



6315 Seabrook Road, Seabrook, Maryland 20706
phone 301-459-7590, fax 301-577-5575
internet www.jsitel.com, e-mail jsitel@jsitel.com

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2004 OCT 21 PM 2:59

T.R.A. DOCKET ROOM
October 20, 2004

PAID T.R.A.

Chk # 19713
Amount 25.00
Rcvd By LR
Date 10-21-04

VIA OVERNIGHT MAIL

The Honorable Pat Miller, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Attn: Sharla Dillon, Dockets and Records

Dear Chairman Miller:

0400369

On behalf of RTC Communications, Inc., the original and thirteen (13) copies of the Application for Certificate to Provide Facilities-Based and Resold Competing Local Telecommunications Services is sent to you in accordance with the requirements of the Tennessee Regulatory Authority.

Also enclosed is the required \$25.00 filing fee. Copies of this Application have been served to the Tennessee Incumbent Local Exchange Service Providers as indicated by the Certificate of Service.

If you should have any questions regarding this Application, please contact the undersigned.

Sincerely,

John Becci
Manager - Regulatory Affairs

on behalf of

Alice Evitt Bandy
Chief Executive Officer
RTC Communications, Inc.

Enclosures

cc: Michael Wallin, RTC Communications, Inc.

Echelon Building II, Suite 200
9430 Research Boulevard, Austin, Texas 78759
phone 512-338-0473, fax 512-346-0822

Eagandale Corporate Center, Suite 310
1380 Corporate Center Curve, Eagan, Minnesota 55121
phone 651-452-2660, fax 651-452-1909

Brookside Court, Suite 135
4625 Alexander Drive, Alpharetta, Georgia 30022
phone 770-569-2105, fax 770-410-1608

547 South Oakview Lane
Bountiful, Utah 84010
phone 801-294-4576, fax 801-294-5124

**Before the
TENNESSEE REGULATORY AUTHORITY**

IN THE MATTER OF THE APPLICATION OF

RTC COMMUNICATIONS, INC.

**FOR A CERTIFICATE TO PROVIDE FACILITIES-BASED AND RESOLD
COMPETING LOCAL TELECOMMUNICATIONS SERVICES**

**APPLICATION FOR CERTIFICATE TO PROVIDE
FACILITIES-BASED AND RESOLD
COMPETING LOCAL TELECOMMUNICATIONS SERVICES**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), RTC Communications, Inc. ("RTC") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to RTC authority to provide facilities-based and resold competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. RTC is willing and able to comply with all applicable Federal Communications Commission rules and regulations. In addition, RTC is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services. TCA 65-4-201

In support of its Application, RTC submits the following:

1. The full name and address of the Applicant is:

RTC Communications, Inc.
P.O. Box 869
6203 Alabama Highway
Ringgold, GA 30736-0869
Telephone: (706) 965-2345

Questions regarding this application should be directed to:

John Becci
Manager – Regulatory Affairs
John Staurulakis, Inc.
6315 Seabrook Road
Seabrook, Maryland 20706
Telephone: (301) 459-7590
Facsimile: (301) 577-5575

Contact name and address at the Company is:

Michael Wallin
Regulatory Manager
RTC Communications, Inc.
P.O. Box 869
6203 Alabama Highway
Ringgold, GA 30736-0869
Telephone: (706) 965-1721
Facsimile: (706) 965-1720

2. Organizational Chart of Corporate Structure:

See **Exhibit A**

3. Corporate Information:

RTC Communications, Inc. was incorporated in the State of Georgia on April 22, 1985. A copy of RTC's Articles of Incorporation and amendments are provided in **Exhibit B**. A copy of RTC's Authority to transact business in the State of Tennessee is provided in **Exhibit C**. The names and addresses of the principal corporate officers are in **Exhibit D**.

RTC Communications, Inc. will not maintain an office in Tennessee. The name of RTC's registered agent in Tennessee is:

Stephen Jacoway
547 Market Street
Chattanooga, TN 37202

The biographies of the principal officers and any other key technical staff are in **Exhibit E**.

4. RTC possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

A. Financial Qualifications

In support of its financial qualifications, RTC Communications, Inc. submits the consolidated financial statements for years ended December 31, 2001 and 2002, and the independent auditor's report for its parent company, Ringgold Telephone Company (Ringgold) in **Exhibit F**. Year 2003 financial statements are not available at this time. Ringgold Telephone Company is an incumbent local exchange provider in Georgia. Ringgold serves approximately 14,300 customers in Catoosa County, Georgia. Ringgold's principal line of business is local communications. Other lines of business include long distance, wireless, internet, digital and video services.

RTC Communications, Inc. has financing vehicles in place to ensure adequate liquidity in meeting its anticipated funding needs. RTC is an operational business entity that has been operating since April 1985. In the event and to the extent they may occur, recurring operating losses, working capital deficiencies and negative cash flows from operating activities will be covered by the current operations of RTC Communications, Inc., or the company may choose to draw a loan from financial institutions that it currently does business with (please refer to the Financial Statements in **Exhibit F**.)

As RTC initially will provide service on a resold and unbundled network element platform, RTC requires no additional capitalization or financing nor does it expect to incur significant expenses to provide intrastate service. RTC may purchase or construct facilities at a later date, but has no plans to do so in the immediate future.

Exhibit F includes the proforma income statement, proforma balance sheet, and proforma cash flow projected for RTC Communications, Inc. for the first three years of operation.

Exhibit G RTC initially will provide service on a resold and unbundled network element platform. At this time, RTC does not require construction of facilities of its own in Tennessee. Since no capital expenditures are needed at this time, or in the foreseeable future, a capital expenditures budget is not provided.

RTC's financial statements do not include amounts relating to reciprocal compensation for terminating Internet Service Provider traffic.

Irrevocable Letter of Credit is provided as **Exhibit H**.

B. Managerial Ability:

As shown in **Exhibit E** to this Application, RTC has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, RTC's management team has extensive management and business experience in telecommunications.

C. Technical Qualifications:

RTC services will satisfy the minimum standards established by the TRA. The Company will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all LECs regulated by the TRA. As noted in the biographies (**Exhibit E**), there are three (3) officers with engineering backgrounds and numerous years of telecommunications expertise. In addition, RTC has numerous employees with engineering backgrounds. Thus, RTC is certainly technically qualified to provide local exchange service in Tennessee

5. Proposed Service Area:

RTC Communications, Inc. has a Certificate of Authority to provide resold and facilities-based competitive local exchange services in the State of Georgia.

Ringgold Telephone Long Distance, an affiliated company, has a Resale Certificate of Authority in the states of Georgia and Tennessee.

The applicant proposes to offer local exchange service in the areas currently served by BellSouth Telecommunications, Inc. These areas served by BellSouth are designated open to competition. RTC intends to offer local exchange telecommunications services initially through the use of resold facilities and through an Unbundled Network Element platform.

6. Types of Local Exchange Service to be provided:

RTC Communications, Inc. expects to offer local exchange services, including, but not limited to, basic local service and custom calling features, to business and residential customers in Tennessee. Initially RTC plans to offer basic access line service, PBX, and DID Services, Optional Calling Features, Directory Assistance, Directory Services and Operator Services, as well as all services required under Chapter 1220-4-8-.04 (3) (6) and (2).

RTC is in the process of opting into a BellSouth Interconnection Agreement

7. Repair and Maintenance:

RTC initially proposes to provide local exchange service via resale and Unbundled Network Element Platform (UNE-P). RTC will rely on the technical expertise of its underlying carrier and BellSouth Telecommunications, Inc. from which RTC will be obtaining UNE-P. RTC's underlying carriers will be responsible for repair and maintenance of the telecommunications network. RTC will be responsible for servicing its own facilities once they are constructed.

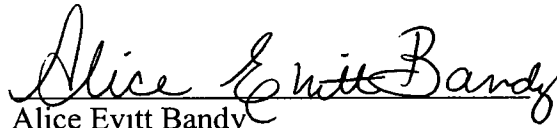
8. Small and Minority-Owned Telecommunications Business Participation Plan: (65-5-212): **Exhibit I.**
9. Toll Dialing Parity Plan: **Exhibit J**
10. Applicant has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the company's intention of operating geographically. See **Exhibit K** for the list.
11. Numbering Issues: Statement provided in **Exhibit L**
12. Tennessee Specific Operational Issues: Statements provided in **Exhibit M**
13. Miscellaneous:
 - A. Sworn Pre-filed testimony: **Exhibit N**
 - B. Applicant does not require customer deposits
 - C. As of now, RTC has not been subject to complaints in any of the states in which we are doing business.
 - D. A copy of our tariff is enclosed **Exhibit O**
14. Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing RTC to provide local exchange telecommunications services will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by RTC and indirectly, because RTC's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Grant of this Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

CONCLUSION:

RTC Communications, Inc. respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunications service provider and authority to provide a full range of local exchange on a facilities-based and resale basis in the State of Tennessee in the service areas of BellSouth. For the reasons stated above, RTC's provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

Respectfully submitted this 20th of October, 2004.

A handwritten signature in cursive script that reads "Alice Evitt Bandy". The signature is written in dark ink and is positioned above the printed name and title.

Alice Evitt Bandy
Chief Executive Officer
RTC Communications, Inc.

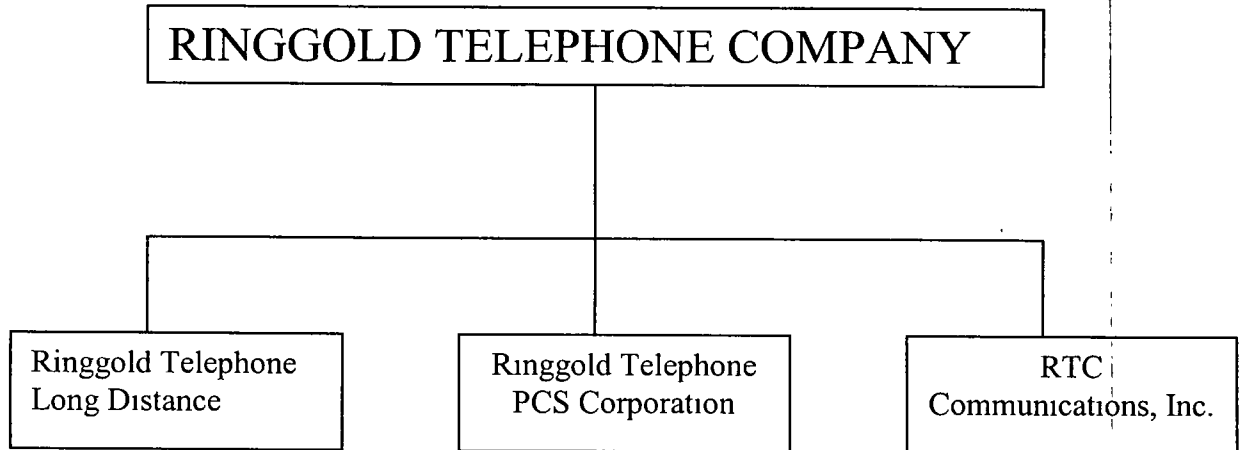
EXHIBIT A

Organizational Chart of Corporate Structure

EXHIBIT A

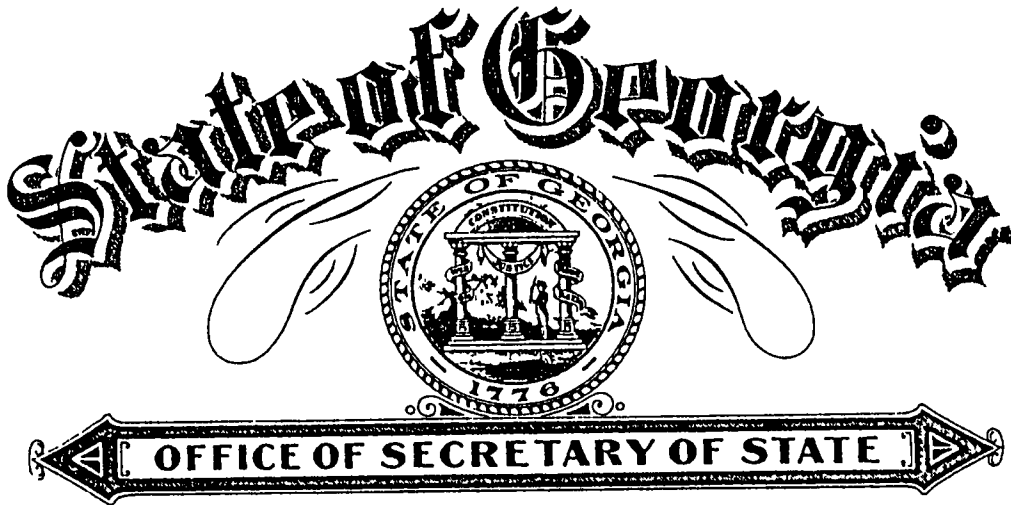
RTC COMMUNICATIONS, INC.

TENNESSEE REGULATORY AUTHORITY
APPLICATION FOR CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS SERVICES



No pertinent acquisitions or mergers are currently in progress and the company currently has no plans for any acquisitions or mergers.

EXHIBIT B
Articles of Incorporation



I, Max Cleland, Secretary of State of the State of Georgia, do hereby certify that

"R T C COMMUNICATIONS, INC."

has been duly incorporated under the laws of the State of Georgia on the 22nd
day of April, 19 85, by the filing of articles of incorporation in the office of the
Secretary of State and the fees therefor paid, as provided by law, and that attached hereto is a true
copy of said articles of incorporation.

ARTICLES OF INCORPORATION
OF
R T C COMMUNICATIONS, INC.

1.

The name of the Corporation is:

R T C Communications, Inc.

2.

The Corporation has perpetual duration.

3.

The Corporation is a Corporation for profit and is organized for the following purposes:

(1) To carry on the business of manufacturing, repairing, buying, selling, and otherwise dealing in all kinds of electrical equipment, radio equipment, stereo equipment, electronic equipment, all kinds of electronic hardware, including resistors, capacitors, tubes, transistors, microphones, speakers, including any and all other forms, types or kinds of radio and electronic equipment; and to do any and all acts and things necessary, convenient, expedient, ancillary, or in aid to the accomplishment of the foregoing.

(2) To buy, sell, trade, and otherwise deal in real estate and further, to buy, sell, trade, lease and otherwise deal in personal property.

(3) The construction, erection, repairing and remodeling of buildings and structures of all types, including residences, apartments, stores, warehouses, and office buildings for itself and others; the doing of all kinds of public works, including grading and

7.

The initial Board of Directors shall consist of three members whose names and addresses are:

Alice Evitt Bandy	123 West Nashville St. Ringgold, GA 30736
Marshall M. Bandy, Jr.	505 LaFayette St. Ringgold, GA 30736
T. L. Selmon	123 West Nashville St. Ringgold, GA 30736

8.

The names, titles, and addresses of the officers of the Corporation are:

Alice Evitt Bandy, President 123 West Nashville St. Ringgold, GA 30736	DeLynn Evitt Secretary/Treasurer 603 East Nashville St. Ringgold, GA 30736
---	---

9.

This Corporation is being created under the Georgia Business Corporation Code of the State of Georgia.

10.

The name and address of the incorporator is:

Alice Evitt Bandy	123 West Nashville St. Ringgold, GA 30736
-------------------	--

IN WITNESS WHEREOF, the undersigned, execute these

EXHIBIT C

Authority to Transact Business in the State of Tennessee

Secretary of State**Division of Business Services**

312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

ISSUANCE DATE: 02/24/2004
REQUEST NUMBER: 04055502

CHARTER/QUALIFICATION DATE: 06/22/1989
STATUS: ACTIVE
CORPORATE EXPIRATION DATE: PERPETUAL
CONTROL NUMBER: 0217234
JURISDICTION: GEORGIA

TO:
RINGGOLD TELEPHONE CO
%MICHAEL WALLIN
PO BOX 869
RINGGOLD, GA 30736

REQUESTED BY:
RINGGOLD TELEPHONE CO
%MICHAEL WALLIN
PO BOX 869
RINGGOLD, GA 30736

I, RILEY C DARNELL, SECRETARY OF STATE OF THE STATE OF TENNESSEE DO HEREBY CERTIFY THAT

"RTC COMMUNICATIONS, INC."

WAS INCORPORATED OR QUALIFIED TO DO BUSINESS IN THE STATE OF TENNESSEE ON THE
ABOVE DATE, AND THAT THE ATTACHED DOCUMENT(S) WAS/WERE FILED IN OFFICE ON THE
DATE(S) AS BELOW INDICATED:

REFERENCE NUMBER	DATE FILED	FILING TYPE	FILING ACTION						
			NAM	DUR	STK	PRN	OFC	AGT	INC
1334-0471	06/22/1989	QUAL-PROFIT							
2403-1520	03/18/1992	AN RPT					X		
3272-2837	01/17/1997	AN RPT					X		
4895-1361	08/22/2003	AN RPT/AGENT						X	X

FOR: REQUEST FOR COPIES

ON DATE: 02/24/04

FEEES

FROM:
RINGGOLD TELEPHONE COMPANY
PO BOX 869
RINGGOLD, GA 30736-0000

RECEIVED: \$20.00 \$0.00
TOTAL PAYMENT RECEIVED: \$20.00

RECEIPT NUMBER: 00003432355
ACCOUNT NUMBER: 00377007



Riley C Darnell

RILEY C. DARNELL
SECRETARY OF STATE

APPLICATION FOR CERTIFICATE OF AUTHORITY FOR

STATE SECRETARY OFFICE
69 JUN 20 7 11:51

To the Secretary of State of the State of Tennessee:

C. C. COWELL
SECRETARY OF STATE

Pursuant to the provisions of Section 48-25-103 of the Tennessee Business Corporation Act, the undersigned corporation hereby applies for a certificate of authority to transact business in the State of Tennessee, and for that purpose sets forth:

1. The name of the corporation is RTC Communications, Inc.

If different, the name under which the certificate of authority is to be obtained is _____

(NOTE: The Secretary of State of the State of Tennessee may not issue a certificate of authority to a foreign corporation for profit if its name does not comply with the requirements of Section 48-14-101 of the Tennessee Business Corporation Act. If obtaining a certificate of authority under an assumed corporate name, an application must be filed pursuant to Section 48-14-101(d).)

2. The state or country under whose law it is incorporated is Georgia

3. The date of its incorporation is April 22, 1985, and the period of duration, if other than perpetual, is _____

4. The complete street address (including zip code) of its principal office is _____

306 E. Nashville St., Ringgold, GA 30736

5. The complete street address (including zip code) of its registered office in this state and the name of its registered agent at that office is _____

C T Corporation System, 530 Gay Street, Knoxville, TN 37902

6. The names and complete business addresses (including zip code) of its current officers are: (Attach separate sheet if necessary.)

Alice Evitt Bandy, 123 West Nashville Street, Ringgold, GA 30736

Pelynn Evitt, 603 E. Nashville Street, Ringgold, GA 30736

7. The names and complete business addresses (including zip code) of its current board of directors are: (Attach separate sheet if necessary.)

Alice Evitt Bandy, 123 West Nashville Street, Ringgold, GA 30736

Marshall H. Bandy, Jr., 505 Lafayette Street, Ringgold, GA 30736

John Selmon, 123 West Nashville Street, Ringgold, GA 30736

8. The corporation is a corporation for profit.

9. Is the document to be effective upon filing by the Secretary of State, the delayed effective date/time is _____

_____, 19____ (date), _____ (time).

(NOTE: A delayed effective date shall not be later than the 90th day after the date this document is filed by the Secretary of State.)

(NOTE: This application must be accompanied by a certificate of existence (or a document of similar import) duly authenticated by the Secretary of State or other official having custody of corporate records in the state or country under whose law it is incorporated. The certificate shall not bear a date of more than one (1) month prior to the date the application is filed in this state.)

Signature Date

January 2, 1989
President

Signer's Capacity

RTC Communications, Inc.

Name of Corporation

Alice Evitt Bandy
Signature

Alice Evitt Bandy

Secretary of State**Business Services and Regulation**RECEIVED
STATE OF GEORGIA
STRIPE 306, 105F-10652 April 22 1989
Attn: Mr. J. Edgar
Atlanta, Georgia 30334LENTY CROWELL
SECRETARY OF STATE

1 3 3 4 0 4 1 2

FORM NUMBER	:	C1.1
CERTIFICATE DATE	:	06/14/89
DOCKET NUMBER	:	89165356
EXAMINER	:	RITA ANTHONY
TELEPHONE	:	404-656-2817
CONTROL NUMBER	:	8506293
DATE INCORP/AUTH/FILED	:	04/22/85
JURISDICTION	:	GEORGIA

REQUESTED BY:

MARSHALL M. BRANDY, JR., P.C.
505 LAFAYETTE STREET / P.O. BOX 429
RINGGOLD GA 30736

CERTIFICATE OF EXISTENCE

I, MAX CLELAND, THE SECRETARY OF STATE OF THE STATE OF
GEORGIA, DO HEREBY CERTIFY UNDER THE THE SEAL OF MY OFFICE THAT:

"R T C COMMUNICATIONS, INC."
"A DOMESTIC PROFIT CORPORATION"

WAS FORMED IN THE JURISDICTION SET FORTH ABOVE, AND FILED ITS
CERTIFICATE OF LIMITED PARTNERSHIP, ARTICLES OF INCORPORATION OR
APPLICATION FOR A CERTIFICATE OF AUTHORITY TO TRANSACT BUSINESS IN
THE OFFICE OF THE SECRETARY OF STATE ON THE ABOVE DATE. SAID
ENTITY IS IN COMPLIANCE WITH THE APPLICABLE FILING AND ANNUAL
REGISTRATION PROVISIONS OF GEORGIA LAW RELATING TO CORPORATIONS
AND LIMITED PARTNERSHIPS (TITLE 14 OF THE OFFICIAL CODE OF GEORGIA
ANNOTATED) AND HAS NOT FILED ARTICLES OF DISSOLUTION, OR
STATEMENTS OF WITHDRAWAL OR CANCELLATION WITH THE SECRETARY OF
STATE. THIS CERTIFICATE IS ISSUED UNDER THE AUTHORITY OF O.C.G.A.
SECS 14-2-6, 14-3-6, OR 14-9-1102 AND SHALL BE TAKEN AND RECEIVED
IN ALL COURTS, PUBLIC OFFICES, AND OFFICIAL BODIES AS PRIMA-FACIE
EVIDENCE OF THE EXISTENCE OR NON-EXISTENCE OF THE FACTS STATED
HEREIN.

IMPORTANT NOTICE. PLEASE
RETURN THE PINK COPY AND THE
AMOUNT DUE TO THE SECRETARY
OF STATE IMMEDIATELY.

AMOUNT DUE: \$ 10.00



Max Cleland
MAX CLELAND
SECRETARY OF STATE


Il. Wayne Howell
IL WAYNE HOWELL
DEPUTY SECRETARY OF STATE

1 CORPORATION ANNUAL REPORT 2403 1520 STATE OF TENNESSEE SECRETARY OF STATE	
DIRECT FILING YEAR 0.000 MONTHS 12 CORRECT MONTH:	
THE NEXT FILING IS DUE ON OR BEFORE 04/01/92	
(1) SECRETARY OF STATE CONTROL NUMBER 0217234 ON FEDERAL EMPLOYMENT IDENTIFICATION NUMBER 58-1725910	
(2A) NAME AND MAILING ADDRESS OF CORPORATION RTC COMMUNICATIONS, INC. 306 E. NASHVILLE ST. RINGGOLD, GA 30736	(2B) STATE OR COUNTRY OF INCORPORATION GEORGIA
(2C) ADD OR CHANGE MAILING ADDRESS	
F 06/22/1989 FOR PROFIT	
(3) A. PRINCIPAL ADDRESS INCLUDING CITY, STATE, ZIP CODE 306 E. NASHVILLE ST. RINGGOLD, GA 30736	
B. CHANGE OF PRINCIPAL ADDRESS:	
STREET	CITY
123 W. NASHVILLE STREET	RINGGOLD
STATE	ZIP CODE + 4
GA	30736
** BLOCKS 4A AND 4B MUST BE COMPLETED OR THE ANNUAL REPORT WILL BE RETURNED **	
(4) A. NAME AND BUSINESS ADDRESS INCLUDING ZIP CODE, OF THE PRESIDENT, SECRETARY AND OTHER PRINCIPAL OFFICERS. (ATTACH ADDITIONAL SHEET IF NECESSARY)	
TITLE	NAME
PRESIDENT	ALICE EVITT BANDY
SECRETARY	DELYNN EVITT
BUSINESS ADDRESS	CITY STATE, ZIP CODE + 4
123 W. NASHVILLE STREET	RINGGOLD, GA 30736
123 W. NASHVILLE STREET	RINGGOLD, GA 30736
B. BOARD OF DIRECTORS (NAME, BUSINESS ADDRESS INCLUDING ZIP CODE) (ATTACH ADDITIONAL SHEET IF NECESSARY)	
<input checked="" type="checkbox"/> SAME AS ABOVE	
<input type="checkbox"/> NONE	
OR LIST BELOW	NAME
BUSINESS ADDRESS	CITY STATE, ZIP CODE + 4
(5) A. NAME OF REGISTERED AGENT AS APPEARS ON SECRETARY OF STATE RECORDS C T CORPORATION SYSTEM	
B. REGISTERED ADDRESS AS APPEARS ON SECRETARY OF STATE RECORDS 530 GAY STREET, KNOXVILLE, TN 37902	
(6) INDICATE BELOW ANY CHANGES TO THE REGISTERED AGENT NAME AND/OR REGISTERED OFFICE. (BLOCK 6A AND/OR 6B) THERE IS AN ADDITIONAL \$10.00 FILING FEE FOR CHANGES MADE TO THIS INFORMATION.	
A. CHANGE OF REGISTERED AGENT:	
B. CHANGE OF REGISTERED OFFICE:	
STREET	CITY
STATE	ZIP CODE + 4
(7) THIS BOX APPLIES ONLY TO NONPROFIT CORPORATIONS. OUR RECORDS REFLECT THAT YOUR NONPROFIT CORPORATION IS A PUBLIC BENEFIT OR A MUTUAL BENEFIT CORPORATION AS INDICATED BELOW:	
IF BLANK OR CHANGE, PLEASE CHECK APPROPRIATE BOX:	
<input type="checkbox"/> PUBLIC	
<input type="checkbox"/> MUTUAL	
B. IF A TENNESSEE RELIGIOUS CORPORATION, PLEASE CHECK BOX UNLESS OTHERWISE INDICATED	
<input type="checkbox"/> RELIGIOUS	
(8) SIGNATURE <i>Alice Evitt Bandy</i>	(9) DATE 3-15-92
(10) TYPE/PRINT NAME OF SIGNER ALICE EVITT BANDY	(11) TITLE OF SIGNER PRESIDENT

 RECEIVED
 STATE OF TENNESSEE
 92 MAR 18 PM 1:30
 BRYANT HILLSAPE
 SECRETARY OF STATE

CORPORATION ANNUAL REPORT STATE OF TENNESSEE SECRETARY OF STATE SUITE 1800, JAMES K. POLK BUILDING NASHVILLE, TN. 37243-0308															
AMOUNT DUE - \$29.00															
CURRENT FISCAL YEAR CLOSING MONTH: 12 CORRECT MONTH IS _____	IF DIFFERENT, _____	THIS REPORT IS DUE ON OR BEFORE 04/01/97													
(1) SECRETARY OF STATE CONTROL NUMBER 0217234		OR FEDERAL EMPLOYER IDENTIFICATION NUMBER: 58-1725910													
(2A) NAME AND MAILING ADDRESS OF CORPORATION RTC COMMUNICATIONS, INC. 123 W NASHVILLE ST. RINGGOLD, GA 30736		(2B) STATE OR COUNTRY OF INCORPORATION GEORGIA													
		(2C) ADD OR CHANGE MAILING ADDRESS: RTC Communications Inc. P.O. Box 865 Ringgold, GA 30736													
F 06/22/1989 FOR PROFIT															
(3) A. PRINCIPAL ADDRESS INCLUDING CITY, STATE ZIP CODE 123 W NASHVILLE ST., RINGGOLD, GA 30736 B CHANGE OF PRINCIPAL ADDRESS: STREET CITY STATE ZIP CODE + 4 7449 NASHVILLE STREET RINGGOLD GA 30736															
* * BLOCKS 4A AND 4B MUST BE COMPLETED OR THE ANNUAL REPORT WILL BE RETURNED * *															
(4) A. NAME AND BUSINESS ADDRESS, INCLUDING ZIP CODE, OF THE PRESIDENT, SECRETARY AND OTHER PRINCIPAL OFFICERS (ATTACH ADDITIONAL SHEET IF NECESSARY)															
<table border="1"><thead><tr><th>TITLE</th><th>NAME</th><th>BUSINESS ADDRESS</th><th>CITY, STATE, ZIP CODE + 4</th></tr></thead><tbody><tr><td>PRESIDENT</td><td>Alice Evelyn Randy</td><td>7449 Nashville Street</td><td>Ringgold, GA 30736</td></tr><tr><td>SECRETARY</td><td>DeLynn Evitt</td><td>7449 Nashville Street</td><td>Ringgold, GA 30736</td></tr></tbody></table>				TITLE	NAME	BUSINESS ADDRESS	CITY, STATE, ZIP CODE + 4	PRESIDENT	Alice Evelyn Randy	7449 Nashville Street	Ringgold, GA 30736	SECRETARY	DeLynn Evitt	7449 Nashville Street	Ringgold, GA 30736
TITLE	NAME	BUSINESS ADDRESS	CITY, STATE, ZIP CODE + 4												
PRESIDENT	Alice Evelyn Randy	7449 Nashville Street	Ringgold, GA 30736												
SECRETARY	DeLynn Evitt	7449 Nashville Street	Ringgold, GA 30736												
B BOARD OF DIRECTORS (NAMES BUSINESS ADDRESS INCLUDING ZIP CODE) (ATTACH ADDITIONAL SHEET IF NECESSARY) <input checked="" type="checkbox"/> SAME AS ABOVE <input type="checkbox"/> NONE OR LISTED BELOW NAME BUSINESS ADDRESS CITY STATE ZIP CODE + 4															
(5) A NAME OF REGISTERED AGENT AS APPEARS ON SECRETARY OF STATE RECORDS C T CORPORATION SYSTEM B REGISTERED ADDRESS AS APPEARS ON SECRETARY OF STATE RECORDS 530 GAY STREET, KNOXVILLE, TN 37902															
(6) INDICATE BELOW ANY CHANGES TO THE REGISTERED AGENT NAME AND/OR REGISTERED OFFICE (BLOCK 5A AND/OR 5B.) THERE IS AN ADDITIONAL \$29.00 REQUIRED FOR CHANGES MADE TO THIS INFORMATION A CHANGE OF REGISTERED AGENT B CHANGE OF REGISTERED OFFICE STREET CITY STATE ZIP CODE + 4 COUNTY															
(7) A THIS BOX APPLIES ONLY TO NONPROFIT CORPORATIONS: OUR RECORDS REFLECT THAT YOUR NONPROFIT CORPORATION IS A PUBLIC BENEFIT OR A MUTUAL BENEFIT CORPORATION AS INDICATED IF BLANK OR CHANGE, PLEASE CHECK APPROPRIATE BOX: <input type="checkbox"/> PUBLIC <input type="checkbox"/> MUTUAL															
B IF A TENNESSEE RELIGIOUS CORPORATION PLEASE CHECK BOX UNLESS OTHERWISE INDICATED <input type="checkbox"/> RELIGIOUS															
(8) SIGNATURE <i>Alice Evelyn Randy</i>		(9) DATE 12-19-96													
(10) TYPE PRINT NAME OF SIGNER Alice Evitt Randy		TITLE OF SIGNER President													

* * THIS REPORT MUST BE DATED AND SIGNED * *

CORPORATION ANNUAL REPORT		Please return completed form to: TENNESSEE SECRETARY OF STATE Attn: Annual Report 312 Eighth Ave. N. 6th Floor William R. Snodgrass Tower Nashville, TN. 37243																	
Annual Report Filing Fee Due: \$20, if no changes are made in block #8 to the registered agent/office; \$40, if any changes are made in block #8 to the registered agent/office.		4:30 21:43 4:30 21:43 4:30 21:43																	
CURRENT FISCAL YEAR CLOSING MONTH: <u>12</u> IF DIFFERENT, CORRECT MONTH IS _____		THIS REPORT IS DUE ON OR BEFORE <u>04/01/03</u>																	
(1) SECRETARY OF STATE CONTROL NUMBER: <u>0217234</u>																			
(2A) NAME AND MAILING ADDRESS OF CORPORATION: RTC COMMUNICATIONS, INC. P.O. BOX 869 RINGGOLD, GA 30736 F <u>06/22/1989</u> FOR PROFIT		(2B) STATE OR COUNTRY OF INCORPORATION: GEORGIA (2C) ADD OR CHANGE MAILING ADDRESS: RECEIVED APR 23 AM 10:02 SECRETARY OF STATE																	
(3) A. PRINCIPAL ADDRESS INCLUDING CITY, STATE, ZIP CODE 7449 NASHVILLE ST., RINGGOLD, GA 30736 B. CHANGE OF PRINCIPAL ADDRESS: STREET CITY STATE ZIP CODE + 4																			
(4) NAME AND BUSINESS ADDRESS INCLUDING ZIP CODE, OF THE PRESIDENT SECRETARY AND OTHER PRINCIPAL OFFICERS (ATTACH ADDITIONAL SHEET IF NECESSARY) <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>TITLE</th> <th>NAME</th> <th>BUSINESS ADDRESS</th> <th>CITY, STATE, ZIP CODE + 4</th> </tr> </thead> <tbody> <tr> <td>PRESIDENT</td> <td>Alice Evitt Bandy</td> <td>PO Box 869</td> <td>Ringgold, GA 30736</td> </tr> <tr> <td>SECRETARY</td> <td>Delynn Evitt</td> <td>PO Box 869</td> <td>Ringgold, GA 30736</td> </tr> </tbody> </table>				TITLE	NAME	BUSINESS ADDRESS	CITY, STATE, ZIP CODE + 4	PRESIDENT	Alice Evitt Bandy	PO Box 869	Ringgold, GA 30736	SECRETARY	Delynn Evitt	PO Box 869	Ringgold, GA 30736				
TITLE	NAME	BUSINESS ADDRESS	CITY, STATE, ZIP CODE + 4																
PRESIDENT	Alice Evitt Bandy	PO Box 869	Ringgold, GA 30736																
SECRETARY	Delynn Evitt	PO Box 869	Ringgold, GA 30736																
(5) BOARD OF DIRECTORS (NAMES, BUSINESS ADDRESS INCLUDING ZIP CODE) (ATTACH ADDITIONAL SHEET IF NECESSARY) <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>ON LISTED BELOW</th> <th>NAME</th> <th>BUSINESS ADDRESS</th> <th>CITY, STATE, ZIP CODE + 4</th> </tr> </thead> <tbody> <tr> <td></td> <td>Alice Evitt Bandy</td> <td>same as above</td> <td></td> </tr> <tr> <td></td> <td>Marshall Bandy, Jr</td> <td>670 Lafayette St</td> <td>Ringgold, GA 30736</td> </tr> <tr> <td></td> <td>T L Selmon</td> <td>same as above</td> <td></td> </tr> </tbody> </table>				ON LISTED BELOW	NAME	BUSINESS ADDRESS	CITY, STATE, ZIP CODE + 4		Alice Evitt Bandy	same as above			Marshall Bandy, Jr	670 Lafayette St	Ringgold, GA 30736		T L Selmon	same as above	
ON LISTED BELOW	NAME	BUSINESS ADDRESS	CITY, STATE, ZIP CODE + 4																
	Alice Evitt Bandy	same as above																	
	Marshall Bandy, Jr	670 Lafayette St	Ringgold, GA 30736																
	T L Selmon	same as above																	
(6) A. NAME OF REGISTERED AGENT AS APPEARS ON SECRETARY OF STATE RECORDS CT CORPORATION SYSTEM B. REGISTERED ADDRESS AS APPEARS ON SECRETARY OF STATE RECORDS 530 GAY STREET, KNOXVILLE, TN 37902 C. INDICATE BELOW ANY CHANGES TO THE REGISTERED AGENT NAME AND/OR REGISTERED OFFICE <table border="1" style="width:100%; border-collapse: collapse;"> <tbody> <tr> <td>(i) CHANGE OF REGISTERED AGENT:</td> <td colspan="3">Steve Jacoway</td> </tr> <tr> <td>(ii) CHANGE OF REGISTERED OFFICE:</td> <td colspan="3">Suite 202 537 Market Street, Chattanooga, TN 37402-1240 Hamilton</td> </tr> <tr> <td></td> <td>STREET</td> <td>CITY</td> <td>STATE ZIP CODE + 4</td> </tr> </tbody> </table>				(i) CHANGE OF REGISTERED AGENT:	Steve Jacoway			(ii) CHANGE OF REGISTERED OFFICE:	Suite 202 537 Market Street, Chattanooga, TN 37402-1240 Hamilton				STREET	CITY	STATE ZIP CODE + 4				
(i) CHANGE OF REGISTERED AGENT:	Steve Jacoway																		
(ii) CHANGE OF REGISTERED OFFICE:	Suite 202 537 Market Street, Chattanooga, TN 37402-1240 Hamilton																		
	STREET	CITY	STATE ZIP CODE + 4																
(7) A. THIS BOX APPLIES ONLY TO NONPROFIT CORPORATIONS. OUR RECORDS REFLECT THAT YOUR NONPROFIT CORPORATION IS A PUBLIC BENEFIT OR A MUTUAL BENEFIT CORPORATION AS INDICATED. IF BLANK OR INCORRECT, PLEASE CHECK APPROPRIATE BOX: <table border="1" style="width:100%; border-collapse: collapse;"> <tbody> <tr> <td><input type="checkbox"/> PUBLIC</td> <td><input checked="" type="checkbox"/> MUTUAL</td> </tr> </tbody> </table> B. IF A TENNESSEE RELIGIOUS CORPORATION, PLEASE CHECK BOX IF BLANK: <table border="1" style="width:100%; border-collapse: collapse;"> <tbody> <tr> <td><input type="checkbox"/> RELIGIOUS</td> </tr> </tbody> </table>				<input type="checkbox"/> PUBLIC	<input checked="" type="checkbox"/> MUTUAL	<input type="checkbox"/> RELIGIOUS													
<input type="checkbox"/> PUBLIC	<input checked="" type="checkbox"/> MUTUAL																		
<input type="checkbox"/> RELIGIOUS																			
(8) SIGNATURE  (10) TYPE PRINT NAME OF SIGNER Alice Evitt Bandy		(9) DATE 3/27/03 (11) TITLE OF SIGNER President																	

•• THIS REPORT MUST BE DATED AND SIGNED ••

EXHIBIT D
Principal Corporate Officers

EXHIBIT D

RTC COMMUNICATIONS, INC.

