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GORDON C. MILLER ANDREW J. VORBRICH
GARY P. BARTOSIEWICZ TYREN R. CUDNEY
BLAKE D. CROCKER

OF COUNSEL
JOHN T. PETERS, JR.
THOMPSON BENNETT
(1912-2004)
VINCENT T. EARLY
(1922-2001)
JOSEPH J. BURGIE
(1926-1992)

December 6, 2006

filed electronically in docket office on 12/12/06

Darlene Standley, Chief
Telecommunications Division
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

RE: Cost Plus Communications, LLC

Dear Ms. Standley:

Enclosed for filing with the Regulatory Authority, please find an original and three (3) copies of the above captioned company's APPLICATION FOR CERTIFICATE TO PROVIDE LOCAL AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES, along with a check in the amount of \$25.00 for filing fees relating to same.

Also enclosed is an exact duplicate of this letter. Please date-stamp the duplicate and return same to me in the enclosed postage-paid envelope.

Please contact the undersigned should you have any questions or concerns.

Very truly yours,

EARLY, LENNON, CROCKER & BAROSIEWICZ, P.L.C.

Patrick D. Crocker

PDC/pas

BEFORE THE TENNESSEE REGULATORY AUTHORITY

**IN THE MATTER OF THE APPLICATION
OF COST PLUS COMMUNICATIONS, LLC
FOR A CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS
AND INTEREXCHANGE SERVICES**

**APPLICATION FOR CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS AND INTEREXCHANGE 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”), COST PLUS COMMUNICATIONS, LLC, (“CPC”) respectfully requests that the Tennessee Regulatory Authority (“TRA”) grant to CPC authority to provide competing local telecommunications services, including: facilities-based and resold local exchange, exchange access, and interexchange telecommunications services, within the State of Tennessee. CPC 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, CPC submits the following:

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

COST PLUS COMMUNICATIONS, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007
Telephone: (847) 685-8750
Facsimile: (866) 366-1835
Toll Free: (866) 262-7079

A. Questions regarding this application should be directed to:

Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
900 Comerica Building
Kalamazoo, MI 49007
Telephone: (269) 381-8844
Facsimile: (269) 381-8822
Email: pcrocker@earlylennon.com

B. Contact name and address at the Company is:

Casey Wojciechowski
Cost Plus Communications, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007
Telephone: (847) 685-8750
Facsimile: (866) 366-1835

2. **Organizational Chart of Corporate Structure: Include any pertinent acquisition or merger information.**

See Exhibit A

3. **Corporate information:**

COST PLUS COMMUNICATIONS, LLC is a limited liability company organized in the State of Michigan. A copy of CPC's Articles of Organization is provided in Exhibit B.

A copy of CPC'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 provided in Exhibit D.

There are no officers in Tennessee.

The biographies of the members and any other key technical staff are in Exhibit E.

4. **CPC 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, CPC submits financial statements for the two months ending June 2006 in Exhibit F. Also included are 3-year projections including income statements, balance sheets, and statements of cash flow.

Exhibit G is a capital expenditures budget indicating type of equipment to be purchased, cost, and sources for funding of projected capital expenditures.

CPC's financials nor their projected financials reflect any revenues or expenses associated with reciprocal compensation.

Irrevocable letter of credit is provided as Exhibit H

B. Managerial Ability:

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

C. Technical Qualifications:

CPC 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 LEC'S regulated by the TRA. Applicant will not require customers to purchase CPE, which cannot be used with the Incumbent Local Exchange Carrier's systems. As noted in the biographies **Exhibit E** of the principal officers, the officers have several years of telecommunications expertise. Thus, CPC is certainly technically qualified to provide local exchange service in Tennessee.

5. Proposed Service Area:

CPC is filing nationwide for authority to provide interexchange telecommunications services and is currently authorized in Texas.

CPC is currently authorized to provide local exchange services in Texas, but has filed applications in Illinois and Michigan. CPC intends to file applications contemporaneously with this filing in the states of Arkansas, Florida, Georgia, Missouri, Oregon, Pennsylvania, and Wisconsin.

The applicant proposes to offer its services throughout the State of Tennessee. CPC intends to provide service in the areas currently being served by Bell South and Sprint/United, which are designated open to competition. CPC intends to offer this broad range of telecommunications services through the use of its own facilities, resold facilities, and through a combination of these provisioning methods using the unbundled network elements (UNE's). CPC anticipates collocating DSLAMS and other related electronic equipment in the central offices of the ILECs.

Applicant will also resell interexchange long distance services to primarily business customers throughout the entire state of Tennessee.

6. Types of Local Exchange Service to be provided:

CPC expects to offer a broad variety of local exchange services, primarily to business customers in Tennessee. CPC's initial line of local services will be comparable to that currently offered by the incumbent LECS. Initially CPC plans to offer basic access line service, 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).

7. Repair and Maintenance:

CPC understands the importance of effective customer service for local service customers. CPC has made arrangements for its customers to call the company at its toll-free customer service number (866) 262-7079. In addition, customers may contact the company in writing at the headquarters address. The toll free customer service number will be printed on the customer's monthly billing statements. The Tennessee contact person knowledgeable about provider's operations is Casey Wojciechowski, reference (1.B.) above.

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 CPC to provide local exchange telecommunications services will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development.

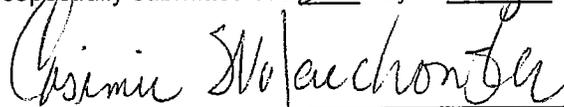
In particular, the public will benefit both directly, through the use of the competitive services to be offered by CPC and indirectly, because CPC' presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce 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.

8. **Small and Minority-Owned Telecommunications Business Participation Plan: (65-5-212):** is provided in **Exhibit I**
9. **Toll Dialing Parity Plan:** is provided as **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 CPC has not been subject to complaints in any of the states in which we are doing business.
 - D. Applicant will file a local exchange tariff for Commission approval prior to commencing operations in Tennessee.
 - E. Number of employees: Applicant has three employees during this start-up phase.
 - F. Employer Identification Number (E.I.N.): 81-0665726
 - G. The descriptions, regulations, and rates applicable to the furnishing of resold interexchange services in Tennessee are attached hereto as **Exhibit O**.

CONCLUSION

CPC 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 service on a resale basis throughout the State of Tennessee in the service areas of Bell South, GTE and Sprint and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996. For the reasons stated above, CPC'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 24th day of August 2006



Casimir Wojciechowski, President
COST PLUS COMMUNICATIONS, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007
Telephone: 847-685-8750
Facsimile: 866-366-1835

EXHIBIT A

Company Structure

Company is a limited liability company organized under the laws of the State of Michigan.

EXHIBIT B

Articles of Organization

Michigan Department of Consumer and Industry Services

Filing Endorsement

This is to Certify that the ARTICLES OF ORGANIZATION (DOMESTIC L.L.C.)

for

COST PLUS COMMUNICATIONS, LLC

ID NUMBER: B8552L

received by facsimile transmission on March 11, 2005 is hereby endorsed filed on March 16, 2005 by the Administrator. The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 16th day of March, 2005.

A handwritten signature in black ink, appearing to read "Andrew S. Mitchell".

, Director

Bureau of Commercial Services

MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH BUREAU OF COMMERCIAL SERVICES	
Date Received	(FOR BUREAU USE ONLY)
This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.	
Name Patrick D. Crocker	
Address 900 Comerica Building	
City Kalamazoo	State MI
Zip Code 49007	
EFFECTIVE DATE:	

Document will be returned to the name and address you enter above. If left blank document will be mailed to the registered office.

ARTICLES OF ORGANIZATION

For use by Domestic Limited Liability Companies

(Please read information and instructions on last page)

Pursuant to the provisions of Act 23, Public Acts of 1993, the undersigned execute the following Articles:

B

ARTICLE I

The name of the limited liability company is: COST PLUS COMMUNICATIONS, LLC

ARTICLE II

The purpose or purposes for which the limited liability company is formed is to engage in any activity within the purposes for which a limited liability company may be formed under the Limited Liability Company Act of Michigan.

ARTICLE III

The duration of the limited liability company if other than perpetual is: _____

ARTICLE IV

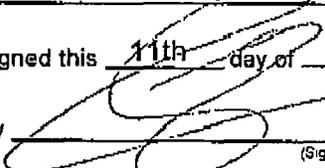
1. The street address of the location of the registered office is:
151 South Rose Street, 900 Comerica Bldg Kalamazoo, Michigan 49007
(Street Address) (City) (ZIP Code)

2. The mailing address of the registered office if different than above:
 _____, Michigan _____
(Street Address or P.O. Box) (City) (ZIP Code)

3. The name of the resident agent at the registered office is: Patrick D. Crocker

ARTICLE V (Insert any desired additional provision authorized by the Act; attach additional pages if needed.)

Signed this 11th day of March, 2005

By  _____
(Signature(s) of Organizer(s))

Patrick D. Crocker
(Type or Print Name(s) of Organizer(s))

EXHIBIT C

Certificate of Authority to Transact Business

Secretary of State
Division of Business Services
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, Tennessee 37243

DATE: 10/03/06
REQUEST NUMBER: 5871-2247
TELEPHONE CONTACT: (615) 741-2286
FILE DATE/TIME: 10/03/06 1046
EFFECTIVE DATE/TIME: 10/03/06 1046
CONTROL NUMBER: 0531063

TO:
TERESA MAGEE
SUITE 110
3331 STREET RD.
BENSALEM, PA 19020

RE:
COST PLUS COMMUNICATIONS, LLC
APPLICATION FOR CERTIFICATE OF AUTHORITY -
LIMITED LIABILITY COMPANY

WELCOME TO THE STATE OF TENNESSEE. THE ATTACHED LIMITED LIABILITY COMPANY CERTIFICATE OF AUTHORITY HAS BEEN FILED WITH AN EFFECTIVE DATE AS INDICATED ABOVE.

A LIMITED LIABILITY COMPANY ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE

LIMITED LIABILITY COMPANY'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE LIMITED LIABILITY COMPANY AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE LIMITED LIABILITY COMPANY TO ADMINISTRATIVE REVOCATION OF ITS CERTIFICATE OF AUTHORITY.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE LIMITED LIABILITY COMPANY CONTROL NUMBER GIVEN ABOVE.

FOR: APPLICATION FOR CERTIFICATE OF AUTHORITY -
LIMITED LIABILITY COMPANY

ON DATE: 10/03/06

FROM:
CORPORATION GUARANTEE AND TRUST CO/3331
3331 STREET ROAD
SUITE 110
BENSALEM, PA 19020-0000

RECEIVED: FEES \$300.00 \$0.00
TOTAL PAYMENT RECEIVED: \$300.00

RECEIPT NUMBER: 00004035121
ACCOUNT NUMBER: 00362848



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE



Department of State
Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

APPLICATION FOR
CERTIFICATE OF AUTHORITY
(Limited Liability Company)
(For use on and after 1/1/2006)

RECEIVED IN STATE
2006 OCT 15
AM 10:46

To the Secretary of State of the State of Tennessee:

Pursuant to the provisions of §48-249-904 of the Tennessee Revised Limited Liability Company Act, the undersigned 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 Limited Liability Company is: COST PLUS COMMUNICATIONS, LLC

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 Limited Liability Company if its name does not comply with the requirements of § 48-249-106 of the Tennessee Revised Limited Liability Company Act. If obtaining a certificate of authority under an assumed Limited Liability Company name, an application must be filed pursuant to § 48-249-106(d).

2. The state or country under whose law it is formed is: Michigan

and its date of its formation is: March 16, 2005 (must be month, day and year)

3. The complete street address (including zip code) of its principal executive office is:

151 South Rose Street, Suite 900, Kalamazoo, MI 49007
Street City/State Zip Code

4. The complete street address (including the county and the zip code) of its registered office in Tennessee:

315 Deaderick Street, Suite 1100, Nashville, TN 37238
Street City/State County Zip Code

The name of its registered agent at that office is: Joseph Martin, Jr.

5. If the provisions of TCA §48-249-309(i) (relating to foreign series LLCs) apply, then the information required by that section should be attached as part of this document.

6. The number of members at the date of filing if more than six (6):

7. If the limited liability company commenced doing business in Tennessee prior to the approval of this application, the date of commencement (month, day and year):

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 the Limited Liability Company records in the state or country under whose law it is organized. The certificate shall not bear a date of more than two (2) months prior to the date the application is filed in this state.

Signature Date 9-13-06

Signer's Capacity V.P.

COST PLUS COMMUNICATIONS, LLC
Name of Limited Liability Company

Signature James Grabowski

Name (typed or printed) James Grabowski

EXHIBIT D

Officers

Casey Wojciechowski
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

President

James Grabowski
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

Vice President

Matthew Simpson
151 South Rose Street. Suite 900
Kalamazoo, MI 49007

Secretary

EXHIBIT E

Biographies

Casey Wojciechowski, President

Casey Wojciechowski's penchant for communications began in the United States Marine Corps more than 30 years ago where he served in aircraft communications managing one of the largest communications and navigation repair facilities in the Marines. After the service, Casey furthered his telecommunications expertise in the sales, marketing and management of the industry by focusing on Internet, data and voice applications for small to multi-million dollar businesses for both AT&T and MCI. As General Manager of American Farm Bureau Incorporated, Casey personally envisioned and launched Farm Bureau Connection[®], a national long distance program. As a founding member and President of Applicant, Casey is responsible for all program operations, a national call center and customer service, compliance issues and contract negotiations regarding vendors, billing, taxes and product offering.

James Grabowski, Vice President

Jan 2005 – present	Vice President of IBFA Acquisition Company, LLC
Sep 1996 – Dec 2004	Owner of JG Core Group, a telecommunications consultant
1991 – Sep 1996	Vice President of Great Lakes Telecommunications, a long distance reseller
1985 – 1991	Vice President of Promotional Services Group, a sale promotion agency

Matthew N. Simpson

2002-current Symatec Communications, LLC Dallas, TX

President and Chief Executive Officer

- Started and operated Symatec Communications, LLC, a certified facilities-based CLEC in Texas.
- Negotiated interconnection agreements with Sprint, Verizon. and SBC in Texas for Symatec.
- Led Symatec in offering service to residence and business customers in the state of Texas.
- Designed, built, and managed the TxLink Network, a 828 supplier of ISP solutions. TxLink Networks provided out-sourced products to ISPs including RADIUS provisioning, unbundled products such as email boxes, corporate email filtering, server co-location, and ADSL linesplitting CLEC consulting services. TxLink grew quickly, and was profitable for Symatec from the first day, providing services and consulting to over twenty ISPs and CLEC clients,

2002-current American Discount Telecom, Inc. Las Vegas, NV

Chief Operating Officer and Secretary - Treasurer

- Managed staff of sales and customer service personnel
- Oversaw American Discount Telecom's CLEC operations in the state of Nevada and the state of Montana. Negotiated interconnection agreements with SBC Nevada, Qwest, and Sprint.
- Responsible for secretary and treasurer duties for the corporation. Oversaw contract management with vendors and clients, as well as financial and auditing responsibilities.
- Designed and built VoIP SIP soft-switch with Class 5 calling features, PSTN interface over PRI. proxy SIP interconnection, and least cost routing - ADT was then able to offer VoIP consulting services and has ability to wholesale / retail VoIP phone services.
- Designed and implemented 802.11 "WiFi" wide area network utilizing 5.8 and 2.4 gig bands - ADT was then able to offer WiFi consulting services and has ability to wholesale / retail its WiFi network.
- Gave seminars on CLEC operations to over fifty CLEC clients with outsourced CLEC vendors including LD, voicemail, billing (end user and CABS), and back-office. Gave provisioning classes on ILEC interfaces such as LEX and WISE.
- Designed and implemented RADIUS value added network for ADT's ISP clients with GUI provisioning interface, accounting, and features - ADT clients are able to provide dialup and DSL internet services through this system as well as spam and virus protected email with no equipment investment.
- Responsible for provisioning and implementation of advanced services such as UNE and Resale DS-I. DS-3, ISDN BRI, and PRI orders with ILECs for ADT and ADT's clients.

