

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**IN THE MATTER OF THE APPLICATION  
OF DUKENET COMMUNICATIONS, LLC  
FOR A CERTIFICATE TO PROVIDE  
LOCAL EXCHANGE AND INTEREXCHANGE  
TELECOMMUNICATIONS SERVICES  
AS A COMPETITIVE LOCAL EXCHANGE CARRIER**

Docket No. 09-00051

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

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), DukeNet Communications, LLC ("DukeNet" or "Applicant") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to DukeNet authority to provide competing local telecommunications services, including local exchange and interexchange telecommunications services, within the State of Tennessee. DukeNet is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services.

In support of this application, DukeNet submits the following information:

**1. Correspondence concerning this application should be sent to:**

Henry C. Campen, Jr. and  
Tracy W. Kimbrell  
PARKER POE ADAMS & BERNSTEIN, LLP  
150 Fayetteville Street Mall, Suite 1400  
Post Office Box 389  
Raleigh, North Carolina 27602-0389  
Telephone: (919) 835-4628  
Facsimile: (919) 834-4564  
tracykimbrell@parkerpoe.com

and to:

Ricky Marshall  
602 Burning Bush Drive  
Pleasant Garden, North Carolina 27313  
Telephone: (336) 508-0699

Tony Cockerham  
400 South Tryon Street  
ST29C  
Charlotte, North Carolina 28202  
Telephone: (704) 382-5247

Sandy Williard  
400 South Tryon Street  
ST29C  
Charlotte, North Carolina 28201  
Telephone: (704) 382-1025  
Facsimile: (704) 382-8137

**2. Applicant's Address and Telephone Number**

DukeNet Communications, LLC  
400 South Tryon Street  
Charlotte, North Carolina 28202-1904  
Telephone: (704) 382-8104  
Facsimile: (704) 382-3534

**3. Parent Company's Address and Telephone Number**

Duke Energy Corporation  
526 South Church Street  
Charlotte, North Carolina 28202  
Telephone: (704) 594-6200  
Facsimile: (704) 382-8137  
www.duke-energy.com

**4. Structure of Applicant**

DukeNet Communications, LLC is a Delaware limited liability company headquartered in Charlotte, North Carolina. DukeNet is a wholly owned subsidiary of Duke Energy Corporation, a Fortune 500 company that has operated a private fiber network with unsurpassed technical expertise since 1981. From 1994 to 2000, DukeNet operated as DukeNet

Communications, Inc. providing local exchange and interexchange telecommunications services. In 2000 DukeNet Communications, Inc. merged, and the surviving company has continued operations as DukeNet Communications, LLC.

## **5. Corporate Information**

DukeNet is a limited liability company formed under the laws of Delaware. A true and correct copy of DukeNet's Articles of Organization is attached hereto as **Exhibit A**. A copy of DukeNet's Authority to transact business in the State of Tennessee is attached as **Exhibit B**.

## **6. Financial, Managerial and Technical Abilities**

(a) As indicated in Duke Energy Corp.'s most recent most recent Securities and Exchange Commission Form 10-K which includes the company's current balance sheet, income statement and statement of cash flow, offered at <http://www.duke-energy.com/investors/publications/annual.asp>, DukeNet has available through its parent corporation the resources to fund its proposed telecommunications operations in Tennessee.

(b) DukeNet possesses the managerial qualifications necessary to provide local exchange telecommunications services in Tennessee. DukeNet's management team has extensive business experience which will enable DukeNet to meet high service quality standards. Attached hereto as **Exhibit C** are the names and addresses of DukeNet's principal officers and a description of the experience and expertise of DukeNet's key management personnel. There are no officers in Tennessee.