TENNESSEE REGULATORY AUTHORITY
APPLICATION FOR CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS SERVICES

Principal Corporate Officers

<u>NAME</u>	<u>TITLE</u>	<u>ADDRESS</u>
Alice Evitt Bandy	Chief Executive Officer	6203 Alabama Highway Ringgold, GA 30736-0869
Harry Gass	Vice President	6203 Alabama Highway Ringgold, GA 30736-0869
To Be Determined	Chief Financial Officer	6203 Alabama Highway Ringgold, GA 30736-0869
To Be Determined	Secretary	6203 Alabama Highway Ringgold, GA 30736-0869
Philip A. Erli	Board Member	6203 Alabama Highway Ringgold, GA 30736-0869

EXHIBIT E

Staff Qualifications

EXHIBIT E

RTC COMMUNICATIONS, INC.

TENNESSEE REGULATORY AUTHORITY
APPLICATION FOR CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS SERVICES

RTC Communications, Inc. Staff Qualifications

Alice Evitt Bandy

Chief Executive Officer, RTC Communications, Inc.
President and CEO, Ringgold Telephone Company.

Alice Evitt Bandy is Chief Executive Officer of RTC Communications, Inc. Mrs. Bandy has 28 years experience in the telecommunications industry serving in management positions with Ringgold Telephone Company. Mrs. Bandy is a graduate of the University of Tennessee with a degree in merchandising.

Philip A. Erli

Executive Vice President, Ringgold Telephone Company

Philip Erli is Executive Vice President of Ringgold Telephone Company. Mr. Erli has a wide variety of experience in the telecommunications industry spanning 31 years, including management, communications consulting, marketing, business planning, sales and regulatory positions. Mr. Erli is a graduate of Indiana State University with a BS degree in finance, and earned an MSBA from Indiana University.

Lynn Williams Howell

Vice President of Customer & Employee Relations, Ringgold Telephone Company

Ms. Howell is Vice President of Customer & Employee Relations of Ringgold Telephone Company. Ms. Howell has 24 years experience in the telecommunications industry and has been with Ringgold Telephone Company since 1980. Ms Howell is currently responsible for Human Resources, Customer Service, Customer Support, Marketing, Public Relations and Video. Ms Howell holds several industry related certificates in various areas such as, Customer Service and Human Resources and currently attends Business Management classes at Northwestern Technical Institute, in Rock Spring, GA.

Continued. .

Stephen J. Scharf

Vice President of Financial & Information Technologies, Ringgold Telephone Company

Stephen Scharf is Vice President of Financial & Information Technologies of Ringgold Telephone Company. Mr. Scharf has 14 years experience in the telecommunications industry, and currently is responsible for management of ISP, Information Services, and Finance and Accounting Department. Mr. Scharf holds a BS degree from Winthrop University in Rock Hill, South Carolina, and completed two years of electrical engineering training at the Rochester Institute of Technology, Rochester, New York.

Tommy Holcombe

Vice President of Operations, Ringgold Telephone Company

Tommy Holcombe is Vice President of Operations of Ringgold Telephone Company. Mr. Holcombe has 29 years experience in the telecommunications industry, and has been with Ringgold since 1978. His background includes equipment repair, engineering, construction, marketing and customer service management. Mr. Holcombe is active in the business industry in Georgia. He is president of the Ringgold Rotary Club, a past Chairman, of the Catoosa County Chamber of Commerce, and is a past president of the Northwest Georgia Utility Coordination Committee.

Michael Allen Wallin

Manager of Regulatory Affairs, Ringgold Telephone Company

Michael Wallin is Manager of Regulatory Affairs of Ringgold Telephone Company. Mr. Wallin has experience in PBX and Key system installation and repair, engineering, construction and project management. Mr. Wallin holds several industry related certificates in various areas. Mr. Wallin has been with Ringgold Telephone Company since 1999 and has 25 years of experience in the telecommunications industry.

EXHIBIT F

Financial Statements

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2003 AND 2002

AND

INDEPENDENT AUDITOR'S REPORT

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES

RINGGOLD, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

HAYNES & MOORE, LLC

CERTIFIED PUBLIC ACCOUNTANTS

JAMES A. THRELKELD CPA
R. MARK HARRISON CPA
DAVID R. ESTES CPA

P O BOX 711
701 BROAD STREET SUITE 350
ROME, GEORGIA 30162-0711
TEL (706) 291-4690
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AMERICAN INSTITUTE
OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS
CPAAMERICA
MEMBER FIRMS THROUGHOUT
THE UNITED STATES

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Ringgold Telephone Company
Ringgold, Georgia 30736

Gentlemen:

We have audited the accompanying consolidated balance sheets of THE RINGGOLD TELEPHONE COMPANY, a Georgia Corporation, and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of retained earnings, operations, comprehensive income and cash flows for the years then ended. These consolidated financial statements are the responsibility of The Ringgold Telephone Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Ringgold Telephone Company and subsidiaries as of December 31, 2003 and 2002, and the consolidated results of their operations and their consolidated cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Haynes & Moore, LLC

February 6, 2004

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED STATEMENTS OF
RETAINED EARNINGS

CONSOLIDATED STATEMENTS OF OPERATIONS

CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME

CONSOLIDATED STATEMENTS OF
CASH FLOWS

NOTES TO CONSOLIDATED FINANCIAL
STATEMENTS

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2003 AND 2002

ASSETS

	<u>2003</u>	<u>2002</u>
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 2,181,932	\$ 1,260,034
Telecommunications Accounts Receivable	1,991,256	1,558,358
Other Accounts Receivable	158,642	120,917
Note Receivable	-	9,042
Materials and Supplies	475,353	637,146
Prepaid Expense	240,348	183,687
	<u>240,348</u>	<u>183,687</u>
TOTAL CURRENT ASSETS	<u>\$ 5,047,531</u>	<u>\$ 3,769,184</u>
NON-CURRENT ASSETS:		
Investments	\$ 333,980	\$ 618,501
Investments in USCarrier Telecom, LLC	248,878	143,929
Rural Telephone Bank Stock	285,500	285,500
CoBank Participation Certificate	164,464	58,526
Cash Surrender Value Life Insurance	314,992	283,335
Prepaid Expense	256,188	280,392
Other Assets	1,089,739	1,114,088
	<u>1,089,739</u>	<u>1,114,088</u>
TOTAL NON-CURRENT ASSETS	<u>\$ 2,693,741</u>	<u>\$ 2,784,271</u>
PROPERTY, PLANT AND EQUIPMENT:		
Plant in Service	\$ 54,678,344	\$ 53,400,157
Plant Under Construction	700,369	20,451
Non-Operating Plant	6,442	6,442
Subtotal Plant	<u>\$ 55,385,155</u>	<u>\$ 53,427,050</u>
Less: Accumulated Depreciation	27,619,285	23,679,595
	<u>27,619,285</u>	<u>23,679,595</u>
NET PROPERTY, PLANT AND EQUIPMENT	<u>\$ 27,765,870</u>	<u>\$ 29,747,455</u>
TOTAL	<u>\$ 35,507,142</u>	<u>\$ 36,300,910</u>

The accompanying notes are an integral part of these statements.

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2003 AND 2002

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>2003</u>	<u>2002</u>
CURRENT LIABILITIES:		
Accounts Payable	\$ 865,329	\$ 1,579,179
Current Obligations Under Capital Lease	235,656	217,178
Current Maturities of Long-Term Debt	1,140,443	936,934
Customer Deposits	383	820
Other Accrued Liabilities	116,448	108,448
Compensated Absences	70,297	38,006
Deferred Compensation	60,000	60,000
	<u>2,488,556</u>	<u>2,940,565</u>
TOTAL CURRENT LIABILITIES	<u>\$ 2,488,556</u>	<u>\$ 2,940,565</u>
 LONG-TERM OBLIGATIONS UNDER CAPITAL LEASE	 <u>\$ 1,300,064</u>	 <u>\$ 1,525,481</u>
 LONG-TERM DEBT	 <u>\$ 17,929,144</u>	 <u>\$ 18,809,573</u>
 OTHER LIABILITIES:		
Accumulated Postretirement Benefits	\$ 2,202,004	\$ 2,126,641
Deferred Revenue	9,848	-
Deferred Compensation	356,214	330,392
	<u>2,568,066</u>	<u>2,457,033</u>
TOTAL OTHER LIABILITIES	<u>\$ 2,568,066</u>	<u>\$ 2,457,033</u>
 STOCKHOLDERS' EQUITY:		
Common Stock	\$ 72,000	\$ 72,000
Paid-In Capital	548,509	548,509
Retained Earnings	11,184,174	10,718,867
Accumulated Other Comprehensive Loss	(583,371)	(771,118)
	<u>11,221,312</u>	<u>10,568,258</u>
TOTAL STOCKHOLDERS' EQUITY	<u>\$ 11,221,312</u>	<u>\$ 10,568,258</u>
 TOTAL	 <u>\$ 35,507,142</u>	 <u>\$ 36,300,910</u>

The accompanying notes are an integral part of these statements.

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
YEARS ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
RETAINED EARNINGS-BEGINNING	\$ 10,718,867	\$ 9,197,481
Prior Period Adjustment	<u>-</u>	<u>133,929</u>
RETAINED EARNINGS-RESTATED	10,718,867	9,331,410
Net Income	<u>465,307</u>	<u>1,394,957</u>
	\$ 11,184,174	\$ 10,726,367
Dividends Paid	<u>-</u>	<u>(7,500)</u>
RETAINED EARNINGS-ENDING	<u><u>\$ 11,184,174</u></u>	<u><u>\$ 10,718,867</u></u>

The accompanying notes are an integral part of these statements.

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	2002
OPERATING REVENUES:		
Local Network Service	\$ 4,763,110	\$ 4,622,269
Network Access Service	10,729,798	9,643,216
Internet Revenue	1,337,255	1,087,151
Other Revenue	1,075,673	466,197
Miscellaneous Revenue	506,715	978,013
Sales	167,674	786,506
	<u>\$ 18,580,225</u>	<u>\$ 17,583,352</u>
Uncollectible Revenue	(5,683)	176,266
TOTAL OPERATING REVENUES	<u>\$ 18,585,908</u>	<u>\$ 17,407,086</u>
OPERATING EXPENSE:		
Plant Specific Operations	\$ 4,562,024	\$ 3,035,822
Plant Non-Specific Operations	1,308,773	1,079,595
Depreciation and Amortization	4,415,302	3,753,428
Customer Operations Expense	1,945,575	1,878,428
Corporate Operations	3,255,607	3,821,959
Internet Expense	658,987	1,022,248
Other Expense	853,291	936,289
TOTAL OPERATING EXPENSE	<u>\$ 16,999,559</u>	<u>\$ 15,527,769</u>
NET OPERATING REVENUES	\$ 1,586,349	\$ 1,879,317
OPERATING TAXES		
Other Taxes	243,085	196,312
NET OPERATING INCOME	\$ 1,343,264	\$ 1,683,005
OTHER INCOME AND (EXPENSE)	493,451	874,922
INCOME BEFORE MISCELLANEOUS DEDUCTIONS	\$ 1,836,715	\$ 2,557,927
MISCELLANEOUS DEDUCTIONS:		
Interest Expense	1,371,408	1,162,970
NET INCOME	<u>\$ 465,307</u>	<u>\$ 1,394,957</u>

The accompanying notes are an integral part of these statements.

THE RINGGOLD TELEPHONE COMPANY
AN SUBIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
Net Income	\$ <u>465,307</u>	\$ <u>1,394,957</u>
Other Comprehensive Income (Loss), Net of Tax:		
Unrealized Gains on Securities:		
Gains (Losses) Arising During the Year	\$ 202,067	\$ (816,256)
Reclassification Adjustment	<u>(14,320)</u>	<u>-</u>
Other Comprehensive Income (Loss)	\$ <u>187,747</u>	\$ <u>(816,256)</u>
Comprehensive Income	<u>\$ 653,054</u>	<u>\$ 578,701</u>

The accompanying notes are an integral part of these statements.

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 17,818,661	\$ 17,234,957
Cash Paid to Suppliers and Employees	(12,878,858)	(10,928,199)
Dividends and Interest Received	241,229	239,670
Interest Paid	(1,373,740)	(1,025,362)
Income Taxes Paid	-	64,823
	<u> </u>	<u> </u>
Net Cash From Operating Activities	<u>\$ 3,807,292</u>	<u>\$ 5,585,889</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sale of Investments	\$ 488,894	\$ -
Proceeds from Sale of Buildings	335,000	-
Proceeds from Salvage of Equipment	18,554	10,203
Cost to Remove	(24,062)	(42,115)
Investments	28,258	(197,482)
Materials and Supplies	161,793	(215,120)
Loans from Shareholder-Net	97,651	(8,812)
Payment for Purchase of Equipment	(3,006,270)	(5,812,492)
	<u> </u>	<u> </u>
Net Cash From Investing Activities	<u>\$ (1,900,182)</u>	<u>\$ (6,265,818)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Customer Deposits	\$ (439)	\$ (2,069)
Proceeds from Long-Term Borrowings	174,969	1,581,840
Dividends Paid	-	(7,500)
Payments on Long-Term Capital Lease	(219,244)	(59,430)
Payments on Long-Term Borrowings	(940,498)	(924,537)
	<u> </u>	<u> </u>
Net Cash From Financing Activities	<u>\$ (985,212)</u>	<u>\$ 588,304</u>
NET INCREASE (DECREASE) IN CASH	<u>\$ 921,898</u>	<u>\$ (91,625)</u>
CASH AT BEGINNING OF YEAR	<u>1,260,034</u>	<u>1,351,659</u>
CASH AT END OF YEAR	<u><u>\$ 2,181,932</u></u>	<u><u>\$ 1,260,034</u></u>

The accompanying notes are an integral part of these statements.

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2003 AND 2002
Increase (Decrease) in Cash

	<u>2003</u>	<u>2002</u>
RECONCILIATION OF NET INCOME TO NET CASH FROM OPERATING ACTIVITIES:		
Net Income	\$ 465,307	\$ 1,394,957
Adjustments to Reconcile Net Income to Net Cash From Operating Activities:		
Depreciation and Amortization	\$ 4,415,302	\$ 3,753,428
Net Loss of Partnership and LLCs	-	659,214
Gain on Sale of Ga PCS Mgmt	-	(1,321,284)
Gain on Sale of Investments	(14,320)	-
Gain on Sale of Buildings	(203,453)	-
Building Donations	102,500	-
Change in Assets and Liabilities:		
Telecommunications Accounts Receivable	(723,675)	47,762
Other Accounts Receivable	(29,830)	1,180
Accrued Interest	-	245
Prepaid Expenses	(71,661)	(43,540)
Investments	(213,092)	(100,223)
Other Assets	124,111	94,963
Accounts Payable	(184,836)	552,668
Postretirement Benefits	75,363	407,987
Deferred Revenue	9,848	-
Other Liabilities	55,728	138,532
Total Adjustments	<u>\$ 3,341,985</u>	<u>\$ 4,190,932</u>
Net Cash From Operating Activities	<u>\$ 3,807,292</u>	<u>\$ 5,585,889</u>

SUPPLEMENTARY SCHEDULE OF NONCASH
INVESTING AND FINANCING ACTIVITIES:

Plant Retired and Charged to Accumulated
Depreciation

\$ 571,052	\$ 233,240
------------	------------

Non-Cash Salvage of Equipment

\$ -	\$ 10,406
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The accompanying notes are an integral part of these statements.

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Summary of Significant Accounting Policies:

The following is a summary of certain significant accounting policies followed in the preparation of these financial statements. The policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Consolidation - The accompanying consolidated financial statements include the accounts of The Ringgold Telephone Company and its wholly owned subsidiaries, Ringgold Telephone Long Distance Inc., Ringgold Telephone PCS Corporation, and Community Messenger Inc. Intercompany transactions and balances have been eliminated in consolidation.

Business - The Ringgold Telephone Company is an alternative regulated public telephone utility. Its primary business is to provide telecommunications service to the local residents and businesses in Catoosa County, Georgia. The Company also offers video services to its customers.

RTC Communications Systems' primary business is the sales, leasing, installation and maintenance of telephone equipment. Effective June 30, 2002, the Chattanooga, Tennessee office was closed and the operations were transferred to The Ringgold Telephone Company. The results of operations are included as a part of The Ringgold Telephone Company's operations.

Ringgold Telephone Long Distance's primary business is to provide long distance telephone service for the local area.

Ringgold Telephone PCS's primary business is to hold the investment in a non-affiliated company providing personal communication services (PCS).

Community Messenger's primary business is to provide FM paging, data transfer, wireless e-mail notification, wireless security and fire alarm monitoring, and other premium wireless information services for the local area.

Books and Records - The Ringgold Telephone Company's accounting system and procedures are maintained in a manner as prescribed by the Federal Communications Commission and the Georgia Public Service Commission.

Telecommunications Receivables - Customers are generally extended credit on a short-term basis; thus, telecommunication receivables do not bear interest. Receivables over sixty days past due are reviewed for collectibility. Receivables are written off monthly. Collections of receivables previously written off are included in income as received.

Allowance for Doubtful Accounts - The company considers all accounts collectible at year end; therefore, no allowance for doubtful accounts is maintained. Interstate telephone uncollectibles are reported to NECA for reimbursement. The company assumes the loss for intrastate telephone uncollectibles.

Summary of Significant Accounting Policies-Continued:

Telephone Plant Accounting - Telephone plant is stated at original cost when placed in service. When telephone plant is retired, the original cost of the plant is charged against the accumulated depreciation and the net salvage is credited to the accumulated depreciation. The cost of maintenance and repairs of telephone plant, including the cost of replacing minor items not affecting substantial betterments, is charged principally to maintenance expense.

Depreciation and Amortization - Depreciation is provided under the straight-line method for accounting purposes and generally under accelerated methods for income tax purposes. Intangibles are amortized over a five to fifteen year life.

Depreciation is charged directly to operating expenses. Stated as a percentage of telephone plant, depreciation amounted to 8.19% for 2003 and 7.60% for 2002.

Advertising - The company charges advertising costs to expense as incurred. Advertising costs amounted to \$31,190 for 2003 and \$69,662 for 2002.

Revenue Recognition - Telephone revenues are recognized when earned and are primarily derived from usage of the company's local exchange network and facilities. The company accrues unbilled revenues earned from the date customers were last billed to the end of the accounting period. Certain toll and access service revenues are estimated under cost separation procedures that base revenues on current operating costs and investments in facilities to provide such services. Certain revenues derived from local telephone, internet and video services are billed monthly in advance and are recognized the following month when services are provided. Revenues derived from other telecommunications services, principally network access, long distance and wireless airtime useage, are recognized monthly as services are provided.

Materials and Supplies - Materials and supplies are related to the construction and maintenance of telephone plant, video services, and inventory held for sale. Materials and supplies are stated at the lower of cost (first-in, first-out basis) or market.

Cash Flows - For purposes of the statement of cash flows, the company considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The most significant estimates relate to inventory obsolescence, depreciation and employee benefit plans. Accordingly, actual results could differ from those estimates.

Comprehensive Income - Unrealized gains or losses on the company's available-for-sale securities are included in other comprehensive income.

Subchapter S Corporation - The company has elected to be taxed under Subchapter S of the Internal Revenue, whereby its income is taxed directly to the shareholder.

1. Cash:

A summary of cash at December 31 follows:

	<u>2003</u>	<u>2002</u>
Working Funds	\$ 4,700	\$ 5,500
General Funds	<u>2,177,232</u>	<u>1,254,534</u>
TOTAL	<u>\$ 2,181,932</u>	<u>\$ 1,260,034</u>

The company has on deposit at commercial banks, funds in excess of the amount insured by the FDIC.

3. Telecommunications Accounts Receivable:

A summary of telecommunications accounts receivable at December 31 follows:

	<u>2003</u>	<u>2002</u>
Subscriber Billings	\$ 328,962	\$ 340,777
Unbilled Receivables	232,295	218,881
Interexchange Carriers	<u>1,429,999</u>	<u>998,700</u>
TOTAL	<u>\$ 1,991,256</u>	<u>\$ 1,558,358</u>

4. Other Accounts Receivable:

A summary of other accounts receivable at December 31 follows:

	<u>2003</u>	<u>2002</u>
Trade Receivables	\$ 13,395	\$ -
Employees	5,184	8,417
Other	<u>140,063</u>	<u>112,500</u>
TOTAL	<u>\$ 158,642</u>	<u>\$ 120,917</u>

Investments:

Investments are classified as either Held to Maturity, Trading or Available for Sale Securities. The company does not have any securities that are classified as Trading or Held to Maturity. Securities investments that the company has the positive intent and the ability to hold to maturity are classified as Held to Maturity Securities and recorded at amortized cost in investments. Securities investments that are not classified as Held to Maturity or Trading are classified as Available for Sale Securities. Available for Sale Securities are recorded at fair value in investments on the balance sheet, with the change in fair value during the period excluded from earnings and recorded as a separate component of equity.

A summary of investments at December 31, 2003 follows:

	AMORTIZED COST	GROSS UNREALIZED HOLDING GAINS	GROSS UNREALIZED HOLDING LOSSES	FAIR MARKET VALUE
Investments Available for Sale:				
Arch Wireless, Inc., 2 shares	\$ 101	\$ -	\$ -	101
US Unwired Inc., 366,900 Shares	917,250	-	(583,371)	333,879
Total Investments Available for Sale	<u>\$ 917,351</u>	<u>\$ -</u>	<u>\$ (583,371)</u>	<u>\$ 333,980</u>

A summary of investments at December 31, 2002 follows:

	AMORTIZED COST	GROSS UNREALIZED HOLDING GAINS	GROSS UNREALIZED HOLDING LOSSES	FAIR MARKET VALUE
Investments Available for Sale:				
Investment Co. of America, 5,974 Shares	\$ 167,361	\$ -	\$ (27,092)	\$ 140,269
Washington Mutual Investors Fund, 10,568 Shares	255,008	-	(6,557)	248,451
US Unwired Inc., 366,900 Shares	917,250	-	(737,469)	179,781
Gateway Bancshares, 5,000 Shares	50,000	-	-	50,000
Total Investments Available for Sale	<u>\$ 1,389,619</u>	<u>\$ -</u>	<u>\$ (771,118)</u>	<u>\$ 618,501</u>

The change in net unrealized holding gain (loss) on securities available for sale that has been included as a separate component of stockholders' equity was \$(583,371) for 2003 and \$(771,118) for 2002.

1. Investments-Continued:

Fair value is determined based on quoted market prices. Realized gains and losses are determined on the basis of specific cost. Sales proceeds and realized gains and losses on securities classified as available for sale were:

	<u>2003</u>	<u>2002</u>
Sales Proceeds	<u>\$ 488,894</u>	<u>\$ -</u>
Gross Realized Gains	<u>\$ 14,320</u>	<u>\$ -</u>
Gross Realized Losses	<u>\$ -</u>	<u>\$ -</u>

3. Investments in USCarrier Telecom, LLC:

During 2003, the company changed from the equity to the cost method to account for its investments in USCarrier Telecom, LLC. The change in accounting method has occurred due to the company's decrease in ownership. The company believes the net carrying value approximates the investment's fair market value.

USCarrier Telecom, LLC provides for the construction and operation of a fiber optic communications system in the states of Georgia, Alabama and Florida. The company has a 1.284% interest in the LLC. The company has pledged all of its class A units as collateral on the debt of the USCarrier's long term financing with CIT Group/Equipment Financing, Inc.

The company has entered into a lease agreement with USCarrier to lease communications systems to USCarrier. Total lease income under this agreement was \$104,949 for 2003 and \$111,510 for 2002. Under the terms of the agreement, the company has elected to receive payment of the lease in class A units.

The company made capital contributions to USCarrier of \$10,000 per month for 2002, plus three special capital contributions totaling \$52,482. The company made no capital contributions to USCarrier in 2003, and does not anticipate any future contributions.

The investment is shown on the balance sheet at net investment less accumulated operating losses as follows:

	NET CASH ADVANCES	ACCUMULATED EARNINGS (LOSSES)	2003 TOTAL	2002 TOTAL
USCarrier Telecom, LLC	<u>\$ 2,119,194</u>	<u>\$ (1,870,316)</u>	<u>\$ 248,878</u>	<u>\$ 143,929</u>

7. Cash Surrender Value Life Insurance.

The company maintains life insurance coverage on certain key employees. The coverage is as follows:

<u>INSURED</u>	<u>COVERAGE</u>	<u>CASH VALUE</u>	
		<u>2003</u>	<u>2002</u>
President	\$ 840,800	\$ 314,992	\$ 283,335

The company is owner and beneficiary of the policy.

3. Other Assets:

	<u>2003</u>	<u>2002</u>
License Fees	\$ 292,600	\$ 319,200
Advances to Data FM	219,778	48,009
Deferred CAD Charges	195,114	312,184
Retirement Annuity	84,429	126,644
Loan Origination Fees	71,652	77,094
Commercial Building	60,000	60,000
Officer Split Dollar Receivable	29,916	20,957
Feasibility Study	136,250	150,000
TOTAL	<u>\$ 1,089,739</u>	<u>\$ 1,114,088</u>

The company has entered into a limited collateral split dollar agreement with a key Officer for life insurance coverage. The agreement specifies that upon the death of the Officer, upon cancellation or surrender of the Policy, or termination of this agreement, the company will be reimbursed for premiums paid under the terms of the agreement. A receivable has been recorded on the books at the lesser of the cash surrender value or the amount of the premiums paid.

9. Assets Pledged:

Substantially all assets are pledged as security for the long-term debt to CoBank.

0 Property, Plant and Equipment:

Property, plant and equipment in service and under construction by major classes at December 31 follows:

	2003	2002
Land		
Vehicles and Work Equipment	\$ 497,068	\$ 537,271
Buildings	1,455,613	1,458,509
Furniture and Office Equipment	3,174,476	3,382,332
Video Equipment	2,715,223	2,497,188
Central Office Equipment	2,558,156	2,249,709
Toll and Subscriber Carrier	9,281,658	9,271,341
Station Apparatus	7,445,907	7,658,228
Station Connections	1,410,063	859,622
Poles, Cables and Wire	386,377	386,377
	<u>25,753,803</u>	<u>25,099,580</u>
Plant Under Construction	\$ 54,678,344	\$ 53,400,157
Non-Operating Plant	700,369	20,451
	<u>6,442</u>	<u>6,442</u>
TOTAL	<u>\$ 55,385,155</u>	<u>\$ 53,427,050</u>

Depreciation for 2003 was \$4,415,302 and for 2002 was \$3,753,428.

Individual depreciation rates are as follows:

	PERCENT
Vehicles and Work Equipment	10.00-15.00
Buildings	2.50
Furniture and Office Equipment	9.00-20.00
Video Equipment	10.00-20.00
Central Office Equipment	9.00-10.00
Toll and Subscriber Carrier	8.60-11.00
Station Apparatus	4.50-20.00
Station Connections	8.00
Poles, Cables and Wire	2.50-10.00

1. Lease Obligations:

Capital Leases

The company leases postage machine equipment under capital leases expiring in 2005 and 2007. The company also leases video equipment under capital lease expiring in 2009. The assets and liabilities under the capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the assets. The assets are depreciated over the lower of the related lease term or its estimated productive life. Depreciation of the assets under capital leases are included in depreciation expense. Depreciation expense for 2003 was \$36,873 and for 2002 was \$30,709.

Following is a summary of property held under capital lease:

	<u>2003</u>	<u>2002</u>
Postage Machine & Equipment	\$ 80,854	\$ 68,549
Video Equipment	1,739,000	1,739,000
Less: Accumulated Depreciation	<u>(73,620)</u>	<u>(36,747)</u>
Net Book Value	<u>\$ 1,746,234</u>	<u>\$ 1,770,802</u>

Minimum future lease payments under capital lease as of December 31, 2003 for the next six years are:

	<u>AMOUNT</u>
2004	\$ 333,863
2005	327,300
2006	325,112
2007	315,786
2008	312,677
2009	286,621

Less: Amount Representing Interest (365,639)

Present Value of Net Minimum Lease Payments \$ 1,535,720

The interest rates on the capital leases vary from 6.40% to 15.00% and are imputed based on the lower of the company's incremental borrowing rate at the inception of the lease or the lessor's implicit rate of return.

Operating Leases

The company leases vehicles, office and plant equipment under operating leases expiring in various years through 2008.

1. Lease Obligations - Continued:

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2003 for each of the next five years and in the aggregate are:

	AMOUNT
2004	\$ 420,777
2005	354,402
2006	332,022
2007	306,271
2008	145,531
Total minimum future rental payments	<u>\$ 1,559,003</u>

12 Long-Term Debt:

The following is a summary of outstanding long-term debt:

	2003	2002
Note payable to CoBank, bearing interest at a current variable rate of 6.00%, matures July 2004; expected to be refinanced to a ten year term at maturity	\$ 1,449,969	\$ 1,300,000
Note payable to CoBank, bearing interest at a fixed rate of 6.50% through July 2007; matures July 2017	17,468,063	18,368,322
Note payable to finance company; noninterest bearing; payable in monthly installments of \$770; maturing in November 2006	26,946	36,185
Note payable to individual; noninterest bearing; payable in annual installments of \$6,000; maturing in February 2009	36,000	42,000
Note payable to shareholder; due on demand	88,609	-
Total	<u>\$ 19,069,587</u>	<u>\$ 19,746,507</u>
Less: Current Installments	<u>(1,140,443)</u>	<u>(936,934)</u>
NET	<u>\$ 17,929,144</u>	<u>\$ 18,809,573</u>

As of December 31, 2003, there was \$1,050,031 in unadvanced loan funds from CoBank.

Principal and interest installments on the above notes are due in monthly installments of approximately \$184,300 and annual installments of \$6,000.

12. Long-Term Debt - Continued:

The company follows the policy of capitalizing interest as a component of the cost of property, plant and equipment constructed for its own use. In 2003, total interest incurred was \$1,377,021 of which \$5,613 was capitalized. In 2002, total interest incurred was \$1,182,356 of which \$19,386 was capitalized. The capitalization rate used to determine the amount of interest eligible for capitalization was 5.08% for 2003 and 5.13% for 2002.

The company was granted approval by the Georgia Public Service Commission on February 5, 2002 to refinance all of its existing long-term debt into a single 15 year note with CoBank. The new note amount was \$19,059,043 and carries a variable interest rate that is determined at drawdown.

Debt agreements with CoBank contain certain restrictions and financial ratio requirements which must be met each year. All financial ratio requirements were met for 2003. For 2002, two financial ratio requirements were not achieved; CoBank waived the requirements.