1998-2002 ECTISP Waxahachie, TX

Network Engineer

- Managed digital Internet network for ISP - installed and maintained Cisco enterprise routers, Catalyst switches, Ascend MAX remote access equipment, Lucent Stinger DSLAM equipment, and end-user CPE equipment.
- Designed, programmed, and implemented a UNIX based software solution that applied rules based spam and virus processing to incoming email - saved ECTISP 50% in wasted bandwidth costs and decreased end-user churn due to EU dissatisfaction.
- Completed server farm migration from Windows NT to hybrid NT/UNIX server farm -took ECTISP network reliability to a level of "5 nines" uptime.
- Designed, programmed, and implemented a full-featured Web-based email software package to serve ECTISP's customers POP3 email.

1998-2000 Symatec Computer Waxahachie, TX

Sole Proprietor

- Started small business retail computer store and computer repair center.
- Within two months saw sales of \$10,000 monthly in computer desktop and peripheral sales. Saw sales of \$5,000 monthly in computer repair services.
- Managed staff of four (two salespeople and two technicians) to effectively serve amount of customers Symatec was assisting.
- Did onsite computer consulting for small to mid sized businesses in the DFW market area.
- Sold business in 2000 to pursue opportunity with ECTISP.

EXHIBIT F

Financial Qualifications

Estimated cost of network, switches, and unbundled network elements (UNE's)

Applicant anticipates no equipment expenses.

Most recent audited financial statements

- A. Balance Sheet
- B. Income statement
- C. Statement of Cash Flows

CPC was organized on March 16, 2005 and has not yet begun to provide service in any jurisdiction. As such, unaudited financials for the period ending June 2006 are attached.

Projected financial statements (three (3) years).

- A. Balance Sheet
- B. Income Statement
- C. Statement of Cash Flows

Attached hereto.

Please quantify amounts included in financial statements and projections relating to reciprocal compensation for terminating ISP traffic.

No amounts are projected for such traffic.

TCA §65-4-125 amendment states that by September 1, 2000, all telecommunications service providers subject to the control and jurisdiction of the authority, except those owners or operators of public telephone service who pay annual inspection and supervision fees pursuant to Tennessee Code Annotated, §65-7-301(b), or any telecommunications services provider that owns and operates equipment facilities in Tennessee with a value of more than 5 million (\$5,000,000), shall file with the authority a corporate surety bond or irrevocable line of credit in the amount of twenty thousand dollars (\$20,000) to secure the payment of any monetary sanction imposed in any enforcement proceeding, brought under this title or the Consumer Telemarketing Protection Act of 1990, by or on behalf of the authority.

Please refer to Exhibit H

Cost Plus Communications, LLC
Profit & Loss
 January through June 2006

	<u>Jan - Jun 06</u>
Ordinary Income/Expense	
Income	
Sales Income	1,649,492.06
Total Income	<u>1,649,492.06</u>
Gross Profit	1,649,492.06
Expense	
Bank Fees	818.00
Bank Service Charges	250.00
Carrier Costs	
ATI Communications	10,284.60
Commpartners	137,890.44
iSPServices.com	348.73
ITSfast.net	4,619.48
Level3 Communication LLC	2,727.33
Omnilec	4,202.30
Star Networks, LLC	389.86
Wiltel	1,052,287.94
XO Communications	<u>22,255.65</u>
Total Carrier Costs	1,235,006.33
Commissions	185,530.48
Contract Labor	1,920.00
Filing Fee	1,626.00
Miscellaneous Debit	0.60
Miscellaneous Services	23,500.00
Outside Sales Commissions	14,600.00
Rent	<u>7,500.00</u>
Total Expense	<u>1,470,751.41</u>
Net Ordinary Income	178,740.65
Other Income/Expense	
Other Income	
Other Income	
Payment From Loan To HOF LLC	12,500.00
Other Income - Other	<u>9.56</u>
Total Other Income	12,509.56
Total Other Income	12,509.56
Other Expense	
Other Expenses	<u>1,326.15</u>
Total Other Expense	1,326.15
Net Other Income	<u>11,183.41</u>
Net Income	<u><u>189,924.06</u></u>

Cost Plus Communications, LLC
Balance Sheet
As of June 30, 2006

	<u>Jun 30, 06</u>
ASSETS	
Current Assets	
Checking/Savings	
DesPlaines Checking	2,678.24
International Bell Comm	1,000.00
Total Checking/Savings	<u>3,678.24</u>
Accounts Receivable	
Accounts Receivable	173,366.86
Total Accounts Receivable	<u>173,366.86</u>
Total Current Assets	177,045.10
Other Assets	
Loan to HOF LLC	12,500.00
Total Other Assets	<u>12,500.00</u>
TOTAL ASSETS	<u>189,545.10</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	421.18
Total Accounts Payable	<u>421.18</u>
Total Current Liabilities	<u>421.18</u>
Total Liabilities	421.18
Equity	
Opening Bal Equity	8,000.00
Retained Earnings	-8,800.14
Net Income	189,924.06
Total Equity	<u>189,123.92</u>
TOTAL LIABILITIES & EQUITY	<u>189,545.10</u>

EXHIBIT G

Capital Expenditures Budget

Capital Expenditures Budget (3 years)

A. Equipment to be deployed

Applicant will deploy no equipment for this service offering.

B. Cost of equipment

Applicant will have no cost, as it will deploy no equipment.

C. Sources for funding Tennessee network, equipment, UNE's, cash loan commitments, vendor credits, letter of credit, etc. (complete detail)

Please refer to Exhibit H

EXHIBIT H

Irrevocable Letter of Credit

Applicant is in the process of obtaining an irrevocable letter of credit and will file the letter with the TRA upon receipt.

EXHIBIT I

**Small and Minority-Owned Telecommunications
Business Participation Plan**

COST PLUS COMMUNICATIONS, LLC

SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN

Pursuant to T.C.A. §65-5-212, as amended, COST PLUS COMMUNICATIONS, LLC (“CPC”) 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 intrastate and 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. CPC 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. CPC 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, CPC will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to CPC of such opportunities. CPC’s representatives will contact 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, CPC 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

CPC'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 CPC's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Casey Wojciechowski, President
COST PLUS COMMUNICATIONS, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007
Telephone: (847) 685-8750

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 cooperating 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 CPC 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

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

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

COST PLUS COMMUNICATIONS, LLC

Dated: August 29, 2006

By:

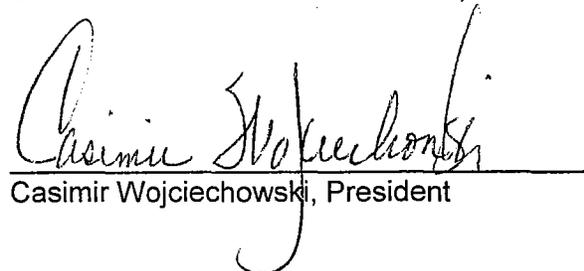

Casimir Wojciechowski, President

EXHIBIT J

Toll Dialing Parity Plan

COST PLUS COMMUNICATIONS, LLC

PROPOSED PLAN FOR PROVIDING TOLL DIALING PARITY

Introduction

Section 251(b)(3) of the Telecommunications Act of 1996 (the "Act"), 47 USC §251(b)(3), requires each local exchange carrier ("LEC") to provide dialing parity to competing providers of telephone exchange service and telephone toll services. In order to ensure that each LEC is providing toll dialing parity, the Federal Communications Commission's ("FCC") regulations implementing the ACT, 48 CFR §52.213, require each LEC to file a plan for providing toll dialing parity with the state commission or the FCC. COST PLUS COMMUNICATIONS, LLC ("CPC") hereby files, for review by the Tennessee Regulatory Authority ("TRA"), its Proposed Plan for Providing Toll Dialing Parity.

TOLL DIALING PARITY PLAN

Technical Implementation

CPC will be offering dialing parity for all toll calls. Each customer requesting CPC local exchange service will be given the opportunity to affirmatively select a presubscribed carrier for intraLATA toll and interexchange toll calls. CPC intends to utilize the underlying carrier's 2-PIC capabilities. This allows a customer to presubscribe to a preferred carrier for intraLATA toll calls and the same or different carrier for interLATA toll calls. CPC will be implementing this plan upon receiving authority from the TRA to provide service. CPC will initially be establishing service in the LATA served by Bell South.

Business Office Practices

CPC will ensure that all customers are aware they have a choice of intraLATA, as well as interLATA toll carriers. In response to each request for CPC service, a CPC sales representative will inform the customer that CPC will presubscribe the customer's toll service to both the intraLATA and the interLATA toll carrier(s) of the customer's choice. In this way, the customer knows that a choice can be made among intraLATA and interLATA toll carriers. All carriers will be treated on a

non-discriminatory basis and each customer will be given the opportunity to affirmatively select an intraLATA and interLATA toll carrier. CPC will maintain a list of available toll carriers and keep it updated. CPC will process a customer's PIC charge to a toll carrier other than CPC in the same fashion and in the same time frames as a request to presubscribe to itself. Once a CPC customer has chosen an intraLATA and interLATA toll carrier, the customer will be able to verify that selection at any time by dialing a toll free number. Customers will have access on a nondiscriminatory basis to telephone numbers, operator services, directory assistance, and directory listings. CPC does not have a PIC change charge waiver period at this time.

In responding to a communication from another intraLATA and interLATA telecommunications carrier, CPC's customer care representative will use an industry-standard Customer Account Record ("CARE") format to accept the required change. Such changes will be implemented only through a CARE request to ensure that changes are not made without appropriate authorization. Other carriers may submit a CARE request of CPC either manually or electronically.

Anti-Slamming

CPC will comply with the FCC's anti-slamming provisions, 47 CFR § 64-110-150. CPC will make available a PIC-freeze option to requesting customers to protect the customer from unauthorized changes to its selected intraLATA and interLATA toll carrier.

Dialing Plan

The following matrix outlines the proposed routing of calls.

0	CPC local Operator Service	
00	Dial to presubscribed Toll Provider Operator Service	
1+10 digits		Dial to presubscribed intraLATA Toll Provider or interLATA Toll Provider Operator Service (depending on 10 digit number dialed).
10xxx or 101xxx+0		Dial around presubscribed intraLATA or interLATA Toll Provider to alternate Toll Provider Operator Service identified by code used by xxx or xxix portion of dialing request).
10xxx or 101xxxx+0+10 digits		Dial around presubscribed intraLATA or interLATA Toll Provider to alternate Toll Provider Operator Service (identified by code used in xxx or xxix portion of dialing request).
10xxx or 101xxxx+1+10 digits		Dial around presubscribed intraLATA or interLATA Toll Provider to direct dial through alternate Toll Provider (identified by code used in xxx or xxix portion of dialing request).

Applicability

This plan for providing dialing parity is intended to apply to all dial tone lines provisioned by CPC. CPC will comply with all rules of the FCC and the TRA.

Conclusion

CPC respectfully request that the TRA approve its proposed plan for providing toll-dialing parity.

EXHIBIT K

Notice of Application

CERTIFICATE OF SERVICE

STATE OF MICHIGAN)
) ss.
COUNTY OF KALAMAZOO)

Paula A. Schneider, being duly sworn, deposes and states that on the 6th day of December 2006, served a copy of the NOTICE OF FILING of the APPLICATION OF COST PLUS COMMUNICATIONS, LLC FOR A CERTIFICATE TO PROVIDE COMPETING LOCAL AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES via U.S. Mail on the parties on the attached service list.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 6th day of December 2006 at Kalamazoo, Michigan.



Paula A. Schneider

BEFORE THE TENNESSEE REGULATORY AUTHORITY

**IN THE MATTER OF THE APPLICATION
OF COST PLUS COMMUNICATIONS, LLC
FOR A CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS
AND INTEREXCHANGE SERVICES**

NOTICE OF FILING

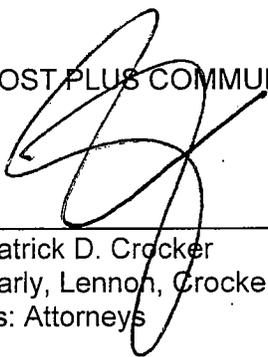
TO: ALL INTERESTED PARTIES SET FORTH IN EXHIBIT K OF THIS APPLICATION.

PLEASE TAKE NOTICE, that in accordance with the Tennessee Regulatory Authority Rules for the Provision of Competitive Intrastate Telecommunications Services, you are hereby given notice that on December 6, 2006, COST PLUS COMMUNICATIONS, LLC filed an Application for a Certificate of Public Convenience and Necessity to Provide Facilities-based AND Resold Local Exchange and Interexchange Telecommunications Services.

This 6th day of December 2006.

COST PLUS COMMUNICATIONS, LLC

BY:



Patrick D. Crocker
Early, Lennon, Crocker & Bartosiewicz, P.L.C.
Its: Attorneys

**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATE IN TENNESSEE (FACILITIES-BASED)**

1. **ARDMORE TELEPHONE COMPANY, INC.**
P.O. Box 549
517 Ardmore Avenue
Ardmore, TN 38449
2. **BELLSOUTH**
333 Commerce Street
Nashville, TN 37201-3300
3. **CENTURY TELEPHONE OF ADAMSVILLE**
P.O. Box 405
116 N. Oak Street
Adamsville, TN 38310
4. **CENTURY TELEPHONE OF CLAIBORNE**
P.O. Box 100
507 Main Street
New Tazewell, TN 37825
5. **CENTURY TELEPHONE OF OOLTEWAH-COLLEGEDALE, INC.**
P.O. Box 782
5616 Main Street
Ooltewah, TN 37363
6. **CITIZENS COMMUNICATIONS COMPANY OF TENNESSEE**
P.O. Box 770
300 Bland Street
Bluefield, WV 24701
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

**INCUMBENT LOCAL EXCHANGE SERVICE PROVIDERS
CERTIFICATE IN TENNESSEE (FACILITIES-BASED)**

- 9. MILLINGTON TELEPHONE COMPANY, INC.**
P.O. Box 429
4880 Navy Road
Millington, TN 38083-0429
- 10. SPRINT-UNITED**
112 Sixth Street
Bristol, TN 37620
- 11. TDS TELECOM-CONCORD TELEPHONE EXCHANGE, INC.**
P.O. Box 22610
701 Concord Road
Knoxville, TN 37933-0610
- 12. TDS TELECOM-HUMPHREYS COUNTY TELEPHONE COMPANY**
P.O. Box 552
203 Long Street
New Johnsonville, TN 37134-0552
- 13. TDS TELECOM-TELLICO TELEPHONE COMPANY, INC.**
P.O. Box 9
102 Spence Street
Tellico Plains, TN 37385-0009
- 14. TDS TELECOM-TENNESSEE TELEPHONE COMPANY**
P.O. Box 18139
Knoxville, TN 37928-2139
- 15. TEC-CROCKETT TELEPHONE COMPANY, INC.**
P.O. Box 7
Friendship, TN 38034
- 16. TEC-PEOPLE'S TELEPHONE COMPANY, INC.**
P.O. Box 310
Erin, TN 37061
- 17. TEC-WEST TENNESSEE TELEPHONE COMPANY, INC.**
P.O. Box 10
244 E. Main Street
Bradford, TN 38316
- 18. UNITED TELEPHONE COMPANY**
P.O. Box 38
120 Taylor Street
Chapel Hill, TN 37034

EXHIBIT L

Numbering Issues

Please provide answers to the following questions concerning numbering within your proposed service area.

