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July 28, 2006

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JUL 3 1 2006

Ms. Stephanie Bell Secretary of the Commission Kentucky Public Service Commission 211 Sower Boulevard Frankfurt, KY 40602 PUBLIC SERVICE COMMISSION

Re:

Informational Notification of Acceris Management and Acquisition LLC and First Communications, LLC Regarding a Transfer of Assets, Including Customers, of Acceris Management and Acquisition LLC to First Communications, LLC

Dear Ms. Bell:

First Communications, LLC ("First Communications") and Acceris Management and Acquisition LLC ("Acceris") (together, "Parties"), by their counsel, respectfully advise the Kentucky Public Service Commission ("Commission") of their intent to consummate a transaction involving the transfer of certain assets of Acceris to First Communications. Pursuant to the terms of an Asset Purchase Agreement ("Agreement") dated July 11, 2006, between First Communications and Acceris, First Communications will acquire certain assets of Acceris relating to its large business customer enterprise business ("Business"), including various equipment and Business customers. First Communications is already authorized to provide telecommunications services in Kentucky and is ready, willing and able to acquire the assets and continue serving the Acceris customers in Kentucky in a seamless manner. The Commission has already examined the qualifications of First Communications to provide telecommunications service and determined that it is in the public interest for First Communications to be an authorized provider in Kentucky.

After consummation of the transactions, Acceris will retain its authorization to provide telecommunications services in Kentucky in order to provide service to its customers not related to the Business. The assets and customers related to the Business will be acquired by First Communications. These customers will not experience any loss or impairment of service. They will continue to receive their existing services at the same rates, terms and conditions as at present. Future changes in the rates, terms and conditions of service will be made consistent with Commission requirements. The only material change will be in the customers' service provider. Notice of the change will be provided to customers in accordance with Commission

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and federal rules. It is the Parties' understanding that no prior Commission approval is required to consummate the transaction described above. Thus, the Parties submit this information for the Commission's information only and request that it be retained in the appropriate file.

# The Parties

First Communications, LLC. First Communications, LLC is a privately held Ohio limited liability company headquartered at 3340 West Market Street, Akron, Ohio, 44333, (216) 468-1614. First Communications was formed on July 1, 1998 under the laws of the State of Ohio. McKinley Communications, LLC holds a 51% ownership interest in First Communications, First Energy Corp. holds a 32% interest in First Communications and Boich Investment Group, Ltd. Holds a 17% interest in First Communications. No other entity holds a 10% or greater ownership interest in First Communications.

First Communications is a common carrier that provides local, private line and long distance services to both business and residential customers in several states. Currently, First Communications provides telecommunications services to approximately 100,000 customers located primarily in Ohio, Michigan, Indiana, Illinois, Pennsylvania and Florida. First Communications' services include, in addition to traditional local and long distance services, toll-free services, conference calling packages, calling cards, prepaid calling cards, Internet access and dedicated and private line services. First Communications' telecommunications services are provided primarily on a resale basis using the facilities and switches that are owned and operated by other telecommunications carriers.

First Communications is authorized to provide intrastate long distance telecommunications services in California, Florida and Kentucky. First Communications is authorized to provide intrastate long distance and competitive local exchange telecommunications services in Illinois, Indiana, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Wisconsin. With years of experience in the states mentioned above, First Communications has the financial, managerial and technical qualifications needed to provide quality telecommunications services to the Business customers in Kentucky acquired from Acceris. The qualifications of First Communications are on file with the Commission in connection with its certification dockets and are incorporated by reference herein.

Acceris Management and Acquisition LLC. Acceris Management and Acquisition LLC, a Minnesota limited liability company also conducting business as Acceris Communications or WorldxChange, is headquartered at 9530 Padgett Street, Suite 101, San Diego, CA 92126, (858) 547-5700. Acceris is a direct, wholly owned subsidiary of North Central Equity LLC ("North Central"), a privately held Minnesota holding company established in 2004, whose executives have many years of experience in the telecommunications industry. Mr. Elam Baer, CEO of North Central, holds 53% of the ownership interests in Acceris. No other entity holds a 10% or greater ownership interest in Acceris. Acceris is a broad based communications company, serving residential, small and medium-sized business and large enterprise customers throughout the United States. The company provides a range of products

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from domestic and international long distance voice services to fully managed and integrated data services and enhanced services.

Currently, Acceris is authorized to provide long distance telecommunications services in the contiguous 48 states, Hawaii and the District of Columbia, including Kentucky, except in Alaska. Acceris also is authorized to provide long distance and competitive local exchange telecommunications services in Pennsylvania, New York, New Jersey, Florida and Massachusetts. After consummation of the transactions, Acceris will retain its telecommunications authorization in Kentucky in order to continue to provide telecommunications services apart from the Business being acquired by First Communications. Thus, Acceris does not seek to surrender its authorization at this time.

# **Description of the Transaction**

First Communications and Acceris have reached an Agreement providing for First Communications' acquisition of certain assets of Acceris relating to the Business, including personal property such as equipment and switches, customer contracts and working capital (including accounts receivable), but not including any federal or state telecommunications authorizations. After consummation of the transactions, First Communications will provide telecommunication services to the Acceris customers directly pursuant to its own telecommunications authorizations.