Maturities of long-term debt for each of the five years succeeding the balance sheet date is estimated as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2004	\$ 1,140,443
2005	1,185,129
2006	1,261,725
2007	1,335,740
2008	1,423,682

13. Deferred Compensation Plan:

The company has a deferred compensation program for key employees. The company has purchased individual life insurance contracts with respect to each employee covered by this program. The expense associated with the deferred compensation plan was \$-0- for 2003 and \$20,000 for 2002. The contributions are considered a general asset of the corporation until remitted to the participant named. The participant benefits are vested. Therefore, a liability has been recorded for the future benefit payments. Distribution payments for one retired employee began in 2000.

The company has another deferred compensation program for a key officer. Under this program, the company agrees to pay the covered employee a certain sum within 60 days of retirement, death, disability, or the company's termination of officer's employment without cause. An amount is credited to a Deferred Compensation Account on the company books at the end of each year that the officer remains continuously employed by the company, beginning December 31, 2002. All amounts credited to the Deferred Compensation Account will become fully vested and payable to the officer or his designated beneficiary upon the Officer's retirement from employment with the company for any reason after December 31, 2002. The amount deferred under the Deferred Compensation Agreement was \$50,000 for 2003 and \$50,000 for 2002. The Deferred Account is an unfunded and unsecured obligation of the company.

14. Accumulated Postretirement Benefits:

The company provides health and life insurance benefits and telephone service for its retired employees. During 2003, the company changed its policy for future retiree benefits. Prior to 2003, substantially all employees were eligible for benefits at retirement. After the change, employees eligible to retire under the Rule of 85 by December 31, 2010 will be provided retiree and spousal group health insurance coverage. Employees eligible to retire under the Rule of 85 by December 31, 2017 will be provided retiree group health insurance coverage only. No health insurance coverage will be provided for employees or spouses who are eligible to retire under the Rule of 85 after December 31, 2017. The plan is unfunded.

The benefits are recorded in accordance with FASB Statement 106. The company has elected to amortize the transition obligation over twenty years. Benefit payments for 2003 and 2002 were \$148,040 and \$137,544, respectively.

	ACCRUED POST- RETIREMENT BENEFIT COST	ACCUMULATED POSTRETIREMENT BENEFIT OBLIGATION	UNRECOGNIZED TRANSITION OBLIGATION
Beginning of Year	\$ 2,126,641	\$ 2,652,285	\$ 525,644
Effect of Negative Plan Amendment	-	(208,058)	(208,058)
After Negative Plan Amendment	\$ 2,126,641	\$ 2,444,227	\$ 317,586
Recognition of Components of Net Periodic Postretirement Benefit Cost:			
Service Cost	\$ 223,403	\$ 223,403	\$ -
Interest Cost	Not Available	Not Available	Not Available
Gains	Not Available	Not Available	Not Available
Amortization of Transition Obligation	Not Available	Not Available	Not Available
	\$ 223,403	\$ 223,403	\$ -
Benefit Payments	(148,040)	(148,040)	-
Net Change	\$ 75,363	\$ 75,363	\$ -
End of Year	\$ 2,202,004	\$ 2,519,590	\$ 317,586

For measurement purposes, a 8.50% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2003. The rate was assumed to decrease gradually to 5.50% at year 2005 and remain at that level thereafter. The health care cost trend rate assumption has a significant effect on the amounts reported. Increasing the assumed health care cost trend rates by one percentage point each year would increase the accumulated postretirement benefit obligation by \$435,950 and the aggregate of the service and interest cost components of postretirement expense for the year by an undeterminable amount.

The weighted-average discount rate used in determining the accumulated postretirement benefit obligation was 6.25%.

15. Common Stock and Retained Earnings:

There are 1,000,000 shares of \$1 par value common stock authorized of which 72,000 shares were issued and outstanding at December 31, 2003 and 2002, respectively.

The terms of the mortgage agreement with CoBank require that the payment of dividends be limited to the previous year's net income.

16. Accumulated Other Comprehensive Income (Loss):

Changes in the components of other comprehensive income (loss) and in accumulated other comprehensive income (loss) for 2003 and 2002 is as follows:

	UNREALIZED GAINS (LOSSES) ON SECURITIES	ACCUMULATED OTHER COMPREHENSIVE LOSS
Balance at January 1, 2003	\$ (771,118)	\$ (771,118)
Change during 2003	187,747	187,747
Balance at December 31, 2003	<u>\$ (583,371)</u>	<u>\$ (583,371)</u>
	UNREALIZED GAINS (LOSSES) ON SECURITIES	ACCUMULATED OTHER COMPREHENSIVE LOSS
Balance at January 1, 2002	\$ 45,138	\$ 45,138
Change during 2002	(816,256)	(816,256)
Balance at December 31, 2002	<u>\$ (771,118)</u>	<u>\$ (771,118)</u>

17. Pension and Savings Plan:

The company has a defined benefit pension plan in effect for all employees at December 31, 2003 and 2002, which is a part of the industry wide retirement and security program with the National Telephone Cooperative Association (NTCA). It is a multi-employer defined benefit plan which constitutes a "master plan" for affiliates, and its member organizations who have adopted the plan.

17. Pension and Savings Plan -Continued:

The plan is funded through employer and employee contributions that are specified at the time an employee adopts the program; such an election can later be changed but only for future years. These contributions, plus earnings that accumulate tax-free in the program's unallocated trust fund, are sufficient to fund the plan's past and future service costs on an ongoing basis. Employee contribution balances are maintained on an individual basis. The company contributes 11.60% of participating employee's annual salary to the plan.

The company's expense for the years ended December 31, 2003 and 2002 was \$536,891 and \$472,834, respectively. Information necessary for other disclosures required by FASB #87 are not available on a company by company basis because all pension fund assets and vested benefits are pooled for investment and reporting purposes.

The company also has a savings plan for all eligible employees that is administered by the Fidelity Investments. The employees must make contributions of 2% of annual salary to the savings plan. The company contributes 4% of the employees' annual salary. The company's cost for the savings plan for 2003 was \$182,261 and for 2002 was \$136,211.

18. Related Party Transactions:

The Ringgold Telephone Company has advanced to Data FM, a company owned by the sole shareholder's family, \$20,000 in 2003 and \$48,009 in 2002.

The Ringgold Telephone Company has paid management fees, on behalf of Community Messenger, to Data FM for \$180,000 in 2002. The fees for 2003 were paid directly to Community Messenger for \$180,000. The 2003 fees were eliminated in consolidation.

The company has entered into an operating lease agreement with its owner for the lease of a building beginning December 1, 2002 and running for a period of 20 years. The annual lease expense is \$222,000. Lease expense for 2003 was \$222,000 and for 2002 was \$18,500. Lessor may increase or decrease the rent based on the fair market lease rate in the North Georgia/South Tennessee geographical area.

During 2002, the company closed RTC Communications Systems' (a wholly owned subsidiary) office in Chattanooga, Tennessee, and merged their operations into the company. During 2002, the company paid RTC Communications Systems \$169,349 for services rendered.

19. Prior Period Adjustments:

Prior year beginning retained earnings and the investment in USCarrier Telecom, LLC has been restated for lease income received in the form of Class A investment units from USCarrier during 2000.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION

CONSOLIDATING BALANCE SHEET

CONSOLIDATING STATEMENT OF
RETAINED EARNINGS

CONSOLIDATING STATEMENT OF
OPERATIONS

CONSOLIDATING STATEMENT OF
COMPREHENSIVE INCOME

CONSOLIDATING STATEMENT OF
CASH FLOWS

CONSOLIDATING OTHER INCOME
AND EXPENSE

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THE UNITED STATES

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
The Ringgold Telephone Company
Ringgold, Georgia 30736

Gentlemen:

Our report on our audits of the consolidated financial statements of The Ringgold Telephone Company and subsidiaries for 2003 and 2002 appears on page 1. Those audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information on Schedules 1 through 6 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements, and in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements for the years ended December 31, 2003 and 2002 taken as a whole.

The graphic presentations are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, accordingly, we express no opinion on them.

Haynes & Moore, LLC

February 6, 2004

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2003

ASSETS

	THE RINGGOLD TELEPHONE COMPANY	RINGGOLD TELEPHONE LONG DISTANCE INC	RINGGOLD TELEPHONE PCS CORPORATION	COMMUNITY MESSENGER INC	ELIMINATIONS	CONSOLIDATED TOTAL
CURRENT ASSETS.						
Cash and Cash Equivalents	\$ 2,176,699	\$ -	\$ -	\$ 5,233	\$ -	\$ 2,181,932
Telecommunications Accounts Receivable	2,281,932	-	-	-	(290,676)	1,991,256
Other Accounts Receivable	145,247	13,395	-	-	-	158,642
Note Receivable	-	-	-	-	-	-
Materials and Supplies	435,879	-	-	39,474	-	475,353
Prepaid Expense	255,348	-	-	-	(15,000)	240,348
TOTAL CURRENT ASSETS	\$ 5,295,105	\$ 13,395	\$ -	\$ 44,707	\$ (305,676)	\$ 5,047,531
NON-CURRENT ASSETS:						
Advances to Affiliate	\$ 780,243	\$ 1,000	\$ 1,000	\$ 500	\$ (782,743)	\$ -
Investments	1,601	-	333,879	-	(1,500)	333,980
Investment in Ringgold PCS	918,250	-	-	-	(918,250)	-
Investment in USCarrier Telecom, LLC	248,878	-	-	-	-	248,878
Rural Telephone Bank Stock	285,500	-	-	-	-	285,500
CoBank Participation Certificate	164,464	-	-	-	-	164,464
Cash Surrender Value Life Insurance	314,992	-	-	-	-	314,992
Prepaid Expense	256,188	-	-	-	-	256,188
Other Assets	611,629	-	-	478,110	-	1,089,739
TOTAL NON-CURRENT ASSETS	\$ 3,581,745	\$ 1,000	\$ 334,879	\$ 478,610	\$ (1,702,493)	\$ 2,693,741
PROPERTY, PLANT AND EQUIPMENT:						
Plant in Service	\$ 54,676,280	\$ -	\$ -	\$ 2,064	\$ -	\$ 54,678,344
Plant Under Construction	700,369	-	-	-	-	700,369
Non-Operating Plant	6,442	-	-	-	-	6,442
Subtotal Plant	\$ 55,383,091	\$ -	\$ -	\$ 2,064	\$ -	\$ 55,385,155
Less: Accumulated Depreciation	27,617,995	-	-	1,290	-	27,619,285
NET PROPERTY, PLANT AND EQUIPMENT	\$ 27,765,096	\$ -	\$ -	\$ 774	\$ -	\$ 27,765,870
TOTAL	\$ 36,641,946	\$ 14,395	\$ 334,879	\$ 524,091	\$ (2,008,169)	\$ 35,507,142

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2003

LIABILITIES AND STOCKHOLDERS' EQUITY

	THE RINGGOLD TELEPHONE COMPANY	RINGGOLD TELEPHONE LONG DISTANCE INC	RINGGOLD TELEPHONE PCS CORPORATION	COMMUNITY MESSENGER INC	ELIMINATIONS	CONSOLIDATED TOTAL
CURRENT LIABILITIES:						
Accounts Payable	\$ 865,329	\$ -	\$ -	\$ -	\$ -	\$ 865,329
Current of Obligations Under Capital Lease	235,656	-	-	-	-	235,656
Current Maturities of Long-Term Debt	1,140,443	-	-	-	-	1,140,443
Customer Deposits	383	-	-	-	-	383
Other Accrued Liabilities	116,097	-	-	351	-	116,448
Compensated Absences	70,297	-	-	-	-	70,297
Deferred Compensation	60,000	-	-	-	-	60,000
TOTAL CURRENT LIABILITIES	\$ 2,488,205	\$ -	\$ -	\$ 351	\$ -	\$ 2,488,556
OBLIGATIONS UNDER CAPITAL LEASE	\$ 1,300,064	\$ -	\$ -	\$ -	\$ -	\$ 1,300,064
LONG-TERM DEBT	\$ 17,929,144	\$ -	\$ -	\$ -	\$ -	\$ 17,929,144
OTHER LIABILITIES:						
Advances from Affiliate	\$ 2,500	\$ 290,676	\$ -	\$ 780,243	\$ (1,073,419)	\$ -
Accumulated Postretirement Benefits	2,202,004	-	-	-	-	2,202,004
Deferred Revenue	9,848	-	-	15,000	(15,000)	9,848
Deferred Compensation	356,214	-	-	-	-	356,214
TOTAL OTHER LIABILITIES	\$ 2,570,566	\$ 290,676	\$ -	\$ 795,243	\$ (1,088,419)	\$ 2,568,066
STOCKHOLDERS' EQUITY:						
Common Stock	\$ 72,000	\$ 1,000	\$ 1,000	\$ 500	\$ (2,500)	\$ 72,000
Paid-In Capital	1,844	-	917,250	546,665	(917,250)	548,509
Retained Earnings	12,280,123	(277,281)	-	(818,668)	-	11,184,174
Accumulated Other Comprehensive Income	-	-	(583,371)	-	-	(583,371)
TOTAL STOCKHOLDERS' EQUITY	\$ 12,353,967	\$ (276,281)	\$ 334,879	\$ (271,503)	\$ (919,750)	\$ 11,221,312
TOTAL	\$ 36,641,946	\$ 14,395	\$ 334,879	\$ 524,091	\$ (2,008,169)	\$ 35,507,142

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF RETAINED EARNINGS
YEAR ENDED DECEMBER 31, 2003

	THE RINGGOLD TELEPHONE COMPANY	RINGGOLD TELEPHONE LONG DISTANCE INC	RINGGOLD TELEPHONE PCS CORPORATION	COMMUNITY MESSENGER INC.	ELIMINATIONS	CONSOLIDATED TOTAL
RETAINED EARNINGS (DEFICIT) JANUARY 1	\$ 11,681,488	\$ (158,334)	\$ -	\$ (804,287)	\$ -	\$ 10,718,867
Net Income (Loss)	<u>598,635</u>	<u>(118,947)</u>	<u>-</u>	<u>(14,381)</u>	<u>-</u>	<u>465,307</u>
	\$ 12,280,123	\$ (277,281)	\$ -	\$ (818,668)	\$ -	\$ 11,184,174
Dividends Paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
RETAINED EARNINGS (DEFICIT) DECEMBER 31	<u>\$ 12,280,123</u>	<u>\$ (277,281)</u>	<u>\$ -</u>	<u>\$ (818,668)</u>	<u>\$ -</u>	<u>\$ 11,184,174</u>

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2003

	THE RINGGOLD TELEPHONE COMPANY	RINGGOLD TELEPHONE LONG DISTANCE, INC.	RINGGOLD TELEPHONE PCS CORPORATION	COMMUNITY MESSENGER INC.	ELIMINATIONS	CONSOLIDATED TOTAL
OPERATING REVENUES:						
Local Network Service	\$ 4,763,110	\$ -	\$ -	\$ -	\$ -	\$ 4,763,110
Network Access Service	10,737,958	-	-	-	(8,160)	10,729,798
Internet Revenue	1,337,255	-	-	-	-	1,337,255
Other Revenue	638,223	435,587	-	1,863	-	1,075,673
Miscellaneous Revenue	703,221	-	-	180,000	(376,506)	506,715
Sales	167,674	-	-	-	-	167,674
	<u>\$ 18,347,441</u>	<u>\$ 435,587</u>	<u>\$ -</u>	<u>\$ 181,863</u>	<u>\$ (384,666)</u>	<u>\$ 18,580,225</u>
Uncollectible Revenue	(12,954)	7,271	-	-	-	(5,683)
TOTAL OPERATING REVENUES	<u>\$ 18,360,395</u>	<u>\$ 428,316</u>	<u>\$ -</u>	<u>\$ 181,863</u>	<u>\$ (384,666)</u>	<u>\$ 18,585,908</u>
OPERATING EXPENSE:						
Plant Specific Operations	\$ 4,223,330	\$ 521,860	\$ -	\$ -	\$ (183,166)	\$ 4,562,024
Plant Non-Specific Operations	1,308,773	-	-	-	-	1,308,773
Depreciation and Amortization	4,388,289	-	-	27,013	-	4,415,302
Customer Operations Expense	1,892,957	20,992	-	53,126	(21,500)	1,945,575
Corporate Operations	3,316,902	2,600	-	116,105	(180,000)	3,255,607
Internet Expense	658,987	-	-	-	-	658,987
Other Expense	851,480	1,811	-	-	-	853,291
TOTAL OPERATING EXPENSE	<u>\$ 16,640,718</u>	<u>\$ 547,263</u>	<u>\$ -</u>	<u>\$ 196,244</u>	<u>\$ (384,666)</u>	<u>\$ 16,999,559</u>
NET OPERATING REVENUE (LOSS)	\$ 1,719,677	\$ (118,947)	\$ -	\$ (14,381)	\$ -	\$ 1,586,349
OPERATING TAXES:						
Other Taxes	243,085	-	-	-	-	243,085
NET OPERATING INCOME (LOSS)	\$ 1,476,592	\$ (118,947)	\$ -	\$ (14,381)	\$ -	\$ 1,343,264
OTHER INCOME AND (EXPENSE)	493,451	-	-	-	-	493,451
INCOME BEFORE MISCELLANEOUS DEDUCTIONS	\$ 1,970,043	\$ (118,947)	\$ -	\$ (14,381)	\$ -	\$ 1,836,715
INTEREST EXPENSE	1,371,408	-	-	-	-	1,371,408
NET INCOME (LOSS)	<u>\$ 598,635</u>	<u>\$ (118,947)</u>	<u>\$ -</u>	<u>\$ (14,381)</u>	<u>\$ -</u>	<u>\$ 465,307</u>

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF COMPREHENSIVE INCOME
DECEMBER 31, 2003

	THE RINGGOLD TELEPHONE COMPANY	RINGGOLD TELEPHONE LONG DISTANCE INC.	RINGGOLD TELEPHONE PCS CORPORATION	COMMUNITY MESSENGER INC.	ELIMINATIONS	CONSOLIDATED TOTAL
Net Income (Loss)	\$ 598,635	\$ (118,947)	\$ -	\$ (14,381)	\$ -	\$ 465,307
Other Comprehensive Income (Loss), Net of Tax:						
Unrealized Gains on Securities.						
Gains Arising During the Year	\$ 47,969	\$ -	\$ 154,098	\$ -	\$ -	\$ 202,067
Reclassification Adjustment	(14,320)	-	-	-	-	(14,320)
Other Comprehensive Income (Loss)	\$ 33,649	\$ -	\$ 154,098	\$ -	\$ -	\$ 187,747
Comprehensive Income (Loss)	\$ 632,284	\$ (118,947)	\$ 154,098	\$ (14,381)	\$ -	\$ 653,054

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2003

	THE RINGGOLD TELEPHONE COMPANY	RINGGOLD TELEPHONE LONG DISTANCE, INC.	RINGGOLD TELEPHONE PCS CORPORATION	COMMUNITY MESSENGER INC	ELIMINATIONS	CONSOLIDATED TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash Received from Customers	\$ 17,621,799	\$ -	\$ -	\$ 196,862	\$ -	\$ 17,818,661
Cash Paid to Suppliers and Employees	(12,560,244)	-	-	(192,115)	(126,499)	(12,878,858)
Dividends and Interest Received	241,229	-	-	-	-	241,229
Interest Paid	(1,373,740)	-	-	-	-	(1,373,740)
Income Taxes Paid	-	-	-	-	-	-
Net Cash From Operating Activities	\$ 3,929,044	\$ -	\$ -	\$ 4,747	\$ (126,499)	\$ 3,807,292
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from Sale of Investments	\$ 488,894	\$ -	\$ -	\$ -	\$ -	\$ 488,894
Proceeds from Sale of Buildings	335,000	-	-	-	-	335,000
Proceeds from Salvage of Equipment	18,554	-	-	-	-	18,554
Cost to Remove Investments	(24,062)	-	-	-	-	(24,062)
Materials and Supplies	28,258	-	-	-	-	28,258
Loans from Shareholder-Net	161,793	-	-	-	-	161,793
Payment for Purchase of Equipment	97,651	-	-	-	-	97,651
Net Cash From Investing Activities	(3,006,270)	-	-	-	-	(3,006,270)
	\$ (1,900,182)	\$ -	\$ -	\$ -	\$ -	\$ (1,900,182)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Customer Deposits	\$ (439)	\$ -	\$ -	\$ -	\$ -	\$ (439)
Proceeds from Long-Term Borrowings	174,969	-	-	-	-	174,969
Advances to Affiliates	(126,499)	-	-	-	126,499	-
Dividends Paid	-	-	-	-	-	-
Payments on Long-Term Capital Lease	(219,244)	-	-	-	-	(219,244)
Payments on Long-Term Borrowings	(940,498)	-	-	-	-	(940,498)
Net Cash From Financing Activities	\$ (1,111,711)	\$ -	\$ -	\$ -	\$ 126,499	\$ (985,212)
NET INCREASE (DECREASE) IN CASH	\$ 917,151	\$ -	\$ -	\$ 4,747	\$ -	\$ 921,898
CASH AT BEGINNING OF YEAR	1,259,548	-	-	486	-	1,260,034
CASH AT END OF YEAR	\$ 2,176,699	\$ -	\$ -	\$ 5,233	\$ -	\$ 2,181,932

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2003
Increase (Decrease) in Cash

RECONCILIATION OF NET INCOME TO NET CASH FROM OPERATING ACTIVITIES:	THE RINGGOLD TELEPHONE COMPANY	RINGGOLD TELEPHONE LONG DISTANCE, INC.	RINGGOLD TELEPHONE PCS CORPORATION	COMMUNITY MESSENGER INC.	ELIMINATIONS	CONSOLIDATED TOTAL
Net Income (Loss)	\$ 598,635	\$ (118,947)	\$ -	\$ (14,381)	\$ -	\$ 465,307
Adjustments to Reconcile Net Income to Net Cash						
From Operating Activities:						
Depreciation and Amortization	\$ 4,388,289	\$ -	\$ -	\$ 27,013	\$ -	\$ 4,415,302
Gain on Sale of Investments	(14,320)	-	-	-	-	(14,320)
Gain on Sale of Buildings	(203,453)	-	-	-	-	(203,453)
Building Donations	102,500	-	-	-	-	102,500
Change in Assets and Liabilities:						
Telecommunications Accounts Receivable	(723,675)	-	-	-	-	(723,675)
Other Accounts Receivable	133,565	(13,395)	-	(150,000)	-	(29,830)
Prepaid Expenses	(71,661)	-	-	-	-	(71,661)
Investments	(213,092)	-	-	-	-	(213,092)
Other Assets	124,111	-	-	-	-	124,111
Accounts Payable	(317,178)	132,342	-	126,499	(126,499)	(184,836)
Postretirement Benefits	75,363	-	-	-	-	75,363
Deferred Revenue	9,848	-	-	-	-	9,848
Other Liabilities	40,112	-	-	15,616	-	55,728
Total Adjustments	\$ 3,330,409	\$ 118,947	\$ -	\$ 19,128	\$ (126,499)	\$ 3,341,985
Net Cash From Operating Activities	\$ 3,929,044	\$ -	\$ -	\$ 4,747	\$ (126,499)	\$ 3,807,292
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:						
Plant Retired and Charged to Accumulated Depreciation	\$ 571,052	\$ -	\$ -	\$ -	\$ -	\$ 571,052
Non-Cash Salvage of Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

THE RINGGOLD TELEPHONE COMPANY
AND SUBSIDIARIES
CONSOLIDATING OTHER INCOME AND EXPENSE
YEAR ENDED DECEMBER 31, 2003

	THE RINGGOLD TELEPHONE COMPANY	RINGGOLD TELEPHONE LONG DISTANCE INC	RINGGOLD TELEPHONE PCS CORPORATION	COMMUNITY MESSENGER INC	ELIMINATIONS	CONSOLIDATED TOTAL
Interest Income	\$ 9,850	\$ -	\$ -	\$ -	\$ -	\$ 9,850
Dividend Income	339,522	-	-	-	-	339,522
Lease Revenue	104,949	-	-	-	-	104,949
Gain on Sale of Assets & Investments	217,773	-	-	-	-	217,773
Special Charges	(178,643)	-	-	-	-	(178,643)
TOTAL	\$ 493,451	\$ -	\$ -	\$ -	\$ -	\$ 493,451

GRAPHIC PRESENTATIONS

ACCESS LINES

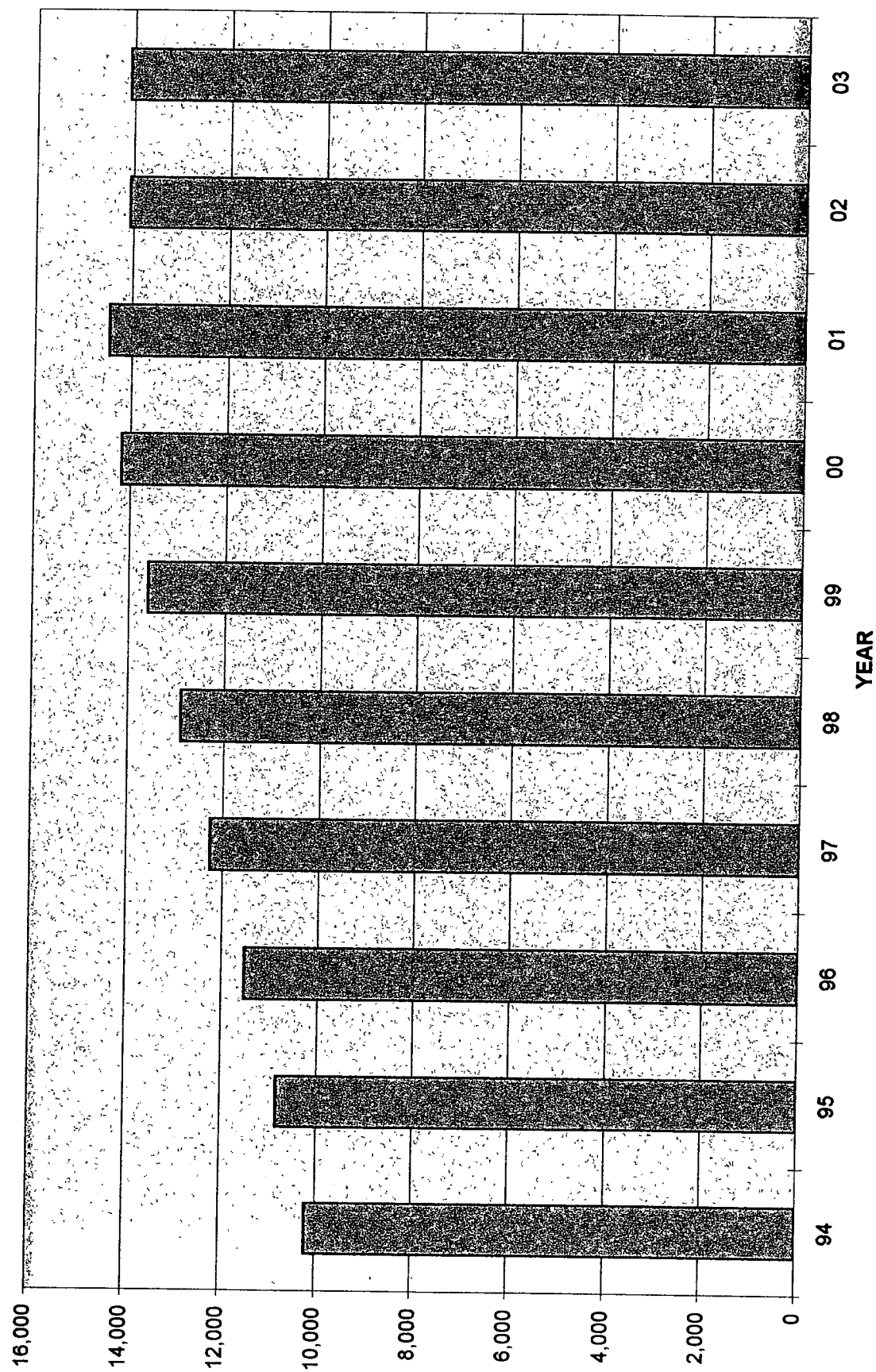
TELEPHONE PLANT IN SERVICE

LONG-TERM DEBT TO EQUITY

ANNUAL OPERATING REVENUE

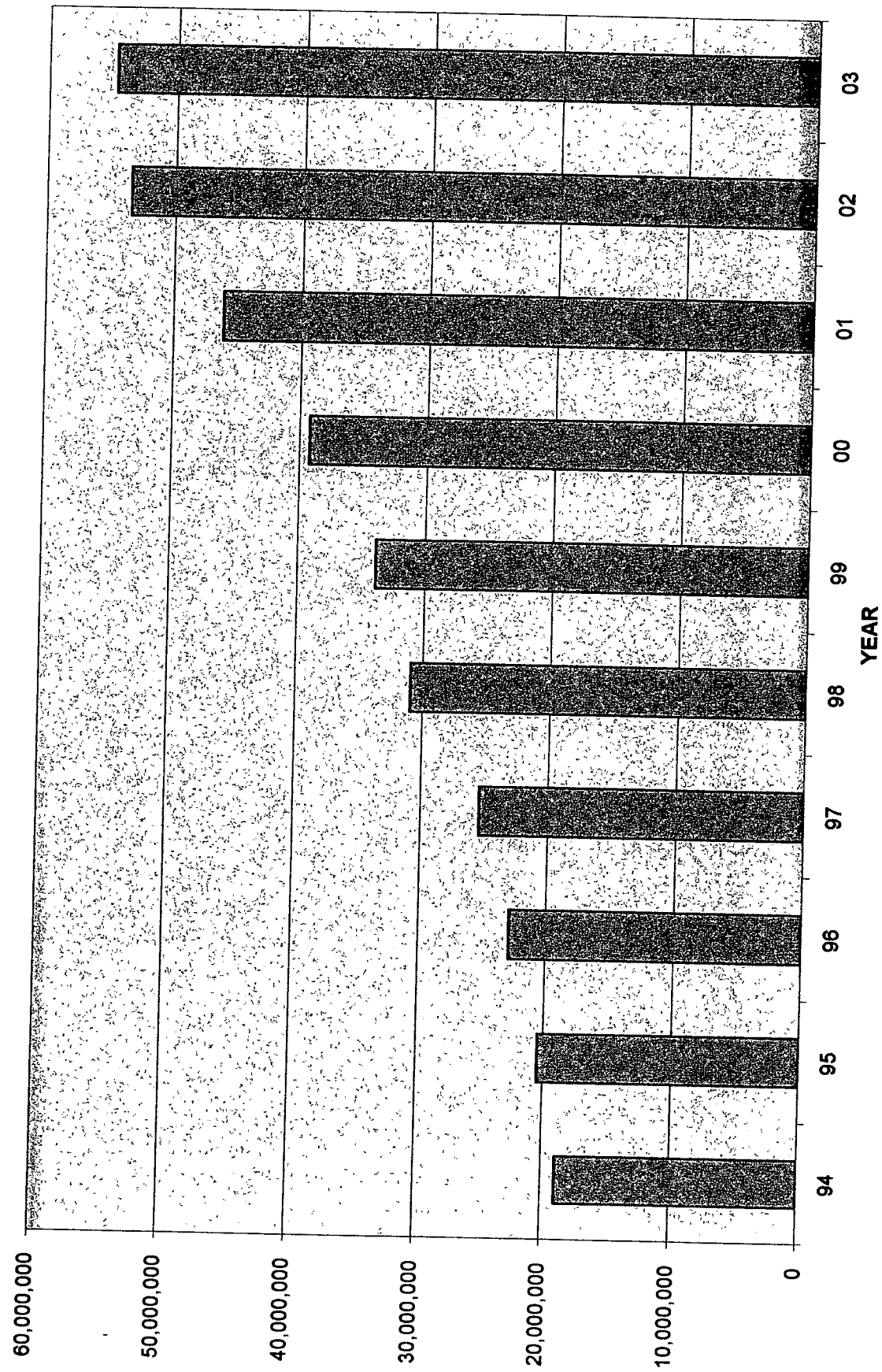
**THE RINGGOLD TELEPHONE COMPANY
ACCESS LINES**

(UNAUDITED)



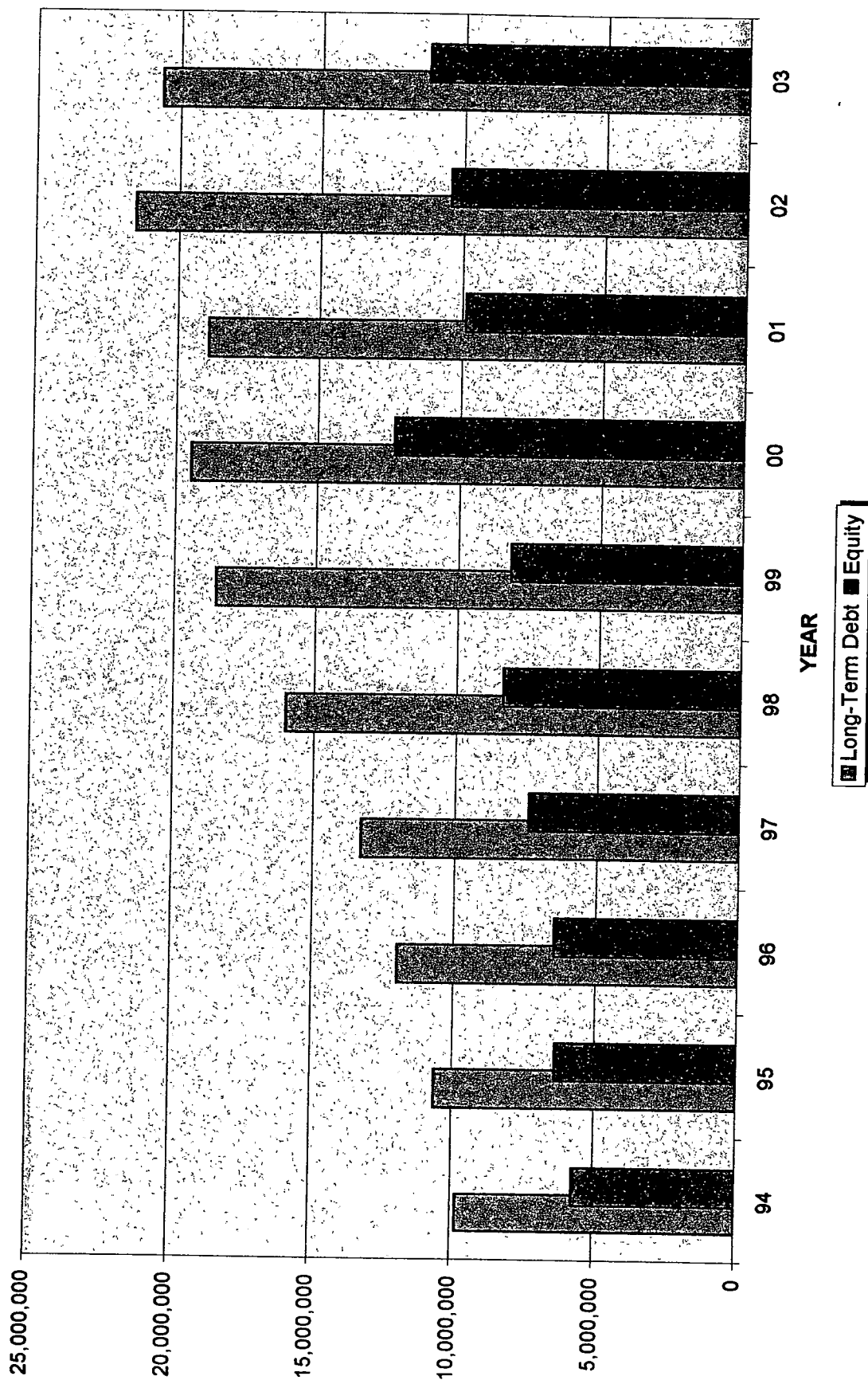
**THE RINGGOLD TELEPHONE COMPANY
TELEPHONE PLANT IN SERVICE**

(UNAUDITED)