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

The Company's expected demand for NXXs per NPA within a year of approval is 5,000.

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

The Company will not order NXXs in blocks and estimates an aggregate amount consistent with the answer to Question 1 herein above.

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

The Company intends to market service throughout the State of Tennessee. Accordingly, the Company's footprint shall initially include BellSouth.

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

Yes.

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

The Company will assign numbers consistent with demand.

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?

Majority of NXX's will be existing customers.

EXHIBIT M

Tennessee Specific Operational Issues

Please provide answers to the following questions concerning 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.

Billing features will prevent the billing of countywide calls.

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?

Yes.

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

Yes.

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.

Billing features will preclude such billing.

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.

Casey Wojciechowski

(847) 685-8750

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?

Yes. The Company intends to telemarket its services and is aware of the telemarketing statutes and regulations.

EXHIBIT N

Pre-filed Testimony

BEFORE THE TENNESSEE REGULATORY AUTHORITY

**IN THE MATTER OF THE APPLICATION
OF COST PLUS COMMUNICATIONS, LLC
FOR A CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS
AND INTEREXCHANGE SERVICES**

PRE-FILED TESTIMONY OF CASEY WOJCIECHOWSKI

I, Casey Wojciechowski, hereby testify as follows in support of the application of COST PLUS COMMUNICATIONS, LLC ("CPC") for a Certificate of convenience and necessity as a competing telecommunications services provider to provide telecommunication services throughout the State of Tennessee.

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

A: My name is Casey Wojciechowski. My business address is 151 South Rose Street, Kalamazoo, MI 49007. I am the President of COST PLUS COMMUNICATIONS, LLC.

A: I am responsible for all program operations, a national call center and customer service, compliance issues and contract negotiations regarding vendors, billing, taxes and product offering. I am also responsible for the management of 260 satellite network sites and the negotiation and maintenance of Farm Bureau's 1.5 million dollar per year data contract.

Q: Please describe your business experience and educational background.

A: My communications career began in the United States Marine Corps more than 30 years ago where I served in aircraft communications managing one of the largest communications and navigation repair facilities in the Marines. After the service I furthered my telecommunication expertise in the sales, marketing and management of the industry by focusing on Internet, data and voice applications for small to multi-million dollar businesses for both AT&T and MCI. As General Manager of American Farm Bureau, Inc., I personally envisioned and launched Farm Bureau Connection, a national long distance program.

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

A: Yes, to the best of my knowledge, information and belief all statements in CPC's Application are true and correct.

Q: Please describe the current corporate structure of CPC.

A: CPC is a limited liability company organized under the laws of the State of Michigan.

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

A: Yes, CPC possesses the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority.

- Q: Please describe CPC's financial qualifications.
- A: As evidence of CPC's financial qualifications and resources to offer telecommunications services in Tennessee, we submit financial information in Exhibit F.
- Q: Please describe CPC's managerial and technical qualifications.
- A: The senior management of CPC has great depth in the telecommunications industry and offer extensive technical and managerial expertise to CPC pertaining to the telecommunications business. In evidence of managerial and technical qualifications we submit Exhibit E, which includes the biographies of CPC's key officers.
- Q: What services will CPC offer?
- A: CPC's initial line of local services will be comparable to that currently offered by the incumbent LECs. Initially, CPC plans to offer basic access line service, Optional Calling Features, Directory Assistance, Directory Services, and Operator Services, as well as all services required under Chapter 1220-4-8-.04 (3) (b) and (c).
- Q: Will CPC offer service to all consumers within its service area?
- A: Yes, CPC will offer service to all consumers within its service area. CPC intends to market to primarily business customers.
- Q: Will the granting of a certificate of convenience and necessity to CPC serve the public interest?
- A: Yes, the public will benefit both directly, through the use of the competitive services to be offered by CPC and indirectly, because CPC's presence in Tennessee will increase the incentive for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve their quality of service. Granting of a certificate of convenience and necessity to CPC will further enhance the service options available to Tennessee citizens.
- Q: Does CPC 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, CPC intends 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.
- Q: Has any state ever denied CPC or one of its affiliates authorization to provide intrastate service?
- A: No, CPC has not ever been denied authority to provide intrastate service by any State or jurisdiction.
- Q: Has any state ever revoked the certification of CPC or one of its affiliates?
- A: No, CPC's certification has not ever been revoked in any state or jurisdiction.

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

A: CPC has not ever been investigated or sanctioned by any regulatory authority for service or billing irregularities.

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

A: Casey Wojciechowski.

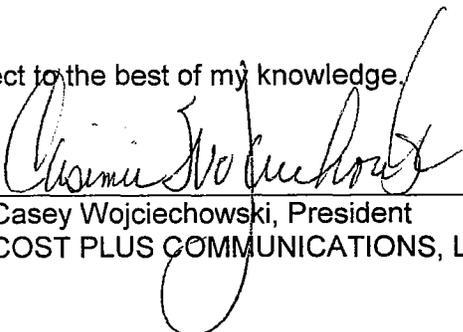
Q: Please explain in detail CPC's proposed procedures for responding to information requests from the TRA and its staff.

A: CPC's attorney or company staff will respond to information requests from the TRA and its staff.

Q: Does this conclude your testimony?

A: Yes it does.

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



Casey Wojciechowski, President
COST PLUS COMMUNICATIONS, LLC

Subscribed and sworn before me this 24th day of August, 2006.



Notary Public:
State of ILLINOIS
County of Alle Page
My commission expires 7/8/09

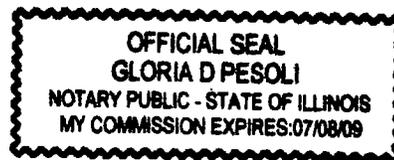


EXHIBIT O

Tariffs

Local Exchange Services Tariff

COST PLUS COMMUNICATIONS, LLC

**REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES
APPLYING TO LOCAL EXCHANGE SERVICE
WITHIN THE STATE OF TENNESSEE**

Issued:

Effective:

Casey Wojciechowski, President
Cost Plus Communications, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

Local Exchange Services Tariff

CHECK SHEET

All pages of this tariff are effective as of the date shown. Original and revised pages, as named below, comprise all changes from the original tariff in effect on the date indicated.

<u>Page</u>	<u>Revision</u>
Title	Original
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3	Original
4	Original
5	Original
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11	Original
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Issued:

Effective:

Casey Wojciechowski, President
Cost Plus Communications, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

Local Exchange Services Tariff

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Effective:

Casey Wojciechowski, President
Cost Plus Communications, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

Local Exchange Services Tariff

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Issued:

Effective:

Casey Wojciechowski, President
Cost Plus Communications, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

Local Exchange Services Tariff

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Issued:

Effective:

Casey Wojciechowski, President
Cost Plus Communications, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

Local Exchange Services Tariff

EXPLANATION OF SYMBOLS

The following symbols are used for the purposes indicated below:

C - To signify change in Meaning of text

D - To signify a decreased rate

I - To signify an increased rate

N - To signify new material

T - To signify text clarification

M - To signify relocation of text without change

Issued:

Effective:

Casey Wojciechowski, President
Cost Plus Communications, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

Local Exchange Services Tariff

APPLICATION OF TARIFF

This tariff sets forth the service offerings, rates, terms and conditions applicable to the furnishing of local exchange communications services by Cost Plus Communications, LLC, to Customers within the local exchange service areas defined herein.

Issued:

Effective:

Casey Wojciechowski, President
Cost Plus Communications, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

Local Exchange Services Tariff

1. Definitions

Account Codes: Allows a user to allocate local calls to a digital, non-verified account code.

Advance Payment: Payment of all or part of a charge is required before the start of service.

Authority: The Tennessee Regulatory Authority or its successor.

Authorized User: A person firm, corporation or other entity that is authorized by the Customer to use local exchange telephone service or is placed in a position by the Customer, either through acts or omissions, to use local exchange telephone service.

Automatic Call Return: Allows the customer to return a call to the last number received by pressing a preassigned number.

Call Forward Busy: Automatically routes incoming calls to a designated answering point when the called line is busy.

Call Forward No Answer: Automatically routes incoming calls to a designated answering point when the called line does not answer within a pre-specified number of rings.

Call Forward Variable: Automatically routes incoming calls to a designated answering point, regardless of whether the users station is idle or busy.

Call Hold: Allows the user to hold one call for any length of time provided that neither party goes On Hook.

Call Park: Allows a User to park a call against their directory number within the business group and "unpark" the call from any other directory number. A business group consists of a series of Customer-defined telephone numbers.

Call Pickup: Allows a user to answer incoming calls to another station line within a defined call pickup group. Call Pickup is provided as either Group Call Pickup, where predesignated groups can pick up each others calls by activating an access code or a feature key, or Directed Call Pickup, where any call can be retrieved by dialing a different access code followed by the extension number.

Call Transfer/Consultation/Conference: Provides the capability to transfer or add a third party, using the same line.

Call Waiting: Provides the user with a burst of tone to indicate that another call is waiting. The second call can either be answered by flashing the switchhook or hanging up the phone and being rung back by the caller.

Issued:

Effective:

Casey Wojciechowski, President
Cost Plus Communications, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

Local Exchange Services Tariff

1. Definitions (Contd.)

Call Waiting Cancel: Allows a user to cancel the Call Waiting feature on a per call basis by dialing a specific two digit code.

Calling Number Delivery: Identifies the 10-digit number of the calling party.

Calling Number Delivery Blocking: Blocks the delivery of the number to the called party on a per call basis.

Class of Service (COS): Used to prevent a station from dialing certain codes and numbers.

Company: Cost Plus Communications, LLC, which is the issuer of this tariff.

Conference Calling: The user can sequentially call additional parties and add them together to create a conference call.

Customer: The person, firm, corporation or other entity which orders service and is responsible for the payment of charges and for compliance with the Company's tariff regulations.

Customer Group Dialing Plan: A dialing scheme shared by the members of a Customer group, such as 4 digit internal dialing.

Dial Pulse (DP): The pulse type employed by rotary dial station sets.

Direct Inward Dialing (DID): A service attribute that routes incoming calls directly to Stations, bypassing a central answering point.

Do Not Disturb: Allows the user to prevent incoming calls from ringing its line by diverting them to a tone or a recorded announcement that informs the caller that the User is not accepting calls at this time.

Dual Tone Multi-Frequency ("DTMF"): The pulse type employed by tone dial station sets.

Exchange Carrier: Any individual, partnership, association, non-stock company, trust governmental entity or corporation engaged in the provision of local exchange telephone service.

Individual Case Basis (ICB): A service arrangement in which the regulations, rates and charges are developed based on the specific circumstances of the Customer's situation.

Joint User: A person, firm or corporation designated by the Customer as a user of local exchange service furnished to the Customer by the Company, and to whom a portion of the charge for such facilities is billed under a joint use arrangement.

Issued:

Effective:

Casey Wojciechowski, President
Cost Plus Communications, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

Local Exchange Services Tariff

1. Definitions (Contd.)

LATA: A local access and transport area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No.82-0192 for the provision and administration of communications services.

Least Idle Trunk Selection (LIDL): LIDL trunk selection occurs when a switching unit selects from a Trunk group the Trunk that has been idle for the shortest period of time.

Local Calling: A completed call or telephonic communication between a calling station and any other station within the local service area of the calling Station.

Local Exchange Carrier: A company which furnishes exchange telephone service.

Mbps: Megabits, or millions of Bits, per second.

Message Toll Service: Provides the customer with the ability to originate a call between points within a Local Access and Transport Area.

Message Waiting: This feature provides an indication to a station user that a message is waiting. Indications may be visual (lamp) or audible (stuttered dial tone).

Most Idle Trunk Selection (MIDL): MIDL Trunk selection occurs when a switching unit selects from a Trunk group the Trunk that has been idle for the longest period of time.

Multiple Appearance Directory Numbers: A directory number that is assigned more than once to one or more Proprietary Business Sets.

Multi-Frequency ("M F"): An inter-machine pulse-type used for signaling between telephone switches, or between telephone switches and PBXI key systems.

Non-Recurring Charges: The one-time initial charges for services or facilities, including but not limited to charges for construction, installation, or special fees, for which the Customer becomes liable at the time the service order is executed.

Off-Hook: The term "off-hook" denotes the active condition of a telephone exchange service line.

On-Hook: The term "on-hook" denotes the idle condition of a telephone exchange service line.

Presubscription: Presubscription is an arrangement whereby an end user may select and then designate to a Local Exchange Company an interexchange carrier (IC) to access, without an access code, for interLATA calls. This IC is referred to as the end user's predesignated IC.

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Local Exchange Services Tariff

1. Definitions (Contd.)

Recurring Charges: The monthly charges to the Customer for services, facilities and equipment, which continue for the agreed upon duration of the service.

RFU: Reserved for future use.

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless extended by the Customer's refusal to accept service which does not conform to standards set forth in the Service Order or this tariff, in which case the Service Commencement Date is the date of the Customer's acceptance of service. The parties may mutually agree on a substitute Service Commencement Date.

Service Order: The written request for local exchange services executed by the Customer and the Company in a format specified by the Company. The signing of a Service Order by the Customer and acceptance thereof by the Company initiates the respective obligations of the parties as set forth therein and pursuant to this tariff¹ but the duration of the service is calculated from the Service Commencement Date.

Services: The Company's telecommunications services offered on the Company's network.

Station: Telephone equipment from or to which calls are placed.

Three-Way Calling: This feature allows the customer to add another person to an existing conversation and have a three-party conference call.

Trunk: A communications path connecting two switching systems in a network, used in the establishment of an end-to-end connection.

User: A Customer or any other person authorized by the Customer to use service provided under this tariff.

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Local Exchange Services Tariff

2. Regulations2.1 Undertaking of the Company2.1.1 Scope

The Company undertakes to furnish communications service in connection with one-way and/or two-way information transmission between points within the State of Tennessee under the terms of this tariff.

Customers may use services and facilities provided under this tariff to obtain access to services offered by other service providers. The Company is responsible under this tariff only for the services and facilities provided herein, and it assumes no responsibility for any service provided by any other entity that purchases access to the Company network in order to originate or terminate its own services, or to communicate with its own Customers.

2.1.2 Shortage of Equipment or Facilities

2.1.2.1 The Company reserves the right to limit or allocate the use of existing facilities, or of additional facilities offered by the Company when necessary because of lack of facilities or due to some other cause beyond the Company's control.

2.1.2.2 The furnishing of service under this tariff is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's fiber optic cable facilities as well as facilities the Company may obtain from other carriers, from time to time, to furnish service as required at the sole discretion of the Company.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.1 Undertaking of the Company (Contd.)2.1.3 Terms and Conditions

- 2.1.3.1 Except as otherwise provided herein, service is provided and billed on the basis of a minimum period of at least one month, and will continue to be provided until canceled by the Customer, in writing, on not less than 30 days notice. Unless otherwise specified herein, for the purpose of computing charges in this tariff, a month is considered to have 30 days. All calculations of dates set forth in this tariff will be based on calendar days, unless otherwise specified herein.
- 2.1.3.2 Customers may be required to enter into written Service Orders which will contain or reference the name of the Customer, a specific description of the service ordered, the rate to be charged, the duration of the services, and the terms and conditions in this tariff.
- 2.1.3.3 At the expiration of the initial term specified in each Service Order, or in any extension thereof, service will continue on a month to month basis at the then current rates unless terminated by either party upon 30 days written notice. Any termination will not relieve Customer of its obligation to pay any charges incurred under the Service Order and this tariff prior to termination. The rights and obligations which by their nature extend beyond the termination of the term of the Service Order will survive such termination.
- 2.1.3.4 This tariff shall be interpreted and governed by the laws of the State of Tennessee without regard of the State's choice of laws provision.
- 2.1.3.5 Another telephone company must not interfere with the right of any person or entity to obtain service directly from the Company.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.1 Undertaking of the Company (Contd.)2.1.3 Terms and Conditions (Contd.)