The proposed transfer of customers to First Communications will have no adverse impact on customers. The Acceris customers will continue to receive their existing services at the same rates, terms and conditions that they have prior to the transfer and any future changes in the rates, terms and conditions of service will be made consistent with Commission requirements. To ensure a seamless transition and avoid customer confusion or inconvenience, First Communications will provide advance written notice to the affected customers at least thirty (30) days prior to the transfer, explaining the change in service provider in accordance with applicable Federal Communications Commission and Commission requirements for changing a customer's presubscribed carrier. A copy of the notification letter that will be sent to the affected Business customers will be provided to the Commission upon request.

# **Qualifications of First Communications**

As the Commission has already determined, First Communications is well-qualified managerially, technically and financially to provide telecommunications services in Kentucky. First Communications has access to the financing and capital necessary to conduct its telecommunications operations and to fulfill any obligations it may undertake with respect to the operation and maintenance of its services. First Communications' management team includes individuals with substantive experience in successfully developing and operating telecommunications business. Consequentially, the company has the adequate internal technical

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<sup>&</sup>lt;sup>1</sup> See Filing No. TFS2005-00989.

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resources to support its Kentucky operations. First Communications has successfully provided a range of local and long distance telecommunications services over the past several years. Both sales and service personnel are trained professionals. First Communications will bill all of its end-user customers directly. All bills sent to end-user customers will bear the company's name and provide a toll-free number for customer inquiries and complaints. First Communications has a toll free number available for its customers to contact the company with billing and service related issues: 1-800-274-1015.

# **Tariff**

Appended hereto as *Exhibit A*, please find Tariff No. 2 of First Communications that includes the same Business services, rates, terms and conditions as the existing Acceris tariff. Thus, the Business customers being transferred from Acceris to First Communications will not experience any change in their telecommunications services. The only change will be their new service provider: First Communications.

# **Public Interest Considerations**

The transfer of assets to First Communications will serve the public interest. Acceris has determined that its operations with respect to the Business is no longer consistent with its long term interests. First Communications is a strong company that will continue to provide high quality services to the Acceris customers. First Communications' purchase of the Acceris assets related to the Business will strengthen First Communications, enable it to expand and better ensure that it remains a viable long-term competitor in the telecommunications marketplace.

At the same time, the proposed transfer of assets does not present any anticompetitive issues. The Parties emphasize that, following the transfer, the former Acceris customers will continue to receive services from an experienced and qualified carrier, which services will be consistent with the quality of services currently provided by Acceris. Acceris primarily resells local and long distance services to residential and business customers and First Communications has extensive experience in providing these services. The Parties anticipate that customers will experience a seamless transition of service provider. Further, these customers will be sufficiently notified of the transaction and their rights.

In addition, Acceris' exit from the Business does not present any competitive concerns. In the geographic markets in which the operations of First Communications and Acceris overlap, the market share of First Communications post-close in the local service market will be less than 5 percent. In the geographic markets in which the operations of First Communications and Acceris do not overlap, First Communications will simply step into the shoes of Acceris with respect to market share. The Parties note that there are a number of other carriers operating in each market, including the incumbent carrier, which in each market controls a substantial market share. In sum, this transaction will serve the public interest by strengthening the competitive position of First Communications without negative impact to either Acceris customers or competition in the markets in which Acceris operates.

### KELLEY DRYE & WARREN LLP

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As noted above, it is the Parties' understanding that no prior Commission approval is required to consummate the transfer of assets described herein. Should the Commission believe that any further action is required, the Parties respectfully request that the Commission notify the undersigned at its earliest convenience. Enclosed please find a duplicate of this letter and ten (10) copies. Please date-stamp the duplicate upon receipt and return it in the self-addressed, postage-paid envelope provided. Should there be any questions regarding this matter, please contact Melissa Conway at (202) 342-8552.

Respectfully submitted,

Acceris Management and Acquisition LLC

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Enclosures

# **EXHIBIT A**

# **TARIFF**

# TARIFF APPLICABLE TO INTEREXCHANGE SERVICES WITHIN THE STATE OF KENTUCKY PROVIDED BY FIRST COMMUNICATIONS, LLC

Issued: July 31, 2006

Issued by:

KENTUCKY TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of

service or facilities for Telecommunications Services furnished by First Communications, LLC,

with principal offices at 3440 W. Market St., Akron, OH 44333. This tariff applies for services

furnished within the State of Kentucky. This tariff is on file with the Kentucky Public Service

Commission, and copies may be inspected, during normal business hours, at the company's

principal place of business.

Issued: July 31, 2006

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# **CONCURRING, CONNECTING OR**

# **OTHER PARTICIPATING CARRIERS**

- 1. **Concurring Carriers - None**
- **Connecting Carriers None** 2.
- 3. Other Participating Carriers - None

Issued: July 31, 2006

Issued by:

Joseph R. Morris Chief Operating Officer 3440 W. Market Street Akron, OH 44333

# **CHECK SHEET**

The Sheets of this tariff are effective as of the date shown at the bottom of the respective sheet (s). Original and revised sheets as named below comprise ail changes from the original tariff and are currently in effect as of the date on the bottom of this sheet.