THE RINGGOLD TELEPHONE COMPANY LONG-TERM DEBT TO EQUITY

(UNAUDITED)



**THE RINGOLD TELEPHONE COMPANY
ANNUAL OPERATING REVENUE**

(UNAUDITED)

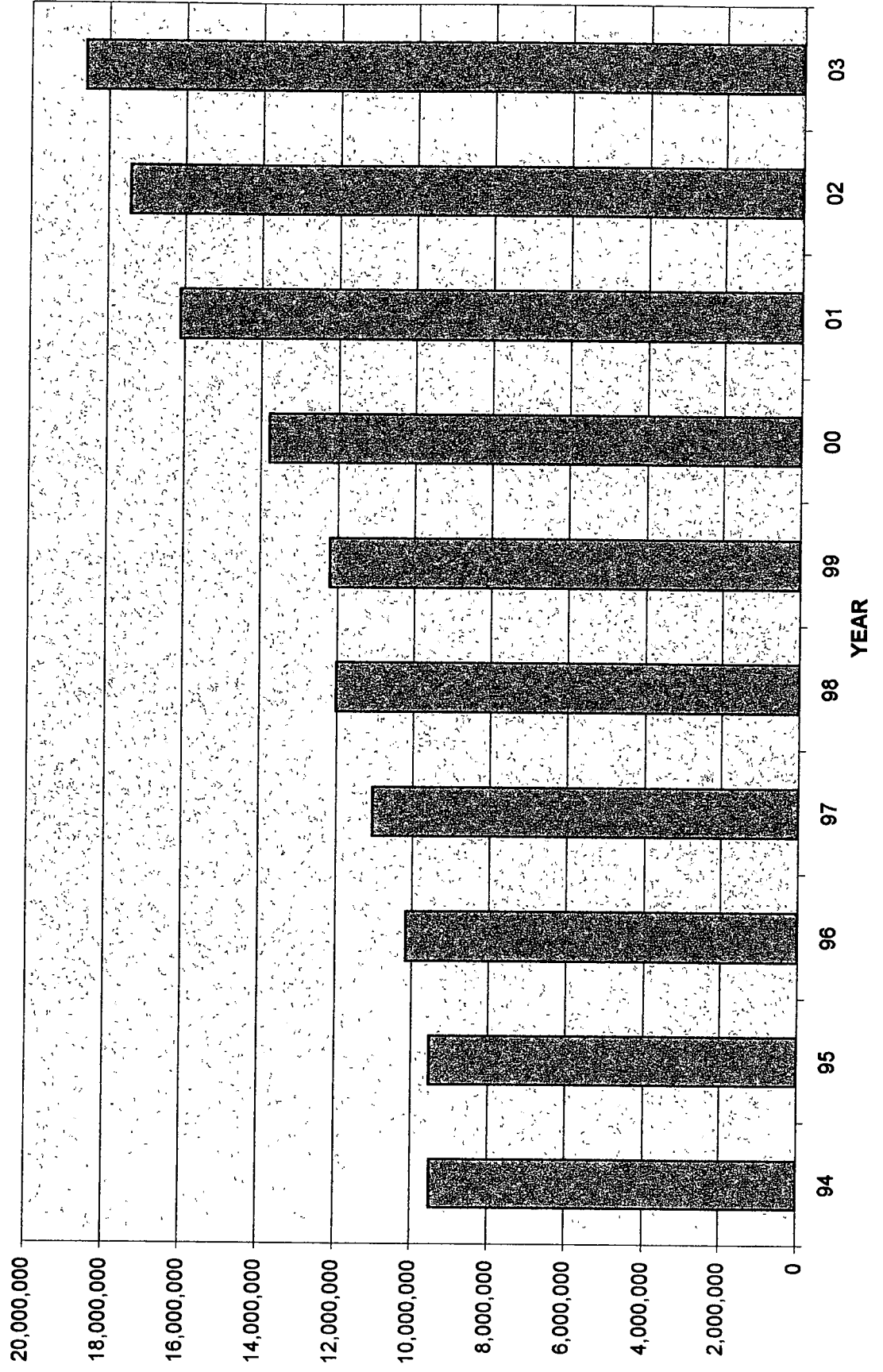


EXHIBIT G

Capital Expenditures

As noted in item 4.A. of Application, this is not provided as RTC initially will provide service on a resold and unbundled network element platform.

EXHIBIT H
Irrevocable Letter of Credit



All the bank you'll ever need.

Irrevocable Letter of Credit

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

REFERENCE Name of Company authorized by TRA RTC COMMUNICATIONS
 Company ID # as assigned by the TRA _____
 Irrevocable Letter of Credit Number 74 2/18/04

Sir/Madam

You have requested of Gateway Bank & Trust that we establish an irrevocable letter of credit which will remain available on behalf of RTC Communications who has applied to the Tennessee Regulatory Authority (the "TRA") for authority to provide telecommunications services in the state of Tennessee.

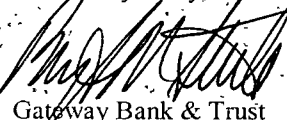
We hereby establish and issue, in favor of the TRA, an irrevocable letter of credit in the amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America. The TRA may draw upon this letter of credit, at any time and from time to time, by delivering a Letter of Credit Notice, substantially in the form set forth below (attached by TRA: "Notice"), which Notice shall specify the amount ("Draw Amount") to be drawn and the bank account (the "Bank Account") to which the Draw Amount should be delivered and shall be signed by an official designated and duly authorized by the TRA, to the Lender at the address listed below, or to such other address as the Lender shall notify the TRA in writing by certified mail. Promptly after the delivery of each Notice, the Lender hereby covenants and agrees to deliver, by wire transfer of immediately available funds, the Draw Amount to the Bank Account.

Drafts drawn under this Letter of Credit must specify the date and the number of the Letter of Credit and must be presented at the office identified below not later than February 18, 2005.

This letter of credit is irrevocable, unconditional, nontransferable and non-assignable.

Except as otherwise expressly stated, this letter of credit is subject to the Uniform Customs and Practice for Documentary Credit (1993 Revision) International Chamber of Commerce Publication No. 500, or any revisions thereto.

Yours Very Truly,


Gateway Bank & Trust
Boyd M. Steele
Executive Vice President

Gateway Bank & Trust
P.O. Box 129, 5102 Alabama Hwy
Ringgold, Ga 30736

EXHIBIT I

Small and Minority-Owned Telecommunications Business Participation Plan

RTC COMMUNICATIONS, INC.

SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN

Pursuant to T.C.A. §65-5-212, as amended, RTC Communications, Inc. (RTC) submits this small and minority-owned Telecommunications Business Participation Plan (the "Plan") along with its Application for a Certificate of Public Convenience and Necessity to provide competing local exchange services in Tennessee.

I. PURPOSE

The purpose of §65-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to Telecommunications service providers. RTC is committed to the goals of §65-5-212 and to taking steps to support the participation of small and minority-owned Telecommunications businesses in the Telecommunications industry. RTC will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, RTC will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to RTC of such opportunities. RTC's representatives have already contacted the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Moreover, RTC will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

II. DEFINITIONS

As defined in §65-5-212.

Minority-Owned Business Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

Small Business. Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

III. ADMINISTRATION

RTC's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and promoting RTC's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Michael Wallin, Regulatory Manager
RTC Communications, Inc.
P.O. Box 869
6203 Alabama Highway
Ringgold, GA 30736-0869
Telephone: (706) 965-1721
Facsimile: (706) 965-1720

The Administrator's responsibilities will include:

- (1) Maintaining an updated Plan in full compliance with §65-5-212 and the rules and orders of the Tennessee Regulatory Authority.
- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) Preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.
- (4) Serving as the primary liaison to and cooperate with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in §65-5-212.
- (5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- (6) Providing records and reports and cooperate in any authorized surveys as required by the Tennessee Regulatory Authority.
- (7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.
- (8) Providing information and educational activities to persons within RTC and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including:

Chambers of Commerce
The Tennessee Department of Economic and Community Development
The United States Department of Commerce
 Small Business Administration
 Office of Minority Business
The National Minority Supplier Development Counsel
The National Association of Women Business Owners
The National Association of Minority Contractors
Historically Black Colleges, Universities, and Minority Institutions

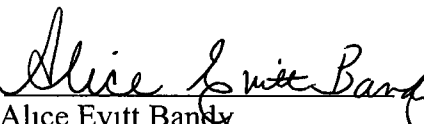
The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

IV. RECORDS AND COMPLIANCE REPORTS

RTC will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, RTC will maintain records of educational and training activities conducted or attended and of the internal procurement procedures adopted to support this plan.

RTC will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Moreover, RTC will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

RTC Communications, Inc.

By: 
Alice Evitt Bandy
Chief Executive Officer

Dated: 10/20/04

EXHIBIT J

IntraLATA Toll Dialing Parity Implementation Plan

RTC COMMUNICATIONS, INC.

INTRALATA TOLL DIALING PARITY IMPLEMENTATION PLAN

Pursuant to the Federal Communications Commission ("FCC") Order 99-54 in CC Docket No. 96-98 (Implementation of the Local Competition Provisions of the Telecommunications Act of 1996) RTC Communications, Inc. ("RTC") hereby submits its IntraLATA Toll Dialing Parity (1+ presubscription) Implementation Plan ("Plan").

I. Objective/Purpose

RTC seeks authority from the TRA to provide telecommunications services within the State of Tennessee as a competing local provider ("CLP").

RTC's Implementation Plan would enable Customers to route intraLATA toll calls (intraLATA 1+ and 0+ calls), plus directory assistance (1+ area code + 555-1212), without the use of access codes, to the Customer's pre-selected interexchange carrier (IXC)

II. Geographic Availability

IntraLATA presubscription ("ILP") is available in all LATAs where RTC will provide its local resold and unbundled network element platform (UNE-P) based telecommunications services within the State of Tennessee. ILP will be available in all exchanges of the underlying local exchange carrier where RTC provides local resale and UNE-P based services.

III. Implementation Schedule

RTC intends to offer dialing parity for intraLATA toll calls upon the later of: (i) 30 days after the TRA approves RTC's Plan; or (ii) the commencement of the provision of local exchange service. Initially, RTC will be offering exchange services as a reseller and UNE-P based provider, and will rely upon the capabilities of the underlying incumbent local exchange company ("ILEC") to provide intraLATA toll dialing parity. Accordingly RTC's retail customers may choose any IXC that has established itself as an access customer under the underlying ILEC's access tariff.

IV. Carrier Selection Process

RTC will implement full 2-PIC ("Primary Interexchange Carrier") capability for interLATA and intraLATA presubscription. The full 2-PIC methodology allows customers to presubscribe to one carrier for intraLATA toll calls, and to the same or a different carrier for interLATA toll calls

RTC will ensure that new customers have the opportunity to choose their intraLATA toll carrier. RTC employees who communicate with the public, accept orders

and serve in customer service capacities will explain the availability of 2-PIC equal access and intraLATA toll dialing parity. Such employees will also assist customers in making an initial PIC choice, or in changing a PIC choice for intraLATA and interLATA toll calls

A. Existing Customers

RTC has no existing local exchange customers in Tennessee.

B. New Customers

A new customer contacting RTC to request new local telephone exchange service will be advised of the opportunity to choose both an intraLATA and interLATA toll provider. If requested by the customer, RTC will provide a competitively neutral list of participating telecommunications carriers that provide intraLATA toll service in the customer's exchange. A new customer who does not select an intraLATA toll carrier will be identified as "no-PIC", and will not be automatically defaulted to a carrier. A "no-PIC" customer will be unable to make intraLATA toll calls on a 1+ or 0+ dialed basis, and will be required to dial the access code of a carrier (101XXXX) to place intraLATA toll calls until the customer chooses an intraLATA toll carrier. New customers will have thirty (30) calendar days following completion of the service request to make a PIC choice without charge.

V. Carrier Notification

IXCs will be notified via letter that they must contact RTC directly if an end-user using RTC's resold or UNE-P based services desires to change to that IXC. RTC will obtain a list of current IXCs from the TRA for mailing to all currently certificated IXCs. As a reseller, Granite will not have any access services or carrier customers in Tennessee who need to be informed of the availability of dialing parity. Should RTC provide access services as a UNE-P or facilities-based provider, RTC's access carrier customers will be informed of the availability of dialing parity.

VI. PIC Change Charges

The charge for a PIC change will be stated in RTC's tariff, and will be filed with the TRA.

VII. Anti-Slamming Procedures

RTC will establish procedures for handling PIC change orders consistent with TRA requirements. RTC will work with IXCs and any customer who has been slammed in order to quickly resolve any disputes. RTC will ensure that the customer's PIC selection is changed back to its carrier of choice, without charge to the customer, as soon as possible.

VIII Non-Discriminatory Access

RTC will provide non-discriminatory access to customers for telephone numbers, operator services, directory assistance and directory listings

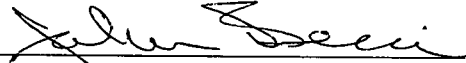
EXHIBIT K

Certificate of Service

Incumbent Local Exchange Service Providers

CERTIFICATE OF SERVICE

This is to certify that on October 20, 2004, a copy of the Application of RTC Communications, Inc. for a Certificate to Provide Competing Local Telecommunications Services, without exhibits, was sent via first class mail, postage prepaid to the attached service list.


John Becci, John Staurulakis, Inc.
For RTC Communications, Inc.

LISTING
INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

- 1) ARDMORE TELEPHONE COMPANY, INC.
P.O. Box 549
517 Ardmore Avenue
Ardmore, TN 38449
(205) 423-2131
(205) 423-2208 (Fax)

- 2) BELLSOUTH
333 Commerce Street
Nashville, TN 37201-3300
(615) 214-3800
(615) 214-8820 (Fax)

- 3) CENTURY TELEPHONE OF ADAMSVILLE
P.O. Box 405
116 N Oak Street
Adamsville, TN 38310
(901) 632-3311
(901) 632-0232 (Fax)

- 4) CENTURY TELEPHONE OF CLAIBORNE
P.O. Box 100
507 Main Street
New Tazewell, TN 37825
(423) 626-4242
(423) 626-5224 (Fax)

- 5) CENTURY TELEPHONE OF OOLTEWAH-COLLEGEDALE, INC.
P.O. Box 782
5616 Main Street
Ooltewah, TN 37363
(423) 238-4102
(423) 238-5699 (Fax)

- 6) CITIZENS COMMUNICATIONS COMPANY OF TENNESSEE
P O Box 770
300 Bland Street
Bluefield, WV 24701

LISTING
INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

- 7) **CITIZENS COMMUNICATIONS COMPANY OF THE VOLUNTEER STATE**
P O Box 770
300 Bland Street
Bluefield, WV 24701
- 8) **LORETTO TELEPHONE COMPANY, INC.**
P O Box 130
Loretto, TN 38469
(931) 853-4351
(931) 853-4329 (Fax)
- 9) **MILLINGTON TELEPHONE COMPANY, INC.**
P.O. Box 429
4880 Navy Road
Millington, TN 38083-0429
(901) 872-3311
(901) 873-0022 (Fax)
- 10) **SPRINT-UNITED**
112 Sixth Street
Bristol, TN 37620
(423) 968-8161
(423) 968-3148 (Fax)
- 11) **TDS TELECOM-CONCORD TELEPHONE EXCHANGE, INC.**
P.O. Box 22610
701 Concord Road
Knoxville, TN 37933-0610
(423) 966-5828
(423) 966-9000 (Fax)
- 12) **TDS TELECOM-HUMPHREYS COUNTY TELEPHONE COMPANY**
P.O. Box 552
203 Long Street
New Johnsonville, TN 37134-0552
(931) 535-2200
(931) 535-3309 (Fax)
- 13) **TDS TELECOM-TELLICO TELEPHONE COMPANY, INC.**
P.O. Box 9

LISTING
INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATED IN TENNESSEE
(FACILITIES-BASED)

102 Spence Street
Tellico Plains, TN 37385-0009
(423) 671-4600
(423) 253-7080 (Fax)

14) TDS TELECOM-TENNESSEE TELEPHONE COMPANY

P O Box 18139
Knoxville, TN 37928-2139
(423) 922-3535
(423) 922-9515 (Fax)

15) TEC-CROCKETT TELEPHONE COMPANY, INC.

P O. Box 7
Friendship, TN 38034
(901) 677-8181

16) TEC-PEOPLE'S TELEPHONE COMPANY, INC.

P.O. Box 310
Erin, TN 37061
(931) 289-4221
(931) 289-4220 (Fax)

17) TEC-WEST TENNESSEE TELEPHONE COMPANY, INC.

P.O Box 10
244 E. Main Street
Bradford, TN 38316
(901) 742-2211
(901) 742-2212 (Fax)

18) UNITED TELEPHONE COMPANY

P.O. Box 38
120 Taylor Street
Chapel Hill, TN 37034
(931) 364-2289
(931) 364-7202 (Fax)

EXHIBIT L

Numbering Issues

RTC COMMUNICATIONS, INC.

NUMBERING ISSUES

1. What is your company's expected demand for NXXs per NPA within a year of approval of your application?

Response: As RTC will be providing service via resale and utilizing unbundled network platform, RTC does not expect to demand any NXXs during the first year of service following approval of its application.

2. How many NXXs do you estimate that you will request from NANPA when you establish your service footprint?

Response: In the event that RTC purchases or builds transmission and other facilities at a time in the future, necessitating a demand for NXXs, RTC estimates that the maximum number of NXXs it may request for service in the BellSouth territory is ten (10).

3. When and in what NPA do you expect to establish your service footprint?

Response: RTC initially will provide local service throughout the area currently served by BellSouth

4. Will the company sequentially assign telephone numbers within NXXs?

Response: In the event that RTC's operations necessitate obtaining telephone numbers, it will assign such numbers sequentially within NXXs.

5. What measures does the company intend to take to conserve Tennessee numbering resources?

Response: RTC will obtain its numbers from BellSouth and thus will not over utilize Tennessee's numbering resources.

6. When ordering new NXXs for growth, what percentage fill of an existing NXX does the company use to determine when a request for a new NXX will be initiated?

Response: As RTC will be obtaining telephone numbers from BellSouth, this question does not apply.

EXHIBIT M

Tennessee Specific Operational Issues

RTC COMMUNICATIONS, INC.

TENNESSEE SPECIFIC OPERATIONAL ISSUES

1. How does the company intend to comply with TCA §65-21-114? In its description, please explain technically how the company will not bill for countywide calls within Tennessee.

Response: RTC maintains the rate center database for the state of Tennessee, which jurisdictionalizes all Tennessee intraLATA calls. RTC will utilize the rate center database in determining which calls are to be billed to its customers.

2. Is the company aware of the Tennessee County Wide Calling database maintained by BellSouth and the procedures to enter your telephone numbers on the database?

Response: Yes, RTC is aware of the Tennessee County Wide Calling database and will work with BellSouth, if necessary, to ensure that its telephone numbers are entered onto the database.

3. Is your company aware of the local calling areas provided by the Incumbent Local Exchange Carriers in your proposed service areas?

Response: Yes, RTC is aware of the local calling areas provided by BellSouth, which will be RTC's underlying carrier.

4. Explain the procedures that will be implemented to assure that your customers will not be billed long distance charges for calls within the metro calling areas.

Response: RTC maintains the rate center database for the state of Tennessee, which jurisdictionalizes all Tennessee intraLATA calls. RTC will utilize the rate center database in determining which calls are to be billed to its customers.

5. Please provide the name and telephone number of an employee of your company that will be responsible to work with the TRA on resolving customer complaints.

Response: Michael Wallin
Regulatory Manager
RTC Communications, Inc.
P.O. Box 869
6203 Alabama Highway
Ringgold, GA 30736-0869
Telephone: (706) 965-1721
Facsimile: (706) 965-1720

6. Does the company intend to telemarket its services in Tennessee? If yes, is the company aware of the telemarketing statutes and regulations found in TCA §65-4-401 *et seq* and Chapter 1220-4-11?

Response: RTC does not intend to telemarket its services in Tennessee at this time. Should RTC conduct telemarketing in Tennessee at any time in the future, it will abide by all applicable TRA regulations.

EXHIBIT N

Pre-Filed Testimony

**Before the
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN THE MATTER OF THE APPLICATION OF

RTC COMMUNICATIONS, INC.

**FOR A CERTIFICATE TO PROVIDE COMPETING
LOCAL TELECOMMUNICATIONS SERVICES**

PRE-FILED TESTIMONY OF PHILIP ERLI

I, Philip Erli, do hereby testify as follows in support of the application of RTC Communications, Inc. (RTC) for a Certificate of convenience and necessity as a competing telecommunications services provider to provide telecommunications services throughout the State of Tennessee.

Q: Please state your full name, business address, and position.

A: My full name is Philip Erli. I am Executive Vice President of Ringgold Telephone Company and Board Member of RTC Communications, Inc., address 6203 Alabama Highway, Ringgold, GA 30736-0869.

Q: Please briefly describe your duties.

A: I am responsible for the management and the daily operations of RTC Communications, Inc. and its affiliates.

Q: Please describe your business experience and educational background

A: As Executive Vice President for Ringgold Telephone Company (parent company of applicant) and Board Member of RTC Communications, Inc., I have a wide variety of experience in the telecommunications industry spanning 31 years, including management, communications consulting, marketing, business planning, sales and regulatory positions. I am a graduate of Indiana State University with a BS degree in finance, and earned an MBA from Indiana University

Q: Are all statements in RTC Communications, Inc.'s Application true and correct to the best of your knowledge, information and belief?

A: Yes.

Q: Please describe the current corporate structure of RTC Communications, Inc.

A: RTC Communications, Inc. is a wholly owned subsidiary of Ringgold Telephone Company, an incumbent local exchange carrier in Georgia. All of the officers of RTC Communications, Inc. are also employees of Ringgold Telephone Company. In addition, all of the officers of RTC Communications, Inc. are associated with Ringgold Telephone Long Distance, a toll reseller that provides service in Georgia and Tennessee, and Ringgold Telephone PCS Corporation, a holding company for assets received from the sale of the GA PCS wireless company.

Q: Does RTC Communications, Inc. possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

A: Yes.

Q: Please describe RTC's financial qualifications.

A: RTC's financial statements have been submitted to the Authority with its application as Exhibit F. The Company's financial position clearly demonstrates the Company's ability to support its operations and serve the public in the State of Tennessee. As RTC proposes to provide local services utilizing UNE-P, its own facilities and as a reseller of local and interexchange telecommunications services, RTC's liabilities to its underlying carriers would be incurred upon the rendering of service. RTC does not initially plan to construct facilities. The Company will, therefore, require no additional capitalization nor resource expenditure to expand its operations in Tennessee.

Q: Please describe RTC's managerial and technical qualifications.

A: RTC Communications, Inc. possesses the technical capability and managerial qualifications to provide reliable competitive local exchange service in the State of Tennessee. Professional biographies of RTC's key personnel submitted with the Application demonstrate staff is well qualified to execute RTC's business plans, and have extensive managerial and technical experience in the telecommunications industry.

Q: What services will RTC offer?

A: RTC proposes to offer a variety of competitive local exchange services, including basic service, custom calling features and intraLATA toll services utilizing incumbent local exchange carrier unbundled network elements and RTC facilities.

Q: Will RTC offer service to all consumers within its service area?

A: Yes. RTC will provide telephone exchange services to residential and business customers in Tennessee.

Q: Does RTC plan to offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines?

A: No.

Q: Will the granting of a certificate of convenience and necessity to RTC serve the public interest?

A: Yes. RTC's proposed services will afford customers competitive services and rates. The provision of these services will enhance the competitive environment that is being encouraged in the telecommunications industry by the State of Tennessee and the Federal Government (the Telecommunications Act of 1996, and the Federal Communications Commission).

Q: Does RTC intend to comply with all TRA rules, statutes and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of service?

A: Yes.

Q: Has any state ever denied RTC or one of its affiliates authorization to provide intrastate service?

No.

Q: Has any state ever revoked the certification of RTC or one of its affiliates?

A: No

Q: Has RTC or one of its affiliates ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?

A: No.

Q: Who is knowledgeable about RTC's operations and will serve as RTC's regulatory and customer service contact?

A: Michael Wallin, Regulatory Manager of RTC Communications, Inc.

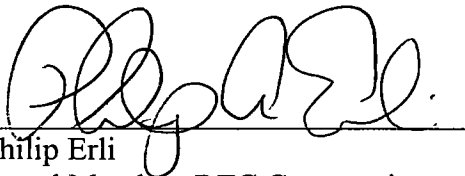
Q: Please explain in detail RTC's proposed procedures for responding to information requests from the TRA and its staff.

A: TRA staff may reach Michael Wallin via phone at (706) 965-2345, via facsimile at (706) 965-1720, or by letter at 6203 Alabama Highway, Ringgold, GA 30736-0869.

Q: Does this conclude your testimony?

A: Yes.

I swear that the foregoing testimony is true and correct to the best of my knowledge.



Philip Erli
Board Member, RTC Communications, Inc.
Executive Vice President, Ringgold Telephone Company

Subscribed and sworn to me this 14th day of October, 2004.

Notary Public



State of Georgia

County of Catoosa

My commission expires My Commission Expires January 10, 2005

EXHIBIT O

Informational Tariff

R T C COMMUNICATIONS, INC.

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES

APPLYING TO COMMUNICATIONS SERVICES WITHIN

THE STATE OF TENNESSEE

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services provided by R T C Communications, Inc. (Company) with principal offices at 6203 Alabama Highway, Ringgold, Georgia 30736. This tariff applies to services furnished within the State of Tennessee. This tariff is on file with the Tennessee Regulatory Authority (TRA) and copies may be inspected, during normal business hours, at the Company's principal place of business.

Issued ISSDATE

Effective: EFFDATE

Alice Evitt Bandy
Chief Executive Officer
R T C Communications, Inc.
6203 Alabama Highway
Ringgold, Georgia 30736

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SECTION 7 – SUPPLEMENTAL SERVICES

SECTION 8 – PRIVATE LINE SERVICES

SECTION 9 – SPECIAL ARRANGEMENTS

SECTION 10 – INTEGRATED SYSTEMS DIGITAL NETWORK (ISDN)

RATE SCHEDULES

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6203 Alabama Highway
Ringgold, Georgia 30736

EXPLANATION OF NOTES

- (C) Indicates Changed Regulation
- (D) Indicates Discontinued Rate or Regulation
- (I) Indicates Rate Increase
- (M) Indicates Move in Location of Text
- (N) Indicates New Rate or Regulation
- (R) Indicates Rate Reduction
- (T) Indicates Change of Text Only, With No Change in Rate or Regulation

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6203 Alabama Highway
Ringgold, Georgia 30736

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Ringgold, Georgia 30736

SECTION 1 – APPLICATION OF TARIFF

1 1 APPLICATION OF TARIFF

This Tariff sets forth the regulations and rates applicable to services provided by R T C Communications, Inc. as follows:

The furnishing of intrastate communications services by virtue of one-way and/or two-way information transmission between points within the State of Tennessee

1.1.1 Service Territory

R T C Communications, Inc will provide service in the following areas where technically feasible and facilities permit

All BellSouth exchanges in the State of Tennessee

SECTION 2 – EXPLANATION OF TERMS

ANALOG

A transmission method employing a continuous (rather than a pulsed or digital) electrical signal that varies in amplitude or frequency in response to changes of sound, light, position, etc , impressed on a transducer in the sending device.

APARTMENTS

A building or group of buildings used primarily to provide complete residential apartments but not lodging on a day-to-day basis.

AUTHORIZED USER

A person, corporation or other entity who is authorized by the Company's customer to utilize service provided by the Company to the customer. The customer is responsible for all charges incurred by an Authorized User.

ATTENDANT

An operator of a PBX console or telephone switchboard.

AUTOMATIC NUMBER IDENTIFICATION ("ANI")

A system whereby the calling party's telephone number is identified and sent forward with the call record for routing and billing purposes. E911 Service makes use of this system.

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R T C Communications, Inc
6203 Alabama Highway
Ringgold, Georgia 30736

SECTION 2 – EXPLANATION OF TERMS (Cont'd)

BIT

The smallest unit of information in the binary system of notation.

BUILDING

A structure enclosed within exterior walls or fire walls, built, erected and framed of component structural parts and designed for permanent occupancy

CENTRAL OFFICE

An operating office of the Company where connections are made between telephone exchange lines

CENTRAL OFFICE LINE

A line providing direct or indirect access from a telephone or switchboard to a central office Central office lines subject to PBX rate treatment are referred to as central office trunks

CHANNEL

A point-to-point bi-directional path for digital transmission. A channel may be furnished in such a manner as the Company may elect, whether by wire, fiber optics, radio or a combination thereof and whether or not by means of single physical facility or route. One 1 544 Mbps Service is equivalent to 24 channels.

CHANNEL SERVICE UNIT ("CSU")

The equipment located at the customer's premises which terminates each 1.544 Mbps Digital Loop and performs such functions as proper termination of facilities, regeneration of signals, recognition and correction of signal format errors and provides remote loop-back capability.

SECTION 2 – EXPLANATION OF TERMS (Cont'd)

COLLEGE

An establishment for higher education authorized to confer degrees where lodging for the students is maintained on the premises

COMMUNICATIONS SYSTEMS

Channels and other facilities which are capable of two-way communications between subscriber-provided terminal equipment or Telephone Company stations, even when not connected to exchange and message toll communications service.

COMPANY

R T C Communications, Inc , unless otherwise clearly indicated from the context.

COMMISSION

The Tennessee Public Service Commission.

CUSTOMER

The person, firm, corporation, or other entity which orders service pursuant to this Tariff and utilizes service provided under Tariff by the Company A customer is responsible for the payment of charges and for compliance with all terms of the Company's Tariff.

CUSTOMER PREMISES EQUIPMENT (CPE)

Equipment provided by the customer for use with the Company's services. CPE can include a station set, facsimile machine, key system, PBX, or other communication system.

SECTION 2 – EXPLANATION OF TERMS (Cont'd)

DEMARCATIION POINT

The physical dividing point between the Company's network and the customer.

DIGITAL

A method of storing, processing and transmitting information through the use of distinct electronic or optical pulses that represent the binary digits (bits) 0 and 1. Digital transmission/switching technologies employ a sequence of discrete, individually distinct pulses to represent information, as opposed to the continuously variable signal of analog technologies.

DIRECT INWARD DIAL ("DID")

A service attribute that routes incoming calls directly to stations, by-passing a central answer point.

DIRECT OUTWARD DIAL ("DOD")

A service attribute that allows individual station users to access and dial outside numbers directly.

DUAL TONE MULTI-FREQUENCY ("DTMF")

The pulse type employed by tone dial station sets. (Touch tone)

SECTION 2 – EXPLANATION OF TERMS (Cont'd)

E911 SERVICE DISTRICT

The geographic area in which the government agency will respond to all E911 calls and dispatch appropriate emergency assistance.

ERROR

A discrepancy or unintentional deviation by the Company from what is correct or true. An “error”, can also be an omission in records.

EXCHANGE

An area, consisting of one or more central office districts, within which a call between any two points is a local call.

EXCHANGE ACCESS LINE

A central office line furnished for direct or indirect access to the exchange system.

EXCHANGE SERVICE

The provision to the subscriber of access to the exchange system for the purpose of sending and receiving calls. This access is achieved through the provision of a central office line (exchange access line) between the central office and the subscriber's premises.

SECTION 2 – EXPLANATION OF TERMS (Cont'd)

FINAL ACCOUNT

A customer whose service has been disconnected who has outstanding charges still owed to the Company.

FLAT RATE SERVICE

The type of exchange service provided at a monthly rate with an unlimited number of calls within a specified primary calling area.

HOSPITAL

An establishment for treatment of human patients by members of the medical profession where lodging for the patients is maintained on the premises.

HOTEL

An establishment offering lodging with or without meals to the general public on a day-to-day basis.

INTERFACE

That point on the premises of the subscriber at which provision is made for connection of facilities provided by someone other than the Company to facilities provided by the Company.

INTEROFFICE MILEAGE

The segment of a line which extends between the central offices serving the originating and terminating points.

INTERRUPTION

The inability to complete calls, either incoming or outgoing or both, due to Company facilities malfunction or human errors

SECTION 2 – EXPLANATION OF TERMS (Cont'd)

JOINT USER

A person, firm, or corporation which uses the telephone service of a subscriber as provided in Section 1 of the Tariff.

KILOBITS PER SECOND (KBPS)

One thousand bits per second.

LATA

Local Access and Transport Area. The area within which the Company provides local and long distance ("intraLATA") service. For call to numbers outside this area ("interLATA") service is provided by long distance companies

LINK

The physical facility from the network interface on an end-user's or carrier's premises to the point of interconnection on the main distribution frame of the Company's central office.

LOCAL CALL

A call which, if placed by a customer over the facilities of the Company, is not rated as a toll call

LOCAL CALLING AREA

The area, consisting of one or more central office districts, within which a subscriber for exchange service may make telephone calls without a toll charge.

LOCAL SERVICE

Telephone exchange service within a local calling area

SECTION 2 – EXPLANATION OF TERMS (Cont'd)

LOOP START

Describes the signaling between the terminal equipment or PBX/key system interface and the Company's switch. It is the signal requesting service.

LOOPS

Segments of a line which extend from the serving central office to the originating and to the terminating point.

MEGABITS PER SECOND (MBPS)

One million bits per second.

MOVE

The disconnection of existing equipment at one location and reconnection of the same equipment at a new location in the same building or in a different building on the same premises.

MULTI-FREQUENCY ("MF")

An inter-machine pulse-type used for signaling between telephone company switches, or between telephone company switches and PBX/key systems.