2.1.3.6 The Customer has no property right to the telephone number or any other call number designation associated with services furnished by the Company. The Company reserves the right to change such numbers, or the central office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business.

2.1.3.7 The Customer agrees to operate Company-provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void Company liability for interruption of service and may make the Customer responsible for damage to equipment pursuant to section 2.1.3.8 below.

2.1.3.8 The Customer agrees to return all Company-provided equipment within five (5) days of termination of the service for which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

2.1.4 Liability of the Company

Because the Customer has exclusive control of its communications over the services furnished by the Company, and because interruptions and errors incident to these services are unavoidable, the services the Company furnishes are subject to the terms, conditions, and limitations specified in this tariff and to such particular terms, conditions, and limitations as set forth in the special regulations applicable to the particular services and facilities furnished under this tariff.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.1 Undertaking of the Company (Contd.)2.1.4 Liability of the Company (Contd.)

2.1.4.1 The liability of the Company for damages arising out of the furnishing of these services including but not limited to mistakes omissions, interruptions delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts of commission or omission, will be limited to the extension of allowances for interruption. The extension of such allowances for interruption will be the sole remedy of the Customer, authorized user, or joint user and the sole liability of the Company.

2.1.4.2 The Company will not be liable or responsible for any special, consequential, exemplary, lost profits, or punitive damages, whether or not caused by the intentional acts or omissions or negligence of the Company's employees, agents or contractors.

2.1.4.3 The Company will not be liable for any failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of these federal, state, or local governments, or any civil or military authority; national emergencies; insurrections; riots; wars; unavailability of rights-of-way or materials; or strikes, lockouts, work stoppages, or other labor difficulties.

2.1.4.4 The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's Customers, facilities or equipment used for or with the services the Company offers.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.1 Undertaking of the Company (Contd.)2.1.4 Liability of the Company (Contd.)

- 2.1.4.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the Customer or due to the failure or malfunction of Customer provided equipment or facilities.
- 2.1.4.6 The Company shall not be liable for the claims of vendors supplying equipment to Customers of the Company which may be installed at premises of the Company nor shall the Company be liable for the performance of said vendor(s)' equipment.
- 2.1.4.7 The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal presence, condition, location, or use of any installation so provided.
- 2.1.4.8 The Company is not liable for any defacement of or damage to the premises of a Customer (or authorized or joint user) resulting from the furnishings of services or equipment on such premises or the installation or removal thereof, when such defacement or damage is not the result of negligence or willful misconduct on the pan of the agents or employees of the Company.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.1 Undertaking of the Company (Contd.)2.1.4 Liability of the Company (Contd.)

- 2.1.4.9 The Company shall not be liable for any damages resulting from delays in meeting any service dates due to delays resulting from normal construction procedures. Such delays shall include, but not be limited to, delays in obtaining the necessary regulatory approvals for construction, delays in obtaining right-of-way approvals and delays in actual construction work.
- 2.1.4.10 The Company shall not be liable for any damages whatsoever to property resulting from the installation, maintenance, repair or removal of equipment and associated wiring unless the damage is caused by the Company's willful misconduct or negligence.
- 2.1.4.11 The Company shall not be liable for any damages whatsoever associated with service, facilities, or equipment which the Company does not furnish or for any act or omission of Customer or any other entity furnishing services, facilities or equipment used for or in conjunction with the Company's service.
- 2.1.4.12 The Company shall not incur any liability, direct or indirect to any person who dials or attempts to dial the digits "9-1-1" or to any other person who may be affected by the dialing of the digits "9-1-1."
- 2.1.4.13 THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.1 Undertaking of the Company (Contd.)2.1.5 Notification of Service-Affecting Activities

The Company will provide the Customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facility additions, removals or rearrangements and routine preventive maintenance. Generally, such activities are not specific to an individual Customer, but affect many Customers' services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the Customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as outage resulting from cable damage, notification to the Customer may not be possible.

2.1.6 Provision of Equipment and Facilities

2.1.6.1 The Company shall use reasonable efforts to make services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this tariff. The Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer.

2.1.6.2 The Company shall use reasonable efforts to maintain facilities that it furnishes to the Customer. The Customer may not, nor may the Customer permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities installed by the Company, except upon the written consent of the Company.

2.1.6.3 Equipment installed at the customer premises shall not be used for any purpose other than that for which the Company provided it.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.1 Undertaking of the Company (Contd.)2.1.6 Provision of Equipment and Facilities (Contd.)

2.1.6.4 The Company shall not be responsible for the installation, operation, or maintenance of any Customer provided communications equipment. Where such equipment is connected to the facilities furnished pursuant to this tariff, the responsibility of the company shall be limited to the furnishing of facilities offered under this tariff and to the maintenance and operation of such facilities. Beyond this responsibility, the Company shall not be responsible for:

- (a) the transmission of signals by Customer provided equipment or for the quality of, or defects in such transmission; or
- (b) the reception of signals by Customer-provided equipment; or
- (c) network control signaling, where such signaling is performed by Customer-provided network control signaling equipment.

2.1.7 Non-routine Installation

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations in accordance with the provisions of 2.3.1(e). In such cases, charges based on cost of the actual labor, material, or 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.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.1 Undertaking of the Company (Contd.)2.1.8 Ownership of Facilities

Title to all facilities provided in accordance with this tariff remains with the underlying facilities provider.

2.1.9 Telecommunications Service Priority

The Telecommunications Service Priority System is the regulatory, administrative and operational system authorizing and providing for priority treatment, to provide and restore National Security Emergency Preparedness Telecommunications service. Under the rules of the Telecommunications Service Priority System, The Local Exchange Company is authorized and required to provide and restore services with Telecommunications Service Priority assignments before services without such assignments. The provision and restoration of Telecommunications Service Priority System services will be in compliance with Part 64, Appendix A, of the Federal Communications Commission's Rules and Regulations, the guidelines set forth in the Telecommunications Service Priority for National Security Emergency Preparedness Service User Manual and Service Vendor Handbook.

2.2 Prohibited Uses

2.2.1 The services the Company offers shall not be used for any unlawful purpose or for any use as to which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

2.2.2 The Company may require a Customer to immediately shut down its transmission of signals if said transmission is causing interference to others.

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2. Regulations (Contd.)2.3 Obligations of the Customer2.3.1 General

The Customer will be responsible for:

- (a) the payment of all applicable charges, either non-recurring, recurring, CS, or other charges, pursuant to this tariff;
- (b) reimbursing the Company for damage to, or loss of, the Company's facilities or equipment caused by the acts or omissions of the Customer: or the noncompliance by the Customer, with these regulations; or by fire or theft or other casualty on the Customer's premises, unless caused by the negligence or willful misconduct of the employees or agents of the Company. The Company will, upon reimbursement for damages, cooperate with the Customer in prosecuting a claim against the person causing such damage and the Customer will be subrogated to the Company's right of recovery of damages to the extent of such payment:
- (c) providing at no charge, as specified from time to time by the Company, any needed personnel, equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air-conditioning necessary to maintain the proper operating environment on such premises;
- (d) obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of fiber optic cable and associated equipment used to provide local exchange service to the Customer from the cable building entrance or property line to the location of the equipment space described in 2.3.1(c). Any costs associated with the obtaining and maintaining the rights-of-way described herein, including the costs of altering the structure to permit installation of the Company-provided facilities, will be borne entirely by, or may be charged by the Company to, the Customer. The Company may require the Customer to demonstrate its compliance with this section prior to accepting an order for service;

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2. Regulations (Contd.)2.3 Obligations of the Customer (Contd.)2.3.1 General (Contd.)

- (e) providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents will be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company's employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g., friable asbestos) prior to any construction or installation work;
- (f) complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the location of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under Section 2.3.1(d) above; and granting or obtaining permission for Company agents or employees to enter the premises of the Customer at any time for the purpose of installing, inspecting, maintaining, repairing, or upon termination of service as stated herein, removing the facilities or equipment of the Company;
- (g) not creating or allowing to be placed or maintained any liens or other encumbrances on the Company's equipment or facilities; and
- (h) making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance for interruptions in service will be made for the period during which service is interrupted for such purposes.

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2. Regulations (Contd.)2.3 Obligations of the Customer (Contd.)2.3.2 Claims

With respect to any service or facility provided by the Company, the Customer shall indemnify, defend and hold harmless the Company from all claims, actions, damages, liabilities, costs and expenses, including reasonable attorneys' fees for:

- (a) any loss, destruction or damage to property of the Company or any third party, or the death of or injury to persons, including, but not limited to, any employee or invitee of either the Company or the Customer, to the extent caused by or resulting from the negligent or intentional act or omission of the Customer, its employees, agents, representatives or invitees; or
- (b) any claim, loss damage, expense or liability for infringement of any copyright, patent, trade secret, or any proprietary or intellectual property right of any third party, arising from any act or omission by the Customer, including, without limitation, use of the Company's services and facilities in a name not contemplated by the agreement between the Customer and the Company.

2.4 Customer Equipment and Channels2.4.1 General

A Customer may transmit or receive information or signals via the facilities provided by the Company's underlying carrier.

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2. Regulations (Contd.)2.4 Customer Equipment and Channels (Contd.)2.4.2 Station Equipment

2.4.2.1 The Customer is responsible for providing and maintaining any terminal equipment on the Customer premises. The electric power consumed by such equipment will be provided by, and maintained at the expense of, the Customer. All such terminal equipment must be registered with the FCC under 47 C.F.R., Part 68 and all wiring must be installed and maintained in compliance with those regulations. The Company will, where practicable, notify the Customer that temporary discontinuance of the use of a service may be required; however, where prior notice is not practicable, nothing contained herein will be deemed to impair the Company's right to discontinue forthwith the use of a service temporarily if such action is reasonable under the circumstances. In case of such temporary discontinuance, the Customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the temporary discontinuance. During a period of such temporary discontinuance, a credit allowance for service interruption, as set forth in Section 2.6 following is not applicable.

2.4.2.2 The Customer is responsible for ensuring that Customer-provided equipment connected to Company's equipment or facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the Customer's expense.

2.4.3 Interconnection of Facilities

2.4.3.1 Any special interface equipment necessary to achieve compatibility between the facilities and equipment of the Company used for furnishing local exchange service and the channels, facilities, or equipment of others may be provided at the Customer's expense.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.4 Customer Equipment and Channels (Contd.)2.4.3 Interconnection of Facilities (Contd.)

2.4.3.2 Local Service may be connected to the services or facilities other communications carriers only when authorized by, and in accordance with, the terms and conditions of the tariffs of the other communications carriers which are applicable to such connections.

2.4.3.3 Facilities furnished under this tariff may be connected to Customer provided terminal equipment in accordance with the provisions of this tariff.

2.4.4 Inspections

2.4.4.1 Upon reasonable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth in Section 2.4.2.2 for the installation, operation, and maintenance of Customer-provided facilities and equipment to Company-owned facilities and equipment. No credit will be allowed for any interruptions occurring during such inspections.

2.4.4.2 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice the customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm. The Company will, upon request 24 hours in advance, provide the Customer with a statement of technical parameters that the Customer's equipment must meet.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.5 Payment Arrangements2.5.1 Payment for Service

The Customer is responsible for payment of all charges for service and facilities furnished by the Company to the Customer or its Joint or Authorized Users. Objections must be received by the Company within 30 days after a statement of account is rendered, or the charges shall be deemed correct and binding upon the Customer. If an entity other than the Company imposes charges on the Company, in addition to its own internal costs, in connection with a service for which any Company charge is applicable, those charges may be passed on to the Customer.

2.5.1.1 Taxes: The Customer is responsible for the payment of any sales, use, gross receipts, excise, access or other local, state and federal taxes, charges, user fees, or surcharges (however designated) excluding taxes on the Company's net income imposed on or based upon the provision of Local Exchange Services, all of which shall be separately designated on the Company's invoices. Any taxes imposed by a local jurisdiction (e.g., County and municipal taxes) will only be recovered from those Customers residing in the affected jurisdictions. It shall be the responsibility of the Customer to pay any such taxes that subsequently become applicable retroactively.

2.5.1.2 A surcharge is imposed on all charges for service originating at addresses in states which levy, or assert a claim of right to levy, a gross receipt tax on the Company's operations in any such state, or a tax on interstate access charges incurred by the Company for originating access to telephone exchanges in that state. This surcharge is based on the particular state's receipts tax and other state taxes imposed directly or indirectly upon the Company by virtue of, and measured by, the gross receipts or revenues of the Company in that state and for payment of interstate access charges in that state. The surcharge will be shown as a separate line item on the Customer's monthly invoice.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.5 Payment Arrangements (Contd.)2.5.2 Billing and Collection of Charges

Bills will be rendered monthly to Customer.

2.5.2.1 All service, installation, monthly Recurring Charges and Non-Recurring Charges are due and payable upon receipt.

2.5.2.2 The Company shall present bills for all charges monthly in arrears to the Customer. The Company reserves the right to bill any charges in advance at its discretion.

2.5.2.3 The company shall present bills for Recurring Charges and usage charges monthly to the Customer in arrears. The company reserves the right to bill Recurring Charges in advance based upon its evaluation of the Customers credit worthiness and payment history.

2.5.2.4 Amounts not paid within 30 days after the date of invoice are considered past due. A late payment fee of 1.5% per month may be applied.

2.5.2.5 A \$20.00 charge will be assessed for checks with insufficient funds or nonexistent accounts.

2.5.3 Disputed Bills

The Customer shall notify the Company of any disputed items on a bill within 30 days of receipt of the bill. If the Customer and the Company are unable to resolve the dispute to their mutual satisfaction, the Customer may file a complaint with the Tennessee Regulatory Authority or its successor in accordance with the TRA's rules of procedure.

2.5.3.1 The date of the dispute shall be the date on which the Company receives sufficient documentation to enable it to investigate the dispute. The date of the resolution is the date the Company completes its investigation and notifies the Customer of the disposition of the dispute.

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2. Regulations (Contd.)2.5 Payment Arrangements (Contd.)2.5.4 Advance Payments

To safeguard its interests, the Company may require a Customer to make an Advance Payment before services and facilities are furnished. The Advance Payment will not exceed an amount equal to the Non-Recurring Charge(s) and three months' charges for the service or facility. In addition, where special construction is involved, the Advance Payment may also include an amount equal to the estimated Non-Recurring Charges for the special construction and Recurring Charges (if any) for a period to be set between the Company and the Customer. The Advance Payment will be credited to the Customer's initial bill. An Advance Payment may be required in addition to a deposit.

2.5.5 Deposits

2.5.5.1 Applicants for service or existing Customer's whose financial condition is not acceptable to the Company, or is not a matter of general knowledge, may be required at any time to provide the Company a security deposit. The deposit requested will be in cash or the equivalent of cash, and will be held as a guarantee for the payment of charges. A deposit does not relieve the Customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:

- (a) two months' charges for a service or facility which has a minimum payment period of one month; or
- (b) the charges that would apply for the minimum payment period for a service or facility which has a minimum payment period of more than one month; except that the deposit may include an additional amount in the event that a termination charge is applicable. In addition, the Company shall be entitled to require such an applicant or Customer to pay all bills within a specified period of time, and to make such payments in cash or the equivalent of cash. At the Company's option, such deposit may be refunded to the Customer's account at any time. Also, the Company reserves the right to cease accepting and processing Service Orders after it has requested a security deposit and prior to the Customer's compliance with this request.