SHEET	REVISION	SHEET	REVISION
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Original	31 32 33 34 35 36 37	Original Original Original Original Original Original

<sup>\*</sup> New or Revised Sheet

Issued: July 31, 2006

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# TARIFF FORMAT

- A. 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 pages 11 and 12 would be page 11.1.
- B. Sheet Revision Numbers: Revision numbers also appear in the upper right corner of each sheet where applicable. These numbers are used to indicate the most current page version on file with the Commission. For example, 4th Revised Sheet 13 cancels 3rd Revised Sheet 13. Consult the Check Sheet for the sheets currently in effect.
- C. Paragraph Numbering Sequence: There are nine levels of paragraph coding. Each level of coding is subservient to its 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) I.(i) 2.1.1.A.1.(a).I.(i).(1)

D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists the sheets contained in the tariff, with a cross reference to the current Revision Number. When new sheets are added, the Check Sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc. remains the same, just revised revision levels on some sheets). The tariff user should refer to the latest Check Sheet to find out if a particular sheet is the most current on Commission file.

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# **SYMBOLS**

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

C – to signify change in regulation

D – to signify a deletion

I – to signify a rate increase

L - to signify material relocated in the tariff

N – to signify a new rate or regulation

R – to signify a rate deduction

T – to signify a change in text, but no change in rate or regulation

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# SECTION 1 – TECHNICAL TERMS AND ABBREVIATIONS

<u>10XXX or 101XXXX Access Code</u> – The Access Code is the 10XXX or 101XXXX Access number.

<u>Access Line</u> – An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to the Company's location or switching center.

<u>Authorization Code</u> – A numerical code, one or more of which may be assigned to a Customer, to enable the Company to identify the origin of the Customer so it may rate and bill the call. Automatic number identification (ANI) is used as the authorization code wherever possible.

<u>Casual Calling</u> – A dialing method that enables a Customer to reach the interexchange carrier of the Customer's choice even if the Customer is not a regular Customer of that carrier. The Customer utilizes a 10XXX or 101XXXX Access Code to make calls, and the Customer does not change its Primary Interexchange Carrier.

<u>Commission</u> – Used throughout this tariff to mean the Kentucky Public Service Commission.

<u>Customer</u> – The person, firm, corporation or other legal entity which orders the services of the Company and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Company or First – Used throughout this tariff to mean First Communications, LLC.

<u>Dedicated Access</u> – The Customer gains entry to the Company's services by a direct path from the Customer's location to the Company's point of presence.

DUC - DUC stands for Designated Underlying Carrier.

<u>LEC</u> – LEC stands for Local Exchange Carrier.

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Issued by:

Joseph R. Morris Chief Operating Officer First Communications, LLC 3440 W. Market Street Akron, OH 44333 Effective: August 1, 2006

# SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS (cont'd)

<u>Presubscribed Service</u> – A service whereby the Customer can make long distance calls and the Customer must change its Primary Interexchange Carrier to the Company.

Resp. Org. – Responsible Organization or entity identified by Toll-Free service Customer that manages and administers records in the toll-free number database and management system.

<u>Switched Access</u> – The Customer gains entry to the Company's services by a transmission line that is switched through the local exchange carrier to reach the Company's point of presence.

<u>Telecom Unit</u> – A measurement of telecommunications service equivalent to one minute of usage between any two points within the State of Kentucky.

<u>Telecommunications</u> – The transmission, between or among points specified by the user, of information of the user's choosing, without change in the form or content of the information as sent and received.

<u>Underlying Carrier</u> – The telecommunications carrier whose network facilities provide the technical capability and capacity necessary for the transmission and reception of Customer telecommunications traffic.

U.S.F. – U.S.F. stands for Universal Service Fund.

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# **SECTION 2 – RULES AND REGULATIONS**

# 2.1 Undertaking of the Company

This tariff contains the regulations and rates applicable to intrastate interexchange telecommunications services provided by the Company for telecommunications between points within the State of Kentucky. Services are furnished subject to the availability of necessary facilities, equipment and/or billing arrangements with the DUC and/or LEC, and subject to the terms and conditions of this tariff in compliance with limitations set forth in the Commission's rules. Necessary facilities and equipment may include, but are not limited to, facilities or equipment to be provided by the Company, connecting carriers, underlying carriers, owners and operators of transmission capacity leased to the Company or the L.E.C. The Company's services are provided on a statewide basis and are not intended to be limited geographically, however, all Switched Access services are only available in equal access areas. The selection of the DUC is made solely in the discretion of the Company. The Company offers service to all those who desire to purchase service from the Company consistent with all of the provisions of this tariff. Except for 101XXXX Access Service, Customers interested in the Company's services shall file a service application with the Company which fully identifies the Customer, the services requested and other information requested by the Company. The Company reserves the right to examine the credit record and check the references of all applicants and Customers prior to accepting the service order. The service application shall not in itself obligate the Company to provide services or to continue to provide service if a later check of applicant's credit record is, in the opinion of the Company, contrary to the best interest of the Company. The Company may act as the Customer's agent for ordering access connection facilities provided by other carriers or entities when authorized by the Customer, to allow connection of a Customer's location to a service provided by the Company. The Customer shall be responsible for all charges due for such service arrangement.

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SECTION 2 – RULES AND REGULATIONS (cont'd)

- 2.1.1 The services provided by the Company are not part of a joint undertaking with any other entity providing telecommunications channels, facilities, or services, but may involve the resale of the Message Toll Services (MTS) and Wide Area Telecommunications Services (WATS) of underlying common carriers subject to the jurisdiction of this Commission.
- 2.1.2 The rates and regulations contained in this tariff apply only to the services furnished by the Company and do not apply, unless otherwise specified, to the lines, facilities, or services provided by a local exchange telephone company or other common carriers for use in accessing the services of the Company.
- 2.1.3 The Company reserves the right to discontinue furnishing services, or limit the use of service necessitated by conditions beyond its control, including, without limitation: lack of satellite or other transmission medium capacity; the revision, alteration or repricing of the Underlying Carrier's tariffed offerings; or when the use of service becomes or is in violation of the law or the provisions of this tariff.