MULTILINE HUNT

A method of call signaling by which a call placed to one number is subsequently routed to one or more alternative numbers when the called number is busy.

SECTION 2 – EXPLANATION OF TERMS (Cont'd)

NODE

The location to which digital channels are routed and where access is provided to such lines and associated equipment for testing

PBX

A private branch exchange

PORT

A connection to the switching network with one or more voice grade communications channels, each with a unique network address (telephone number) dedicated to the customer. A port connects a link to the public switched network.

PREMISES

The space occupied by a customer or authorized user in a building or buildings or contiguous property not separated by a public right of way.

PRIVATE BRANCH EXCHANGE SERVICE

Service providing facilities for connecting central office trunks and tie lines to PBX stations, and for interconnecting PBX station lines by means of a switchboard or dial apparatus.

PUBLIC SAFETY ANSWERING POINT ("PSAP")

An answering location for E911 calls originating in a given area. A PSAP may be designated as primary or secondary, which refers to the order in which calls are directed for answering. Primary PSAPs respond first; secondary PSAPs receive calls on a transfer basis only and generally serve as a centralized answering location for a particular type of emergency call.

REFERRAL PERIOD

The time frame during which calls to a number which has been changed will be sent to a recording which will inform the caller of the new number.

SECTION 2 – EXPLANATION OF TERMS (Cont'd)

SAME PREMISES

All space in the same building in which one subscriber has the right of occupancy, and all space in different buildings on contiguous property when occupied solely by the same subscriber. Foyers, hallways and other space for the common use of all occupants of a building are considered the premises of the operator of the building.

SERVING CENTRAL OFFICE

The central office from which local service is furnished.

STATION

Each telephone on a line and where no telephone associated with the line is provided on the same premises and in the same building, the first termination in station key equipment or a jack for use with a portable telephone

SUSPENSION

Suspension of service for nonpayment is interruption of outgoing service only. Suspension of service at the subscriber's request is interruption of both incoming and outgoing service.

SYNCHRONOUS

Transmission in which there is a constant time interval between bits, characters or events

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Chief Executive Officer
R T C Communications, Inc
6203 Alabama Highway
Ringgold, Georgia 30736

SECTION 2 – EXPLANATION OF TERMS (Cont'd)

T-1 SYSTEM

A type of digital carrier system transmitting voice or data at 1 544 Mbps. A T-1 carrier can handle up to 24 multiplexed 64 Kbps digital voice/data channels. A T-1 carrier system can use metallic cable, microwave radio or optical fiber as transmission media

TELEPHONE CALL

A voice connection between two or more telephone stations through the public switched exchange system

TERMINATION OF SERVICE

Discontinuance of both incoming and outgoing service.

TIE LINE

A dedicated line connecting two switchboards or dial systems.

TOLL CALL

Any call extending beyond the local exchange of the originating caller which is rated on a toll schedule by the Company

TWO-WAY

A service attribute that includes DOD for outbound calls and can also be used to carry inbound calls to a central point for processing

USER

A customer, joint user, or any other person authorized by a customer to use service provided under this Tariff

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 R T C Communications, Inc
 6203 Alabama Highway
 Ringgold, Georgia 30736

SECTION 3 – GENERAL RULES AND REGULATIONS

3.1 USE OF FACILITIES AND SERVICE

3 1 1 Obligation of the Company

In furnishing facilities and service, the Company does not undertake to transmit messages, but furnishes the use of its facilities to its customers for communications.

The Company's obligation to furnish facilities and service is dependent upon its ability (a) to secure and retain, without unreasonable expense, suitable facilities and rights for the construction and maintenance of the necessary circuits and equipment; (b) to secure and retain, without unreasonable expense, suitable space for its plant and facilities in the building where service is or will be provided to the customer, or (c) to secure reimbursement of all costs where the owner or operator of a building demands relocation or rearrangement of plant and facilities used in providing service therein

The Company shall not be required to furnish, or continue to furnish, facilities or service where the circumstances are such that the proposed use of the facilities or service would tend to adversely affect the Company's plant, property or service.

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

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.1 USE OF FACILITIES AND SERVICE (Cont'd)

3.1.2 Limitations on Liability

a. Indemnification by Customer

The customer and any authorized or joint users, jointly and severally shall indemnify, defend and hold the Company harmless against claims, loss, damage, expense (including attorneys' fees and court costs) for libel, slander, or infringement of copyright arising from the material transmitted over its facilities; against claims for infringement of patents arising from combining with, or using in connection with, facilities of the Company, equipment and systems of the customer; and against all other claims arising out of any act or omission of the customer in connection with facilities provided by the Company or the customer. In the event any such infringing use is enjoined, the customer, authorized user or joint user at its option and expense, shall obtain immediately a dismissal or stay of such injunction, obtain a license or other agreement so as to extinguish any claim of infringement, or terminate the claimed infringing use or modify such infringement.

b. Customer-Provided Equipment

The service and facilities furnished by the Company are subject to the following limitations: the Company shall not be liable for damage arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the facilities of the Company caused by customer-provided equipment or premises wire.

c. Use of Facilities of Other Companies

When the facilities of other companies are used in establishing a connection, the Company is not liable for any act, error, omission, or interruption caused by the other company or their agents or employees. This includes the provision of a signaling system database by another company.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.1 USE OF FACILITIES AND SERVICE (Cont'd)

3.1.3 Use Of Service

Any service provided under this Tariff may be resold to or shared (jointly used) with other persons at the customer's option. The customer remains solely responsible for all use of service ordered by it or billed to its telephone number(s) pursuant to this Tariff, for determining who is authorized to use its service, and for promptly notifying the Company of any unauthorized use. The customer may advise its customers that a portion of its service is provided by the Company, but the customer shall not represent that the Company jointly participates with the customer in the provision of the service.

3.1.4 Use and Ownership of Equipment

The Company's equipment, apparatus, channels and lines shall be carefully used. Equipment furnished by the Company shall remain its property and shall be returned to the Company whenever requested, within a reasonable period following the request, in good condition, reasonable wear and tear accepted. The customer is required to reimburse the Company for any loss of, or damage to, the facilities or equipment on the customer's premises, including loss or damage caused by agents, employees or independent contractors of the customer through any negligence.

3.1.5 Directory Errors

In the absence of gross negligence or willful misconduct and except for the allowances stated below, no liability for damages arising from errors or mistakes in or omissions of directory listings, or errors or mistakes in or omissions of listings obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company.

An allowance for errors or mistakes in or omissions of published directory listings or for errors or mistakes in or omissions of listings obtainable from the directory assistance operator shall be given as follows:

- a Free Listings: For free or no-charge published directory listings, credit shall be given at the rate of two times the monthly tariff rate for an additional or charge listing for each individual, auxiliary or party line, PBX trunk affected, for the life of the directory or the charge period during which the error, mistake or omission occurs.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.1 USE OF FACILITIES AND SERVICE (Cont'd)

3 1 5 Directory Errors

- b. Charge Listings: For additional or charge published directory listings, credit shall be given at the monthly tariff rate for each such listing for the life of the directory or the charge period during which the error, mistake or omission occurs.
- c. Operator Records: For free or charge listings obtainable from records used by the directory assistance operator, upon notification to the Company of the error, mistake or omission in such records by the subscriber, the Company shall be allowed a period of three business days to make a correction. If the correction is not made in that time, credit shall be given at the rate of 2/30ths of the basic monthly rate for the line or lines in question for each day thereafter that the records remain uncorrected.
- d. Credit Limitation: The total amount of the credit provided for the preceding paragraphs a, b, and c shall not exceed, on a monthly basis, the total of the charges for each charge listing plus the basic monthly rate, as specified in paragraph 3, for the line or lines in question.
- e. Definitions: As used in Paragraphs a, b, c, and d above, the terms "error," "mistake" or "omission" shall refer to a discrepancy in the directory listing or directory assistance records which the Company has failed to correct and where the error affects the ability to locate a particular subscriber's correct telephone number. The terms shall refer to addresses only to the extent that an error, mistake or omission of an address places the subscriber on an incorrect street or in an incorrect community.
- f. Notice: Such allowances or credits as specified in Paragraphs a, b, and c above, shall be given upon notice to the Company by the subscriber that such error, mistake or omission has occurred; provided, however, that when it is administratively feasible for the Company to have knowledge of such error, mistake or omission, the Company shall give credit without the requirement of notification by the subscribers.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.2 MINIMUM PERIOD OF SERVICE

The minimum period of service is one month except as otherwise provided in this Tariff. The customer must pay the regular tariffed rate for the service they subscribe to for the minimum period of service. If a customer disconnects service before the end of the minimum service period, that customer is responsible for paying the regular rates for the remainder of the minimum service period. When the service is moved within the same building, to another building on the same premises, or to a different premises entirely, the period of service at each location is accumulated to calculate if the customer has met the minimum period of service obligation.

If service is terminated before the end of the minimum period of service as a result of condemnation of property, damage to property requiring the premises to be abandoned, or by the death of the customer, the customer is not obligated to pay for service for the remainder of the minimum period.

If service is switched over to a new customer at the same premises after the first month's service, the minimum period of service requirements are assigned to the new customer if the new customer agrees in writing to accept them. For facilities not taken over by the new customer, the original customer is responsible for the remaining payment for the minimum service period in accordance with the terms under which the service was originally furnished.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.3 PAYMENT FOR SERVICE RENDERED

3.3.1 Responsibility for All Charges

Any applicant for facilities or service may be required to sign an application form requesting the Company to furnish the facilities or service in accordance with the rates, charges, rules and regulations from time to time in force and effect. The customer is responsible for all local and toll calls originating from the customer's premises and for all calls charged to the customer's line where any person answering the customer's line agrees to accept such charge.

3.3.2 Applicant or Customer Deposit

a. Definition of Applicant and Customer

For purposes of this subsection, an applicant is defined as a person who applies for service for the first time or reapplies at a new or existing location after discontinuance of service. Customer is defined as someone who is currently receiving service

b. Establishment of Credit

1. The Company may require a permanent residential applicant for service to satisfactorily establish credit, but such establishment of credit will not relieve the customer from prompt payment of bills. Credit history shall be applied equally for a reasonable period of time to a spouse or former spouse who shared telephone service. Credit history applies equally to both, without modification.
2. A residential applicant will not be required to pay a deposit subject to the following rules.
 - a) If the residential applicant has been a customer of any Company for the same kind of service within the last three (3) years and is not delinquent in payment of any such telephone service account, and during the last twelve (12) consecutive months of service, did not have more than one occasion in which a bill for such telephone service was paid after becoming delinquent, and never had service disconnected for nonpayment. Applicants are encouraged to obtain a letter of credit from their previous serving Company

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.3 PAYMENT FOR SERVICE RENDERED (Cont'd)

3 3 2 Applicant or Customer Deposit (Cont'd)

b. Establishment of Credit (Cont'd)

2 (Cont'd)

- b) If the residential applicant furnishes in writing a satisfactory guarantee to secure payment of bills for the service required.
- (1) The third party guarantor must be a customer of the Company and must have been a customer of the Company for at least one (1) year, and have established satisfactory credit in which no balance has been carried forward, and without having service disconnected for nonpayment of account, and without having more than two (2) occasions in which a bill was delinquent in the past twelve (12) consecutive months.
- (2) The guaranty contract shall be on a form provided by the Company which shall include the Company's right to transfer charges from a defaulted bill of the customer from whom a deposit or Contract of Guaranty was required, to the guarantor's account or accounts and the further right to suspend the guarantor's service as provided in this Tariff
- (3) Unless otherwise agreed to by the guarantor, the guarantee shall be for the amount of the deposit the Company would normally seek on the applicant's account. The amount of the guarantee shall be clearly indicated on any documents or contracts of guaranty signed by the guarantor.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.3 PAYMENT FOR SERVICE RENDERED (Cont'd)

3.3.2 Applicant or Customer Deposit (Cont'd)

b Establishment of Credit (Cont'd)

2. (Cont'd)

- c) If the residential applicant demonstrates a satisfactory credit rating by appropriate means including, but not limited to, the production of generally acceptable credit cards, letters of credit reference, the names of credit references which may be quickly and inexpensively contacted by the Company, or by ownership of substantial equity
 - d) All applicants for permanent residential service who are sixty-five (65) years of age or older will be considered as having established credit if such applicant does not have an outstanding account balance with the Company or another telephone Company for the same telephone service which accrued within the last five (5) years
3. An applicant for business service may be required to make a deposit if the credit of the applicant for service has not been established satisfactorily to the Company.
4. Every applicant who has previously been a customer of the Company and whose service has been discontinued for nonpayment of bills shall be required to pay all amounts due the Company, or execute a deferred payment agreement if offered, and re-establish credit before service is rendered by the Company

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3 3 PAYMENT FOR SERVICE RENDERED (Cont'd)

3.3.2 Applicant or Customer Deposit (Cont'd)

c Interest on Deposits

1. The Company shall pay interest on deposits at the rate of seven percent (7%) per annum. Interest on deposits shall accrue annually and, if requested, shall be annually credited to the customer by deducting such interest from the amount of the next bill for service following the accrual date.
2. After the customer has paid for twelve (12) consecutive bills for service without having had service discontinued for nonpayment or had more than one occasion in which a bill was not paid within the period prescribed by the regulations of the Company on file with the Commission, and the customer is not then delinquent in the payment of his bills, the Company shall annually and automatically refund the deposit plus accrued interest. Deposits maturing under this Section for refund and falling on other than the Company's normal annual refund date will be promptly returned to the customer upon request. If the customer has had service discontinued for nonpayment of his bill or had more than one past due bill for such period, the Company shall thereafter review the account every twelve (12) billings and shall promptly and automatically refund the deposit plus accrued interest after the customer has not had service discontinued for nonpayment of bill or had more than one such past due bill during the twelve (12) billings prior to any review and is not then delinquent in the payment of his bills.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3 3 PAYMENT FOR SERVICE RENDERED (Cont'd)

3.3 2 Applicant or Customer Deposit (Cont'd)

d Deposit Required

1. When a permanent residential or business applicant does not meet the conditions listed in Section 3 3.2 b., a deposit will be required by the Company subject to the following rules:
- 2 Initial Deposit
 - a) The required initial deposit shall not exceed an amount equivalent to two and one-half months local service and the estimated call messages during a like period.
 - b) The Company may require an initial deposit from residential customers if the customer has been delinquent in paying a bill for telephone service on more than one occasion during the last twelve (12) consecutive months of service or if the customer's service was disconnected for nonpayment. The customer may furnish a satisfactory written guarantee to secure payment of bills, instead of paying a cash deposit.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.3 PAYMENT FOR SERVICE RENDERED (Cont'd)

3.3.2 Applicant or Customer Deposit (Cont'd)

e. Information Provided With Deposits

At the time a deposit is required, the Company shall provide written information about deposits to applicants for, or customers of, business or residential service. This information will include:

1. The circumstances under which the Company may require a deposit, or request an additional deposit;
2. How a deposit is calculated;
3. The amount of interest paid on a deposit and how this interest is calculated; and
4. The time frame and requirement for return of the deposit to the customer

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.3 PAYMENT FOR SERVICE RENDERED (Cont'd)

3.3.2 Applicant or Customer Deposit (Cont'd)

f. Interest on Deposits

Payment of interest to the customer shall be made annually if requested by the customer, or at the time the deposit is returned or credited to the customer's account. The rate of interest to be paid on Customer deposits shall be paid at the rate prescribed by the Tennessee Regulatory Authority, payable annually for the time such deposits were held by the Company and the Customer was served by the Company. Such interest shall be calculated to December 1 of each year.

g. Records of Deposits

1. The Company will keep records to show
 - a) The name and address of each depositor,
 - b) The amount and date of the deposit; and
 - c) Each transaction concerning the deposit.
2. The Company will issue a receipt of deposit to each applicant from whom a deposit is received and will provide means whereby a depositor may establish his claim if the receipt is lost.
3. A record of each unclaimed deposit will be maintained for four (4) years, during which time the Company will make a reasonable effort to return the deposit

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.3 PAYMENT FOR SERVICE RENDERED (Cont'd)

3.3.2 Applicant or Customer Deposit (Cont'd)

h. Refund of Deposit.

1. If service is not connected or after disconnection of service, the Company will promptly and automatically refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. A transfer of service from one premises to another within the service area of the Company shall not be deemed a disconnection where refund of the deposit is concerned.
2. When the customer has paid bills for service for twelve (12) consecutive residential billings or for twelve (12) consecutive business billings without having service disconnected for non-payment of bill and without having more than two occasions in which a bill was delinquent, and when the customer is not delinquent in the payment of the current bills, the Company will promptly and automatically refund the deposit plus accrued pro rated interest for the year at a rate prescribed by the Tennessee Regulatory Authority in the form of cash or a credit to a customer's bill, or void any guarantee of payment and return any documents or contracts of guarantee to the guarantor. If the customer does not meet these refund criteria the deposit or contract of guarantee may be retained.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.3 PAYMENT FOR SERVICE RENDERED (Cont'd)

3.3.2 Applicant or Customer Deposit (Cont'd)

1. Complaint by Applicant or Customer

The Company directs its employees engaged in initial contact with an applicant or customer seeking to establish or re-establish credit, to inform the customer, if dissatisfaction is expressed with the Company's decision, of the customer's right to file a complaint with the Commission

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.3 PAYMENT FOR SERVICE RENDERED (Cont'd)

3.3.3 Payment of Charges

Charges for facilities and service, other than usage charges, are due monthly in advance. All other charges are payable upon request of the Company. Bills are due on the due date shown on the bill and are payable at any business office of the Company, by U.S. Mail, or at any location designated by the Company. If objection is not received by the Company within three months after the bill is rendered, the items and charges appearing thereon shall be determined to be correct and binding upon the customer. A bill will not be deemed correct and binding upon the customer if the Company has records on the basis of which an objection may be considered, or if the customer has in his or her possession such Company records. If objection results in a refund to the customer, such refund will be with interest at the greater of the unadjusted customer deposit rate or the applicable late payment rate, if any, for the service classification under which the customer was billed. Interest will be paid from the date when the customer overpayment was made, adjusted for any changes in the deposit rate or late payment rate, compounded monthly, until the overpayment is refunded. Notwithstanding the foregoing, no interest will be paid by the Company on customer overpayments that are refunded within 30 days after the overpayment is received by the Company.

Where an objection to the bill involves a superseded service order, the items and charges appearing on the bill shall be deemed to be correct and binding upon the customer if objection is not received by the Company within two months after the bill is rendered.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3 3 PAYMENT FOR SERVICE RENDERED (Cont'd)

3.3.4 Return Check Charge

When a check which has been presented to the Company by a customer in payment for charges is returned by the bank, the customer shall be responsible for the payment of a Returned Check Charge of \$25 00.

3.3 5 Late Payment Charges

- a. Payment will be due as specified on the Customer bill Commencing after that due date, a late charge of up to the highest interest rate allowable by law will be applied to all amounts past due.
- b. Collection procedures and the requirement for a deposit are unaffected by the application of a late payment charge The late payment charge does not apply to unpaid balances associated with disputed amounts Undisputed amounts on the same bill are subject to the late payment charge if unpaid and carried forward to the next bill
- c. Service may be denied or discontinued at the Company's discretion for nonpayment of amounts due the Company past the due date as specified in 3.3.3. Restoration of Service will be subject to all applicable installation charges.
- d. Late payment charges do not apply to final accounts.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.4 ACCESS TO CUSTOMER'S PREMISES

The customer shall be responsible for making arrangements or obtaining permission for safe and reasonable access for Company employees or agents of the Company to enter the premises of the customer or any joint user or customer of the customer at any reasonable hour for the purpose of inspecting, repairing, testing or removing any part of the Company's facilities.

Issued ISSDATE

Effective EFFDATE

Alice Evitt Bandy
Chief Executive Officer
R T C Communications, Inc
6203 Alabama Highway
Ringgold, Georgia 30736

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.5 TELEPHONE SURCHARGES

All state and local taxes (including but not limited to franchise fees, excise tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.

Issued ISSDATE

Effective EFFDATE

Alice Evitt Bandy
Chief Executive Officer
R T C Communications, Inc
6203 Alabama Highway
Ringgold, Georgia 30736

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.6 SUSPENSION OR TERMINATION OF SERVICE

3.6 1 Suspension or Termination for Nonpayment

a Non-payment Service Interruption

In the event of a proposed disconnection of Residential Basic Local Service only, the following procedures shall apply

1. No Basic Residential Service shall be disconnected for Local Service Charge until at least 29 days from the date of the bill
2. No Residential Service can be disconnected for Local Service Charges unless the utility has given the affected customer a written notice of the proposed disconnection at least five (5) days before the proposed date of disconnection. The notice must include
 - a) The final payment date of the amount due;
 - b) The reason for the disconnection, including the unpaid balance due;
 - c) A telephone number which the customer may call for information about the proposed disconnection, and
 - d) The procedure for medical emergencies, as hereinafter described.
3. If contact with the customer was not previously made and notice of the disconnection was by mail or by leaving it at the premises, the utility must make a good faith effort to contact the customer at least two (2) days before the proposed disconnection.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.6 SUSPENSION OR TERMINATION OF SERVICE (Cont'd)

3.6.1 Suspension or Termination for Nonpayment (Cont'd)

a. Non-payment Service Interruption (Cont'd)

4. Service shall not be disconnected for nonpayment of local service charged to a residential customer who has a serious illness which would be aggravated by said discontinuation, provided that the customer notifies the utility of this condition in writing, or orally and within ten (10) days of giving such initial notice furnishes to the utility a written statement from a physician, county board of health, hospital, or clinic identifying the illness and its expected duration, and certifying that the illness would be aggravated by such discontinuance. In such event, the proposed disconnection shall be held in abeyance for the shorter of either the length of the illness or one month from the date of such initial notice, and the customer may renew the postponement period one additional time by repeating the aforementioned procedure. If there is a dispute regarding the existence of a serious illness, the case may be referred to the Commission for final determination
 - a) The Company may impose toll restriction to a residential customer who has an illness, as specified above, until payment of all charges has been made.
- 5 Unless disputed, the invoice shall be deemed to be correct and payable in full by the Customer. If the Customer is unable to resolve any dispute with the Company, then the Customer may file a complaint with the Tennessee Regulatory Authority.

Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505
615-741-2904

After receipt of a complaint made through the Tennessee Regulatory Authority, the Company must file a written response within ten (10) working days with the Consumer Services Division of the Tennessee Regulatory Authority

If the dispute is resolved in favor of the Customer and the Customer has withheld the disputed amount, no interest, credits or penalties will apply

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.6 SUSPENSION OR TERMINATION OF SERVICE (Cont'd)

3.6.1 Suspension or Termination for Nonpayment (Cont'd)

a. Non-payment Service Interruption (Cont'd)

- 6 No consumer may be disconnected for unpaid Residential Local Service if the consumer notifies the Company between the date of receiving a notification of the proposed disconnection of service and the date set for disconnection and agrees to pay the unpaid balance for service previously provided in equal installments over the three consecutive billing months immediately following said notice. Further, the consumer agrees to pay future bills and the installments by the date due. However, if a consumer has received a notice of intent to disconnect, at any time prior to the time when the consumer is once again current in his billings for service previously provided, if the consumer makes toll calls exceeding \$10.00 in any thirty (30) day period, the telephone company shall have the right to immediately and without further notice, disconnect telephone service to that consumer. Similarly, if the consumer fails to make any agreed upon payment as set forth immediately above, the Company may disconnect service without further notice.
7. If a customer's check is returned for insufficient funds or dishonored by the bank, this constitutes an automatic waiver of the written notice requirements.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3 6 SUSPENSION OR TERMINATION OF SERVICE (Cont'd)

3 6 1 Suspension or Termination for Nonpayment (Cont'd)

b Disconnection With Notice

Telephone service may be disconnected after proper notice for any of the following reasons:

1. Failure to pay a delinquent account or failure to comply with the terms of a deferred payment agreement including only the carriage charges of an interexchange carrier when the Company bills for those carriers.
2. Violation of the Company's rules pertaining to the use of service in a manner which interferes with the service of others or the operation of nonstandard equipment when a reasonable attempt has been made to notify the customer and the customer is provided with a reasonable opportunity to remedy the situation.
3. Failure to comply with deposit or guarantee arrangements where required.

c Telephone service may be disconnected without notice under either of the following conditions:

1. Where a known dangerous condition exists for as long as the condition exists. Where reasonable given the nature of the hazardous condition, a written statement providing notice of disconnection and the reason therefore shall be posted at the place of common entry or upon the front door of each affected residential unit as soon as possible after service has been disconnected
2. Where service is connected without authority by a person who has not made application for service, or who has reconnected service without authority following termination of service for nonpayment, or in instances of tampering with the Company's equipment or bypassing the same.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3 6 SUSPENSION OR TERMINATION OF SERVICE (Cont'd)

3 6 1 Suspension or Termination for Nonpayment (Cont'd)

d. Insufficient Grounds for Disconnection

Telephone service may not be disconnected for any of the following reasons:

1. Delinquency in payment for service by a previous occupant of the premises
2. Failure to pay for merchandise or charges for non-utility service purchased from the Company
- 3 Failure to pay for a different type or class of telephone service unless charges for such service are included on the same bill
- 4 Failure to pay the account of another customer as guarantor thereof, unless the Company has in writing the guarantee as a condition precedent to services.
- 5 Failure to pay charges arising from an underbilling occurring due to any misapplication of rates more than six (6) months prior to the current billing
6. Failure to pay charges for calls to pay-per-call information services.

e. Disconnection on Holidays or Weekends

Unless a dangerous condition exists or unless the customer requests disconnection, service shall not be disconnected on a day, or on a day immediately preceding a day, when personnel of the Company are not available to the public for the purpose of making collections and reconnecting services.

f Abandonment of Service

The Company may not abandon a customer or a certified service area without written notice to its customers therein and all similar neighboring companies and without approval from the Commission

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3 6 SUSPENSION OR TERMINATION OF SERVICE (Cont'd)

3.6.2 Termination of Service

a Termination of Service by the Company

Service may be refused or discontinued for any of the reasons listed below.

1. In the event of customer use of equipment in such a manner as to adversely affect the equipment or the Company's service to others.
2. In the event of tampering with the equipment furnished and owned by the Company.
3. For violation of or noncompliance with the Commission's Regulations Governing Service Supplied by Telephone Utilities, or for violation of or non-compliance with the Company's rules on file with the Commission
4. For failure to comply with municipal ordinance or other laws
5. For failure of the customer to permit the Company reasonable access to its equipment.
6. For nonpayment of bill.

b Termination of Service by the Customer

Service may be terminated at any time upon reasonable notice from the customer to the Company. Upon such termination, the customer shall be responsible for the payment of all charges due. This includes all charges due for the period of service that has been rendered plus any unexpired portion of a minimum service period and applicable Termination Charges.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3 7 ADDITIONAL PROVISIONS APPLICABLE TO BUSINESS CUSTOMERS (Cont'd)

3.7.1 Telephone Number Changes

When a business customer requests a telephone number change, the referral period for the disconnected number is 180 days.

The Company reserves all rights to the telephone numbers assigned to any customer. The customer may order a Customized Number where facilities permit for an additional charge as specified in Section 4 of this Tariff.

When service in an existing location is continued for a new customer, the existing telephone number may be retained by the new customer only if the former customer consents in writing, and if all charges against the account are paid or assumed by the new customer.

3 7 2 Deposits

Deposits will be returned to a business customer upon cancellation of service or after one year, whichever event occurs first, unless the customer is delinquent in payment, in which case the Company will continue to retain the deposit until the delinquency is satisfied. If a service is involuntarily discontinued, the deposit is applied against the final bill, and any balance is returned to the customer.

3.7.3 Dishonored Checks

If a business customer who has received a notice of discontinuance pays the bill with a check that is subsequently dishonored, the account remains unpaid and the Company is not required to issue any additional notice before disconnecting service.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3 8 ADDITIONAL PROVISIONS APPLICABLE TO RESIDENTIAL CUSTOMERS

3.8.1 Application of Rates

Residential rates as described in Section 6 apply to service furnished in private homes or apartments (including all parts of the customer's domestic establishment) for domestic use. Residential rates also apply in college fraternity or sorority houses, convents and monasteries, and to the clergy for domestic use in residential quarters

Residential rates do not apply to service in residential locations if the listing indicates a business or profession. Residential rates do not apply to service furnished in residential locations if there is an extension line from the residential location to a business location unless the extension line is limited to incoming calls

The use of residential service and facilities is restricted to the customer, members of the customer's domestic establishment, and joint users

3 8.2 Telephone Number Changes

When a residential customer requests a telephone number change, the referral period for the disconnected number is 90 days

The customer may order a Customized Number where facilities permit for an additional charge as specified in Rate Schedule of this Tariff.

When service in an existing location is continued for a new customer, the existing number may be retained by the new customer only if the former customer consents in writing, and if all charges against the account are paid or assumed by the new customer.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.8 ADDITIONAL PROVISIONS APPLICABLE TO RESIDENTIAL CUSTOMERS (Cont'd)

3.8.3 Suspension or Termination - Elderly, Blind or Disabled

An additional 20 days will be allowed before suspension or termination may occur when:

- a. the customer is known to or identified to the Company as being blind or disabled,
- b. the customer is 62 years of age or older, and all other residents of the customer's household are: under 18 years of age, over 62 years of age, blind or disabled.

In cases where service has been suspended or terminated and the Company subsequently learns that the customer is entitled to the protection established herein, the Company shall within 24 hours of such notification restore service for an additional 20 days and make a diligent effort to contact in person an adult resident at the customer's premises for the purpose of devising a payment plan

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.9 AUTOMATIC NUMBER IDENTIFICATION

3.9.1 Regulations

The Company will provide Automatic Number Identification (ANI) associated with an intrastate service, by tariff, to any entity (ANI recipient), only under the following terms and conditions:

- a. The ANI recipient or its designated billing agent may use or transmit ANI information to third parties for billing and collection, routing, screening, ensuring network performance, and completion of a telephone subscriber's call or transaction, or for performing a service directly related to the telephone subscriber's original call or transaction, or for performing a service directly related to the telephone subscriber's original call or transaction
- b. The ANI recipient may offer to any telephone subscriber with whom the ANI recipient has an established customer relationship, a product or service that is directly related to products or service previously purchased by the telephone subscriber from the ANI recipient
- c. The ANI recipient or its designated billing agent is prohibited from utilizing ANI information to establish marketing lists or to conduct outgoing marketing calls, except as permitted by the preceding paragraph, unless the ANI recipient obtains the prior written consent of the telephone subscriber permitting the use of ANI information for such purposes. The foregoing provisions notwithstanding, no ANI recipient or its designated billing agent may utilize ANI information if prohibited elsewhere by law.
- d. The ANI recipient or its designated billing agent is prohibited from reselling, or otherwise disclosing ANI information to any other third party for any use other than those listed above, unless the ANI recipient obtains the prior written consent of the subscriber permitting such resale or disclosure.
- e. Telephone Corporations must make reasonable efforts to adopt and apply procedures designed to provide reasonable safeguards against the aforementioned abuses of ANI

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.9 AUTOMATIC NUMBER IDENTIFICATION (Cont'd)

3.9.1 Regulations (Cont'd)

- f. Violation of any of the foregoing terms and conditions by any ANI recipient other than a Telephone Corporation shall result, after a determination through the Commission's complaint process, in suspension of the transmission of ANI by the Telephone Corporation until such time as the Commission receives written confirmation from the ANI recipient that the violations have ceased or have been corrected. If the Commission determines that there have been three or more separate violations in a 24 month period, delivery of ANI to the offending party shall be terminated under terms and conditions determined by the Commission

3.10 UNIVERSAL SERVICE FUND (USF)

The company agrees to comply with and participate in the requirements of the USF, developed by the Tennessee Public Service Commission

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.11 ASSISTANCE PROGRAMS

3.11.1 Telecommunications Relay Service

The Tennessee Telecommunications Relay Service (TRS) is a relay telecommunications service for the deaf, hearing and/or speech disabled population of the state of Tennessee. The service permits telephone communications between individuals with hearing and/or speech disabilities who must use a text telephone and individuals with normal hearing and speech as provided in the tariff filed by AT&T Communications of Tennessee, Inc.

BellSouth serves as administrator of the funding mechanism and each telecommunications provider is assessed based upon gross revenues.

The following calls may not be placed through the Tennessee Relay Center:

- a. Calls to 700 numbers,
- b. Calls to time or weather recorded messages,
- c. Calls to other informational recordings;
- d. Operator handled conference service and other teleconference calls

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.11 ASSISTANCE PROGRAMS (Cont'd)

3.11 2 Link-Up America

Link-Up Tennessee is offered in all exchanges to provide subsidized assistance to qualifying applicants. It is intended to preserve and promote subscribership among low-income households by providing a credit to the installation and service charges applicable to the provisioning of residence service.

a Regulations

1. Persons wishing to qualify for the credit must meet state certification criteria for eligibility. This credit is available only to residence customers, and will be applied to the non-recurring charges for the establishment of service for a single-telephone line per household at the principal place of residence.
2. The subscriber must not be a dependent for federal income tax purposes, unless the customer is more than 60 years of age.
3. The customer must meet the requirements of a state established income test.

b. Rates and Charges

A non-recurring credit in the amount of one-half (maximum of \$30.00) of the installation and connection charges will be applied to the customers total nonrecurring installation and connection charge.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.11 ASSISTANCE PROGRAMS (Cont'd)

3.11.3 Lifeline Assistance Program

The Lifeline Assistance Program adopted by the Tennessee Regulatory Authority provides for a federal credit equal to 100 percent of the Interstate subscriber Line Charge or its equivalent state provided subsidy. The program is available only in conjunction with residence individual line service. The federal and state credits are applied to the local service bills for qualified residential recipients of Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), food Stamps, or Medicaid.

a. Application and Regulations

Guidelines for implementation of this program are as follows

1. Certification Procedures. All applications for this service will be verified with the state agency responsible for administration of the programs mentioned preceding.
2. Processing Procedures. The Company will process all applications and apply the appropriate credit on the customer's monthly bill. A secondary service charge is not applicable for existing customers subscribing to Lifeline.
3. Verification Procedures. The Company will reconcile and confirm eligibility semi-annually by providing the agency involved with a computer tape (directly or through a third-party) of all credit recipients. A verification of eligible recipients will be made. The credit will be discontinued on the bill following written notification to the customer of ineligibility. The ineligible customer's service will be converted to flat rate, unless otherwise requested by the customer.