(c) DukeNet is technically qualified to provide competing local telecommunications services, including local exchange and interexchange telecommunications services, in Tennessee and meet the minimum standards establish by the TRA. DukeNet is the telecommunications arm of Duke Energy, a multinational energy company that has focused on quality, reliability and

service for more than 100 years. Since 1994, DukeNet has developed and managed fiber optic and microwave systems for wireless, local and long-distance communications companies, Internet service providers and other businesses and organizations. DukeNet does not require any special Customer Provided Equipment that would not be compatible with an incumbent carrier. DukeNet retains qualified technical and operational personnel to support its operations and DukeNet's experienced management team (described in **Exhibit C**) can be relied upon for the provision of quality telecommunications services in Tennessee.

#### **7. Bond**

DukeNet understands that a corporate surety bond in an amount of \$20,000 must be provided prior to official action on this application.

#### **8. Description of Services and Proposed Service Area**

DukeNet is authorized to provide telecommunications services in North Carolina, South Carolina, Georgia and Virginia. DukeNet has been authorized to provide telecommunications services in North Carolina and South Carolina since 1995, in Georgia since 2002 and in Virginia since 2007. DukeNet was authorized to provide telecommunications services in Florida from August of 2002 until DukeNet canceled its certificates in 2006. DukeNet was recertified to provide telecommunications services in Florida in 2007. DukeNet has never been denied authority to provide telecommunications services in any state nor have any customer complaints been filed with state or federal regulatory agencies regarding DukeNet.

By this Application, DukeNet requests that the TRA grant it a Certificate authorizing it to provide local exchange and interexchange telecommunications services as a competitive local exchange carrier ("CLEC") throughout Tennessee. DukeNet plans to begin offering its services in the Nashville and Knoxville areas. More specifically, as the necessary facilities are installed

or acquired, DukeNet plans to offer service that will enable customers to originate and terminate local calls to other customers served by DukeNet as well as to customers of other local exchange carriers. DukeNet's local exchange service will also provide customers the ability to access their choice of interexchange carriers. DukeNet does not require customer deposits unless the customer's creditworthiness is at issue or they establish a bad payment record with DukeNet.

#### **9. Repair and Maintenance**

DukeNet is the telecommunications arm of Duke Energy, a multinational energy company that has focused on quality, reliability and customer service for more than 100 years. DukeNet customers in Tennessee will be able to call the company's toll-free customer service number which is 1-800-754-7730. Customers may also contact the company in writing at the headquarters address. The Tennessee contact person knowledgeable about the company's operations is Rob Dellinger, Director of Operations, 400 South Tryon Street ST29C, Charlotte, North Carolina 28201 (704) 382-3388.

#### **10. Notice**

DukeNet has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding the company's intended service area. See **Exhibit D** for the service list.

#### **11. Illustrative Tariff**

DukeNet provides its local exchange tariff which is attached as **Exhibit E**, describing the terms and conditions under which it will offer local exchange telecommunications services in Tennessee.

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

Pursuant to 65-5-112, DukeNet's Small and Minority-Owned Telecommunications Business Participation Plan is attached as **Exhibit F**.

**13. Toll Dialing Parity Plan**

DukeNet does not plan to provide voice grade service in Tennessee.

**14. Numbering Issues**

DukeNet does not plan to provide services requiring NXXs in Tennessee.

**15. Tennessee Specific Operational Issues**

A statement in response to questions posed by the TRA concerning Tennessee Specific Operational Issues is attached as **Exhibit G**.

**16. Public Interest**

Grant of the authority sought in this Application will serve the public interest. The entry of DukeNet into the local exchange and interexchange market will enhance the provision of telecommunications services within Tennessee as prescribed by the Federal Telecommunications Act. Granting of this application will not adversely impact, but rather will contribute to, the availability of reasonably affordable local exchange and interexchange service in Tennessee. DukeNet will provide customers with an optimal combination of price, quality, and customer service. The competition which Applicant seeks to bring to local telecommunications markets will expand customer choice and spur higher service quality at lower prices through increased innovation and efficiency. The result will be a stimulus to economic growth and development, particularly in the information-intensive service industries that form an increasingly important component of the Tennessee economy. In addition, granting the requested certificate will not unreasonably prejudice or disadvantage any class of customers or service providers.

Accordingly, DukeNet anticipates that its proposed services will serve the public interest and need by increasing consumer choice of innovative, diversified, and reliable service offerings.