### 2.2 Use of Services

- 2.2.1 The Company's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services, subject to any limitations set forth in this Section 2.2.
- 2.2.2 The use of the Company's services to make calls which might reasonably be expected to frighten, abuse, torment, or harass another or in such a way as to unreasonably interfere with use by others is prohibited.

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SECTION 2 - RULES AND REGULATIONS (cont'd)

- 2.2.3 The use of the Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.4 The Company's services are available for use 24 hours per day, seven days per week.
- 2.2.5 The Company does not transmit messages, but the services may be used for that purpose.
- 2.2.6 The Company's services may be denied for nonpayment of charges or for other violations of this tariff. (See Section 2.5 herein).
- 2.2.7 Customers shall not use the service provided under this tariff for any unlawful purpose.
- 2.2.8 The Customer is responsible for notifying the Company immediately of any unauthorized use of services.

# 2.3 Liability of the Company

2.3.1 The Company shall not be liable for any claim, loss, expense or damage for any interruption, delay, error, omission, or defect in any service, facility or transmission provided under this tariff, if caused by the Underlying Carrier, an act of God, fire, war, civil disturbance, act of government, or due to any other causes beyond the Company's control. Acceptance of the liability provisions contained in this tariff by the Commission does not constitute its determination that the limitation of liability imposed by the Company should be upheld in a court of law, but the recognition that, as it is the duty of the courts adjudicate negligence claims and rights to recover damages thereof, so it is the duty of the courts to determine the validity of the exculpatory provision of this tariff.

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# SECTION 2 - RULES AND REGULATIONS (cont'd)

- 2.3.2 The Company shall not be liable for, and shall be fully indemnified and held harmless by the Customer against any claim, loss, expense, or damage for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name or service mark, proprietary or creative right, or any other injury to any person, property or entity arising out of the material, data or information transmitted.
- 2.3.3 No agent or employee of any other carrier or entity shall be deemed to be an agent or employee of the Company.
- 2.3.4 The Company's liability for damages, 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 misrepresentations shall not exceed an amount equal to the charges provided for under this tariff for the long distance call for the period during which the call was affected. No other liability in any event shall attach to the Company.
- 2.3.5 The Company shall not be liable for and shall be indemnified and saved harmless by any Customer or by any other entity from any and all loss, claims, demands, suits, or other action or any liability whatsoever, whether suffered, made, instituted, or asserted by any Customer or any other entity for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of any Customer or any other entity or any other property whether owned or controlled by the Customer or others.
- 2.3.6 The Company shall not be liable for any indirect, special, incidental, or consequential damages under this tariff including, but not limited to, loss of revenue or profits, for any reason whatsoever, including the breakdown of facilities associated with the service, or for any mistakes, omissions, delays, errors, or defects in transmission occurring during the course of furnishing service.

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# SECTION 2 - RULES AND REGULATIONS (cont'd)

- 2.3.7 The remedies set forth herein are exclusive and in lieu of all other warranties and remedies, whether express implied, or statutory, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
- 2.3.8 It is understood and agreed that this tariff embodies the full understanding and agreement between the Company and the Customer regarding the services provided hereunder. No representation or understanding contrary to the provisions and rates of this tariff shall apply. The company, its officers, directors, employees, shareholders, and their respective heirs and assigns, are specifically excused and indemnified, saved and held harmless, by each Customer taking services under this tariff for any claim of misrepresentation, or errors or omissions made by sales representatives or sales agents.

### 2.4 Responsibilities of the Customer

- 2.4.1 The Customer is responsible for placing any necessary orders and complying with tariff regulations The Customer is also responsible for the payment of charges for services provided under this tariff.
- 2.4.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by the Company on the Customer's behalf.
- 2.4.3 If required for the provision of the Company's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to the Company.

Issued: July 31, 2006

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# SECTION 2 - RULES AND REGULATIONS (cont'd)

- 2.4.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to the Company and the Customer when required for the Company personnel to install, repair, maintain, program, inspect or remove equipment associated with the provision of the Company's services.
- 2.4.5 The Customer shall cause the temperature and relative humidity in the equipment space provided by Customer for the installation of the Company's equipment to be maintained within the range normally provided for the operation of microcomputers.

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# SECTION 2 - RULES AND REGULATIONS (cont'd)

- 2.4.6 The Customer shall ensure that the equipment and/or system is properly interfaced with the Company's facilities or services, that the signals emitted into the Company's network are of the proper mode, bandwidth, power and signal level for the intended use of the subscriber and in compliance with criteria set forth in this tariff, and that the signals do not damage equipment, injure personnel, degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, the Company will permit such equipment to be connected with its channels without the use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to the Company equipment, personnel or the quality of service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's service.
- 2.4.7 The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by negligence or willful act of the Customer or others, by improper use of the services, or by use of equipment provided by Customer or others.
- 2.4.8 The Customer must pay for the loss through theft of any the Company equipment installed at Customer's premises.