SECTION 3 – GENERAL RULES AND REGULATIONS (Cont'd)

3.11 ASSISTANCE PROGRAMS (Cont'd)

3.11.3 Lifeline Assistance Program (Cont'd)

To participate in the Lifeline Assistance Program, qualified residential customers will be required to subscribe to Basic Access Service as defined in this Tariff

b Rates and Charges

1 Lifeline Residence Individual Line Service - Credit:

	<u>Monthly Rate</u>
Federal Lifeline Credit	\$6 00
State Lifeline Credit	\$3.50

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SECTION 4 – SERVICE CONNECTION CHARGES

4.1 GENERAL

- 4 1 1 The term “Service Connection Charge” is used to define the charge applying to the establishment of service for a customer.
- 4 1 2 Service connection charges do not apply to private line facilities, i e , circuits not connected with the central office for exchange or toll service; but installation charges are applied in accordance with the provisions and rates specified elsewhere in this tariff.
- 4 1 3 Service connection charges may be payable at the time of application for the particular service or facility, and prior to the establishment of service Service may be established in advance of the payment of the service connection charges for addition to the services of existing and also in the case of service for departments and agencies of Federal, State, County, and Municipal Governments

4 2 APPLICABLE SERVICE CONNECTION CHARGES

The service connection charges specified in the Tariff do not contemplate work being performed by Company employees at a time when overtime wages apply due to the request of the subscriber nor do they contemplate work begun being interrupted by the subscriber If the subscriber requests overtime labor being performed or interrupts work once begun, a charge in addition to the specified charges will be made equal to the additional cost involved

Service charges are not applicable to removal of service or equipment

- 4.2 1 Service Order Charge: Receiving, recording, and processing information necessary to execute a customer’s request for service or change in service.
- 4.2 2 Central Office Line Connection Charge Performing all or part of the work associated with the connection of a central office access line. This includes connections or changes in the central office, cable, or drop wire up to the network interface.

SECTION 4 – SERVICE CONNECTION CHARGES (Cont'd)

4.2 APPLICABLE SERVICE CONNECTION CHARGES (Cont'd)

4.2.3 Outside Line Work: Work done in providing the circuit from the central office to the protector on the subscriber's premises; making and changing connections in distribution facilities between the central office and the subscriber's premises access point, including necessary cable cross connections and connecting and disconnecting the drop and block wiring.

4 2 4 Premise Visit Charge. Traveling to the customer's premises to perform any work involving line connection, to the network interface

4.2.5 PIC Service Order Charge: Receiving and processing a request for an intrastate PIC change from an existing customer.

4.2.6 Restoration Charge. Restoring service after a temporary disconnection.

4 2 7 Number Change Charge Receiving and processing a subscriber request for a change of telephone number

4.3 MAINTENANCE OF SERVICE CHARGE, CUSTOMER OWNED EQUIPMENT

The customer shall be responsible for the payment of Company charges for visits by the Company to the customer's premises where a service difficulty of trouble report results from customer-provided equipment and facilities. Repairs to CPE at the customer's request will be done on a deregulated basis.

4.4 RATES AND CHARGES

Service Connection Charges are contained in the Rate Schedule at the end of this tariff.

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SECTION 5 – LOCAL CALLING AREAS

5.1 WITHIN THE BASE RATE AREA COMPRISING *

5.2 LOCAL CALLING AREA*

ExchangeExchanges in Local Calling Area

Chattanooga

Apison, Chickamauga, GA, Collegedale, Georgetown, High Point, GA, Kensington, GA, LaFayette, GA, Noble, GA, Ooltewah, Ringgold, GA, Rising Fawn, GA, Rossville, GA and vicinity which is part of the Chattanooga exchange, Soddy-Daisy, Trenton, GA, Villanow, GA, WestBrow, GA. Tennessee subscribers also receive local calling to Charleston, Cleveland, College Station, Dayton, Decatur, Dunlap, Fall Creek Falls, Jasper, Nine Mile, Pikeville, South Pittsburg, Spring City and Whitwell.

- * The base rate areas and local calling areas will be updated as R T C Communications, Inc prepares to enter new areas. These updates will be sent to the Tennessee Public Service Commission for approval.

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SECTION 6 – NETWORK SWITCHED SERVICES

6 1 RESIDENTIAL NETWORK SWITCHED SERVICE

Residential Network Switched Service provides a residential customer with a connection to the Company's switching network which enables the customer to:

- a place and receive calls from other stations on the public switched telephone network,
- b. access the Company's local calling service;
- c. access the Company's operators and business office for service related assistance; access toll-free telecommunications services such as 800 NPA, and access 911 service for emergency calling, and
- d access the service of providers of interexchange service. A customer may presubscribe to such provider's service to originate calls on a direct dialed basis or to receive 800 service from such provider, or may access a provider on an ad hoc basis by dialing the provider's Carrier Identification Code (101XXXX)

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SECTION 6 – NETWORK SWITCHED SERVICES (Cont'd)

6.1 RESIDENTIAL NETWORK SWITCHED SERVICE (Cont'd)

6.1.1 Residential Service Descriptions

The following Residential Network Switched Service Options are offered.

Residential Flat Rate Service

All Residential Network Switched Service may be connected to customer-provided terminal equipment such as station sets or facsimile machines. Service may be arranged for two-way calling, inward calling only or outward calling only. Charges for Residential Network Switched Service include a nonrecurring service connection charge and a monthly recurring charge for each line.

SECTION 6 – NETWORK SWITCHED SERVICES (Cont'd)

6.1 RESIDENTIAL NETWORK SWITCHED SERVICE (Cont'd)

6.1.1 Residential Service Descriptions (Cont'd)

a. Flat Rate Service

1. Description

Flat Rate Service provides the customer with a single, analog, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Service to points within the local calling area is included in the charge for Flat Rate Service. Local calling areas are as specified in Section 5.

Each Flat Rate Service line corresponds to a single, analog, voice-grade channel that can be used to place or receive one call at a time. Flat Rate Service lines are provided for connection to a single, customer-provided station set or facsimile machine.

Each Flat Rate Service Line has the following characteristics:

Terminal Interface.	2-wire
Signaling Type:	Loop Start
Pulse Type:	Dual Tone Multi-Frequency (DTMF)
Directionality	Two-way, In-Only, or Out-Only, as specified by the customer.

SECTION 6 – NETWORK SWITCHED SERVICES (Cont'd)

6.1 RESIDENTIAL NETWORK SWITCHED SERVICE (Cont'd)

6 1 1 Residential Service Descriptions (Cont'd)

b. Rates and Charges

Rates and charges for Residential Network Switched Services are contained in the Rate Schedule at the end of this tariff. In addition to the basic charges for Residential service, connection charges apply as described in Section 4 of this tariff.

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SECTION 6 – NETWORK SWITCHED SERVICES (Cont'd)

6 2 BUSINESS NETWORK SWITCHED SERVICES

Business Network Switched Service provide a business customer with a connection to the Company's switching network which enables the customer to:

- a place and receive calls from other stations on the public switched telephone network,
- b access the Company's local calling service;
- c. access the Company's operators and business office for service related assistance, access toll-free telecommunications service such as 800 NPA, and access 911 service for emergency calling; and
- d access the service of providers of interexchange service. A customer may presubscribe to such provider's service to originate calls on a direct dialed basis or to receive 800 service from such provider, or may access a provider on an ad hoc basis by dialing the provider's Carrier Identification Code (101XXXX).

Business Network Switched Service is provided via one or more channels terminated at the customer's premises. Each Business Network Switched Service channel corresponds to one or more analog, voice-grade telephonic communications channels that can be used to place or receive one call at a time.

Connection charges as described in Section 4 apply to all service on a one-time basis unless waived pursuant to this Tariff.

SECTION 6 – NETWORK SWITCHED SERVICES (Cont'd)

6 2 BUSINESS NETWORK SWITCHED SERVICES (Cont'd)

6.2.1 Business Service Descriptions

The following Business Access Service Options are offered.

Basic Business Line Service
PBX Trunks

Basic Business Line Service and Analog PBX trunks are offered on a flat rate basis only.

All Business Network Switched Service may be connected to customer-provided terminal equipment such as station sets, key systems, PBX systems, or facsimile machines. Service may be arranged for two-way calling, inward calling only or outward calling only

SECTION 6 – NETWORK SWITCHED SERVICES (Cont'd)

6.2 BUSINESS NETWORK SWITCHED SERVICES (Cont'd)

6.2.1 Business Service Descriptions (Cont'd)

a Basic Business Line Service

1. General

Basic Business Line Service provides a customer with a one or more analog, voice-grade telephonic communications channel that can be used to place or receive one call at a time. Local calling service is available on a flat rate basis. Basic Business Lines are provided for connection of customer-provided single-line terminal equipment such as station sets or facsimile machines

Each Basic Business Line has the following characteristics:

Terminal Interface:	2-wire
Signaling Type:	Loop start
Pulse Types:	Dual Tone Multifrequency (DTMF)
Directionality:	Two-Way, In-Only, or Out-Only, at the option of the customer

SECTION 6 – NETWORK SWITCHED SERVICES (Cont'd)

6.2 BUSINESS NETWORK SWITCHED SERVICES (Cont'd)

6 2 2 PBX Trunk Service

a. General

Analog PBX trunks are provided for connection of customer-provided PBX terminal equipment. Analog trunks are delivered on an individual line basis. All trunks are equipped with multiline hunting

DID service allows callers to reach the called party without going through a PBX attendant. DOD service allows end users to dial outside of a PBX system without going through the PBX attendant to get access to an outside line.

For DID configured PBX trunks additional charges apply for Direct Inward Dial Station numbers.

Each Analog Trunk has the following characteristics

Terminal Interface:	2-wire or 4-wire, as required for the provision of service
Signaling Type:	Loop, Ground, E&M I, II, III
Pulse Type:	Dual Tone Multi-Frequency (DTMF)
Directionality:	In-Coming Only (DID), Out-Going Only (DOD), or Two-Way

SECTION 6 – NETWORK SWITCHED SERVICES (Cont'd)

6 2 BUSINESS NETWORK SWITCHED SERVICES (Cont'd)

6 2 2 PBX Trunk Service (Cont'd)

b Flat Rate Analog PBX Trunks

1 Description

Flat Rate Analog PBX Trunks provide the customer with a single, analog, voice grade telephonic communications channel which can be used to place or receive one call at a time. Local calls on two-way trunks and DOD trunks are billed on a message rate basis DID trunks are arranged for one-way inward calling only.

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SECTION 6 – NETWORK SWITCHED SERVICES (Cont'd)

6 2 BUSINESS NETWORK SWITCHED SERVICES (Cont'd)

6.2.2 PBX Trunk Service (Cont'd)

b Flat Rate Analog PBX Trunks (Cont'd)

2 Recurring and Nonrecurring Charges

Charges for each Message Rate PBX Trunk include a monthly recurring Base Service Charge. Local calling areas are as specified in Section 5. Rates and Charges for Flat Rate PBX trunks and DID trunks are contained in the Rate Schedule at the end of this tariff. In addition to the recurring charges described above, connection charges apply as described in Section 4 of this tariff.

6 3 RATES AND CHARGES

Rates and charges for Network Switched Services are contained in the Rate Schedule at the end of this tariff.

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SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.1 SERVICE AND PROMOTIONAL TRIALS

7.1.1 General

The Company may establish temporary promotional programs wherein it may waive or reduce nonrecurring or recurring charges, to introduce a present or potential customer to a service not previously subscribed to by the customer.

7.1.2 Regulations

- a. Appropriate notification of the Trial will be made to all eligible customers and to the Commission. Trial and promotional arrangements will be filed with the Commission when so required. Appropriate notification may include direct mail, bill inserts, broadcast or print media, direct contact or other comparable means of notification.
- b. During a Service Trial, the service(s) is provided automatically to all eligible customers, except those customers who choose not to participate. Customers will be offered the opportunity to decline the trial service both in advance and during the trial. A customer can request that the designated service be removed at any time during the trial and not be billed a recurring charge for the period that the feature was in place. At the end of the trial, customers that do not contact the Company to indicate they wish to retain the service will be disconnected from the service at no charge.

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SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.1 SERVICE AND PROMOTIONAL TRIALS (Cont'd)

7.1.2 Regulations (Cont'd)

- c. During a Promotional Trial, the service is provided to all eligible customers who ask to participate. Customers will be notified in advance of the opportunity to receive the service in the trial for free. A customer can request that the service be removed at any time during the trial and not be billed a recurring charge for the period that the service was in place. At the end of the trial, customers that do not contact the Company will be disconnected from the service.
- d. Customers can subscribe to any service listed as part of a Promotional Trial and not be billed the normal Connection Charge. The offering of this trial period option is limited in that a service may be tried only once per customer, per premises.
- e. The Company retains the right to limit the size and scope of a Promotional Trial.

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SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.2 SEASONAL AND VACATION SERVICE

7.2.1 General

Seasonal and Vacation Service is basic local exchange service temporarily suspended at the request of the customer. This service is provided to customers in all the Company's exchanges.

7.2.2 Regulations

- a. Service may be suspended for a minimum of 30 days and a maximum of 180 days, and only once during a twelve (12) month period.
- b. Regular service charges will apply for the suspension and subsequent reconnection of service.

7.2.3 Conditions

Seasonal and Vacation service will be furnished at the Company's discretion under the following conditions:

- a. Service is available to all classes and grades of exchange service where the usage is of a seasonal nature.
- b. During the period when the customer is billed at the reduced rate, the Company will provide for no installations, moves, changes or maintenance.

7.2.4 Rates and Charges

Rates and charges for Seasonal and Vacation Service are contained in the Rate Schedule at the end of this tariff.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.3 DIRECTORY ASSISTANCE SERVICE

7.3.1 General

A customer may obtain assistance, for a charge, in determining a telephone number by dialing Directory Assistance Service. A customer can also receive assistance by writing the Company with a list of names and addresses for which telephone numbers are desired.

7.3.2 Regulations

A Directory Assistance Charge applies for each telephone number, area code, and/or general information requested from the Directory Assistance operator except as follows:

- a. Requests in which the Directory Assistance operator provides an incorrect number. The customer must inform the Company of the error in order to receive credit.

7.3.3 Rates and Charges

The Directory Assistance Charge is contained in the Rate Schedule at the end of this tariff.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7 4 TOLL DENIAL SERVICE

Toll Denial Service will be provided at the request of the customer and will allow an exchange access line to be restricted to Local Exchange Access only.

The rate for Toll Denial Service is contained in the Rate Schedule at the end of this tariff.

7 5 SPECIAL BILLING NUMBERS

Special Numbers will be provided to the customer when in the judgment of the Company service to others will not be impaired.

A service ordering charge as shown in Section 4 of this tariff will apply when a customer orders a special billing number.

7 6 ROTARY LINE SERVICE

Any individual lines arranged for rotary level hunting or similar service which allows an incoming call to an access line that is called to be completed over another access line by means of central office facilities will be classed as rotary access lines. Access Lines used as trunks to PBX are restricted to a single premises.

The rates for Rotary Line Service are contained in the Rate Schedule at the end of this tariff.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.7 MULTIPOINT ACCESS POSITION RATES – RECURRING

Multipoint Access Position Rates contemplate their being located off premises, but within the same exchange area

When it becomes necessary to use underground conduit buried cable or pole structure on the subscriber's premises for multipoint access positions, the subscriber will be required to furnish and install such plant at his own expense or the Telephone Company will do such work and bill the subscriber for time, material and usual administration

Service ordering charges per section 4 of this tariff will apply for each additional multipoint access position installed.

Rates and charges for Multipoint Access Position Rates are contained in the Rate Schedule at the end of this tariff

7.8 REMOTE CALL FORWARDING

7.8 1 General

Remote Call Forwarding (RCF) is a service whereby a call placed from a station (the originating station) to a customer's (the RCF customer) telephone number in one exchange (the call forwarding location) is automatically forwarded by Telephone Company central office equipment to another station designated by the RCF customer (the terminating station) which is located in a different exchange.

7 8.2 Limitations

RCF Service is offered subject to availability of suitable facilities.

RCF Service is not offered when the terminating station is a coin telephone.

The Telephone Company will not provide identification of the originating telephone number to the remote call-forwarding customer

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.8 REMOTE CALL FORWARDING (Cont'd)

7.8.2 Limitations (Cont'd)

Transmission characteristics may vary depending on the distance and routing necessary to complete the remotely forwarded call.

RCF is not represented as suitable for satisfactory transmission of data

Call forwarding should not be offered as a feature at the RCF terminating station

RCF is provided on the condition that the customer subscribe to sufficient RCF features and facilities to adequately handle calls to the RCF customer without interfering with or impairing any services offered by the Company. If in the opinion of the Company, additional RCF features at the call forwarding location or facilities at the terminating station line are needed, the customer will be required to subscribe to such additional RCF features and facilities. In the event the customer refuses to subscribe to such additional RCF features and facilities, said customer's RCF Service shall be subject to termination

When the call forwarding number is to be located in a multi-office exchange, the Company will determine the serving central office

RCF will not be provided when the Call Forwarding number and the terminating station are both located in the same local calling area.

RCF is offered as an individual service or as an additional feature with multi-line hunt Foreign Exchange Service for overflow when the Foreign Exchange Service is busy.

An RCF Service number is not to be used as a terminating station number to which calls are forwarded from another RCF Service.

RCF Service provides for handling only one call at a time. An additional service feature is required for each additional call to be handled while the first call continues.

If the use of RCF Service is primarily or substantially of a business, professional, institutional or otherwise occupational nature, i.e., nonresidential, or if the listing used is such as to indicate nonresidential use, then calls will not be forwarded to any telephone number for which residential rates apply.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.9 MISCELLANEOUS FEATURES

7.9.1 General

Custom Calling Services are enhanced service offerings.

7.9.2 Description of Features

a. Call Forward

Call Forward, when activated, redirects attempted terminating calls to another customer-specific line. The customer may have to activate and deactivate the forwarding function and specify the desired terminating telephone number during each activation procedure. Call originating ability is not affected by Call Forward.

The calling party is billed for the call to the called number. If the forwarded leg of the call is chargeable, the customer with the Call Forwarding is billed for the forwarded leg of the call

b. Call Forward-No Answer

Call Forward-No Answer allows all calls that terminate to a user's number to be redirected to an alternate number after a predetermined number of rings.

c. Call Forwarding Variable

Call Forwarding Variable enables the customer to divert all incoming calls to another directory number. The customer controls activation, deactivation and the forward-to destination

d. Call Forwarding-Busy Line

Call Forwarding-Busy Line allows all calls to be redirected to an alternate number when the called number is busy

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.9 MISCELLANEOUS FEATURES (Cont'd)

7.9.2 Description of Features (Cont'd)

e. Call Hold

Call Hold allows customers to put a call on hold and retrieve it at another extension on your telephone line, initiate a second call, or consult privately with another person.

f. Call Rejection

Call Rejection allows a customer with Calling Number Delivery to block any incoming call, which does not come through with an identifiable name or number

g. Call Return

This is an incoming call management feature, which will enable a customer to return a call to the last incoming call. This will apply whether the incoming call was answered, unanswered, or encountered a busy tone. This feature is available with level one or level two activation. At level two, the customer can receive announcement stating the Directory Number on the last incoming call before the call set-up is completed. This will allow the customer to decide if he/she wishes to proceed with the call or to drop the request.

h. Call Screening

This feature will allow the subscriber to define a list of calling DNs to be screened. Any calling numbers on this list will be routed to announcements and rejected. All other calls will be treated normally. The calling party on the rejection list will receive an announcement stating the call is not presently being accepted by the called party.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.9 MISCELLANEOUS FEATURES (Cont'd)

7.9.2 Description of Features (Cont'd)

1. Call Trace

This feature allows the customer to initiate a trace on the last incoming call. The results of the trace will not be provided directly to the customer initiating the trace. The trace log will be printed at the Telephone Company or at some designated law enforcement agency premises. The customer will contact this agency to determine further action to be taken. The customer with this feature assigned as a station option will dial an activation code to activate the feature. The call will be traced automatically, and the originating DN and the time the call was made will be forwarded to the predetermined location.

j. Call Waiting

Call Waiting provides a burst of tone to inform a customer that another call is waiting to be answered. The customer may answer the waiting call by hanging up or flashing the switch hook.

k. Caller ID - Name and Number Delivery

This feature allows a customer to see a caller's name and number previewed on a display screen before the call is answered, allowing a customer to prioritize and or screen incoming calls. Call ID records the name, number, date and time of each incoming call - including calls that aren't answered by the customer. Call ID service requires the use of specialized CPE not provided by the company. It is the responsibility of the customer to provide the necessary CPE.

l. Caller ID - Number Delivery

This feature will enable the customer to receive the calling number on incoming calls. The number will be delivered to the called party's Customer Premises Equipment (CPE) in the interval between the first and second ring. The calling number will remain for the duration of the call and can be viewed from the display on the CPE.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7 9 MISCELLANEOUS FEATURES (Cont'd)

7 9 2 Description of Features (Cont'd)

m. Caller ID Blocking

This feature will allow the calling party to suppress a Directory Number such that the called party with Caller ID does not receive the information. The called party will receive a "private" message instead of the calling party's DN. Caller ID Blocking is provided to all on a per call basis at no charge. To activate this feature there must be a two (2) digit code for touch tone or a four (4) digit code for rotary, dialed prior to placing a call. Caller ID Blocking on a per-line-basis is also available. This feature blocks Caller ID on all calls without the necessity of dialing a code with each call.

Law enforcement agencies, domestic violence intervention agencies, and certain other governmental agencies may be granted Caller ID Blocking on a per line basis without charge, if requested, on a case-by-case basis at the Telephone Company's discretion. If the Telephone Company and the agency cannot reach an agreement on such a request, the agency may submit the matter to the Tennessee Public Service Commission for a determination on the merits.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.9 MISCELLANEOUS FEATURES (Cont'd)

7.9.2 Description of Features (Cont'd)

n. Preferred Call Forwarding

This feature will allow the customer to have certain terminating calls forwarded to a designated remote station. The activity will occur whenever a call is received from a telephone number which has been indicated on a list of numbers, referred to as the Selective Call Forwarding screening list. Terminating calls from telephone numbers, which cannot be identified or have not been indicated on the list will be given standard terminating treatment.

o. Priority Ringing

This is an incoming call management feature which will allow the customer to define DN's that will provide the customer with special incoming call treatment. Any incoming calls on this list will be indicated by a distinctive ringing pattern or a distinctive Call Waiting tone, if applicable. Terminating calls from telephone numbers which are not on the list, or which cannot be identified, will be given standard treatment.

p. Remote Access Call Forwarding

Remote Access Call Forwarding allows customers to activate their call forwarding feature from other than their base telephone to make forwarding changes.

q. Repeat Dialing

This is an ongoing call management feature, which will enable the subscriber to have the system redial the last number called from his/her station. This will apply regardless of whether the original call was answered unanswered, or encountered a busy tone. The system will monitor the calling and called lines and will attempt to connect the call for up to 30 minutes. The customer can cancel the activation of this feature when desired.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.9 MISCELLANEOUS FEATURES (Cont'd)

7.9.2 Description of Features: (Cont'd)

r. Special Call Acceptance

This feature will allow customers to define a list of calling directory numbers that will be accepted. Any calling numbers not on that list will be routed to announcements and rejected. The calling party not on the acceptance list will receive an announcement stating that the call is not presently being accepted by the calling party. Customers can review and change the list of accepted DNs as desired.

s. Speed Calling 8

Speed Calling 8 enables a customer to call a list of up to 8 preselected directory numbers by dialing one-digit.

t. Speed Calling 30

Speed Calling 30 enables a customer to call a list of up to 30 preselected directory numbers by dialing two-digits.

u. Teen Line

This feature will allow customers to have more than one telephone number on the same line. A distinctive ringing pattern will identify the called party (number). If a subscriber has Call Waiting, a distinctive tone will be heard when the additional line has an incoming call.

v. Three-Way Calling

Three-Way Calling allows a customer to add a third party to the existing call, and thus enables a simultaneous conference between parties at multiple locations.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.9 MISCELLANEOUS FEATURES (Cont'd)

7 9 3 Connection Charges

Connection charges may apply when a customer requests connection to one or more features. Orders requested for the same customer account made at the same time for the same premises will be considered one request. These charges may not apply if the features are ordered at the same time as other work for the same customer account at the same premises. These charges are described in Section 4 of this tariff.

7 9 4 Trial Period

The Company may elect to offer a free or reduced rate trial of any new calling feature(s) to prospective customers within 90 days of the establishment of the new feature. See Section 7 1, Service and Promotional Trials.

7 9 5 Rates and Charges

Rates and Charges for Miscellaneous Features are contained in the Rate Schedule at the end of this tariff.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.10 DIRECTORY LISTINGS

7.10 1 Provision of Directory Listings

- a. These rates and regulations for directory listings apply only to the information records and the alphabetical section of the directory containing the regular alphabetical list of names of customers.
- b. Listings are regularly provided in connection with all local service unless the customer subscribes to Non-Published Number Service
- c. Directory listings are provided to aid in the use of telephone service through the identification of customers' telephone numbers. Special arrangements of names is not contemplated, nor any form of listing which does not facilitate use of directory service, is otherwise objectionable, or is unnecessary for purposes of identification.
- d. A listing must conform to the Company's specifications with respect to its directories.
- e. The Company has the right to limit the length of any listing to one line in the directory by the use of abbreviations when the clearness of the listing or the identification of the customer is not impaired thereby
- f. The contract period for directory listings where the primary or additional listing appears in the directory is the directory period
- g. Non-published service is provided by the Company This is a type of service where the customer's number is not included in the published directory, but is included in the information records and is provided by the directory assistance operator upon request.

7.10 2 Primary Directory Listings

- a Number of Listings Provided Without Charge

Except as provided in this Tariff, one primary listing is provided without extra charge for each main service or for the first number in a group, when two or more main station lines are consecutively operated

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7 10 DIRECTORY LISTINGS (Cont'd)

7 10 2 Primary Directory Listings (Cont'd)

b Business Listings

Business listings consist of a name, a designation descriptive of the customer's business, the address of the premises at which service is rendered, and the telephone number. Business designations (e g., ofc , atty , M D , etc) may be used when appropriate. The primary listing is ordinarily the name of the individual, firm or corporation which contracts for the service or the name under which a business is regularly conducted. Where the service is contracted for by one party for the use of a second party, the primary listing may be the name of the second party.

c. Residence Listings

1. Residence listings consist of a name or dual names, the address of the premises at which service is rendered and the telephone number. The primary listing is ordinarily the name or dual names of customers who apply for the service, but the listing may be in the name of a second party designated by the customer.
2. Any listing other than an individual name will be considered a business service listing, except as specified in this Tariff.
3. Dual name listings are available only for residence subscribers who share the same surname and reside at the same address, or where a person is known by two first names. Dual name listings may be provided as the primary listing at no recurring charge or as an additional listing at the regular residential additional listing rate.

- d. At the customer's option, either the street address or post office box number may be listed. An Additional Listing Charge will be due if the customer desires both listings.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.10 DIRECTORY LISTINGS (Cont'd)

7 10.3 Additional Directory Listings

a. General

- 1 The regular extra listing rates and conditions apply to each regular or special type of additional listing ordered by the customer.
- 2 Charges for additional listings begin on the date the information records are posted and are payable monthly in advance.
3. Additional listing charges are automatically discontinued upon termination of the main service.
4. Additional listings will have the same address as the primary listing. However, when, in the opinion of the Company, it appears necessary as an aid to the use of the directory and provided satisfactory service can be furnished, the following exceptions may be allowed:
 - a) A listing may be permitted under the address of a Private Branch Exchange (PBX) station or extension station installed on the premises of the customer, even though that address is different from that of the switchboard or main station using the telephone number of the primary listing.
 - b) Where a building has more than one entrance, the customer may have an additional listing showing the address of an entrance other than that included in the primary listing.
- 5 Additional residence-type listings may be provided in the names of permanent guests or tenants of hotels, motels and apartment houses equipped with key or PBX systems, provided that written approval is obtained in advance from the hotel, motel or apartment house involved. In such circumstances
 - a) Business additional listing rates apply; and
 - b) No separate billing will be issued

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SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.10 DIRECTORY LISTINGS (Cont'd)

7.10 3 Additional Directory Listings (Cont'd)

b. Special Types of Additional Listings

1. Duplicate and Reference Listings

Listings of nicknames, abbreviated names, re-arrangements of names, names which are commonly spelled in more than one way, and other names by which customers are known are permitted when, in the opinion of the Company, they are necessary for the proper identification of the customer, they are not desired to secure a preferential position in the directory, or when they are not for advertising purposes. Cross-reference listings are permitted when their use will facilitate the handling of telephone calls

2. Alternate Listings

a) Listing of an alternate telephone number to be called in case no answer is received is permitted for customers to all classes of service.

b) The alternate number may be a number that is not the requesting customer's number. In such case, the written consent of the customer to the alternately listed service must be obtained before the alternate listing is furnished.

3. Foreign Listings

Foreign listings are listings appearing in a directory other than the directory for which local service is furnished. The minimum contract period for which charges will apply will be the remaining period that the directory will be used. These charges will be paid annually in advance.

4. Indented Residence Listings

Additional listings may be furnished for the customer's or their employees' residence telephones. These additional listings will be indented under the listing of the business with which they are associated. In such cases, the party in whose name the indented residence listing is shown must have a residence primary listing or additional listing in the same name. Such listings are furnished at the rate and under the regulations specified for additional listings.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.10 DIRECTORY LISTINGS (Cont'd)

7.10.3 Additional Directory Listings (Cont'd)

b. Special Types of Additional Listings (Cont'd)

5. Listings of Residence Under Business Service

Additional listings of residences may be furnished under business service, provided the business and residence establishments are at the same address and are under the same roof. The additional listing must be in the name of the customer, a member of his/her immediate family, or of an employee or representative of the customer.

6 Extra Lines of Information

Listings of other information which are not required in order to efficiently handle telephone traffic is not included in the charges for service. For example, such other information may be the office hours of a business. The Company may, at its discretion, accept listings of such miscellaneous information at the rates for special types of additional listings.

7.10.4 Non-Published Number Service

a General

1. Non-Published Number Service provides for the omission or deletion of a customer's telephone number listing from the Company's directories.
2. In the absence of gross negligence or willful misconduct, the Company assumes no liability for publishing a non-published telephone number. Where such number is published in the directory, the Company's liability shall be limited to a refund of the Company's monthly charges applicable to Non-Published Service.
3. The customer indemnifies and saves the Company harmless against any and all claims for damages caused or claimed to have been caused, directly or indirectly, by refusing to disclose a non-published telephone number upon request, or by the publication of a number of a non-published telephone number in the telephone directory, or disclosing of such number to any person.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7 10 DIRECTORY LISTINGS (Cont'd)

7 10 4 Non-Published Number Service (Cont'd)

a. General (Cont'd)

4 The rate for Non-Published Service does not apply to

- a) Additional service furnished to the same customer who has other service listed in the directory at the same address.
- b) To a customer living in a hotel, hospital, retirement complex, apartment house, boarding house, or club if the customer is listed under the telephone number of the Private Branch Exchange, Centrex or Paystation Service furnished to such establishments
- c) Service which is installed for a temporary period.

5. A customer residing in an E911 Service district forfeits the privacy afforded by Non-Published Service to the extent that the customer's name, telephone number and the address associated with the service location are furnished to the E911 service administrator, E911 public safety answering point (PSAP) or E911 service database.

7.10.5 Non-Listed Number Service

- a. A non-listed telephone number is one for which no listing appears in the alphabetical section of the directory. The number is listed in the information records and is given out upon request
- b. A Service Connection Charge, as stated in Section 4.1 of this Tariff, applies to the establishment or change of non-listed telephone numbers.

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.10 DIRECTORY LISTINGS (Cont'd)

7.10 6 Liability For Directory Listing Service

a. General

1. The Company shall not be liable for any error, omission, or other failure in connection with directory listings furnished without additional charge. The customer agrees to hold the Company free and harmless from any claims, losses, damage, or liability which may result from such error, omissions, or other failures.
2. The liability, if any, of the Company for any error, omission, or other failure in connection with directory listings furnished at an additional charge shall in no event exceed the charge for that listing during the effective life of the directory in which the error or omission is made.
3. In accepting listings as prescribed by applicants or customers, the Company will not assume liability for the result of their publication in its directories nor will the Company be a party to controversies arising between customers or others as a result of listings published in its directories.

7.10 7 Rates and Charges

a. Recurring Monthly Rate

Rates and Charges for Directory Listings are contained in the Rate Schedule at the end of this tariff

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7 10 DIRECTORY LISTINGS (Cont'd)

7 10.7 Rates and Charges (Cont'd)

b Service Charges

1. See Section 4 of this Tariff for applicable Connection Charges. A Connection Charge applies for additions or changes in directory listings.
2. When directory listings are ordered at the same time as the initial installation of local access line service no additional Service Charges will be applied for the directory listing(s).

7 10 8 Provision and Ownership of Directories

One copy of local directories shall be distributed per access line, without charge. Additional directories including replacement of mutilated or destroyed directories will be furnished at the discretion of the Company at a reasonable rate.

Telephone directories shall be issued approximately every twelve (12) months. The Company issues directories to assist in furnishing prompt and efficient service. The Company does not guarantee to its customers correct listings therein. Every precaution is taken to prevent errors in, and omissions of, directory listings. The Company's liability for damages arising from errors or omissions in making up or printing of its directories is addressed in Section 3.1.5 of this Tariff

If a customer's number is incorrectly listed in the directory, and if the incorrect number is a working number, and if the customer to whom the incorrect number is assigned requests, the number shall be changed at no charge. If the incorrect number is not a working number but is a usable number, the customer's number shall be changed to the listed number at no charge, if requested.

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SECTION 8 – PRIVATE LINE SERVICES

8.1 PROVISION OF SERVICE

8 1 1 General

- a Services consisting of Local Channels, Interoffice Channels, and Optional Features and Functions are classified by series. The various series are sub-divided into different types and are described in terms of circuit characteristics and use.
- b Customers may order local channels which are designed to meet specific communications requirements. The customer is responsible for determining that his terminal equipment is compatible with the service provided by the Company.
- c. Where multi-point service is furnished, the local channels are bridged in the wire center.

8 1 2 Rate Categories

- a Following are the basic rate categories which apply to Private Line service

1. Local Channels

- a) A local channel provides for a communications path between the demarcation point at a customer premises and the serving wire center of that premises. One local channel charge applies per channel termination.
- b) When service is provided by non-wire center connected channels, a non-wire center connected channel charge applies in lieu of local channel charges.

2 Interoffice Channels

This rate category provides for the transmission facilities between serving wire centers associated with two customer premises, between serving wire centers associated with a customer premises and a Company hub, or between two Company hubs.

