,650	56,650
Retained Earnings	6,626,510	6,200,125
		<hr/>
<b>Total Stockholders' Equity</b>	<b>6,683,160</b>	<b>6,256,775</b>
		<hr/>
<b>Total Liabilities and Stockholders' Equity</b>	<b><u>\$7,446,875</u></b>	<b><u>\$7,234,067</u></b>

**McDonald County Telephone Company**  
**Comparative Income Statement**  
**(Unaudited)**

	December 31, 1998	1997
<b>Operating Revenues:</b>		
Local Network Service	\$380,264	\$300,231
Network Access Service	2,647,826	2,448,091
Miscellaneous	187,208	182,032
Less: Uncollectibles	72,695	-0-
<b>Total Operating Revenues</b>	<b>3,122,403</b>	<b>2,930,354</b>
<b>Operating Expenses:</b>		
Plant Specific Operations	212,345	399,392
Plant Nonspecific Operations (Includes Depreciation of \$465,218 and \$438,197, respectively)	577,843	455,057
Customer Operations	333,444	202,741
Corporate Operations	643,243	633,311
Operating Taxes:		
Income Taxes	420,637	438,556
Other Operating Taxes	84,216	87,229
<b>Total Operating Expenses</b>	<b>2,271,728</b>	<b>2,216,286</b>
<b>Net Operating Income</b>	<b>850,675</b>	<b>714,068</b>
<b>Other Income:</b>		
Dividend Income	17,992	23,486
Interest Income	32,601	38,577
Nonoperating Income (Expense) (Net)	(134,983)	(25,099)
<b>Total Other Income (Expense)</b>	<b>(84,390)</b>	<b>36,964</b>
<b>Net Income</b>	<b>\$766,285</b>	<b>\$751,032</b>