Issued: July 31, 2006

Issued by:

# SECTION 2 - RULES AND REGULATIONS (cont'd)

- 2.4.9 If the Company installs equipment at Customer's premises, the Customer shall be responsible for payment of any applicable installation charge.
- 2.4.10 The Customer must use the services offered in this tariff in a manner consistent with the terms of this tariff and the policies and regulations of all state, federal and local authorities having jurisdiction over the service.

# 2.5 Cancellation or Interruption of Services

- 2.5.1 Without incurring liability, upon ten (10) working days' (defined as any day on which the company's business office is open and the U.S. Mail is delivered) written notice to the Customer, the Company may immediately discontinue services to a Customer or may withhold the provision of ordered or contracted services:
  - 2.5.1.A For nonpayment of any sum due the Company for more than thirty (30) days after issuance of the bill for the amount due,
  - 2.5.1.B For violation of any of the provisions of this tariff,
  - 2.5.1.C For violation of any law, rule, regulation, policy of any governing authority having jurisdiction over the Company's services, or
  - 2.5.1.D By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting the Company from furnishing its services.

Issued: July 31, 2006

Issued by:

# SECTION 2 - RULES AND REGULATIONS (cont'd)

- 2.5.2 Without incurring liability, upon ten (10) days' written notice, the Company may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and the Company's equipment and facilities and may continue such interruption until any items of noncompliance or improper equipment operation so identified are rectified.
- 2.5.3 Service may be discontinued by the Company without notice to the Customer, by blocking traffic to certain countries, cities or NXX exchanges, or by blocking calls using certain Customer authorization codes, when the Company deems it necessary to take such action to prevent unlawful use of its service. The Company will restore 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 has been deactivated.
- 2.5.4 The Customer may terminate service upon three (3) days written or oral notice for the Company's standard month to month contract. Customer will be liable for all usage on any of the Company's service offerings until the Customer actually leaves the service. Customers will continue to have Company usage until the Customer notifies its local exchange carrier and changes its long distance carrier. Until the Customer so notifies its local exchange carrier, it shall continue to generate and be responsible for long distance usage.

Issued: July 31, 2006

Issued by:

# SECTION 2 – RULES AND REGULATIONS (cont'd)

### 2.6 Credit Allowance

- 2.6.1 Credit may be given for disputed calls, on a per call basis.
- 2.6.2 Credit shall not be issued for unavailability of long distance services.

### 2.7 Restoration of Service

The use and restoration of service shall be in accordance with the priority system specified in part 64, Subpart D of the Rules and Regulations of the Federal Communications Commission.

# 2.8 Deposit

The Company will not collect deposit.

# 2.9 Advance Payments

The Company will not collect advanced payments.

Issued: July 31, 2006 Effective: August 1, 2006

Issued by:

# SECTION 2 - RULES AND REGULATIONS (cont'd)

# 2.10 Payment and Billing

- 2.10.1 Service is provided and billed on a billing cycle basis, beginning on the date that service becomes effective. Billing is payable upon receipt.
- 2.10.2 The customer is responsible for payment of all charges for services furnished to the Customer, as well as to all persons using the Customer's codes, exchange lines, facilities, or equipment, with or without the knowledge or consent of the Customer. The security of the Customer's Authorization Codes, presubscribed exchange lines, and direct connect facilities is the responsibility of the Customer. All calls placed using direct connect facilities, presubscribed exchange lines, or Authorization Codes will be billed to and must be paid by the Customer.
- 2.10.3 All bills are presumed accurate, and shall be binding on the customer unless objection is received by the Company in writing within 45 days after such bills are rendered. No credits, refunds, or adjustments shall be granted if demand therefore is not received by the Company in writing, in person, or by telephone within such 45 day period.
- 2.10.4 The Company may utilize direct billing and LEC billing. The selection of the billing option is made by the Company. With LEC billing, the Customer's charges for Service(s) are billed with the Customer's bill for local service. If LEC billing is utilized, the rules and regulations applying to rendering and payment of the bill and late charges are the same as covered in the applicable LEC tariff. The Company will make every effort to post any credit due to the Customer account(s) on the Customer's next LEC bill. However, based on the date of the resolution of a dispute and the date credits must be provided to the LEC, it may be two or more billing cycles before a credit will be issued. The Company's name and toll-free telephone number will appear on the Customer's bill.

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# SECTION 2 - RULES AND REGULATIONS (cont'd)

2.10.5

If the Customer chooses to pay by credit card, the Customer agrees to the rules governing that payment option, including applicable limits on the amount of Service that may be used before making a payment. No additional notice or consent is required before the Company invoices your credit card or debits the account for all amounts due to the Company. Customer will be notified of any limits that are imposed. If such limits are imposed, Customer may be required to pay for Service with a valid major credit card. The Company may stop offering this option at any time upon notice to the Customer. The Company reserves the right to authorize a credit card payment before the end of the billing cycle if the customer shows unusual use of service, including, without limitation, excessive use of service, abnormal calling patterns or high international termination.

### 2.11 Collection Costs

In the event Company is required to initiate legal proceedings to collect any amounts due to Company, enforce any judgment obtained against a Customer, or enforce any other provision of this tariff or applicable law, Customer shall, in addition to all amounts due, be liable to Company for all reasonable costs incurred by Company in such proceedings and enforcement actions, collection agency fees and costs; and the amount due Company, will be determined by the court. The Customer is not responsible for utility attorney fees.