Interoffice mileage is portrayed in mileage bands. A flat rate and a rate per mile applies to each band. For method of determining mileage, see Section 8 3 3.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.1 PROVISION OF SERVICE (Cont'd)

8.1.2 Rate Categories (Cont'd)

3 Optional Features and Functions

This rate category provides for features and functions which may be added to a service to improve its quality or utility to meet specific communications requirements. These are not necessarily identifiable with specific equipment, but rather represent the end result in terms of the performance characteristics which may be obtained. This category includes a and b following:

a) Hub Functions

A hub is a Company designated wire center where bridging or multiplexing functions are performed i.e., connecting three or more customer premises in a multipoint arrangement or channelizing analog or digital services requiring a lower capacity or bandwidth.

b) Provides for such things as signaling, conditioning, transfer arrangements, protection switching, etc.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.1 PROVISION OF SERVICE (Cont'd)

8.1.3 Service Configurations

- a There are two types of service configurations which can be provided. These are described as follows:

1. Two-Point Service

A two-point service connects two customer premises either directly through a serving wire center(s) or through a Company hub where additional functions are performed.

2. Multipoint Service

- a) Multipoint service connects three or more customer premises through a Company hub
- b) There is no limitation on the number of mid-links available with multipoint service. However, when more than three mid-links are provided in tandem, the quality of the service may be degraded. A mid-link is a channel between hubs (i.e., bridging locations)
- c) Voice Grade (Series 2000) Multipoint Channel services for data use have a limit of 6 two-wire facility type local channels or 20 four-wire facility type local channels when used with customer-provided station equipment.
- d) Only certain types of service are available for multipoint applications. These are so designated in the service descriptions set forth in 8.2.1 following.

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 1 PROVISION OF SERVICE (Cont'd)

8 1 4 Special Routing of IntraLATA Channels

- a The private line services furnished in this Tariff are provided over such routes as the Company may elect
- b Special routing is involved where, in order to comply with requirements specified by the customer, the Company furnishes the private line service in a manner which includes one or both of the following conditions
 - 1 Where two or more private lines must be furnished over different physical routes.
 - 2. Where a private line must be furnished on a route which avoids specified geographical locations
- c. When special routing of services is furnished a customer, the rates will be determined on an individual case basis

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.2 SERVICE DESCRIPTIONS

8.2.1 Voice Grade Service – Series 2000

- a. Series 2000 voice grade service provides for voice and/or data communications on a two point or multipoint basis for service 7 days per week, 24 hours per day, for a minimum period of one month.
- b. Basic parameters and specifications for Series 2000 voice grade service are described for the end to end operation as follows.

Basic Parameters	For Speech Application	For Data Applications
Net Loss	Local Channels used with terminal equipment Limit as specified in the following Local Channel descriptions Losses or gains present in CPE have not been included	
DC Resistance	Local Channel limit as specified in the following Local Channel descriptions. Does not imply or guarantee end to end DC continuity	
Frequency Error	Plus or Minus 5 Hz	Plus or Minus 5 Hz
Frequency Response	(Referenced to 1000 Hz Loss)	
300 – 3000 Hz	-3dB to + 12dB	-3dB to + 12dB
500 – 2500 Hz	-2dB to + 8dB	-2dB to + 8dB
Envelope Delay Distortion		
800 – 2600 Hz	Not Controlled	Less than 1750 Microseconds

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.2 SERVICE DESCRIPTIONS (Cont'd)

8.2.1 Voice Grade Service – Series 2000 (Cont'd)

Basic Parameters	For Speech Application	For Data Applications
C-Notched Noise (with a -13dBm0 1000 Hz Test Signal)	Not Controlled	Noise level 24dB below signal level
Impulse Noise	Not Controlled	15 Counts in 15 minutes at a threshold of 6dB below a 13dBm0 rms 1000 Hz Signal
Phase Jitter	Not Controlled	10 degrees peak to peak
Non-Linear Distortion		
2nd Order Distortion	Not Controlled	25dB below signal level
3rd Order Distortion	Not Controlled	30dB below signal level

c Transmission parameters for voice grade service are described following:

1. Type 2230 – A two-wire interface with effective two-wire facilities engineered for a 1004 Hz net loss of 0dB to 10dB. Generally furnished for voice transmission – Private Line Telephone, Mobile Radio Telephone, or Supervisory Control Use. Multipoint service may be provided at charges specified in the rate section of this tariff
2. Type 2231 – A two-wire interface with two or four-wire facilities engineered for a 1004 Hz net loss of 0dB to 4.5dB. This is generally used for PBX (or similar system) main or extension station services. Signaling is required for this service

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.2 SERVICE DESCRIPTIONS (Cont'd)

8.2.1 Voice Grade Service – Series 2000 (Cont'd)

3. Type 2432 – A two or four-wire interface with effective four-wire facilities engineered for tie line service use between PBXs or customer-provided communications systems. Signaling is required for this service.
4. Type 2434 – A two or four-wire interface for connection to the serving wire center where loop facilities are not required. This channel is suitable for tie line service (with E&M signaling) between Centrex Type Services Systems and may be connected with Type 2432 local channels.
5. Type 2435 – A four-wire interface with effective four-wire facilities engineered for a 1004 Hz net loss of 0dB to 16dB. Generally furnished for voice transmission. Multipoint service may be provided at charges specified in the rate section of this tariff.
6. Type 2261 – A two-wire interface with effective two-wire facilities engineered for use in Select-A-Station Service or Telemetry/Alarm Bridging Service (TABS).
7. Type 2462 – A four-wire interface with effective four-wire facilities engineered for use in Select-A-Station Service, or Telemetry/Alarm Bridging Service (TABS).
8. Type 2463 – A four-wire interface with four-wire facilities engineered for a 1004 Hz net loss of 16dB. Generally used in the provision of analog data services. Multipoint service may be provided at charges specified in the rate section of this tariff.
9. Type 2464 – A two-wire interface with four-wire facilities engineered for a 1004 Hz net loss of 16dB. Generally used in the provision of analog data services. Multipoint service may be provided at charges specified in the rate section of this tariff.

Note 1 Transmission data characteristics can only be met and guaranteed for the two-wire interface when the airline distance from the serving wire center to the customer's premises is one mile or less and the interoffice channel is not greater than 4 airline miles between serving wire centers.

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.2 SERVICE DESCRIPTIONS (Cont'd)

8.2.1 Voice Grade Service – Series 2000 (Cont'd)

d. Signaling Arrangements

1 Off Premises Stations

- a) For use with PBX (or similar system) off-premises channels for terminal equipment. Signaling arrangements are furnished for grandfathered and registered PBX (or similar) systems in accordance with Part 68 of the FCC Rules and Regulations or for customer-provided communications systems not subject to Part 68 of the FCC Rules and Regulations.

Type A – Furnished for use with Class A PBX (or similar) system station ports capable of operation over loops with resistance in the range of 0-199 ohms.

Type B – Furnished for use with Class B PBX (or similar) system station ports capable of operations over loops with resistance in the range of 200-899 ohms.

Type C – Furnished for use with Class C PBX (or similar) system station ports capable of operation over loops with resistance in the range of 900 ohms or more.

- b) For connections to registered or grandfathered PBX (or similar) system equipment, the customer must specify the equipment capability for use with Type A, B, or C Signaling Arrangements.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.2 SERVICE DESCRIPTIONS (Cont'd)

8.2.1 Voice Grade Service – Series 2000 (Cont'd)

2 Tie Lines

- a) E&M signaling is provided for use with tie line channels with E&M signaling interfaces. Signaling Arrangements are furnished for grandfathered and registered PBXs in accordance with Part 68 of the FCC Rules and Regulations or for customer-provided communications systems not subject to Part 68 of the FCC Rules and Regulations.
- An E&M Signaling Arrangement is required for each tie line termination, operating in a Dial Repeating mode, at a customer's premises with a registered PBX.
 - An E&M Signaling Arrangement is required for each tie line termination at a customer's premises with grandfathered PBXs when the tie line is arranged with an E&M signaling interface.
 - An E&M Signaling Arrangement is required with Types 2432 and 2434 channels for additions to or for new installations of grandfathered PBX equipment when not arranged with an E&M signaling interface.
 - An E&M Signaling Arrangement is required for each Type 2432 or 2434 channel termination at a customer's premises with a customer-provided communications system not subject to Part 68 of the FCC Rules and Regulations when arranged with an E&M Signaling interface.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 3 RATE REGULATIONS

8 3 1 Types of Rates and Charges

- a The two types of rates and charges are monthly rates and nonrecurring charges and are described as follows:

1. Monthly Rates

Monthly rates are recurring charges that apply each month or fraction thereof that a service is provided. For billing purposes, each month is considered to have 30 days

Commercial Quality Video (CQV) service is available under month-to-month or Channel Services Payment Plans (CSPP) of either twenty-four to forty-eight months or forty-nine to seventy-two months

All rate elements of each CQV service must be purchased under the same payment plan with the same service period and are coterminous upon disconnect of the CQV service

Rates applicable to a month-to-month payment option are subject to Company initiated changes

When a CQV customer's service extends beyond a seventy-two month service period, the sixty Month Term Payment Plan rates will apply

A Termination Liability Charge is applicable if all or any part of a CQV service is disconnected, at customer request, prior to the expiration of any CSPP. This charge is calculated by multiplying the number of months remaining in the selected service period times sixty percent of the monthly rates provided under the CSPP

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.3 RATE REGULATIONS (Cont'd)

8.3.1 Types of Rates and Charges (Cont'd)

2 Nonrecurring Charges

Nonrecurring Charges are one-time charges that apply for a specific work activity. The three types of nonrecurring charges that apply are installation of service, installation of features and functions and service rearrangements.

a Installation of Service

Nonrecurring charges apply for each service terminated at the customer's premises. For the installation of local channels when more than one of the same type of service, between the same locations, for the same customer is ordered and installed at the same time, one at each location is billed at the First Service Installed rate and the others are billed at the Additional Service Installed rate. For Commercial Quality Video service, nonrecurring charges are per each rate element.

The nonrecurring charges for the Installation of Services are set forth in the rate section of this tariff following as Nonrecurring Charges for the Local Channel and Interoffice Channel rate elements.

b Nonrecurring charges apply for the installation of features and functions available with the various services. For some features and functions there is a lower charge if installed coincident with the service and a higher charge if installed subsequent to the service.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.3 RATE REGULATIONS (Cont'd)

8.3.1 Types of Rates and Charges (Cont'd)

c Service Rearrangements

- 1 Service rearrangements are changes to existing (installed) services which do not result in either a change in the minimum period requirements or a change in the Physical location of the point of termination at a customer premises. Changes which result in the establishment of new minimum period obligations are treated as disconnects and starts. Changes in the physical location of the point of termination are treated as moves and are described and charged for as set forth in Section 8.3.2.

The charge to the customer for the service rearrangement is dependent on whether the change is administrative only in nature or involves actual physical change to the service.

Administrative changes will be made without charge(s) to the customer. Such changes require the continued provision and billing of the Private Line Service to the same entity (i.e., customer remains responsible for all outstanding indebtedness for the service). Administrative changes are as follows:

- Change of customer name (i.e., the customer of record does not change but rather the customer of record changes name).
- Change of customer or customer's premises address when the change of address is not a result of a physical relocation of equipment.
- Change in billing data (name, address or contact name or telephone number)

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.3 RATE REGULATIONS (Cont'd)

8.3.1 Types of Rates and Charges (Cont'd)

2 All other service rearrangements will be charged for as follows:

- If the change involves the addition of other customer designated premises to an existing multipoint service, the nonrecurring charge for the local channel rate element will apply. The charges will apply only for the location(s) that is being added
- If the change involves the addition of an optional feature or function which has a separate nonrecurring charge, that nonrecurring charge will apply.
- If the change involves changing the type of signaling on a voice grade service the subsequent, nonrecurring charge will apply for the new type signaling. The charge will apply per service termination affected.
- For all other changes, including a change of the customer of record involving no physical changes to the service provided or the addition of optional features without separate nonrecurring charges, a charge equal to a local channel rate element nonrecurring charge will apply. Only one such charge will apply per service, per change

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.3 RATE REGULATIONS (Cont'd)

8.3.2 Moves

- a. A move involves a change in the physical location of one of the following:
 1. The point of interface at the customer premises.
 2. The customer's premises
- b. The charges for the move are dependent on whether the move is to a new location within the same building or to a different building

1. Moves Within the Same Building

When the move is to a new location within the same building, the charge for the move will be an amount equal to one-half the nonrecurring (i.e., installation) charge for the affected service termination at the customer's premises. There will be no change in the minimum period requirements. If a move is made at the same time a service rearrangement is made, the total charge will never exceed a full nonrecurring charge for the basic service.

2. To a Different Building

Moves to a different building will be treated as a discontinuance and start of service and all associated nonrecurring charges will apply. New minimum period requirements will be established at the new location. The customer will also remain responsible for satisfying all outstanding minimum period charges for the discontinued service.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 3 RATE REGULATIONS (Cont'd)

8 3 3 Mileage Measurements

- a When station locations of a private line service are located in different wire center serving areas, interoffice channel charges apply. Charges are based on the direct airline distance measured between the serving wire centers. Mileage is determined in accordance with the following.
1. Obtain the "V" and "H" coordinates for each wire center, as listed in the National Exchange Carrier Association Tariff F.C.C. No. 4.
 2. Obtain the difference between the "V" coordinates of the two wire centers. Obtain the difference between the "H" coordinates. (The difference is always obtained by subtracting the smaller coordinate from the larger coordinate.)
 3. Square each difference obtained in 2. preceding.
 4. Add the squares of the "V" difference and the "H" difference obtained in 3. preceding.
 5. Divide the sum of the squares obtained in 4. preceding by 10.

SECTION 8 -- PRIVATE LINE SERVICES (Cont'd)

8.3 RATE REGULATIONS (Cont'd)

8 3 3 Mileage Measurements (Cont'd)

- a) Obtain the square root of the result obtained in 5. preceding This is the rate distance in miles. (Fractional miles being considered as full miles)

EXAMPLE: The rate distance is required between City One and City Two

	V	H
City One	7260	2083
City Two	7364	1865
Difference	104	218

Squared— $10,816 + 47,524 = 58,340$

58,340 Divided by 10 = 5834

Square Root of 5834 = 76.38 = 77 Airline miles

- b. When a private line is furnished over facilities which the Company elects to provide on a direct basis and is not routed through a central office, one two-point channel charge from the rate section of this tariff will apply. The arrangement is limited to channels not more than one airline mile in length
- c. For the purpose of applying multipoint charges, the bridging or hubbing locations are determined by that combination of airline distances connecting the serving wire center which will produce the lowest interoffice mileage charges. Bridging charges apply when three or more channels connect at the same location
- d. For Series 1000, 2000 and 6000 channels the customer may specify the sequence in which the service points are to be connected in which case the rate mileage is the shortest airline mileage determined in accordance with paragraph c preceding which will connect the wire centers of the service points in the specified sequence

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.4 DIGITAL SERVICE

8.4.1 General

- a. This service is provided for the transmission of digital signals only and is furnished only via digital transmission facilities
- b. Digital service provides for the simultaneous two-way transmission of synchronous digital signals at speeds of 2 4, 4 8, 9.6, 19.2, 56, and 64 Kbps between customer locations where appropriate digital facilities for this service are available as determined by the Company
- c. Multipoint Service, Secondary Channel and/or the Data Over Voice Channel capability may not be available in all Digital service locations.
- d. To ensure satisfactory operation, the terminal equipment provided by the customer must be compatible with the channel facility provided by the Company
- e. Unless specified following, the regulations for Digital service specified herein apply.
- f. The rates specified for Digital service are in the rate section of this tariff. The Company will provide a digital facility over existing interoffice carrier equipment and/or transmission facilities compatible with Digital service. If new equipment and facilities or changes to existing facilities are required to provide for Digital service, a special construction charge based on the cost incurred to make the changes may apply in addition to these rates.
- g. Digital service is available on a month-to-month basis or under contract plans

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 4 DIGITAL SERVICE (Cont'd)

8 4 2 Regulations

a Description of Service

1. Service is furnished for the simultaneous two-way transmission of digital signals at synchronous rates of 2.4, 4 8, 9 6, 19 2, 56, and 64 Kbps between two or more points located within a LATA. These channels may also be furnished on a link (partial channel) basis.¹
2. Service is furnished for full duplex operation only.
3. A minimum initial service period of 3 months is required.
4. The design, maintenance and operation of Digital service contemplates communications originating or terminating at stations of the customer. While connections to communications systems provided by others may be made on a permissive basis, the Company does not represent this service as adapted for such connections, and shall not be responsible for the through transmission of signals, or the quality of such transmission on such connections.
5. A Channel Service Unit provided by the customer is required at a customer's premises to perform such functions as:
 - proper termination of the service
 - amplification
 - signal shaping
 - remote loop-back

Note 1 This also applies when the Data Over Voice Channel option is used

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.4 DIGITAL SERVICE (Cont'd)

8.4.2 Regulations (Cont'd)

b. Method of Applying Rates

1. A Digital Local Channel is furnished between a Serving Wire Center and the demarcation point on a customer's premises
2. Node Terminations are applied to each termination within the Node Central Office. A charge is applicable for each Local Channel and/or Digital Interoffice Channel connected within a Node Central Office.
3. A Digital Interoffice Channel will be required when a Digital Local Channel originates from a Serving Wire Center that is not a Node Central Office. The rate is based on airline mileage, or fraction thereof, between the Serving Wire Center and the Node Central Office
4. A Digital Interoffice Channel will be required between Nodes when a customer has a requirement to connect premises located in separate Nodal Service Areas. The rate is based on airline mileage, or fraction thereof, between Node Central Offices.¹
5. Airline distance between Company central offices shall be developed using methodology and Vertical (V) and Horizontal (H) coordinates contained in the National Exchange Carrier Association (NECA) Tariff F.C.C No 4. Fractional miles are to be rounded up to the next full mile.

Note 1: When customer premises terminations are located in wire centers assigned to different primary nodes, digital interoffice channel mileage will be calculated from each serving wire center to its assigned primary node, and digital internodal channel mileage will be calculated for the distance between the two primary nodes in the routing sequence.

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 4 DIGITAL SERVICE (Cont'd)

8 4.2 Regulations (Cont'd)

- 6 A Data Over Voice Channel at 9.6 Kbps is available as an optional feature. The customer must also subscribe to a compatible two-wire local exchange line (e.g , business exchange line) This two-wire exchange line and its associated rates and charges are in addition to the Data Over Voice Channel rates and charges Node Termination charges apply per Data Over Voice Channel. Interoffice Channel mileage charges apply between the customer's serving wire center and the Node Central Office if the customer's serving wire center is not a Node Office
7. A Data Over Voice Channel may be used in a two-station arrangement and a multipoint arrangement

c. Connections

- 1 Customer-Provided Terminal equipment, Customer-Provided Derivation Equipment and Customer-Provided Communications Systems may be connected to Digital service when such a connection is made in accordance with the provision specified in 2. and 3. following.
- 2 The responsibility of the Company shall be limited to the furnishing and maintenance of service to a network interface on the customer's premises where provision is made for the connection of local service The customer is responsible for installing and testing his premises equipment or facilities to insure that when they are connected with the Digital service such equipment or facilities are operating properly.
3. The customer responsibility shall include cooperative testing with the Company as may be necessary Where regeneration and/or equalization adjustments or changes may be required to compensate for rearrangements and/or changes in outside plant facilities, the customer will be responsible for all expenses incurred in changes to his premises equipment

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 4 DIGITAL SERVICE (Cont'd)

8 4.2 Regulations (Cont'd)

4. Connection of Customer-Provided Terminal Equipment, Customer-Provided Derivation Equipment and Customer-provided Communications Systems

a) The following provisions apply:

- (1) Customer-Provided Terminal Equipment and Customer-Provided Communications Systems may be connected at the premises of the customer to Digital service
- (2) The customer, by use of its own derivation equipment, may create digital bit streams from Digital service. Such equipment may be connected for transmission of such bit streams when connected through a customer-provided CSU.

b) Connections to Other Services Furnished by the Company to the Same Customer

Digital service as furnished by the Company may be connected to another service or to other services furnished by the Company as specified following:

- (1) At the premises of the customer to Series 2000 analog data channels furnished under the rates and regulations of this Company's Tariff

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.4 DIGITAL SERVICE (Cont'd)

8.4.2 Regulations (Cont'd)

- c) Connections to other services furnished by the Company to different customers

Digital service as furnished by the Company to a customer may be connected at the premises of the customer to other services furnished by the Company to different customers as specified in 8.4.2 c. preceding

- d) Connection of Channel Service Units

A Channel Service Unit (CSU) must be provided by the customer to connect a company-provided digital facility

- e) Customer provided terminal equipment for the data over voice channel must be compatible with the Company provided terminating equipment at the central office. Network interface specifications are contained in BellSouth Technical Reference Publication 73548. This publication is available from the Information Exchange Manager, BellSouth Telecommunications, Inc., Documentation Operations, North W5A1, 35345 Colonnade Parkway, Birmingham, Alabama 35243.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.4 DIGITAL SERVICE (Cont'd)

8 4 2 Regulations (Cont'd)

- (1) The Company shall not be responsible for installation operation or maintenance of any terminal equipment or communications systems provided by a customer. Digital service is not represented as adapted to the use of such equipment or system. Where such equipment or system is connected to Company facilities the responsibility of the Company shall be limited to the furnishing of facilities suitable for Digital service and to the maintenance and operation in a manner proper for such digital service. The Company shall not be responsible for:
 - the through transmission of signals generated by such equipment or system, or for the quality of, or defects in such transmission or
 - the reception of signals by such equipment or systems, or
 - damage to terminal equipment or communication systems provided by a customer due to testing
- (2) The Company shall not be responsible to the customer if changes in any of the facilities, operations or procedures of the Company utilized in the provision of Digital service render any facilities or equipment provided by a customer obsolete, or require modification or alteration of such equipment or system or otherwise affects its use or performance

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 4 DIGITAL SERVICE (Cont'd)

8 4 2 Regulations (Cont'd)

- (3) The Company undertakes to maintain and repair the facilities which it furnishes. The customer may not rearrange, disconnect, remove or attempt to repair any equipment installed by the Company without prior written consent of the Company
- (4) The Company has set a design objective of 99.5 percent error free seconds at all speeds with Digital service. The objective does not apply when the data over voice channel option is used in a circuit design
- (5) The data over voice channel is provided subject to the availability of appropriate network facilities and equipment and subject to the transmission limitation of facilities and equipment used by the Company.

d. Payment Arrangements and Credit Allowance

1. The minimum period for which service is furnished and for which charges are applicable is 3 months.
2. Suspension of service is not allowed

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.4 DIGITAL SERVICE (Cont'd)

8.4.2 Regulations (Cont'd)

- 3 When service is interrupted due to causes other than the negligence of the customer, or the failure of facilities furnished by the customer, a credit allowance will be made upon request for the portion of the service which is affected. For the purpose of determining the amount of allowance every month is considered to have 30 days and only those stations on the interrupted portions of a service shall be considered in the determining the number of stations affected. All such credit allowances shall begin from the time of notice by the customer to the Company that an unsatisfactory performance level has occurred, provided that the customer promptly releases the service as requested by the Company to perform testing and maintenance
- a) Interruptions of less than three hours – no credit is applied.¹
- b) Interruptions of three hours or over are credited to the customer at the proportionate monthly charge in half-hour multiples for each half-hour or major fraction thereof of interruption.
- c) Interruption for a period of twenty-four hours or more, credit is allowed or the proportionate part of the monthly charge in multiples of one day for each twenty-four hours or major fraction thereof of interruption for the portion of the service affected by the interruption.

Note 1. Two or more interruptions of 30 minutes or more, during any period up to, but not including 3 hours, shall be considered as one interruption.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 5 T-1 SERVICE

8 5 1 General

- a T-1 Service is furnished for Private Line IntraLATA Communications by the Company.
- b. T-1 Service is a service for the transmission of digital signals only and uses only digital transmission facilities.
- c T-1 Service provides for the simultaneous two-way transmission of isochronous digital signals at DS1 speeds of 1.544 Mbps where facilities are available.
- d To ensure satisfactory operation, the terminal equipment provided by the customer must be compatible with the DS1/1 544 Mbps channel facility provided by the Company
- e. The rates specified for T-1 Service the Rate Schedule at the end of this tariff, contemplate the provision of a digital quality facility utilizing existing interoffice carrier equipment and/or exchange cable facilities compatible with this service. If such equipment, new facilities or changes to existing facilities are required for the provision of this service, a special construction charge based on the cost incurred to make the changes will apply in addition to the rates for T-1 Service.
- f T-1 Service is available on a month-to-month basis only.

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.5 T-1 SERVICE (Cont'd)

8.5.2 Description of Service

- a. T-1 Service is furnished for the simultaneous two-way transmission of serial, Bipolar, Return-to-Zero (BPRZ) isochronous digital signals, except where intentional bipolar violations are introduced by Bipolar with 8 Zero Substitution (B8ZS) format, at a speed of DS1/1.544 Mbps between two points located within a LATA
- b. Multi-point service is not available.
- c. Connection of DS1/1.544 Mbps communications systems provided by others may be made on a permissive basis as provided for in Section 8.5.5 the Company does not represent its T-1 Service as adapted for such connections and shall not be responsible for the through transmission of signals, or the quality of such transmission on such connections
- d. A Channel Service Unit (CSU) or appropriate Termination Equipment (TE) provided by the customer is required at a customer's or authorized user's premises to perform such functions as:
 - 1. Proper termination of the service
 - 2. Amplification
 - 3. Signal shaping
 - 4. Remote loop-back
- e. The design, maintenance and operation of T-1 Service contemplates communications originating and terminating as (1) a customer premises to customer premises channel via the Company's Serving Wire Center, (SWC) and/or through remote SWCs, (2) a customer premises to the Serving Wire Center and/or to remote SWCs partial channel (link); or (3) a central office to central office (interoffice) partial channel (link)
- f. T-1 Service may also be furnished on a link (partial channel) basis when connected to Centrex Service, T-1 Channel Service, and/or another T-1 Service
- g. All appropriate rates specified in other Tariff sections are in addition to the monthly rate per package or single channel for T-1 Service specified in the Rate Schedule at the end of this tariff.

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 5 T-1 SERVICE (Cont'd)

8.5 3 Channelized T-1 Service

a. General

1. Channelized T-1 Service is an intraLATA digital service, which provides channelization capability for the customer in the Company's central office. Channelized T-1 Service is provided in packages based on multiple voice grade channel equivalents (DS0) where 24 voice grade channels are equal to a DS1. This service provides local channels and/or interoffice channels for network exchange access.
2. Channelization is provided by D type channel banks, which are offered in various basic system capacities and feature activation types. Individual channel services are made available by selecting the specific feature activation equipment desired in a basic system. The customer may channelize all or part of a T-1 Service to activate voice and data facilities for interconnection with the exchange network, voice grade and data facilities for private line channels, as well as other T-1 Services.
3. This service is available within the LATA where appropriate digital facilities are available as determined by the Company. Service inquiries will be necessary to determine availability. Special Construction charges for Channelized T-1 Service may apply.
4. Individual channels within a Channelized T-1 Service package may be connected with service offered in other sections of this Tariff and General Subscriber Service Tariff as appropriate. The regulations, rates and charges in this Tariff are applicable for the Channelized T-1 Service component of the customer's end-to-end service. Single channel service components (non- Channelized T-1 Service links) are subject to the regulations, rates and charges in their respective tariff sections.

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.5 T-1 SERVICE (Cont'd)

8.5.3 Channelized T-1 Service (Cont'd)

a. General (Cont'd)

5 The customer may activate any number or combination of channels within a Channelized T-1 Service package within the limitations set forth in Section 8.5.3 a.7 following. Channels may be activated coincident with initial service or at any time subsequent to basic system installation. Once activated, a channel is subject to a minimum service period of one month. Features (channels) activated will have a minimum service period of one month.

6 The total number of voice grade equivalent channels activated by the customer may not exceed the capacity of the basic system. Additionally, there are some necessary restrictions in total system capacities where certain types of channel services are channelized.

Digital Service channels may require two voice grade equivalent channels per channel provided by the Company. This would reduce a system's stated capacity substantially. The Company will notify the customer when a system's capacity is affected.

7 Central Office channelization generally provides analog to digital conversion to permit individual exchange services and private line channel services to be transported over digital high capacity facilities. In addition, this equipment permits connection to required testing facilities at designated hub or node locations for some digital offerings. This channelization is also intended for use at Company locations where different high capacity digital network links terminate in the same central office and must be converted to individual analog or digital channels before individual service links can be cross-connected.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 5 T-1 SERVICE (Cont'd)

8.5 3 Channelized T-1 Service (Cont'd)

a. General (Cont'd)

- 8 Channelization on a customer's premises is provided by the customer. Customer premises channelization equipment, and any other associated network termination equipment, is available through various vendors, including Company, on a detariffed basis. Joint provisioning of channelized services introduces joint responsibilities between the customer and the Company.

a) Responsibilities of the Company

- (1) The Company will endeavor to activate its portion of joint service in a timely manner on the negotiated date to support installation requirements.
- (2) The Company will provide the customer with information regarding the type and the manufacturer of Central Office (C.O.) channelization equipment to be used in each application.
- (3) The Company will limit its selection of central office equipment to avoid operational and administrative difficulties associated with a multi-vendor central office environment.
- (4) The Company reserves the right to change its equipment vendors should equipment availability, price or technological advantages make such a change attractive or necessary.
- (5) The Company will notify the customer, generally a minimum of six months in advance, of any need to change its central office equipment to allow the customer sufficient time to respond, make any necessary changes, and schedule cooperative testing for cutover if required.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 5 T-1 SERVICE (Cont'd)

8.5.3 Channelized T-1 Service (Cont'd)

a. General (Cont'd)

b) Responsibilities of the Customer.

- (1) The customer must be prepared to activate his portion of joint service in a timely manner on the negotiated date, providing testing equipment and personnel to support installation requirements, as may be necessary.
- (2) The customer will be responsible for selecting his own equipment. Customer equipment must be compatible with the Company provided channelization at the central office.

c) Trouble resolutions.

The Company will assist the customer in resolving any installation or day-to-day channel service problems. However, the Company does not assume responsibility for the compatibility or suitability of the customer's equipment. Dispatches to customer premises caused by customer equipment troubles will result in Trouble Determination Charges to the customer.

9. Channelized DS1 Service is available only with D4 channel bank equipment or compatible, equivalent equipment.
10. Emerging technology, such as low bit rate voice multiplexing techniques, may permit additional quantities of individual channels to be channelized on a single DS1 signal. Equipment providing this capability does not generally assure compatibility between different manufacturers. Some equipment may not be suitable for data transmission or tandem network line application. Rates, charges, and availability of this equipment will be negotiated with the customer on an individual case basis.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.5 T-1 SERVICE (Cont'd)

8.5.4 Definitions Applicable to T-1 Service

a Channel Service Unit

The term "Channel Service Unit" (CSU) denotes equipment provided by the Customer to terminate a digital facility on the customer or user's premises

b. DS1

This denotes a Channel Service expressed in terms of its digitally encoded data bit rate in accordance with the North American hierarchy of digital signal levels. It has a 1 544 Mbps transmission data rate, and provides for the two-way simultaneous transmission of isochronous timed, Bipolar Return-to-Zero (BPRZ) bit stream format, except where intentional bipolar violations are introduced by Bipolar with 8 Zero Substitution (B8ZS) format. Unframed signal formats are not permitted or compatible with the Company equipment

c. Digital Local Channel

The term "Digital Local Channel" denotes a path for T-1 Service furnished from the demarcation point on a customer's premises to their Serving Wire Center.

d. Interoffice Channel

The term "Interoffice Channel" denotes a path (or paths) for digital transmission between the Company Serving Wire Centers within a LATA. An interoffice channel may be furnished in such manner as the Company may elect.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.5 T-1 SERVICE (Cont'd)

8.5.5 Application of Rates

- a Digital Local Channels furnished between a Serving Wire Center and the customer's premises will be charged at rates based on the first one-half mile and each additional one-half mile for the airline distance measured between the customer's premises and their Serving Wire Center.
- b Standard T-1 Service is provisioned with two cable pairs to include repeaters depending upon the length of the circuit.
 - 1. A Frame Charge is assessed for T-1 Service passing through the frame.
- c. Interoffice Channels furnished between Central Offices will be charged at rates based on airline distance between the Central Offices.
- d. T-1 Service is available on a month-to-month basis
- e Monthly rates for each Channelized T-1 Service according to the system capacity of voice grade equivalent channels in each package. These rates apply regardless of the number of voice grade circuit equivalents within each package that are actually activated by the customer at a point in time. In addition, rates and charges for associated T-1 Service are applicable
- f. Exchange Network Access is provided for channels within each Channelized T-1 Service package at the rates and charges specified in the Rate Schedule at the end of this tariff and apply for each channel within a package that is activated for Exchange Network Access.
- g Rates and charges specified in other tariff sections for services such as Touch-Tone, Custom Calling Service, etc., are in addition to the monthly rate for Channelized T-1 Services. Also, the rates and charges for other services that may be interconnected or extended beyond the basic Channelized T-1 Service, such as off-premises stations, tie lines, private lines, etc., are in addition to the rates specified in this Tariff for those portions of channel services necessary to provide end-to-end service.
- h. All usual and applicable Service Connection Charges and Nonrecurring Charges as specified in other tariffs apply to the activation, move or change of channel equivalents within Channelized T-1 channel service packages as well as for installation of the basic system. Suspension of service is not permitted with Channelized T-1 Service.