2.5.5.2 A deposit may be required in addition to an advance payment.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.5 Payment Arrangements (Contd.)2.5.5 Deposits (Contd.)

2.5.5.3 When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the Customer's account and any credit balance remaining will be refunded. Before the service or facility is discontinued, the Company may, at its option, return the deposit or credit it to the Customer's account.

2.5.5.4 Deposits held will accrue interest at the rate of 6% per year.

2.5.6 Discontinuance of Service

2.5.6.1 Upon nonpayment of any amounts owing to the Company, the Company may, by giving requisite prior written notice to the Customer in accordance with Tennessee Administrative Code, discontinue or suspend service without incurring any liability.

2.5.6.2 Upon violation of any of the other material terms or conditions for furnishing service the Company may, by giving 30 days' prior notice in writing to the Customer, discontinue or suspend service without incurring any liability if such violation continues during that period.

2.5.6.3 Upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair, the Company, by notice to the Customer, may discontinue or suspend service without incurring any liability.

2.5.6.4 Upon the Customer's insolvency, assignment for the benefit of creditors, filing for bankruptcy or reorganization, failing to discharge an involuntary petition within the time permitted by law, or abandonment of service, the Company may, with prior notice to the customer, immediately discontinue or suspend service without incurring any liability.

2.5.6.5 Upon any governmental prohibition, or required alteration of the services to be provided or any violation of any applicable law or regulation, the Company may immediately discontinue or suspend service without incurring any liability.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.5 Payment Arrangements (Contd.)2.5.6 Discontinuance of Service (Contd.)

2.5.6.6 The Company may discontinue the furnishings of any and/or all service(s) to a Customer, without incurring any liability:

2.5.6.6.1 Immediately and without notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or services. The Company may discontinue service pursuant to this subsection 2.5.6.6.1 (a-f) if:

- (a) The Customer refuses to furnish information to the Company regarding the Customer's creditworthiness, its past or current use of common carrier communications services or its planned use of service(s); or
- (b) The Customer provides false information to the Company regarding the Customer's identity, address, creditworthiness, past or current use of common carrier communications services, or its planned use of the Company's service(s); or
- (c) The Customer has been given ten (10) day written notice by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's other common carrier communications services to which the Customer either subscribes or had subscribed or used; or
- (d) The Customer uses, or attempts to use, service with the intent to avoid the payment, either in whole or in part, of the tariffed charges for the service by:
 - (d.1) Using or attempting to use service by rearranging, tampering with, or making connections to the Company's service not authorized by this tariff; or
 - (d.2) Using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or
 - (d.3) Any other fraudulent means or devices; or

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2. Regulations (Contd.)2.5 Payment Arrangements (Contd.)2.5.6 Discontinuance of Service (Contd.)

2.5.6.6.1 (Contd.)

(e) Use of service in such a manner as to interfere with the service of other users; or

(f) Use of service for unlawful purposes.

2.5.6.6.2 Immediately upon written notice to the Customer of any sum thirty (30) days past due; or

2.5.6.6.3 Upon ten (10) days written notice to the Customer, after failure of the Customer to comply with a request made by the Company for security for the payment of service in accordance with Section 2.5.5; or

2.5.6.6.4 Ten (10) days after sending the Customer written notice of noncompliance with any provision of this tariff if the noncompliance is not corrected within that (10) day period; or

2.5.6.6.5 Upon five (5) days written notice, excluding Sundays and holidays, for nonpayment of a bill for service.

2.5.6.7 The suspension or discontinuance of service(s) by the Company pursuant too this Section does not relieve the Customer of any obligation to pay the Company for charges due and owing for service(s) furnished during the time of or up to suspension or discontinuance.

2.5.6.8 Upon the Company's discontinuance of service to the Customer under Section 2.5.6.1 or 2.5.6.2, all applicable charges, including termination charges, shall become due. This is in addition to all other remedies that may be available to the Company at law or in equity or under any other provision of this tariff.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.6 Allowances for Interruptions of Service

- 2.6.1 Credits for Interruptions: when the use of service or facilities furnished by the Company is interrupted due to any cause other than the negligence or willful act of the Customer, or the operation or failure of the facilities or equipment provided by the Customer, a pro rata adjustment of the monthly Recurring Charges subject to interruption will be allowed for the service and facilities rendered useless and inoperative by reason of the interruption whenever said interruption continues for a period of 24 hours or more from the time the interruption is reported to or known to exist by the Company, except as otherwise specified in the Company's tariffs. If the Customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.

For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the monthly Recurring Charges specified hereunder for Basic Access or Local Trunk Service and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit. Credit allowances for service outages that exceed 24 hours in duration will be rounded up to the next whole 24 hours.

2.6.2 Limitations on Allowances

No credit allowance will be made for:

- (a) interruptions due to the negligence of, or noncompliance with the provisions of this tariff by, the Customer, Authorized User, Joint-User, or other common carrier providing service connected to the service of Company;
- (b) interruptions due to the negligence of any person other than the Company including but not limited to the Customer or other common carriers connected to the Company's facilities;
- (c) interruptions due to the failure or malfunction of non-Company equipment;
- (d) interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;
- (e) interruptions of service during a period in which the Customer continues to use the service on an impaired basis;

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2. Regulations (Contd.)2.6 Allowances for Interruptions of Service (Contd.)

- (f) interruptions of service during any period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements;
- (g) interruption of service due to circumstances or causes beyond the control of the Company.

2.6.3 Use of Alternative Service Provided by the Company: Should the Customer elect to use an alternative service provided by the Company during the period that a service is interrupted¹ the Customer must pay the tariffed rates and charges for the alternative service used.

2.7 Cancellation of Service

2.7.1 Cancellation of Application for Service

2.7.1.1 Applications for service cannot be canceled, unless the Company otherwise agrees. where the Company permits Customer to cancel an application for service prior to the start of service or prior to any special construction, no charges will be imposed except for those specified below.

2.7.1.2 where, prior to cancellation by the Customer the Company incurs any expenses in installing the service or in preparing to install the service that it otherwise would not have incurred, a charge equal to the costs the Company incurred, less salvage, shall apply, but in no case shall this charge exceed the sum of the charge for the minimum period of service ordered, including installation charges, and all charges others levy against the Company that would have been chargeable to the Customer had service begun.

2.7.1.3 The special charges described in 2.7.1.1. and 2.7.1.2 will be calculated and applied on a case-by-case basis.

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2. Regulations (Contd.)2.7 Cancellation of Service (Contd.)2.7.2 Cancellation of Service by the Customer

If a Customer cancels a Service Order or terminates services before the completion of the term for any reason whatsoever other than a service interruption (as defined in 2.6.1 above), Customer agrees to pay to Company following sums which shall become due and owing as of the effective date of the cancellation or termination and be payable within the period set forth in 2.5.2: all costs, fees and expenses reasonably incurred in connection with

- (1) All Non-Recurring Charges reasonably expended by Company to establish service to Customer, plus
- (2) any disconnection, early cancellation or termination charges reasonably incurred and paid to third parties by Company on behalf of Customer, plus
- (3) all Recurring Charges specified in the applicable Service Order tariff for the balance of the then current term.

2.8 Transfer and Assignments

Neither the Company nor the Customer may assign or transfer its rights or duties in connection with the services and facilities provided by the Company without the written consent of the other party, except that the Company may assign its rights and duties (a) to any subsidiary, parent company or affiliate of the Company; (b) pursuant to any sale or transfer of substantially all the assets of the Company; or (c) pursuant to any financing, merger or reorganization of the Company.

2.9 Notices and Communications

- 2.9.1 The Customer shall designate on the Service Order an address to which the Company shall mail or deliver all notices and other communications, except that Customer may also designate a separate address to which the Company's bills for service shall be mailed.

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Local Exchange Services Tariff

2. Regulations (Contd.)2.9 Notices and Communications (Contd.)

- 2.9.2 The Company shall designate on the Service Order and address to which the Customer shall mail or deliver all notices and other communications, except that Company may designate a separate address on each bill for service to which the Customer shall mail payment on that bill.
- 2.9.3 All notices or other communications required to be given pursuant to this tariff will be in writing. Notices and other communications of either party, and all bills mailed by the Company, shall be presumed to have been delivered to the other party on the third business day following deposit of the notice, communication or bill with the U.S. Mail or a private delivery service, prepaid and properly addressed, or when actually received or refused by the addressee, whichever occurs first.
- 2.9.4 The Company or the Customer shall advise the other party of any changes to the addresses designated. for notices, other communications or billing, by following the procedures for giving notice set forth herein.

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Local Exchange Services Tariff

3. Service Description3.1 Timing of Calls3.1.1 When Billing Charges Begin and End For Phone Calls

The customer's usage charge is based on the actual usage of the Company's network. Usage begins when the called party picks up the receiver, (i.e. when 2 way communication, often referred to as "conversation time" is possible.). When the called party picks up is determined by hardware answer supervision in which the local telephone company sends a signal to the switch or the software utilizing audio tone detection. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling or called party hangs up.

3.1.2 Billing Increments

The billing increments for each service is set forth in the individual product rate section.

3.1.3 Per Call Billing Charges

Billing will be rounded up to the nearest penny for each call.

3.1.4 Uncompleted Calls

There shall be no charge for uncompleted calls.

3.2 Determining Applicable Rate in Effect for Measured Use Services

For any measured use services, for the initial minute, the rate applicable at the start of chargeable time at the calling station applies. For additional minutes, the rate applicable is that rate which is in effect at the calling station when the additional minute(s) begin. That is, if chargeable time begins during the Day Period, the Day Rate applies to the initial minute and to any additional minutes that the call continues during the rate period. If the call continues into a different rate period, the appropriate rates from that period apply to any additional minutes occurring in that rate period. If an additional minute is split between two rate periods, the rate period applicable at the start of the minute applies to the entire minute.

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3. Service Description (Contd.)

3.3 Payment of Calls

3.3.1 Late Payment Charges

Interest charges of 1.5% per month will be assessed on all unpaid balances more than thirty days old.

3.3.2 Return Check Charges

A return check charge of \$25.00 will be assessed for checks returned for insufficient funds if the face value does not exceed \$50.00, \$30.00 if the face value does exceed \$50.00 but does not exceed \$300.00, \$40.00 if the face value exceeds \$300.00 or 5% of the value of the check, which ever is greater.

3.4 Restoration of Service

A reconnection fee of \$25.00 per occurrence is charged when service is re-established for customers who had been disconnected for non-payment.

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Local Exchange Services Tariff

3. Service Description (Contd.)3.5 Local Service Areas

The Company will provide Local Exchange Service in the entire State of Tennessee. The Local calling service areas will coincide with those of the ILEC, unless otherwise specified.

Installation, monthly recurring and per minute usage charges will apply to the Company's local exchange services. An addition per-call operator service charge will apply for operator-assisted calling.

3.6 Product Descriptions3.6.1 Local Line - Residence

Local Line - Residence provides the Customer with a single, voice-grade, DTMF communications channel. Each Local Line will include a telephone number, as well as access to the service.

Residence Service is that service furnished in private homes or apartments, including all parts of the subscriber's domestic establishment, for domestic use and not for substantial occupational use; in the study of a clergyman located in a church, in a college fraternity or sorority house, college dormitories, convents and monasteries for domestic rather than occupational use in residential quarters.

3.6.2 Business Services

Business Services are offered for local calling using the facilities of the Company and/or those of other authorized Local Exchange Carriers. Business Services are offered primarily to the following:

1. Offices, stores, factories, mines and all other places of a strictly business nature;
2. Offices of hotels, boarding houses, apartment houses, colleges, quarters occupied by clubs and fraternal societies, public, private or parochial schools, hospitals, nursing homes, libraries, churches, and other institutions; and
3. Services terminating solely on the secretarial facilities of a telephone answering bureau.

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Local Exchange Services Tariff

3. Service Description (Contd.)3.6 Product Descriptions (Contd.)3.6.2 Business Services (Contd.)3.6.2.A Business Exchange Line Service

Business Exchange Line Service provides a facility from a Customer's location to the Company's Central Office and gives the Customer the ability to complete local and long distance calls. This service provides Customer with unlimited local calling, including rotary/hunting service, at a flat monthly rate. Special rates are offered to customers who purchase this service in conjunction with the Company's Business long distance products. Options available with Business Exchange Line Service include Call Waiting, Call Forwarding, Three-way Calling and Speed Dialing, as well as Class Features. Installation charges apply.

3.6.2.B Private Branch Exchange (PBX) Service

The Company's PBX Service uses PBX Trunks to connect a customer PBX system or other similar equipment to the Company's Central Office. Standard configurations include Local CO Trunks, Direct Inward Dialing (DID), Direct Outward Dialing (DOD) and Combination Trunks. This service provides Customers with unlimited local calling, rotary/hunting service and Carrier Access. The Company treats these trunks similar to individual exchange lines and supports multi-line hunting over a group of trunks. Service is billed based on monthly usage, together with monthly recurring charges. Special rates are offered to customers who purchase this service in conjunction with the Company's long distance products. Installation charges also apply.

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3. Service Description (Contd.)3.6 Product Descriptions (Contd.)3.6.2 Business Services (Contd.)3.6.2.C Optional Business Features3.6.2.C.1 Direct Inward Dial (DID) Service

DID Service is an optional feature which can be purchased in conjunction with Company-provided PBX Trunks. DID service transmits the dialed digits for all incoming calls allowing the Customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID capability and DID number blocks apply in addition to charges specified for PBX Trunks. One additive charge applies for each DIDH equipped PBX Trunk or channel. Customer is required to purchase at least one DID number block for each DID equipped trunk or trunk group, or DID-equipped channel or group. The Company reserves the right to limit the amount of DID numbers constituting a block of telephone numbers in a group. Blocks of number groups will be determined at the sole discretion of the Company's resources. In addition, the Company reserves the right to review vacant DID stations or stations not in use to determine efficient telephone number utilization. Should the Company determine, based on its own discretion, that there is inefficient number utilization, the Company may reassign the DID numbers.

The Customer has no property rights to the telephone number or any other call number destination associated with DID service furnished by the Company, and no right to the continuance of service through any particular end office. The Company reserves the right to change such numbers, or the end office designation associated with such numbers, or both; assigned to the Customer, whenever the company deems it necessary to do so in the conduct of its business.

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Local Exchange Services Tariff

3. Service Description (Contd.)3.6 Product Descriptions (Contd.)3.6.3 Directory Listings

For each Customer of Exchange Access Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for additional listings at an additional charge.

3.6.4 Directory Assistance

Customers and users of the Company's services (excluding Toll Free services) may obtain directory' assistance in determining telephone numbers within the state by calling the Directory Assistance operator. Directory Assistance is provided at the per call charge specified in Section 4 of this tariff.

A credit will be given for calls to Directory Assistance when;

1. The Customer experiences poor transmission or is cut-off during the call,
2. The Customer is given an incorrect telephone number, or
3. The Customer inadvertently misdials an incorrect Directory Assistance NPA.

To receive a credit, the customer must notify the Company Business Office of the problem experienced.

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Local Exchange Services Tariff

3. Service Description (Contd.)3.6 Product Descriptions (Contd.)3.6.5 Extended and Expanded Area Calling Services

Extended and Expanded Area Calling Service allows the Customer to make calls to specific NXX codes within designated exchanges outside the Customer's Local Calling area without paying intraLATA toll rates. The Customer is billed per call according to the duration of the call. The Company will mirror all existing extended and expanded calling areas the ILEC currently has in place for facilities-based or resold services.