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# SECTION 2 - RULES AND REGULATIONS (cont'd)

# 2.12 <u>Taxes</u>

All federal, state and local taxes, assessments, surcharges, or fees, including sales taxes, use taxes, gross receipts taxes, and municipal utilities taxes, are billed as separate line items and are not included in the rates quoted herein.

### 2.13 Late Charge

A penalty of the greater of \$5.95 or 1.5% per month may be assessed if a Customer fails to pay a bill for services by the due date shown on the Customer's bill. The penalty may be assessed only once on any bill for rendered service. Any payment received shall first be applied to the bill for service rendered. Additional penalty charges shall not be assessed on unpaid penalty charges.

# 2.14 Returned Check Charge

A fee of \$25.00 will be charged whenever a check or draft presented for payment for service is not accepted by the institution on which it is written.

# 2.15 Reconnection Charge

A reconnection fee of twenty-five dollars (\$25.00) per occurrence will be charged when service is reestablished for Customers which have been disconnected due to non payment. Payment of the reconnection fee and any other outstanding amounts will be due in full prior to reconnection of service.

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3.1

# **SECTION 3 – DESCRIPTION OF SERVICE**

# Computation of Charges

- 3.1.1 The total charge for each completed call may be a variable measured charge dependent on the duration, distance and/or time of day of the call. The variable measured charge is specified as a rate per minute which is applied to each minute. All calls are measured in increments as set forth in the Rates Section of this tariff. For all calls, fractions of an increment are rounded up to the next whole increment. For example, a call with a one (1) minute increment lasting 35 seconds will be rounded to one (1) minute. Calls with charges that include a fraction of a cent .5 or greater will be rounded to the next highest cent. For example, a Customer making a call with a computed charge of \$1.434 will be charged \$1.43 and a Customer making a call with a computed charge of \$1.435 will be charged \$1.44.
- Where mileage bands appear in a rate table, rates for all calls are based upon the airline distance between the originating and terminating points of the call, as determined by the vertical and horizontal coordinates associated with the exchange (the area code and three digit central office code) associated with the originating and terminating telephone numbers. If the Customer obtains access to the Company's network by a dedicated access circuit, that circuit will be assigned an exchange for rating purposes based upon the Customer's main telephone number at the location where the dedicated access circuit terminates. The vertical and horizontal (V & H) coordinates for each exchange and the airline distance between them will be determined according to industry standards.

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# SECTION 3 - DESCRIPTION OF SERVICE (cont'd)

- 3.1.3 Timing begins when the called station is answered and two way communication is possible, as determined by standard industry methods generally in use for ascertaining answer, including hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. Recognition of answer supervision is the responsibility of the Underlying Carrier. Timing for each call ends when either party hangs up. The Company will not bill for uncompleted calls.
- 3.1.4 If 'the Customer uses a calling plan with a monthly recurring charge, that monthly charge is charged for every billing or calendar month in which a customer uses the service as defined by placing a call from a working telephone number.

# 3.2 Customer Complaints and/or Billing Disputes

Customer inquiries or complaints regarding service or accounting may be made in writing or by telephone to the Company at:

3440 W. Market St. Akron, OH 44333 1-800-274-1015

Any objection to billed charges should be reported promptly to the Company. Adjustments to Customers' bills shall be made to the extent that records are available and/or circumstances exist which reasonably indicate that such charges are not in accordance with approved rates or that an adjustment may otherwise be appropriate. Where overbilling of a subscriber occurs, due either to Company or subscriber error, no liability exists which will require the Company to pay any interest, dividend or other compensation on the amount overbilled.

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# SECTION 3 - DESCRIPTION OF SERVICE (cont'd)

All Customer complaints are subject to the jurisdiction of the Commission which may be contacted at the following address and telephone number:

Commonwealth of Kentucky Public Service Commission 211 Sower Boulevard P O Box 615 Frankfort, Kentucky 40601 (800) 772-4636

If a Customer accumulates more than One Dollar of undisputed delinquent Company 800 Service charges, the Company Resp. Org. reserves the right not to honor that Customer's request for a Resp. Org. change until such undisputed charges are paid in full.

The Company reserves the right to suspend or cancel without advance written notice and without any liability whatsoever, the provision of Toll-Free Service to any Toll-Free Service customer if the Company determines in its sole discretion that the customer is using the Toil Free Service to make or permit any telephone facility under such customer's control to be used for any purpose or activity including, calling card platforms, prepaid calling card platforms, any obscene, indecent or harassing purpose or activity, prohibited by Section 223 of the Communications Act of 1934, as amended. (Calling card platform, debit card platform)

### 3.3 Level of Service

A Customer can expect end to end network availability of not less than 99% at all times for all services.

### 3.4 Service Offerings

### 3.4.1 Presubscribed 1+ Dialing

This service permits Customers to originate calls via switched or dedicated access lines, and to terminate intrastate calls. The customer dials "1+" followed by "ten digits". The customer is presubscribed to the Company's service.

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# SECTION 3 – DESCRIPTION OF SERVICE (cont'd)

### 3.4.2 Casual Calling

This service permits Customers to originate calls via switched access lines, and to terminate intrastate calls via a 10XXX or 101XXXX Access Code. The Customer dials the Access Code followed by "1+ ten digits". This service is Non Primary Interexchange Carrier Service. Non Primary Interexchange Carrier Service is available to residences and businesses, except hospitals, payphones, hotels and in-mate only facilities, that demonstrate credit-worthiness.