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.5 T-1 SERVICE (Cont'd)

8.5.6 Connections

- a. Customer-Provided Terminal Equipment, Customer-Provided Derivation Equipment and Customer-Provided Communications Systems may be connected to T-1 Service when such connection is made in accordance with the provisions specified in Sections 8 5 5 b ,c and d. following
- b. Responsibility of the Company
 1. The responsibility of the Company shall be limited to the furnishing and maintenance of T-1 Service to a network interface on the customer's premises where provision is made for the connection of local service.
 2. The Company shall not be responsible for installation, operation, or maintenance of any terminal equipment or communications systems provided by a customer. T-1 Service is not represented as adapted for the use of such equipment or system. Where such equipment or system is connected to the Company facilities, the responsibility of the Company shall be limited to the furnishing of facilities suitable for T-1 Service and to the maintenance and operation in a manner proper for such digital service. The Company shall not be responsible for:
 - a) The through transmission of signals generated by such equipment or system, or for the quality of, or defects in, such transmission,
 - b) The reception of signals by such equipment or systems, or
 - c) Damage to terminal equipment or communications systems provided by a customer or authorized user due to testing.
 3. The Company shall not be responsible to the customer if changes in any of the facilities, operations or procedures of the Company utilized in the provision of T-1 Service render any facilities or equipment provided by a customer obsolete, or require modification or alteration of such equipment or system or otherwise affects its use or performance
 4. The Company undertakes to maintain and repair the facilities, which it furnishes. The customer may not rearrange, disconnect, remove or attempt to repair any equipment installed by the Company without prior written consent of the Company

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SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.5 T-1 SERVICE (Cont'd)

8 5 6 Connections (Cont'd)

c Responsibility of the Customer

- 1 The customer is responsible for installing and testing his premises equipment or facilities to insure that when they are connected to T-1 Service such equipment or facilities are operating properly
- 2 The operating characteristics of the customer premises equipment or facilities shall be such as to not interfere with any of the services offered by the Company. Such use is subject to the further provisions that the equipment provided by a customer does not endanger the safety of the Company employees or the public, damage, require change in or alteration of the equipment or other facilities of the Company, interfere with the proper functioning of such equipment or facilities; impair the operation of the Company's facilities or otherwise injure the public in its use of the Company's services. Upon notice that the equipment provided by a customer is causing or is likely to cause such hazard or interference, the customer shall take such steps as shall be necessary to remove or prevent such hazard or interference
3. The customer's responsibility shall include joint testing with the Company as may be necessary. Where regeneration and/or equalization adjustments or changes may be required to compensate for rearrangements and/or changes in outside plant facilities, the customer will be responsible for all expenses incurred in changes to his premises equipment.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.5 T-1 SERVICE (Cont'd)

8.5.6 Connections (Cont'd)

d. Connection of Customer-Provided Terminal Equipment, Customer-Provided Derivation Equipment and Customer-Provided Communications Systems

1 The following provisions will apply.

- a) Customer-Provided Terminal Equipment and/or Customer-Provided Communications Systems may be connected at the premises of the customer to T-1 Service.
- b) The customer, by use of its own derivation equipment, may create digital bit streams from a T-1 Service and such equipment may be connected through a customer-provided CSU/TE
- c) The undertaking of the Company is to furnish T-1 Service as ordered and specified by the customer as described in Section 8.5.5.d.4. following

2. Connections to Other Services Furnished by the Company to the Same Customer

T-1 Service furnished by the Company may be connected by the customer to another service or to other services furnished by the Company as specified in Section 8.5.5.b., preceding. Connected services are subject to all rules and regulations governing the provisioning of those services.

3. Connections to Other Services Furnished by the Company to Different Customers

The customer may connect at the premises of the customer to another T-1 Service or other services furnished by the Company to different customers as specified in 8.5.5.b., preceding. Connected services are subject to all rules and regulations governing provisioning of those services.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 5 T-1 SERVICE (Cont'd)

8.5 6 Connections (Cont'd)

d Connection of Customer-Provided Terminal Equipment, Customer-Provided Derivation Equipment and Customer-Provided Communications Systems (Cont'd)

4. Connection of Channel Service Units

A Channel Service Unit (CSU) or appropriate Termination Equipment (TE) must be provided by the customer to connect the Company-provided digital facility. In accordance with Part 68 of the FCC Rules and Regulations, new grand fathered CSU/TEs may be connected, moved, and reconnected until June 30, 1987. After this date, only registered and previously connected grand fathered CSU/TEs may be connected to the Company-provided digital facilities.

Registered technical requirements for CSU/TEs are outlined in Part 68 of the FCC Rules and Regulations.

5. Clear Channel Capability

- a) Clear Channel Capability (CCC) is an arrangement that alters a DS1/1.544 Mbps signal with unconstrained information bits, to meet pulse density requirements. This will allow a customer to transport an all zero octet over a T-1 Service channel providing an available combined maximum 1.536 Mbps data rate. This arrangement requires the customer signal at the channel interface to conform to Bipolar with 8 Zero Substitution (B8ZS) line code.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.5 T-1 SERVICE (Cont'd)

8.5.6 Connections (Cont'd)

- d. Connection of Customer-Provided Terminal Equipment, Customer-Provided Derivation Equipment and Customer-Provided Communications Systems (Cont'd)
 - b) CCC is provided on T-1 Service channels between two customer designated premises, from a customer premises to their Serving Wire Center or Node Central Office and/or to a remote Serving Wire Center or Node Central Office, and from a Central Office to a Central Office, and is subject to the availability of facilities. This optional feature may be ordered at the same time the T-1 Service is ordered, or it may be ordered as an additional feature of an existing T-1 Service.
 - c) When providing CCC via a DS3 / 44.736 Mbps High Capacity channel, the DS3 channel must be designated in the Company records as having Clear Channel Capability prior to the provisioning of a DS1/1.544 Mbps High Capacity channel with CCC. Customers must agree to out-of-service periods required to add this feature to an existing T-1 Service to be optioned for B8ZS.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 5 T-1 SERVICE (Cont'd)

8.5 7 Payment Arrangements and Credit Allowance

- a. The minimum period for which T-1 Service is furnished and for which charges are applicable is one month.
- b. Suspension of service is not allowed.
- c. When service is interrupted due to causes other than the negligence of the customer, or the failure of facilities furnished by the customer, a credit allowance will be made upon request for the portion of the service, which is affected. For the purpose of determining the amount of allowance, every month is considered to have 30 days. Only the interrupted portions of the service shall be considered in determining credits. All such credit allowances shall begin from the time of notice by the customer to the Company that an unsatisfactory performance level has occurred, provided that the customer promptly releases the service as requested by the Company to perform testing and maintenance.
 - 1 Interruptions of less than 24 hours - no credits are applied
 2. With interruption for a period of 24 hours or more, credit is allowed for the proportionate part of the monthly charge in multiples of one day for each 24 hours or major fraction thereof of interruption for the portion of the service affected by the interruption.

8.5.8 Types of Charges

a. Move Charge

A Move Charge, per T-1 Service, applies for each Digital Local Channel moved to a new location in the same building. This Move Charge is equal to the sum of the Digital Local Channel Nonrecurring Charge, Service Change Charge - Inside Moves, and Premises Visit Charge.

A Move Charge, per T-1 Service, applies for each T-1 Service moved to a new location in the Company territory. This Move Charge is equal to the sum of all Nonrecurring Charges applicable to a new T-1 Service installation at the new location.

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.5 T-1 SERVICE (Cont'd)

8.5.8 Types of Charges (Cont'd)

b. Service Establishment (Connection) Charges

- 1 Service Establishment Charges are applicable, for each T-1 Service ordered for receiving and recording information and/or taking action in connection with a customer's request, and processing the necessary data. These charges include engineering design, common centralized testing and coordination.
- 2 Service Change Charges are applicable for receiving and recording information and/or taking action in connection with a customer's inside move, transfer of service responsibility request or for processing the necessary data on an existing T-1 Service. A Service Change Charge is applicable for each T-1 Service associated with the customer request (in lieu of a Service Establishment Charge)
- 3 Premises Visit Charges are applicable, per Digital Local Channel, for the termination of a channel at a customer's premises or for inside moves. Only one Premises Visit Charge applies when more than one channel of the same type is terminated or moved at the same premises at the same time.
4. Connection Charges are applicable for the connection and testing of Digital Local Channels and/or Interoffice Channels. The charges applied are those Nonrecurring Charges contained in Section 8.5.6.a and b, preceding

8.5.9 Rates and Charges

Rates and Charges for T-1 Service are contained in the Rate Schedule at the end of this tariff

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SECTION 9 – SPECIAL ARRANGEMENTS

9 1 SPECIAL CONSTRUCTION

9 1 1 Basis for Charges

Basis for Charges where the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariffs, charges will be based on the costs incurred by the Company (including return) and may include

- a. nonrecurring charges;
- b. recurring charges,
- c. termination liabilities, or
- d. combinations of a, b, and c.

SECTION 9 – SPECIAL ARRANGEMENTS (Cont'd)

9.1 SPECIAL CONSTRUCTION (Cont'd)

9 1 2 Termination Liability

To the extent that there is no other requirement for use by the Company, a termination liability may apply for facilities specially constructed at the request of a customer.

SECTION 9 – SPECIAL ARRANGEMENTS (Cont'd)

9.2 NON-ROUTINE INSTALLATION AND/OR MAINTENANCE

At the customer's request, installation and/or maintenance may be performed outside the Company's regular business hours, or (in the Company's sole discretion and subject to any conditions it may impose) in hazardous locations. In such cases, charges based on the cost of labor, material, and other costs incurred by or charged to the Company will apply. If installation is started during regular business hours but, at the Customer's request, extends beyond regular business hours into time periods including, but not limited to, weekends, holidays, and/or night hours, additional charges may apply.

9.3 INDIVIDUAL CASE BASIS (ICB) ARRANGEMENTS

Rates for ICB arrangements will be developed on a case-by-case basis in response to a bona fide request from a customer or prospective customer for service which vary from tariffed arrangements. Rates quoted in response to such requests may be different for tariffed service than those specified for such service in the Rate Schedule. ICB rates will be offered to customers in writing and will be made available to similarly situated customers. A summary of each ICB contract pricing arrangement offered pursuant to this paragraph will be filed as an addendum to this Tariff within 30 days after the contract is signed by both the Company and the customer. The following information will be included in the summary:

- a. LATA and type of switch
- b. The V&H distance from the central office to the customer's premises
- c. Service description
- d. Rates and charges
- e. Quantity of circuits
- f. Length of the agreement.

CONTENTSSECTION 10 – INTEGRATED SYSTEMS DIGITAL NETWORK (ISDN)

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SECTION 10 – INTEGRATED SYSTEMS DIGITAL NETWORK (ISDN)

10 1 GENERAL INFORMATION

10 1 1 Description

Integrated Services Digital Network (ISDN) is a digital architecture that provides an integrated voice/data capability to the customer premises facility, utilizing the public switched network. ISDN distributes voice, data video, image and facsimile by a Primary Rate Interface (PRI). These are serving arrangements, which conform to internationally developed, published, and recognized standards generated by the International Telecommunications Union (formerly CCITT)

10 1 2 Definitions

B (Bearer) Channel

The B-channel carries circuit-switched voice and/or data communications at speeds up to 64 kbps, from the customer's premises, over the loop facility, to the central office.

B-Channel Circuit-Switched Data

Circuit-Switched Data provides the capability of making data calls over the public switched network. Information is transmitted the same way as digitized voice. Like a voice call, a circuit switched data call ties up network/system resources for the duration of the call. Similar to voice, caller ID functionality is provided.

D (Delta) Channel

The D-channel carries signaling information, at speeds up to 64 kbps, from the customer's premises to the central office. The D-channel has both data and signaling functionality, it does not have voice capability.

SECTION 10 – INTEGRATED SYSTEMS DIGITAL NETWORK (ISDN) (Cont'd)

10.1 GENERAL INFORMATION (Cont'd)

10.1.2 Definitions (Cont'd)

Primary Rate Interface (PRI)

PRI has a capacity of 1.544 Mbps and has multiple channels: 23 B-channels, and 1 D-channel, and is also known as 23 B+D access. The B-channels carry voice calls, circuit switched data, and video, while the D-channel handles signaling information. Once the customer has subscribed to PRI service subsequent T1 may be configured with 24 B channels circuits, subject to D channel signaling capacity.

Service Area

Service Area pricing for Single Line ISDN Service includes all customers who.

- Draw dial tone directly from an ISDN switch, or
- It is within a designated distance, as determined by the Company, from an ISDN equipped switch.

T1/DS1 Facility

This element is the digital facility transmitting at a rate of 1.544 Mbps. The T1/DS1 signal provided to the customer's premises would have a loss not greater than 16.5 dB. Construction charges may apply.

Digital Subscriber Loop (DSL)

The digital ISDN connection from the Central Office to the customer's premises.

SECTION 10 – INTEGRATED SYSTEMS DIGITAL NETWORK (ISDN) (Cont'd)

10 1 GENERAL INFORMATION (Cont'd)

10.1.3 Terms and Conditions

a General

1. The customer will be responsible for the procurement of associated customer premises equipment (CPE) and will ensure compatibility with the ISDN digital switch serving the customer. CPE must meet national ISDN1 (NT1) standards to insure compatibility with ISDN services
2. ISDN includes a comprehensive 2 B+D package. Within the standard basic package there is little flexibility for customization
3. ISDN does not offer B-channel packet service capabilities
4. The Company will terminate ISDN Services at the customer's demarcation point.
5. Should any change in customer owned inside wiring (including riser cable) or customer owned CPE require the Company to redesign ISDN service, the customer shall reimburse the Company for all costs incurred by the Company for making such a change. Should ISDN service fail due to customer owned inside wiring or CPE, or power failure, the responsibility for failure shall be solely that of the customer and the Company shall have no liability of any kind
6. The customer is responsible for replacement, installation, operation, maintenance, repair and replacement of all customer owned inside wire and CPE that the customer uses in connection with this service. Premises wiring and CPE must be compatible with the Company's provision of ISDN Service.

SECTION 10 – INTEGRATED SYSTEMS DIGITAL NETWORK (ISDN) (Cont'd)

10.1 GENERAL INFORMATION (Cont'd)

10.1.3 Terms and Conditions (Cont'd)

a. General (Cont'd)

7. If there is an ISDN Service interruption which lasts more than 24 consecutive hours after the customer gives the Company notice of such out-of-service condition, except for problems caused by the customer's actions, inside wiring, interface, and/or CPE, an out-of-service credit will be applied to the customer's bill. This service shall be based on a 30-day month and shall be calculated by dividing the monthly rate for the service affected by 30 days and multiplying that daily rate by the number of days, or major fraction thereof, that the service was interrupted. This will be the customer's sole remedy.
8. This ISDN service offering is considered an optional service. The ISDN equipment at the customer's premise will not function with the loss of electrical power leaving this service inoperable. Service location moves of ISDN circuits will be treated as a discontinuance and start of new service, therefore all associated nonrecurring charges will apply.

SECTION 10 – INTEGRATED SYSTEMS DIGITAL NETWORK (ISDN) (Cont'd)

10.1 GENERAL INFORMATION (Cont'd)

10.1.4 Provisioning of ISDN

- a. The rates and charges specified for ISDN are applicable only to customers whose serving central office has been identified by the Company as having ISDN available
- b. ISDN may be provided to customers from a central office other than their normal serving office as determined by the Company.
- c. ISDN is offered where compatible facilities and equipment are available. Service is generally considered available for loops 18 kilo feet or less in length. Loops greater than 18 kilo feet in total length must meet ISDN extension technology design requirements and will be considered available if ISDN compatible pair gain systems are in place or planned to serve the area based on the scheduled placement of compatible pair gain systems. If no pair gain system is in place or planned, loops greater than 18 kilo feet in length will also be considered available if single line loop extension equipment can be deployed and the loop is within the design limitation of this type of extension equipment. If the loop is greater than 18 kilo feet in length, additional engineering and construction charges may apply.
- d. Some products and services are not available and/or compatible with ISDN therefore the customer should check with the Company for capability before purchasing and installing this service.

10.1.5 Local Calling Areas and Telephone Numbers

- a. If a customer is provided service from a designated central office, which is not the customer's normal serving office, the local calling area for the customer's ISDN will be that of the designated ISDN-equipped CO.
- b. Calling areas are subject to change as additional central office become capable of directly providing ISDN services to the customer's own and nearby serving area. Changes to calling areas will affect customer telephone numbers.

SECTION 10 – INTEGRATED SYSTEMS DIGITAL NETWORK (ISDN) (Cont'd)

10.1 GENERAL INFORMATION (Cont'd)

10.1.6 Indemnification

- a. It is the customer's responsibility to indemnify and hold harmless the Company against any and all claims, losses, liabilities damages and lawsuits brought by any nonparty and arising, in whole or in part, out of customer's material breach of this tariff. Indemnification shall include, but is not limited to costs and attorney's fees
- b. The customer is responsible for the content of communications. Where the customer's negligence or wrongful actions in using customer owned inside wire or CPE, or customer's communications result in any claim or legal action brought by any nonparty, the customer shall indemnify and hold the Company harmless

10.1.7 Protection of the Network

- a. The Company has the right and option to check the output of any equipment used in the transmission of signals, to or from the customer premises, for this service. This includes the Company provided facilities or other companies' facilities used in connection with provision of ISDN capabilities, such as CPE
- b. The Company will notify the customer of any deviation from the authorized transmission or specifications established in provision of the service.
- c. Upon notification by the Company that unauthorized transmissions are present due to customer equipment or facilities, the customer will correct the situation on an expeditious basis or service will be disconnected by the Company to protect the network. The Company shall not be liable for and disclaims liability for losses, which might be incurred as a result of disconnecting the service, and disclaims any and all implied warranties, including, without limitation, warranties of merchantability and fitness for a particular purpose. With respect to such equipment or service, the Company shall not be liable for any incidental or consequential damages, including, but not limited to loss, damage, or expense directly or indirectly arising from the customer's use of or inability to use this service or equipment, either separately or in combination with other services or equipment.

SECTION 10 – INTEGRATED SYSTEMS DIGITAL NETWORK (ISDN) (Cont'd)

10.1 GENERAL INFORMATION (Cont'd)

10.1.8 Agreement

Fixed period agreements will be priced on an Individual Case Basis (ICB) depending on the number of years of the agreement. Additions or changes to the agreement will be negotiable between the Company and the customer.

10.2 PRIMARY RATE INTERFACE (PRI)

10.2.1 General

- a. The minimum configuration is a T1 with 23 B +D
- b. Base configuration includes forty (40) DID numbers, 2 way voice capability and data capability.
- c. PRI is not available to Commercial Radio Mobile Carriers, Private Mobile Radio Carriers and Interexchange Carriers in their provision of services to their customers.
- d. PRI is available for both residential and business customers
- e. Monthly rate includes T1 termination, T1 configuration and twenty-four (24), T1 channels.

10.2.2 Rates and Charges

Rates and charges for Primary Rate Interface are contained in the Rate Schedule at the end of this tariff.

CURRENT RATES**SECTION 4 – SERVICE CONNECTION CHARGES****4.2.1 Service Order Charge**

	<u>Resident</u>	<u>Business</u>
Primary (for initial connection of service and connection of additional local exchange lines, local private lines, tie line, off-premise connections and the like, to an established service)		
Primary Service Order Charge	\$12 00	\$15.00
Secondary (modification to an existing service, applicable to each order for a move, change, or addition		
Secondary Service Order Charge	\$ 9.00	\$10 00
4.2.2 Central Office Line Connection	\$ 6 00	\$ 8 00
4.2.3 Outside Line Work	\$ 7.00	\$10 00
4.2.4 Premise Visit	\$ 8.00	\$10 00
4.2.5 PIC Service Order Charge	\$10.00	\$10 00
4.2.6 Restoration Charge	\$15.00	\$15.00
4.2.7 Number Change Charge	\$15.00	\$15 00

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CURRENT RATES

SECTION 6 – NETWORK SWITCHED SERVICES

6.1 RESIDENTIAL FLAT RATE SERVICE

Monthly Recurring Charges:

- Each Service Line \$11.30

6.2 BASIC BUSINESS LINE SERVICE

Monthly Recurring Charges:

- Each Service Line \$37.10

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CURRENT RATES

SECTION 6 – NETWORK SWITCHED SERVICES (Cont'd)

6.2 BASIC BUSINESS LINE SERVICE (Cont'd)

6.2.2 PBX Trunk Service

	<u>Installation</u>	<u>Monthly</u>
First Block of 10 D I D. Numbers	\$500 00	\$ 5.00
Each additional group of 10 D I.D. Numbers	\$ 15.00	\$ 5.00
D I D. Trunk Termination – Inward Only	\$100 00	\$50 00

- Note (1) Minimum blocks of numbers will be in multiples of ten (10).
- (2) The preceding rates and charges are in addition to any other applicable rates and charges in other sections of this tariff
- (3) The preceding rates and charges apply to blocks of reserved numbers

CURRENT RATES**SECTION 7 – SUPPLEMENTAL SERVICES****7.2 SEASONAL AND VACATION SERVICE**

The monthly rate will be based upon 50% of the customer's total Local Exchange Service, including, but not limited to extensions mileage charges and directory listings

7.3 DIRECTORY ASSISTANCE SERVICE

\$0.85 per call (maximum of two requests per call)

7.4 TOLL DENIAL

	<u>Resident</u>	<u>Business</u>
Per month per line restricted	\$2.75	\$3.25

7.5 SPECIAL BILLING NUMBERS

\$0.50 per month per special billing number.
\$5.00 minimum per month

7.6 ROTARY LINE SERVICE

\$27.85 per month per line

7.7 MULTIPOINT ACCESS POSITION RATES – RECURRING

For each one quarter mile or fraction thereof, circuit measurement \$0.75

7.8 REMOTE CALL FORWARDING

The following per line charge is in addition to the applicable business rate for each exchange.

Per feature arranged	\$23.45
Per additional access facility	\$23.45

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CURRENT RATES

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.9 MISCELLANEOUS FEATURES

<u>Feature</u>	<u>Monthly Rate</u>	
	<u>Residence</u>	<u>Business</u>
Call Forward	\$2 75	\$3 75
Call Forward No Answer	\$1.00	\$4.30
Call Forwarding Variable	\$3.80	\$5.25
Call Forwarding-Busy Line	\$1.00	\$4 30
Call Hold	\$2.75	\$3.25
Call Rejection	\$3 00	\$5 50
Call Return	\$4.75	\$6 20
Call Screening	\$4 00	\$5 25
Call Trace (per successful trace)	\$4.00	\$6.65
Call Waiting	\$3 00	\$4.00
Caller ID – Number Delivery	\$6.65	\$10.45
Caller ID – Name and Number Delivery	\$7.55	\$10 45
Caller ID Blocking	N/C	N/C
Preferred Call Forwarding	\$4.00	\$5.70
Priority Ringing	\$4.00	\$5.25
Remote Access Call Forwarding	\$5.50	\$9.50
Repeat Dialing	\$4.00	\$5.70
Special Call Acceptance	\$4.00	\$4.50
Speed Calling 8	\$3.60	\$5.70
Speed Calling 30	\$4.50	\$6.20
Teen Line	\$6.00	NA
Three-Way Calling	\$4.30	\$5.70

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CURRENT RATES

SECTION 7 – SUPPLEMENTAL SERVICES (Cont'd)

7.10 DIRECTORY LISTINGS

Primary Service Listing	N/C
Additional Name Listings in alphabetical section only	\$1 00
Non-listed Telephone Number per listing	\$1.00
Non-published Telephone Number per listing	\$2.00

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CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES****8.2.1 Voice Grade — Local Channels**

Per point of termination

Voice

	Monthly Rate	Nonrecurring Charge First	Additional
Type 2230	\$28.50	\$290 00	\$115 00
Type 2231	\$28 50	\$290 00	\$115.00
Type 2432	\$47.50	\$335 00	\$145 00
Type 2434	\$11 40	\$135 00	\$ 78 00
Type 2435	\$47 50	\$310 00	\$130.00
Type 2261	\$28.50	\$350 00	\$230.00
Type 2462	\$47 50	\$470 00	\$225 00

Data

Type 2463	\$52 25	\$350 00	\$155 00
Type 2464	\$52 25	\$350.00	\$155 00

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CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES****8.2.1 Voice Grade Service – Series 2000 — Interoffice Channels¹**

Fixed and Mileage Charges applicable

	Fixed Monthly Charge	Monthly Charge Per Mile	Nonrecurring Charge Per Channel
1 thru 8 Miles	\$33.25	\$2 15	\$93 00
9 thru 25 Miles	\$33.25	\$2 15	\$93 00
Over 25 Miles	\$33.25	\$2 15	\$93.00

Note: For method of determining mileage, See Section 8

CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES****8 2 1 Voice Grade Service – Series 2000 — Optional Features and Functions****Bridging**

Bridging charges are applicable where more than two Local Channels, or one or more Local Channels and more than one Interoffice Channel, or more than one Local Channel and one Interoffice Channel are bridged or hubbed at the same wire center. No additional bridging charges are applicable for Series 1000, Types 1204 and 1205.

Voice Grade Bridges (Series 2000)**Voice Bridging****Per Port**

	Monthly Rate	Nonrecurring Charge
Two-Wire (Type 2230)	\$14.25	\$31.00

Data Bridging**Per Port**

Four-Wire (Types 2463 and 2464)	\$23.75	\$34.00
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CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES****8.2.1 Voice Grade Service – Series 2000 — Optional Features and Functions (Cont'd)****Bridging (Cont'd)****Voice Grade Bridges (Series 2000) (Cont'd)****Addressable Arrangement**

	Monthly Rate	Nonrecurring Charge
Common Equipment	\$237.50	\$245.00

Channel Connections

Per two-wire connection	\$4.75	\$33.00
Per four-wire connection	\$14.25	\$38.00

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CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES****8 2 1 Voice Grade Service – Series 2000 — Optional Features and Functions (Cont'd)****Signaling Arrangements**

Signaling arrangements are provided at the customer's option to arrange channels for suitable signaling. Signaling is required on all off-premises extension channels and tie line channels associated with PBX (or similar) systems.

Per local channel

	Monthly Rate	Nonrecurring Charge	
		Initial	Subsequent
Ringdown-Manual	\$10 45	\$38 00	\$170 00
Ringdown-Automatic	\$ 9.50	\$16 00	\$ 54.00
E&M Type	\$ 9 50	\$40.00	\$160 00
Type A (0-199 ohms)	\$ 5.70	\$39 00	\$110 00
Type B (200-899 ohms)	\$ 5 70	\$35 00	\$110.00
Type C (900 or more ohms)	\$ 2.85	\$12.00	\$110.00

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CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES****8 2 1 Voice Grade Service – Series 2000 — Optional Features and Functions (Cont'd)****Conditioning (Voice Grade Services)**

Conditioning provides more specific transmission characteristics for data services. There are two types of C-conditioning and one type of D-conditioning, each with different technical specifications. C-Type conditioning controls attenuation distortion and envelope delay distortion. D-Type conditioning controls the signal to C-notched noise ratio and intermodulation distortion.

Conditioning is charged for on a per Local Channel basis for two-point and multi-point service. For two-point services the parameters apply to each service. For multipoint services the parameters apply to any path between any two service points.

The types and description of the available conditioning options are as follows:

Type Conditioning	Frequency Response Specification	Envelope Delay Distortion Specification	
C1 (two-point or multipoint)	300-2700 Hz, -2db to +6dB. 1000-2400 Hz, -1dB to +3dB. 300-3000 Hz, -3dB to +12dB.	1000-2400 Hz, less than 1000 microseconds	
C2 (two-point or multipoint)	300-3000 Hz, -3dB to +6dB. 500-2800 Hz, -dB to +3dB	1000-2600 Hz, less than 500 microseconds 600-2600 Hz, less than 1500 microseconds 500-2800 Hz, less than 3000 microseconds	
	Non-Linear Distortion		
	C-Notched Noise	2nd Order Distortion	3rd Order Distortion
D1 (two-point)	Noise level 28dB below signal level	35dB below signal level	40dB below signal level

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CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES****8.2.1 Voice Grade Service – Series 2000 — Optional Features and Functions (Cont'd)****Conditioning (Voice Grade Services) (Cont'd)**

When a channel is equipped with Type D1 conditioning and is utilized for voice communications, the Company does not undertake to represent that the channel will be suitable for such voice transmission

C-Type Conditioning

C-Type Conditioning is available for Types 2463 and 2464.

C-Types of Conditioning per local channel

	Monthly Rate	Nonrecurring Charge	
		Initial	Subsequent
C1-Type	\$1.90	\$10.00	\$62.00
C2-Type	\$1.90	\$21.00	\$71.00

D-Type Conditioning

D-Type Conditioning is available for Types 2463 and 2464.

D-Type Conditioning per local channel

	Monthly Rate	Nonrecurring Charge	
		Initial	Subsequent
D1-Type	\$1.90	\$16.00	\$66.00

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CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES****8.4 DIGITAL SERVICE**

Service wholly within the same LATA

A Digital Local Channel is furnished between a Serving Wire Center and the customer's premises. The Digital Local Channel charges apply per local channel

	Nonrecurring Charge		Month to Month	24 to 42 Months	43 to 60 Months
	First	Add'l			
2.4 Kbps	\$340.00	\$105.00	\$52.25	\$46.55	\$44.65
4.8 Kbps	\$340.00	\$105.00	\$52.25	\$46.55	\$44.65
9.6 Kbps	\$340.00	\$105.00	\$52.25	\$46.55	\$44.65
19.2 Kbps	\$340.00	\$105.00	\$52.25	\$46.55	\$44.65
56.0 Kbps	\$340.00	\$105.00	\$71.25	\$61.75	\$57.00
64.0 Kbps	\$340.00	\$105.00	\$71.25	\$61.75	\$57.00

A Node Channel Termination is required at the Company's Node Central Office. Node Channel Termination per local channel or equivalent, each.

2.4 Kbps	\$37.00	\$32.00	\$11.40	\$9.30	\$9.05
4.8 Kbps	\$37.00	\$32.00	\$11.40	\$9.30	\$9.05
9.6 Kbps	\$37.00	\$32.00	\$11.40	\$9.30	\$9.05
19.2 Kbps	\$37.00	\$32.00	\$11.40	\$9.30	\$9.05
56.0 Kbps	\$37.00	\$32.00	\$33.25	\$26.60	\$24.70
64.0 Kbps	\$37.00	\$32.00	\$33.25	\$26.60	\$24.70

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CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES (Cont'd)****8.4 Digital Service (Cont'd)**

Service wholly within the same LATA (Cont'd)

A Digital Interoffice Channel is furnished between a serving wire center and the Node Central Office or between Node Central Offices. Digital Interoffice mileage is portrayed in bands. The appropriate mileage band for calculating interoffice mileage rates is determined by the total length in miles of that interoffice channel. A flat rate and a rate per mile apply to each band,¹ for each Digital Interoffice Channel provided.

Interoffice channel, each channel 0-8 miles

Fixed rates applicable ¹

	Nonrecurring Charge	Month to Month	24 to 42 Months	43 to 60 Months
2.4, 4.8, 9.6 and 19.2 Kbps	\$76.00	\$22.80	\$18.55	\$18.05
56.0 and 64 Kbps	\$76.00	\$45.60	\$34.20	\$32.30

Each mile or fraction thereof

	Nonrecurring Charge	Month to Month	24 to 42 Months	43 to 60 Months
2.4, 4.8, 9.6 and 19.2 Kbps	-	\$2.35	\$1.85	\$1.70
56.0 and 64 Kbps	-	\$4.60	\$3.65	\$3.35

Note 1 Refer to the National Exchange Carrier Association (NECA) Tariff F C C No. 4 for mileage measurement methodology and wire center Vertical (V) and Horizontal (H) coordinates

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CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES (Cont'd)****8 4 Digital Service (Cont'd)**

Service wholly within the same LATA (Cont'd)

Interoffice channel, each channel 9-25 miles

Fixed rates applicable

	Nonrecurring Charge	Month to Month	24 to 42 Months	43 to 60 Months
2 4, 4 8, 9 6 and 19 2 Kbps	\$76.00	\$22 80	\$18 55	\$18.05
56 0 and 64 Kbps	\$76 00	\$45.60	\$34 20	\$32 30

Each mile or fraction thereof

2 4, 4 8, 9 6 and 19.2 Kbps	-	\$2.30	\$1.80	\$1 65
56.0 and 64 Kbps	-	\$4 50	\$3 55	\$3.25

Interoffice channel, each channel over 25 miles

Fixed rates applicable

2.4, 4.8, 9.6 and 19.2 Kbps	\$76.00	\$22 80	\$18 55	\$18 05
56 0 and 64 Kbps	\$76.00	\$45.60	\$34 20	\$32.30

Each mile or fraction thereof

2.4, 4.8, 9 6 and 19 2 Kbps	-	\$2.20	\$1.75	\$1.60
56 0 and 64 Kbps	-	\$4 40	\$3 45	\$3 15

Note 1: Refer to the National Exchange Carrier Association (NECA) Tariff F C C. No 4 for mileage measurement methodology and wire center Vertical (V) and Horizontal (H) coordinates

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CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES (Cont'd)****8.4 Digital Service (Cont'd)**

Optional Features and Functions

Multipoint Service, per local or interoffice channel bridged^{1,2}

	Nonrecurring Charge	Month to Month	24 to 42 Months	43 to 60 Months
2.4, 4.8, 9.6 and 19.2 Kbps	\$28.00	\$28.50	\$22.80	\$20.90
56.0 Kbps	\$28.00	\$28.50	\$22.80	\$20.90

Secondary Channel Capability, per local channel

Each, ^{1,2}	\$225.00	\$17.10	\$13.30	\$12.35
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Data Over Voice Channel, per local channel

9.6 Kbps ^{1,3}	\$570.00	\$31.35	\$28.50	\$26.60
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Note 1: Not available at all service locations

Note 2: Nonrecurring charge is applicable only if Secondary Channel Service is being added subsequent to the installation of basic service

Note 3: This option may be used in lieu of a 9.6 Kbps Digital Local Channel in Section 8.4. All other Digital Service rate elements apply as appropriate

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CURRENT RATES

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8.5 T-1 Service

- a A Digital Local Channel is furnished between a Serving Wire Center and the customer's premises. Rates are based on the airline distance between the Serving Wire Center and the customer's premises.

1 Standard Local Channel Service, each

		Monthly <u>Rate</u>	Installation <u>Charge</u>
a	First 1/2 Mile	\$57.95	\$105.00
b	Each Additional 1/2 Mile or Fraction Thereof	\$42.75	

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CURRENT RATES**SECTION 8 – PRIVATE LINE SERVICES (Cont'd)****8.5 T-1 Service**

- b Interoffice Channels furnished between Central Offices. Rates are based upon the airline distance between central offices.

1	Interoffice Channel, each	Monthly <u>Rate</u>	Installation <u>Charge</u>
		\$71.25	\$310 00
	a) Each Airline Mile or Fraction Thereof	\$42 30	

- c Clear Channel Capability is furnished on a per T-1 Service channel basis

1	Per T-1 Service channel optioned as	Monthly <u>Rate</u>	Installation <u>Initial</u>	Subsequent <u>Charge</u>
	a) Superframe Format (SF)	NC	NC	\$590 00
	b) Extended Superframe Format (ESF)	NC	NC	\$590.00

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CURRENT RATES

SECTION 8 – PRIVATE LINE SERVICES (Cont'd)

8 5 T-1 Service

d. Charges for T-1 Service

	<u>Installation Charge</u>
1. Service Establishment Charge	
Per T-1 Service	\$575.00
2. Service Change Charge	
Inside Moves, each	\$350 00
Per Transfers of Responsibility, each	\$350 00
3. Premises Visit Charge	
Per Digital Local Channel or for an Inside Move, Per Visit	\$ 30 00

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CURRENT RATES

SECTION 10 – INTEGRATED SERVICES DIGITAL NETWORK (ISDN)

Primary Rate Interface-Integrated Services Digital Network (PRI-ISDN)

	<u>Monthly Rate</u>	<u>Nonrecurring Charge</u>
PRI-ISDN Access Line, each	\$133 00	\$875 00
PRI-ISDN Interoffice Channel, each channel	\$ 71 25	\$125 00
PRI-ISDN Interface, each	\$380.00	\$110.00
PRI – Flat Rate ISDN B-Channels	\$ 54 25	\$ 5 00

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