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Local Exchange Services Tariff

4. Rates

4.1 Residential Local Exchange Service Rates

4.1.1 Line Cost, Connections and Features

4.1.1.A Monthly Recurring Charge Flat Rate Service

<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Group 5</u>
\$ RFU				

4.1.1.B Monthly Recurring Charge Measured Service

<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Group 5</u>
\$ RFU				

4.1.1.C Optional Features

Call Forwarding	\$ RFU
Call Forward Busy Line	\$ RFU
Call Forward Don't Answer	\$ RFU
Call Waiting	\$ RFU
Call Return	\$ RFU
Caller ID with Number Delivery	\$ RFU
Caller ID with Name and Number Delivery	\$ RFU
Speed Dialing 8	\$ RFU
Three Way Calling	\$ RFU
Verification Request	\$ RFU
Emergency Interrupt Request	\$ RFU

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Local Exchange Services Tariff

4. Rates (Contd.)

4.1 Residential Local Exchange Service Rates (Contd.)

4.1.2 Subscriber Line Charge

Single Line	\$ RFU
Multi Line	\$ RFU_/Line

4.1.3 Line Connection Charge

First Line	\$ RFU
Additional Line	\$ RFU

4.1.4 Line Change Charge

First Line	\$ RFU
Additional Line	\$ RFU

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4. Rates (Contd.)

4.2 Business Local Exchange Service Rates

4.2.1 Line Cost, Connections and Features

4.2.1.A Monthly Recurring Charge Flat Rate Service

<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Group 5</u>
\$ RFU				

4.2.1.B Monthly Recurring Charge Measured Rate Service

<u>Group 1</u>	<u>Group 2</u>	<u>Group 3</u>	<u>Group 4</u>	<u>Group 5</u>
\$ RFU				

4.2.1.C Business Plus Service

Option 1(each line)	\$ RFU
Option 2(each line)	\$ RFU

4.2.1.D Complete Choice for Business

Each 1 Line Package	\$ RFU
Each 2 Line Package	\$ RFU
Each 3 Line Package	\$ RFU

4.2.1.E Optional Features

Hunting Roll Over	\$ RFU
Remote Call Forwarding	\$ RFU
Call Forward Busy Line	\$ RFU
Call Forward Don't Answer	\$ RFU
Call Waiting	\$ RFU
Caller ID Number Delivery	\$ RFU
Enhanced Caller ID with (ACR)	\$ RFU
Enhanced Caller ID w/o(ACR)	\$ RFU
Anonymous Call Rejection	\$ RFU
Call Return	\$ RFU
Repeat Dialing	\$ RFU
Call Trace	\$ RFU
Call Selector	\$ RFU
Verification Request	\$ RFU
Emergency Interrupt Request	\$ RFU

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Local Exchange Services Tariff

4. Rates (Contd.)4.2 Business Local Exchange Service Rates (Contd.)4.2.1 Line Cost, Connections and Features (Contd.)4.2.2 DID Service

Group of 20 Working #'s	\$ RFU
Group of 20 Reserved #'s	\$ RFU
Trunk Termination (each inward only trunk)	\$ RFU
Combination Trunk with call transfer (each)	\$ RFU
Multi Frequency Pulsed Option (each)	\$ RFU
DTMF (each trunk)	\$ RFU
Automatic Intercept Service	\$ RFU

4.2.3 Subscriber Line Charge

Single Line	\$ RFU
Multi Line	\$ RFU_/Line

4.2.4 Line Connection Charges

First Line	\$ RFU
Additional Line	\$ RFU

4.2.5 Line Change Charge

First Line	\$ RFU
Additional Line	\$ RFU

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4. Rates (Contd.)

4.3 ISDN Services

4.3.1 Basic Rate Service

4.3.1.A <u>Interoffice Circuit</u>	<u>Installation</u>	<u>Month to Month</u>	<u>24-59 Months</u>	<u>60-120 Months</u>
Per DSL Circuit				
1st Mile	\$ RFU	\$ RFU	\$ RFU	\$ RFU
Ea. Add. Mile	\$ RFU	\$ RFU	\$ RFU	\$ RFU

4.3.1.B Interface

1. Basic Rate DSL Access Arrangement/Business Service

<u>Installation</u>	<u>Month to Month</u>	<u>24-59 Months</u>	<u>60-120 Months</u>
ISDN Access	\$ RFU	\$ RFU	\$ RFU
ISDN Access for use with high speed packet	\$ RFU	\$ RFU	\$ RFU

a.) Per DSL Option Plan A

<u>Installation</u>	<u>Month to Month</u>	<u>24-59 Months</u>	<u>60-120 Months</u>
ISDN Access	\$ RFU	\$ RFU	\$ RFU
ISDN Access for use with high speed packet	\$ RFU	\$ RFU	\$ RFU

b.) Per DSL Option Plan

ISDN Access	\$ RFU	\$ RFU	\$ RFU	\$ RFU
ISDN Access for use with high speed packet	\$ RFU	\$ RFU	\$ RFU	\$ RFU

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Local Exchange Services Tariff

4. Rates (Contd.)

4.3 ISDN Services (Contd.)

4.3.1 Basic Rate Service (Contd.)

4.3.1.B Interface (continued)

2. Channels Activated

B Channel (Maximum of 2) Circuit
Switched Voice/Data, Each:

	<u>Month to Month</u>	<u>24-59 Months</u>	<u>60-120 Months</u>
Flat Rate	\$ RFU	\$ RFU	\$ RFU
Usage Option Plan A	\$ RFU	\$ RFU	\$ RFU
Usage Option Plan B	\$ RFU	\$ RFU	\$ RFU

4.3.2 Primary Rate Service

4.3.2.A Primary Rate ISDN Access Line

	<u>Installation</u>	<u>Month to Month</u>	<u>24-59 Months</u>	<u>60-120 Months</u>
Each Access Line	\$ RFU	\$ RFU	\$ RFU	\$ RFU

4.3.2.B Interoffice Channels

Furnished between central offices. Rates are based on
the airline distance between central offices.

	<u>Installation</u>	<u>Month to Month</u>	<u>24-59 Months</u>	<u>60-120 Months</u>
Fixed Monthly Rate	\$ RFU	\$ RFU	\$ RFU	\$ RFU
Ea. Airline Mile (or fraction thereof)	\$ RFU	\$ RFU	\$ RFU	\$ RFU

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Local Exchange Services Tariff

4. Rates (Contd.)

4.3 ISDN Services (Contd.)

4.3.1 Basic Rate Service (Contd.)

4.3.2.C Primary Rate Combination Channels

Interface Each

	<u>Installation</u>	<u>Month to Month</u>	<u>24-59 Months</u>	<u>60-120 Months</u>
Voice/Data (Standard)	\$ RFU	\$ RFU	\$ RFU	\$ RFU
Digital Data Only Option	\$ RFU	\$ RFU	\$ RFU	\$ RFU
Inward Data Option	\$ RFU	\$ RFU	\$ RFU	\$ RFU

4.3.2.D B Channels

Interface Each

	<u>Installation</u>	<u>Month to Month</u>	<u>24-59 Months</u>	<u>60-120 Months</u>
Voice/Data (standard)	\$ RFU	\$ RFU	\$ RFU	\$ RFU
Digital Data Only Option	\$ RFU	\$ RFU	\$ RFU	\$ RFU

4.4 Local Directory Assistance

\$ RFU_ per call.

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Local Exchange Services Tariff

5. Special Service Arrangements5.1 Individual Case Basis Arrangements

Arrangements will be developed on a case-by-case basis in response to a bona fide special request from a Customer or prospective Customer to develop a competitive bid for a service not generally available under this tariff. The Company's rates will be offered to the Customer in writing and on a non-discriminatory basis. All such rates will be submitted to the Commission for approval.

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TENNESSEE TELECOMMUNICATIONS TARIFF

This Tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services within the State of Tennessee by COST PLUS COMMUNICATIONS, LLC ("Company"). This Tariff is on file with the Tennessee Regulatory Authority, and copies may also be inspected, during normal business hours, at the following location: 151 South Rose Street, Suite 900, Kalamazoo, MI 49007.

Issued:

Issued by: Casimir Wojciechowski, President
Cost Plus Communications, LLC
151 South Rose Street, Suite 900
Kalamazoo, MI 49007

Effective:

CHECK SHEET

The title page and pages 1-39 inclusive of this Tariff are effective as of the date shown. Original and revised sheets, as named below, comprise all changes from the original Tariff in effect on the date indicated.

<u>SHEET</u>	<u>REVISION</u>	<u>SHEET</u>	<u>REVISION</u>
1	Original	21	Original
2	Original	22	Original
3	Original	23	Original
4	Original	24	Original
5	Original	25	Original
6	Original	26	Original
7	Original	27	Original
8	Original	28	Original
9	Original	39	Original
10	Original	30	Original
11	Original	31	Original
12	Original	32	Original
13	Original	33	Original
14	Original	34	Original
15	Original	35	Original
16	Original	36	Original
17	Original	37	Original
18	Original	38	Original
19	Original	39	Original
20	Original		

* New or Revised Sheets

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CONCURRING, CONNECTING AND OTHER PARTICIPATING CARRIERS

CONCURRING CARRIERS:

No Concurring Carriers

CONNECTING CARRIERS:

No Connecting Carriers

OTHER PARTICIPATING CARRIERS:

No Participating Carriers

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TARIFF FORMAT

Sheet Numbering - Sheet numbers appear in the upper right hand corner of the page. Sheets are numbered sequentially and from time to time new pages may be added to the Tariff. When a new page is added between existing pages, a decimal is added to the preceding page number. For example, a new page added between Sheets 3 and 4 would be numbered 3.1.

Paragraph Numbering Sequence - There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1.
- 2.1.1.
- 2.1.1.A.
- 2.1.1.A.1.
- 2.1.1.A.1.(a).
- 2.1.1.A.1.(a).I.
- 2.1.1.A.1.(a).I.(i).
- 2.1.1.A.1.(a).I.(i).(1).

Check Sheets - When a Tariff filing is made with the TRA, an updated check sheet accompanies the Tariff filing. The check sheet lists the pages contained in the Tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision, all revisions made in a given filing are designated by an asterisk (*). There will be no other symbols used on this page if these are the only changes made to it. The Tariff user should refer to the latest check sheet to find out if a particular page is the most current on file with the TRA.

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APPLICABILITY

This Tariff contains the Service offerings, rates, terms and conditions applicable to the furnishing of intrastate interexchange telecommunications services within the State of Tennessee by COST PLUS COMMUNICATIONS, LLC ("Company").

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EXPLANATION OF SYMBOLS

- (D) - To signify discontinued material
- (I) - To signify a rate or charge increase
- (M) - To signify material relocated without change in text or rate
- (N) - To signify new material
- (R) - To signify a reduction
- (T) - To signify a change in text but no change in rate or regulation

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1. TECHNICAL TERMS AND ABBREVIATIONS

For the purpose of this Tariff, the following definitions will apply:

Access Coordination

Provides for the design, ordering, installation, coordination, pre-service testing, service turn-up and maintenance on a Company or Customer provided Local Access Channel.

Administrative Change

A change in Customer billing address or contact name.

Alternate Access

Alternate Access is a form of Local Access except that the provider of the Service is an entity, other than the Local Exchange Carrier, authorized or permitted to provide such Service. The charges for Alternate Access may be subject to private agreement rather than published or special tariff if permitted by applicable governmental rules.

Application for Service

A standard Company order form that includes all pertinent billing, technical and other descriptive information that will enable the Company to provide a communication Service as required.

ASR

ASR (Access Service Request) means an order placed with a Local Access Provider for Local Access.

Authorized User

A person, firm, corporation or other entity that either is authorized by the Customer to receive or send communications or is placed in a position by the Customer, either through acts or omissions, to send or receive communications.

Bandwidth

The total frequency band, in hertz, allocated for a channel.

Bill Date

The date on which billing information is compiled and sent to the Customer.

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Call

A completed connection between the Calling and Called Stations.

Called Station

The telephone number called.

Calling Station

The telephone number from which a Call originates.

Cancellation of Order

A Customer initiated request to discontinue processing a Service order, either in part or in its entirety, prior to its completion. Cancellation charges will be assessed for each Circuit-end or Dedicated Access line canceled from an order prior to its completion by the Company, under the following circumstances: (1) if the LEC has confirmed in writing to the Company that the Circuit-end or Dedicated Access line will be installed; or (2) if the Company has already submitted facilities orders to an interconnecting telephone company.

Channel or Circuit

A dedicated communications path between two or more points having a Bandwidth or Transmission Speed specified in this Tariff and selected by a Customer.

Company

COST PLUS COMMUNICATIONS, LLC

Company Recognized National Holidays

The following are Company Recognized National Holidays determined at the location of the originator of the Call: New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day. The evening rate is used unless a lower rate would normally apply. When a Call begins in one rate period and ends in another, the rate in effect in each rate period applies to the portion of the Call occurring within that rate period. In the event that a minute is split between two rate periods, the rate in effect at the start of that minute applies.

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Customer

The person, firm, corporation or governmental unit which orders Service and which is responsible for the payment of charges and for compliance with the Company's Tariff regulations. A Customer is considered to be an account for billing purposes. The term Customer also includes an entity that remains presubscribed to the Company Service after its account(s) are removed from the Company's billing system, subsequently continues to use Company's network, and is billed by a local exchange carrier for such use, or otherwise uses Service for which no other Customer is obligated to compensate Company.

Customer Premises/Customer's Premises

Locations designated by a Customer where Service is originated/terminated whether for its own communications needs or for the use of its resale customers.

DCS

DCS means Digital Cross-Connect System.

Dedicated Access/Special Access

Dedicated Local Access between the Customer's Premises or serving wire center and the Company's Point-of-Presence for origination or termination of Calls.

DS-0

DS-0 means Digital Signal Level 0 Service and is a 64 Kbps signal.

DS-1

DS-1 means Digital Signal Level 1 Service and is a 1.544 Mbps signal.

DS-0 with VF Access

DS-0 Service with VF Local Access facilities provides for the transmission of analog voice and/or data within 300 Hz to 3000 Hz frequency range.

DS-0 with DDS Access

DS-0 Service with DDS Access facilities provides for the transmission of digital data at speeds 2.4, 4.8, 9.6 or 56 Kbps.

Due Date

The Due Date is the date on which payment is due.

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Expedite

A Service order initiated at the request of the Customer that is processed in a time period shorter than the Company's standard Service interval.

FCC

Federal Communications TRA

Individual Case Basis (ICB)

Individual Case Basis (ICB) determinations involve situations where complex Customer-specific Company arrangements are required to satisfactorily serve the Customer. The nature of such Service requirements makes it difficult or impossible to establish general tariff provisions for such circumstances. When it becomes possible to determine specific terms and conditions for such offerings, they will be offered pursuant to such terms and conditions.

Installation

The connection of a Circuit, Dedicated Access line, or port for new, changed or an additional Service.

Interexchange Service

Interexchange Service means that portion of a communications channel between a Company-designated Point-of-Presence in one exchange and a Point-of-Presence in another exchange.

Interruption

Interruption shall mean a condition whereby the Service or a portion thereof is inoperative, beginning at the time of notice by the Customer to Company that such Service is inoperative and ending at the time of restoration.

Kbps

Kilobits per second.

LATA (Local Access Transport Area)

A geographical area established for the provision and administration of communications Service of a local exchange company.

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Local Access

Local Access means the Service between a Customer Premises and a Company designated Point-of-Presence.

Local Access Provider

Local Access Provider means an entity providing Local Access.