### 3.4.3 Travel Cards

The Customer utilizes an 11 digit "toll-free" access number established by the Company to access a terminal. Upon receiving a voice prompt, the Customer uses push button dialing to enter an identification code assigned by the Company, and the ten digit number of the called party.

### 3.4.4 Toll-Free Service

This service is inbound calling only where an 800, 888 or other toll-free prefix number rings into a Customer's premise routed to a specific telephone number or terminated over a dedicated facility.

### 3.4.5 Directory Assistance.

Access to long distance directory assistance is obtained by dialing 1 + 555-1212 for listings within the originating area code and 1 + (area code) + 555-1212 for other listings. When more than one number is requested in a single call, a charge will apply for each number requested. A charge will be applicable for each number requested, whether or not the number is listed or published. Directory assistance is available to any Customer that has access to the directory assistance bureau of the DUC.

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### SECTION 3 – DESCRIPTION OF SERVICE (cont'd)

# 3.4.6 Specialized Pricing Arrangements.

Customized service packages and competitive pricing packages at negotiated rates may be furnished on a case by case basis in response to requests by Customers to the Company for proposals or for competitive bids. Service offered under this tariff provision will be provided to Customers pursuant to contract. Unless otherwise specified, the regulations for such arrangements are in addition to the applicable regulations and prices in other sections of the tariff. Specialized rates or charges will be made available to similarly situated Customers on a non discriminatory basis. All specialized pricing arrangements will be in writing and filed with the Kentucky Public Service Commission.

### 3.4.7 Emergency Call Handling Procedures

Emergency "911" calls are not routed to company, but are completed through the local network at no charge.

# 3.4.8 Promotional Offerings

The Company may, from time to time, make promotional offerings to enhance the marketing of its services. These offerings may be limited to certain dates, times and locations. The Company will notify the Commission of such offerings as required by Commission rules and regulations.

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# **SECTION 4 - RATES**

# 4.1 <u>Presubscribed 1+ Dialing – COMMERCIAL</u>

### **Premier Business**

\$.119 per minute

Billed in six second increments with an 18 second initial charge A monthly recurring charge of \$6.95 applies

A low usage fee of \$5.95 applies to monthly usage under \$25

# Premier Business Summer Savings w/WWB

\$.119 per minute

Billed in six second increments with an 18 second initial charge A monthly recurring charge of \$4.95 applies

A low usage fee of \$5.95 applies to monthly usage under \$25

### **Premier Business Free Month**

\$.119 per minute

Billed in six second increments with an 18 second initial charge

### **Business Mexico**

\$.079 per minute

Billed in six second increments with an 18 second initial charge A low usage fee of \$3.95 applies to monthly usage under \$35

### **Simplicity Business**

\$.055 per minute

Billed in six second increments with an 18 second initial charge

# Simplicity Business w/WWB

\$.055 per minute

Billed in six second increments with an 18 second initial charge A monthly recurring charge of \$4.95 applies

Issued: July 31, 2006

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# SECTION 4 – RATES (cont'd)

# 4.1 Presubscribed 1+ Dialing – COMMERCIAL (cont'd)

### **Elite Business**

\$.119 per minute

Billed in six second increments with an 18 second initial charge A low usage fee of \$2.50 applies to monthly usage under \$5.00

### Elite Business w/WWB

\$.119 per minute

Billed in six second increments with an 18 second initial charge A monthly recurring charge of \$4.95 applies

A low usage fee of \$3.95 applies to monthly usage under \$25

# **Premier Business Summer Savings \$50**

\$.119 per minute

Billed in six second increments with an 18 second initial charge

### **Business Connections Standard**

\$.0321 per minute

Billed in six second increments with an 18 second initial charge

### **RSL** Integrated

\$0.119 per minute
Billed in six second increments
A Low Usage Fee of \$2.50 applies to monthly usage under \$10.00
Monthly PICC Fee of \$4.31 applies

### **Transpoint**

\$0.119 per minute

Billed in six second increments with an 18 second initial charge

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# **SECTION 4 – RATES (cont'd)**

### 4.2 Casual Calling – COMMERCIAL

### **Premier Business**

\$.119 per minute

Billed in six second increments with an 18 second initial charge A monthly recurring charge of \$6.95 applies

A low usage fee of \$5.95 applies to monthly usage under \$25

# Premier Business Summer Savings w/WWB

\$.119 per minute

Billed in six second increments with an 18 second initial charge A monthly recurring charge of \$4.95 applies

A low usage fee of \$5.95 applies to monthly usage under \$25

### **Premier Business Free Month**

\$.119 per minute

Billed in six second increments with an 18 second initial charge

### **Business Mexico**

\$.079 per minute

Billed in six second increments with an 18 second initial charge A low usage fee of \$3.95 applies to monthly usage under \$35

# Simplicity Business

\$.055 per minute

Billed in six second increments with an 18 second initial charge

### Simplicity Business w/WWB

\$.055 per minute

Billed in six second increments with an 18 second initial charge A monthly recurring charge of \$4.95 applies

Issued: July 31, 2006

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# **SECTION 4 – RATES (cont'd)**

# 4.2 Casual Calling – COMMERCIAL (cont'd)

### **Elite Business**

\$.119 per minute

Billed in six second increments with an 18 second initial charge A low usage fee of \$2.50 applies to monthly usage under \$5.00