Local Exchange Carrier (LEC)

The local telephone utility that provides telephone exchange services.

Mbps

Megabits per second.

Multiplexing

Multiplexing is the sequential combining of lower bit rate Private Line Services onto a higher bit rate Private Line Service for more efficient facility capacity usage or vice versa.

N/A

Not available.

Nonrecurring Charges

Nonrecurring Charges are one-time charges.

Payment Method

The manner that the Customer designates as the means of billing charges for Calls using the Company's Service.

Physical Change

The modification of an existing Circuit, Dedicated Access line or port, at the request of the Customer, requiring some Physical Change or retermination.

Point-of-Presence (POP)

A Company-designated location where a facility is maintained for the purpose of providing access to its Service.

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Primary Route

The route that in the absence of Customer-designated routing or temporary re-routing, would be used by the Company in the provision of Service.

Private Line

A dedicated transmission channel furnished to a customer without intermediate switching arrangements for full-time customer use.

Private Line Service

A dedicated full-time transmission Service utilizing dedicated access arrangements.

Rate Center

A specified geographical location used for determining mileage measurements.

Requested Service Date

The Requested Service Date is the date requested by the Customer for commencement of Service and agreed to by the Company.

Restore

To make Service operative following an interruption by repair, reassignment, re-routing, substitution of component parts, or otherwise, as determined by the carrier(s) involved.

Route Diversity

Two channels that are furnished partially or entirely over two physically separate routes.

Service

Service means any or all Service(s) provided pursuant to this Tariff.

Service Commitment Period

The term elected by the Customer and stated on the Service order during which the Company will provide the Services subscribed to by the Customer. The term can be monthly or in the case of Private Line Services for a period of up to 5 years.

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Special Promotional Offerings

Special trial offerings, discounts, or modifications of its regular Service offerings that the Company may, from time to time, offer to its Customers for a particular Service. Such offerings may be limited to certain dates, times, and locations.

Start of Service Date

The Requested Service Date or the date Service first is made available by the Company whichever is later.

Tariff

The current Intrastate Services Tariff and effective revisions thereto filed by the Company with the TRA.

TRA

Tennessee Regulatory Authority

Transmission Speed

Data transmission speed or rate, in bits per seconds (bps).

Two-Way Conversation

A Two-Way Conversation is a telephone conversation between or among two or more parties.

VF

VF is voice frequency or voice-grade Service designed for private-line Service. Normal transmission is in the 300 hertz to 3000-hertz frequency band.

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2. RULES AND REGULATIONS

2.1. Description and Limitations of Services

- 2.1.1. Intrastate Telecommunications Service ("Service") is the furnishing of Company communication Services contained herein between specified locations under the terms of this Tariff.
- 2.1.2. Any member of the general public (including any natural person or legally organized entity such as a corporation, partnership, or governmental body) is entitled to obtain Service under this Tariff, provided that the Company reserves the right to deny Service: (A) to any Customer that, in the Company's reasonable opinion, presents an undue risk of nonpayment, (B) in circumstances in which the Company has reason to believe that the use of the Service would violate the provisions of this Tariff or any applicable law or if any applicable law restricts or prohibits provision of the Service, or (C) if insufficient facilities are available to provide the Service (in such cases Company shall make best efforts to accommodate the needs of all potential Customers by means of facility improvements or purchases, of capacity, if such efforts will, in the Company's opinion, provide the Company with a reasonable return on its expenditures), but only for so long as such unavailability exists.
- 2.1.3. Company, when acting at the Customer's request and as its authorized agent, will make reasonable efforts to arrange for Service requirements, such as special routing, Diversity, Alternate Access, or circuit conditioning.
- 2.1.4. Service is offered in equal access exchanges subject to the availability of facilities and the provisions of this Tariff. Company reserves the right to refuse to provide Service to or from any location where the necessary facilities and/or equipment are not available.
- 2.1.5. Service may be discontinued after five business days written notice to the Customer if:
- 2.1.5.A. the Customer is using the Service in violation of this Tariff; or
- 2.1.5.B. the Customer is using the Service in violation of the law or TRA regulation.
- 2.1.6. Service begins on the date that billing becomes effective and is provided on the basis of a minimum period of at least one month, 24 hours per day. For the purposes of computing charges in this Tariff, a month is considered to have 30 days.

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- 2.1.7. Service will be provided until canceled, by the Customer on not less than thirty (30) days' written notice from the date of postmark on the letter giving notice of cancellation.
- 2.1.8. Nothing herein, or in any other provision of this Tariff, or in any marketing materials issued by the Company shall give any person any ownership, interest, or proprietary right in any code or 800 number issued by the Company to its Customers.
- 2.1.9. The Company reserves the right to discontinue furnishing Services or billing options, upon written notice, when necessitated by conditions beyond its control. Conditions beyond the Company's control include, but are not limited to, a Customer's having Call volume or a calling pattern that results, or may result, in network blockage or other Service degradation which adversely affects Service to the calling party, the Customer, or other Customers of the Company.
- 2.1.10. Except as otherwise provided in this Tariff or as specified in writing by the party entitled to receive Service, notice may be given orally or in writing to the persons whose names and business addresses appear on the executed Service order and the effective date of any notice shall be the date of delivery of such notice, not the date of mailing. By written notice, Company or Customer may change the party to receive notice and/or the address to which such notice is to be delivered. In the event no Customer or Company address is provided in the executed Service order, notice shall be given to the last known business address of Customer or, as appropriate.

2.2. Other Terms and Conditions

- 2.2.1. The name(s) of the Customer(s) desiring to use the Service must be stipulated in the Application for Service.
- 2.2.2. The Customer agrees to operate the Company provided equipment in accordance with instructions of the Company or the Company's agent. Failure to do so will void the Company liability for interruption of Service and may make Customer responsible for damage to equipment pursuant to Section 2.2.3 below.
- 2.2.3. Customer agrees to return to the Company all Company-provided equipment delivered to Customer within five (5) days of termination of the Service in connection with which the equipment was used. Said equipment shall be in the same condition as when delivered to Customer, normal wear and tear only excepted. Customer shall reimburse the Company, upon demand, for any costs incurred by the Company due to Customer's failure to comply with this provision.

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- 2.2.4. A Customer shall not use any service-mark or trademark of the Company or refer to the Company in connection with any product, equipment, promotion, or publication of the Customer without prior written approval of the Company.
- 2.2.5. In the event suit is brought or any attorney is retained by the Company to enforce the terms of this Tariff, the Company shall be entitled to recover, in addition to any other remedy, reimbursement for reasonable attorneys' fees, court costs, costs of investigation and other related expenses incurred in connection therewith.
- 2.2.6. The provision of Service will not create a partnership or joint venture between the Company and the Customer nor result in joint Service offerings to their respective Customers.
- 2.2.7. The rate or volume discount level applicable to a Customer for a particular Service or Services shall be the rate or volume discount level in effect at the beginning of the monthly billing period applicable to the Customer for the particular Service or Services. When a Service is subject to a minimum monthly charge, account charge, port charge or other recurring charge or Nonrecurring Charge for both intrastate and interstate Service, only one such charge shall apply per account and that charge shall be the interstate charge.
- 2.2.8. Service requested by Customer and to be provided pursuant to this Tariff shall be requested on Company Service Order forms in effect from time to time or Customer's forms accepted in writing by an authorized headquarters representative of the Company (collectively referred to as "Service Orders").
- 2.2.9. If an entity other than the company (e.g., another carrier or a supplier) imposes charges on the Company in connection with a Service that entity's charges will be passed through to the Customer also.
- 2.2.10. The Service Commitment Period for any Service shall be established by the Service Order relevant thereto and commence on the Start of Service Date. Upon expiration, each Service Commitment Period for such Service shall automatically be extended subject to written notice of termination by either Company or Customer as of a date not less than thirty (30) days after delivery of said notice to the other. The charges for Interexchange Service during any such extension shall not exceed the then current Company month-to-month charges applicable to such Service.

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2.3. Liability

- 2.3.1. Except as provided otherwise in this Tariff, the Company shall not be liable to Customer or any other person, firm or entity for any failure of performance hereunder if such failure is due to any cause or causes beyond the reasonable control of the Company. Such causes shall include, without limitation, acts of God, fire, explosion, vandalism, cable cut, storm or other similar occurrence, any law, order, regulation, direction, action or request of the United States government or of any other government or of any civil or military authority, national emergencies, insurrections, riots, wars, strikes, lockouts or work stoppages or other labor difficulties, supplier failures, shortages, breaches or delays, or preemption of existing Services to restore service in compliance with Part 64, Subpart D, Appendix A, of the FCC's Rules and Regulations.
- 2.3.2. With respect to the Services contained herein and except as otherwise provided herein, the Company's liability shall not exceed an amount equal to the charge applicable to a one minute Call to the Called Station at the time the affected Call was made. If the initial minute rate is higher than the additional minute rate, the higher rate shall apply. For those Services with monthly recurring charges, the Company's liability is limited to an amount equal to the proportionate monthly recurring charges for the period during which Service was affected.
- 2.3.3. The Company is not liable for any act or omission of any other company or companies (including any Company affiliate that is a participating or concurring carrier) furnishing a portion of the Service or facilities, equipment, or Services associated with such Service.
- 2.3.4. The Customer is responsible for taking all necessary legal steps for interconnecting the Customer provided terminal equipment with the Company facilities. The Customer shall ensure that the signals emitted into the Company's network do not damage Company equipment, injure personnel or degrade Service to other Customers. The Customer is responsible for securing all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection. In addition, the customer shall comply with applicable LEC signal power limitations.
- 2.3.5. The Company may rely on Local Exchange Carriers or other third parties for the performance of other Services such as Local Access. Upon Customer request and execution and delivery of appropriate authorizing documents, the Company may act as agent for Customer in obtaining such other Services. Customer's liability for charges hereunder shall not be reduced by untimely Installation or non-operation of Customer provided facilities and equipment.

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- 2.3.6. The failure to give notice of default, to enforce or insist upon compliance with any of the terms or conditions herein, the waiver of any term or conditions herein, or the granting of an extension of time for performance by the Company or the Customer shall not constitute the permanent waiver of any term or condition herein. Each of the provisions shall remain at all times in full force and effect until modified in writing.
- 2.3.7. The Company shall not be liable to the Customer or any other person, firm or entity in any respect whatsoever as a result of mistakes, accidents, errors, omissions, interruptions, delays, or defects in Service (collectively "Defects"). Defects caused by or contributed to, directly or indirectly, by any act or omission of Customer or its customers, affiliates, agents, representatives, invitees, licensees, successors or assigns or which arise from or are caused by the use of facilities or equipment of Customer or related parties shall not result in the imposition of any liability whatsoever upon the Company, and Customer shall pay to the Company any reasonable costs, expenses, damages, fees or penalties incurred by the Company as a result thereof, including penalties incurred by the Company as a result thereof, including costs of Local Access Providers' labor and materials. In addition, all or a portion of the Service may be provided over facilities of third parties, or sold by third parties, and the Company shall not be liable to Customer or any other person, firm or entity in any respect whatsoever arising out of Defects caused by such third parties. THE COMPANY SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR BUSINESS INTERRUPTION, FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF ANY DEFECTS OR ANY OTHER CAUSE. THE COMPANY'S LIABILITY, IF ANY, WITH REGARD TO THE DELAYED INSTALLATION OF THE COMPANY'S FACILITIES OR COMMENCEMENT OF SERVICE SHALL NOT EXCEED \$1,000. THIS WARRANTY AND THESE REMEDIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OR REMEDIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN THE EVENT OF AN INTERRUPTION IN SERVICE OR ANY DEFECT IN THE SERVICE WHATSOEVER, NEITHER COMPANY NOR ANY AFFILIATED OR UNAFFILIATED THIRD PARTY, THIRD PARTY PROVIDER OR OPERATOR OF FACILITIES EMPLOYED IN THE PROVISION OF THE SERVICE SHALL BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL, ACTUAL, PUNITIVE OR ANY OTHER DAMAGES, OR FOR ANY LOST PROFITS OF ANY KIND OR NATURE WHATSOEVER.

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- 2.3.8. With respect to the routing of Calls by the Company to public safety answering points or municipal Emergency Service providers, Company liability, if any, will be limited to the lesser of: (a) the actual monetary damages incurred and proved by the Customer as the direct result of the Company's action, or failure to act, in routing the Call, or (b) the sum of \$1,000.00.
- 2.3.9. In the event parties other than Customer (e.g., Customer's customers) shall have use of the Service directly or indirectly through Customer, then Customer agrees to forever indemnify and hold Company and any affiliated or unaffiliated third-party, third-party provider or operator of facilities employed in provision of the Service harmless from and against any and all claims, demands, suits, actions, losses, damages, assessments or payments which may be asserted by said parties arising out of or relating to any Defects.
- 2.3.10. In the event that Company is required to perform a Circuit redesign due to inaccurate information provided by the Customer; or, circumstances in which such costs and expenses are caused by the Customer or reasonably incurred by the Company for the benefit of the Customer, the Customer is responsible for the payment of all such charges.

2.4. Cancellation of Service by a Customer

- 2.4.1. If a Customer cancels a Service Order before the Service begins, before completion of the Minimum Period, or before completion of some other period mutually agreed upon by the Customer and the Company, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Company and not fully reimbursed by Installation and monthly charges. If, based on a Service order by a Customer, any construction has either begun or been completed, but no Services provided, the nonrecoverable costs of such construction shall be borne by the Customer.
- 2.4.2. Upon thirty (30) days' prior written notice, either Customer or Company shall have the right, without cancellation charge or other liability, to cancel the affected portion of the Service, if the Company is prohibited by governmental authority from furnishing said portion, or if any material rate or term contained herein and relevant to the affected Service is substantially changed by order of the highest court of competent jurisdiction to which the matter is appeal, the Federal Communications TRA, or other local, state or federal government authority.

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2.5. Cancellation for Cause by the Company

- 2.5.1. Upon nonpayment of any sum owing to the Company, or upon a violation of any of the provisions governing the furnishing of Service under this Tariff, the Company may, upon five business days written notification to the Customer, except in extreme cases, without incurring any liability, immediately discontinue the furnishing of such Service. The written notice may be separate and apart from the regular monthly bill for service. Customer shall be deemed to have canceled Service as of the date of such disconnection and shall be liable for any cancellation charges set forth in this Tariff.
- 2.5.2. Without incurring any liability, the Company may discontinue the furnishing of Service(s) to a Customer upon five business days written notice if the Company deems that such action is necessary to prevent or to protect against fraud or to otherwise protect its personnel, agents, facilities or Services under the following circumstances, except under extreme cases where the customer may be disconnected immediately and without notice:
- 2.5.2.A. if the Customer refuses to furnish information to the Company regarding the Customer's credit-worthiness, its past or current use of common carrier communications Services or its planned use of Service(s);
- 2.5.2.B. if the Customer provides false information to the Company regarding the Customer's identity, address, credit-worthiness, past or current use of Customer communications Services, or its planned use of the Company Service(s);
- 2.5.2.C. if the Customer states that it will not comply with a request of the Company for reasonable security for the payment for Service(s);
- 2.5.2.D. if the Customer has been given five business days written notice in a separate mailing by the Company of any past due amount (which remains unpaid in whole or in part) for any of the Company's communications Services to which the Customer either subscribes or had subscribed or used;
- 2.5.2.E. in the event of unauthorized use.