### Elite Business w/WWB

\$.119 per minute

Billed in six second increments with an 18 second initial charge A monthly recurring charge of \$4.95 applies A low usage fee of \$3.95 applies to monthly usage under \$25

### **Premier Business Summer Savings \$50**

\$.119 per minute

Billed in six second increments with an 18 second initial charge

### **Business Connections Standard**

\$.0321 per minute

Billed in six second increments with an 18 second initial charge

### RSL Integrated

\$0.119 per minute
Billed in six second increments
A Low Usage Fee of \$2.50 applies to monthly usage under \$10.00
Monthly PICC Fee of \$4.31 applies

### **Transpoint**

\$0.119 per minute

Billed in six second increments with an 18 second initial charge

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# SECTION 4 - RATES (cont'd)

### 4.3 Travel Cards – COMMERCIAL

# **Premier Business**

\$0.099 per minute

Billed in six second increments with an 18 second initial charge

# Premier Business Summer Savings w/WWB

\$0.099 per minute

Billed in six second increments with an 18 second initial charge

### **Premier Business Free Month**

\$0.099 per minute

Billed in six second increments with an 18 second initial charge

# **Business Mexico**

\$0.099 per minute

Billed in six second increments with an 18 second initial charge

### **Simplicity Business**

\$0.099 per minute

Billed in six second increments with an 18 second initial charge

### Simplicity Business w/WWB

\$0.099 per minute

Billed in six second increments with an 18 second initial charge

### **Elite Business**

\$0.099 per minute

Billed in six second increments with an 18 second initial charge

# Elite Business w/WWB

\$0.099 per minute

Billed in six second increments with an 18 second initial charge

Issued: July 31, 2006

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# **SECTION 4 – RATES (cont'd)**

# 4.3 Travel Cards – COMMERCIAL (cont'd)

# **Premier Business Summer Savings \$50**

\$0.099 per minute
Billed in six second increments with an 18 second initial charge

### **RSL** Integrated

\$0.119 per minute
Billed in six second increments
A Low Usage Fee of \$2.50 applies to monthly usage under \$10.00
Monthly PICC Fee of \$4.31 applies

# **Transpoint**

\$0.119 per minute
Billed in six second increments with an 18 second initial charge

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# **SECTION 4 – RATES (cont'd)**

### 4.4 Toll-Free Service – COMMERCIAL

### **Premier Business**

\$0.15 per minute

Billed in six second increments with an 18 second initial charge

# Premier Business Summer Savings w/WWB

\$0.15 per minute

Billed in six second increments with an 18 second initial charge

### **Premier Business Free Month**

\$0.15 per minute

Billed in six second increments with an 18 second initial charge

### **Business Mexico**

\$0.15 per minute

Billed in six second increments with an 18 second initial charge

# **Simplicity Business**

\$0.15 per minute

Billed in six second increments with an 18 second initial charge

# Simplicity Business w/WWB

\$0.15 per minute

Billed in six second increments with an 18 second initial charge

### **Elite Business**

\$0.15 per minute

Billed in six second increments with an 18 second initial charge

### Elite Business w/WWB

\$0.15 per minute

Billed in six second increments with an 18 second initial charge

# **Premier Business Summer Savings \$50**

\$0.15 per minute

Billed in six second increments with an 18 second initial charge

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# **SECTION 4 – RATES (cont'd)**

# 4.4 <u>Toll-Free Service – COMMERCIAL (cont'd)</u>

# **RSL Integrated**

\$0.15 per minute
Billed in six second increments
A Low Usage Fee of \$2.50 applies to monthly usage under \$10.00
Monthly PICC Fee of \$4.31 applies

# **Transpoint**

\$0.15 per minute
Billed in six second increments with an 18 second initial charge

Issued: July 31, 2006

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# SECTION 4 - RATES (cont'd)

# 4.5 <u>Directory Assistance</u>

\$1.50

# 4.6 Returned Check Charge

\$25.00

# 4.7 Rate Periods

	Monday – Friday	Sat.	Sun.
8 a.m. to 5 p.m.*	Daytime Rate Period		
5 p.m. to 11 P.M.*	Evening Rate Period		Evening Rate Period
11 p M. to 8 a.m.*	Night/Weekend Rate Period	1	

<sup>\*</sup> To, but not including

When a message spans more than one rate period, total charges for the minutes in each rate period are calculated and the results for each rate period are totaled to obtain the total message charge. If the calculation results in a fractional charge, the amount will be rounded down to the lower cent.

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# **SECTION 4 – RATES (cont'd)**

# 4.8 Payphone Dial Around Surcharge

A dial around surcharge of \$0.75 per call will be added to any completed INTRAstate toll access code and subscriber Toll-Free 800/888 type calls placed from a public or semi public payphone.

# 4.9 Presubscribed Interexchange Carrier Charge

A Presubscribed Interexchange Carrier Charge ("PICC") applies on a monthly basis to all Customer monthly bills at the prevailing rate.

### 4.10 Bill Format

All invoices will set forth the following information on the first page: Company name and address, Customer name, customer number, invoice number, invoice date, toll-free customer assistance number, address, and an account summary of the call detail information on subsequent pages.

All completed calls will be detailed and include the following information: Date of call, time of call, time rate (day, evening, night), destination (city and state), destination number, number of minutes and cost of each call.

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