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- 2.5.2.F. following the disconnection of service for any of these reasons, the Company or the local exchange utility acting as Company agent, will notify the telephone user/customer that service was disconnected and why. The notice will include all reasons for the disconnection and will include a toll-free number where an end user/customer can obtain additional information. Notice shall be deemed given upon deposit, postage prepaid, in the U.S. Mail to the end user's/customer's last known address and in compliance with the TRA's rules.
- 2.5.3. The discontinuance of Service(s) by the Company pursuant to this Section does not relieve the Customer of any obligations to pay the Company for charges due and owing for Service(s) furnished up to the time of discontinuance. The remedies set forth herein shall not be exclusive and the Company shall at all times be entitled to all rights available to it under either law or equity.
- 2.6. Credit Allowance
- 2.6.1. Credit allowance for the interruption of Service is subject to the general liability provisions set forth in this Tariff. Customers shall receive no credit allowance for the interruption of service that is due to the Company's testing or adjusting, negligence of the Customer, or to the failure of channels or equipment provided by the Customer. The Customer should notify the Company when the Customer is aware of any interruption in Service for which a credit allowance is desired. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission within Customer's control, or is not in wiring or equipment, if any, furnished by the Customer in connection with the Company's Services.
- 2.6.2. No credit is allowed in the event service must be interrupted in order to provide routine service quality or related investigations.
- 2.6.3. No credit shall be allowed:
- 2.6.3.A. For failure of services or facilities of Customer; or
- 2.6.3.B. For failure of services or equipment caused by the negligence or willful acts of Customer.
- 2.6.4. Credit for an interruption shall commence after Customer notifies Company of the interruption and ceases when services have been restored.
- 2.6.5. Credits are applicable only to that portion of Service interrupted.

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- 2.6.6. For purposes of credit computation, every month shall be considered to have 720 hours.
- 2.6.7. No credit shall be allowed for an interruption of a continuous duration of less than two hours.
- 2.6.8. The Customer shall be credited for an interruption of two hours or more at a rate of 1/720th of the monthly recurring charge for the service affected for each hour or major fraction thereof that the interruption continues. Calculations of the credit shall be made in accordance with the following formula.

Credit Formula:

$$\text{Credit} = \frac{A}{720} \times B$$

"A" = outage time in hours

"B" = total monthly charge for affected facility

2.7. Use of Service

- 2.7.1. The Services offered herein may be used for any lawful purpose, including residential, business, governmental, or other use. There are no restrictions on sharing or resale of Services. However, the Customer remains liable for all obligations under this Tariff notwithstanding such sharing or resale and regardless of the Company's knowledge of same. The Company shall have no liability to any person or entity other than the Customer and only as set forth in Section 2.3. The Customer shall not use nor permit others to use the Service in a manner that could interfere with Services provided to others or that could harm the facilities of the Company or others.
- 2.7.2. Service furnished by the Company may be arranged for joint use or authorized use. The joint user or Authorized User shall be permitted to use such Service in the same manner as the Customer, but subject to the following:
- 2.7.2.A. One joint user or Authorized User must be designated as the Customer.

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- 2.7.2.B. All charges for the Service will be computed as if the Service were to be billed to one Customer. The joint user or Authorized User that has been designated as the Customer will be billed for all components of the Service and will be responsible for all payments to the Company. In the event that the designated Customer fails to pay the Company, each joint user or Authorized User shall be liable to the Company for all charges incurred as a result of its use of the Company's Service.
- 2.7.3. In addition to the other provisions in this Tariff, Customers reselling Company Services shall be responsible for all interaction and interface with their own subscribers or customers. The provision of the Service will not create a partnership or joint venture between Company and Customer nor result in a joint communications Service offering to the Customers of either the Company or the Customer.
- 2.7.4. Service furnished by the Company shall not be used for any unlawful or fraudulent purposes.
- 2.7.5. The Customer will be billed directly by the LEC for certain Dedicated Access arrangements selected by the Customer for the provisioning of direct access arrangements. In those instances where the Company at the Customer's request may act as agent in the ordering of such arrangements, the Company will bill the Customer Local Access charges.
- 2.8. Payment Arrangements
- 2.8.1. The Customer is responsible for payment of all charges for Services furnished to the Customer or its joint or Authorized Users. This responsibility is not changed due to any use, misuse, or abuse of the Customer's Service or Customer provided equipment by third parties, the Customer's employees, or the public.
- 2.8.2. The Company's bills are due upon receipt. Amounts not paid within 30 days from the Bill Date of the invoice will be considered past due. Customers will be assessed a late fee on past due amounts in the amount not to exceed the maximum lawful rate under applicable state law. If a Customer presents an undue risk of nonpayment at any time, the Company may require that Customer to pay its bills within a specified number of days and to make such payments in cash or the equivalent of cash.

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- 2.8.3. In determining whether a Customer presents an undue risk of nonpayment, the Company shall consider the following factors: (A) the Customer's payment history (if any) with the Company and its affiliates, (B) Customer's ability to demonstrate adequate ability to pay for the Service, (C) credit and related information provided by Customer, lawfully obtained from third parties or publicly available, and (D) information relating to Customer's management, owners and affiliates (if any).
- 2.8.4. Disputes with respect to charges must be presented to the Company in writing within thirty days from the date the invoice is rendered or such invoice will be deemed to be correct and binding on the Customer.
- 2.8.5. If a LEC has established or establishes a Special Access surcharge, the Company will bill the surcharge beginning on the effective date of such surcharge for Special Access arrangements presently in Service. The Company will cease billing the Special Access surcharge upon receipt of an Exemption Certificate or if the surcharge is removed by the LEC.
- 2.8.6. In the event the Company incurs fees or expenses, including attorney's fees, in collecting, or attempting to collect, any charges owed the Company, the Customer will be liable to the Company for the payment of all such fees and expenses reasonably incurred.
- 2.8.7. Company will not require deposits or advance payments by Customers for Services.
- 2.9. Assignment
- 2.9.1. The obligations set forth in this Tariff shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, provided, however, the Customer shall not assign or transfer its rights or obligations without the prior written consent of the Company.
- 2.10. Tax and Fee Adjustments
- 2.10.1. All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items and are not included in the quoted rates.
- 2.10.2. If at any future time a municipality acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such municipality. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.

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- 2.10.3. If at any future time a county or other local taxing authority acquires the legal right to impose an occupation tax, license tax, permit fee, franchise fee or other similar charge upon the Carrier, and imposes the same by ordinance or otherwise, such taxes, fees or charges shall be billed to the end users receiving service within the territorial limits of such county or other taxing authority. Such billing shall allocate the tax, fee or charge among end users uniformly on the basis of each end user's monthly charges for the types of service made subject to such tax, fee or charge.
- 2.10.4. When utility or telecommunications assessments, franchise fees, or privilege, license, occupational, excise, or other similar taxes or fees, based on interstate or intrastate receipts are imposed by certain taxing jurisdictions upon the Company or upon local exchange companies and passed on to the Company through or with interstate or intrastate access charges, the amounts of such taxes or fees will be billed to Customers in such a taxing jurisdiction on a prorated basis. The amount of charge that is prorated to each Customer's bill is determined by the interstate or intrastate telecommunications service provided to and billed to an end user/customer service location in such a taxing jurisdiction with the aggregate of such charges equal to the amount of the tax or fee imposed upon or passed on to the Company.
- 2.10.5. When any municipality, or other political subdivision, local agency of government, or department of public utilities imposes upon and collects from the Company a gross receipts tax, occupation tax, license tax, permit fee, franchise fee or regulatory fee, such taxes and fees shall, insofar as practicable, be billed pro rata to the Company's Customers receiving service within the territorial limits of such municipality, other political subdivision, local agency of government, or public utility TRA.
- 2.10.6. The Company may adjust its rates and charges or impose additional rates and charges on its Customers in order to recover amount it is required by governmental or quasi-government authorities to collect from or pay to others in support of statutory or regulatory programs. Examples of such programs include, but are not limited to, the Universal Service Fund, the Primary Interexchange Carrier Charge, and compensation to payphone service providers for use of their payphones to access the Company's services.

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2.11. Method for Calculation of Airline Mileage

2.11.1. The airline mileage between two cities can be calculated using the Vertical (V) and Horizontal (H) coordinates of the serving wire centers associated with the Company's POP locations. The method for calculating the airline mileage is obtained by reference to AT&T's Tariff F.C.C. No. 10 in accordance with the following formula:

$$\text{the square root of: } \frac{(V1 - V2)^2 + (H1 + H2)^2}{10}$$

where V1 and H1 correspond to the V&H coordinates of City 1 and V2 and H2 correspond to the V&H coordinates of City 2.

Example:

	<u>V</u>	<u>H</u>
City 1	5004	1406
City 2	5987	3424

$$\text{the square root of: } \frac{(5004-5987)^2 + (1406-3424)^2}{10}$$

The result is 709.83 miles. Any fractional miles are rounded to the next higher whole number; therefore, the airline mileage for this example is 710 miles.

2.12. Time of Day Rate Periods

2.12.1. Time of Day Rate Periods are determined by the time of day at the location of the Calling Station.

The rates shown in Section 4 apply as follows:

DAY: From 8:01 AM to 5:00 PM Monday - Friday

EVENING: From 5:01 PM to 11:00 PM Monday - Friday and Sunday

NIGHT/

WEEKEND: From 11:01 PM to 8:00 AM Everyday
From 8:01 AM to 11:00 PM Saturday
From 8:01 AM to 5:00 PM Sunday

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2.13. Special Customer Arrangements

2.13.1. In cases where a Customer requests a special or unique arrangement which may include engineering, conditioning, Installation, construction, facilities, assembly, purchase or lease of facilities and/or other special Services not offered under this Tariff, the Company, at this option, may provide the requested Services. Appropriate recurring charges and/or Nonrecurring Charges and other terms and conditions will be developed for the Customer for the provisioning of such arrangements.

2.14. Inspection

2.14.1. The Company may, upon notice, make such tests and inspections as may be necessary to determine that the requirements of this Tariff are being complied with in the Installation, operation or maintenance of Customer or the Company equipment. The Company may interrupt the Service at any time, without penalty to the Company, should Customer violate any provision herein.

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3. DESCRIPTION OF SERVICES

3.1. Wide Area ("WATS") and Message ("MTS") Toll Services

3.1.1. The Company offers WATS and MTS intrastate interexchange long distance service utilizing switched or dedicated access arrangements between the Customers Premises and the Company's facilities for call origination. Call termination is completed through a combination of Company facilities and LEC switched access arrangements.

3.2. Switched Inbound Service

3.2.1. Switched inbound service permits inward calling (via 800 codes) to a specific location utilizing premium switched, Feature Group D access on both ends.

3.3. Dedicated Inbound Service

3.3.1. Dedicated inbound service permits inward calling (via 800 codes) to a specific location featuring the use of a dedicated, special access type connection on the terminating end. The Customer shall be responsible for all LEC charges in addition to the Recurring, Non-recurring and Usage charges set forth hereinafter.

3.4. Switched Outbound Service

3.4.1. Switched outbound services permits outward calling utilizing premium switched Feature Group D access on both the originating and terminating ends.

3.5. Dedicated Outbound Service

3.5.1. Dedicated outbound service permits outward calling to stations in diverse service areas. Dedicated outbound service is distinguished from other services by the existence of a dedicated, special access connection on one end. The Customer shall be responsible for all LEC charges in addition to the Recurring, Non-recurring and Usage charges set forth hereinafter.

3.6. Calling Card Service

3.6.1. The Company's Calling Card Service is a customized calling card service with features including voice response or touch-tone dialing. Customers may pay both a per card surcharge and a measured usage charge for each call. Customers access the service through an "800" number established by the Company.

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3.7. Timing of Calls

3.7.1. Long distance usage charges are based on the actual usage of the Company network. Chargeable time begins when a connection is established between the Calling Station and the Called Station. Chargeable time ends when either party "hangs up" thereby releasing the network connection.

3.7.2. Unless otherwise specified in this Tariff, the minimum call duration for billing purposes is thirty (30) seconds. In addition, unless otherwise specified in this Tariff, usage is measured thereafter in six (6) second increments and rounded to the next higher six (6) second period.

3.8. Minimum Call Completion Rate

3.8.1. A Customer can expect a call completion rate of not less than 90% during peak use periods for all services.

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4. RATES AND CHARGES

4.1. Usage Rates

4.1.1. The following are usage charges which apply to all calls.

4.1.2. Customers shall incur an additional activation fee of \$1.50, along with a monthly recurring billing charge equal to \$1.50.

4.1.3. Customers will incur a \$5.00 monthly service charge.

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4.2. 1+ Switched Inbound Usage Rates

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 18 Seconds	Additional 6 Seconds
ALL	\$0.0297	\$0.0099

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4.3. Dedicated Inbound Usage Rates

Reserved for future use.

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4.4. Switched Outbound Usage Rates

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 18 Seconds	Additional 6 Seconds
ALL	\$0.0207	\$0.0069

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4.5. Dedicated Outbound Usage Rates

Reserved for future use.

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4.6. Calling Card Usage Rates

DAY/EVENING/NIGHT/WEEKEND

Mileage	Initial 60 Seconds	Additional 6 Seconds
ALL	\$0.1390	\$0.0139

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4.7. Special Promotional Offering

4.7.1. The Company may from time to time engage in Special Promotional Offerings or Trial Service Offerings limited to certain dates, times or locations designed to attract new subscribers or increase subscriber usage when approved by TRA. Company will not have special promotional offerings for more than 90 days in any 12-month period. In all such cases, the rates charged will not exceed those specified in Section 4 hereof.

4.8. Emergency Calls

4.8.1. Customer shall configure its PBX or other switch vehicle from which a customer places a call so that 911 emergency calls, where available, and similar emergency calls will be automatically routed to the emergency answering point for the geographical location where the call originated without the intervention of Company.

4.9. Payphone Use Service Charge

4.9.1. A Payphone Use Service Charge applies to each completed interLATA and intraLATA non-sent paid message made over a pay phone owned by a utility or Customer Owned Pay Telephone (COPT) Service. This includes calling card service, collect calls, calls billed to a third number, completed calls to Directory Assistance and Prepaid Card Service calls. This charge is collected on behalf of the pay phone owner. All Customers will pay the Company a per call service charge of \$0.29.

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4.10. Universal Connectivity Charge

4.10.1. Services provided pursuant to this tariff are subject to an undiscountable monthly Universal Connectivity Charge. This monthly service charge is a percent of the Customer's total net intrastate, interstate and international charges, after application of all applicable discounts and credits, equal to the current FCC Contribution Factor.

4.10.1.A. The Company will waive the Universal Connectivity Charge with respect to specifically identified Company charges to the extent that the Customer demonstrates to the Company's reasonable satisfaction that:

1. the Customer has filed a Universal Service Worksheet with the Universal Service Administrator covering the twelfth month prior to the month for which the Customer seeks the waiver;
2. the charges with respect to which the waiver is sought are for services purchased by Customer for resale; and
3. the Customer will file a Universal Service Worksheet with the Universal Service Administrator in which the reported billed revenues will include all billed revenues associated with the Customer's resale of services purchased from the Company.

4.10.1.B. The Universal Connectivity Charge will not be waived with respect to:

1. charges for services purchased by the Customer for its own use as an end user; or
2. charges for which the bill date is on, prior to, or within fifteen days after, the date on which the Customer applies for a waiver with respect to those charges.

4.11. Rates Applicable for Hearing/Speech Impaired Persons

4.11.1 A telephone toll message which is communicated using a telecommunications device for the deaf (TDD) by properly certified hearing or speech impaired persons or properly certified business establishments or individuals equipped with TDDs for communicating with hearing or speech impaired persons will receive upon request credit on charges for all intrastate-interLATA toll calls placed between TDDs. The credit to be given on a subsequent bill for such calls placed between TDDs will be 50% of the billed charges.

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