**17. Sworn Pre-Filed Testimony**

Sworn Pre-Filed Testimony supporting the information offered in this Application is attached as **Exhibit H**.

**CONCLUSION**

**WHEREFORE**, DukeNet Communications, LLC respectfully requests that the Tennessee Regulatory Authority grant its Application for a Certificate of Convenience and Necessity to provide local exchange and interexchange telecommunications services as a competitive local exchange carrier in the State of Tennessee.

Respectfully submitted this the 10<sup>th</sup> day of April, 2009.

By: 

Henry C. Campen, Jr. and  
Tracy W. Kimbrell  
PARKER POE ADAMS & BERNSTEIN LLP  
150 Fayetteville Street Mall, Suite 1400  
PO Box 389  
Raleigh, NC 27602  
Tel. 919-835-4628  
Fax 919-834-4564  
Email: [tracykimbrell@parkerpoe.com](mailto:tracykimbrell@parkerpoe.com)  
*Attorneys for DukeNet Communications, LLC*

## **EXHIBIT LIST**

EXHIBIT A	Articles of Organization
EXHIBIT B	Authority to Transact Business in the State of Tennessee
EXHIBIT C	Names and Addresses of Principal Officers
EXHIBIT D	Service List
EXHIBIT E	Illustrative Tariff
EXHIBIT F	Small and Minority-Owned Telecommunications Business Participation Plan
EXHIBIT G	Tennessee Specific Operational Issues
EXHIBIT H	Sworn Pre-Filed Testimony



**EXHIBIT A**

**DukeNet's Articles of Organization**

State of Delaware  
Office of the Secretary of State

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PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF FORMATION OF "DUKENET COMMUNICATIONS, LLC", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF DECEMBER, A.D. 2000, AT 10 O'CLOCK A.M.



A handwritten signature in cursive script, reading "Edward J. Freel", is written over a horizontal line.

Edward J. Freel, Secretary of State

3330516 8100

AUTHENTICATION: 0858223

001629301

DATE: 12-15-00

**CERTIFICATE OF FORMATION**  
**OF**  
**DUKENET COMMUNICATIONS, LLC**

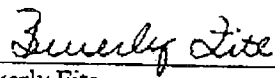
This Certificate of Formation of DukeNet Communications, LLC (the "LLC"), dated December 11, 2000 is being duly executed and filed by Beverly Fite, as an authorized person, to form a limited liability company under the Delaware Limited Liability Act (6 Del.C. § 18-101, et seq.).

**FIRST:** The name of the limited liability company formed hereby is DukeNet Communications, LLC.

**SECOND:** The address of the registered office of the LLC in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

**THIRD:** The name and address of the registered agent for service of process on the LLC in the State of Delaware is c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

**IN WITNESS WHEREOF,** the undersigned has executed this Certificate of Formation as of the date first above written.

  
\_\_\_\_\_  
Beverly Fite  
Authorized Person

**EXHIBIT B**

**Authority to Transact Business in the State of Tennessee**

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

DATE: 06/13/08  
REQUEST NUMBER: 6329-1294  
TELEPHONE CONTACT: (615) 741-2286  
FILE DATE/TIME: 06/12/08 0901  
EFFECTIVE DATE/TIME: 06/12/08 0901  
CONTROL NUMBER: 0579209

TO:  
DUKENET COMMUNICATION SERVICES, LLC  
526 S. CHURCH STREET  
EC-03T  
CHARLOTTE, NC 28202

RE:  
DUKENET COMMUNICATION SERVICES, 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: 06/13/08

FROM:  
DUKE ENERGY (400 SOUTH TRYON ST)  
400 SOUTH TRYON ST.  
ST25B  
CHARLOTTE, NC 28285-0000

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

RECEIPT NUMBER: 00004440379  
ACCOUNT NUMBER: 00605540



SS-4458

*Riley C. Darnell*

RILEY C. DARNELL  
SECRETARY OF STATE

State of Tennessee



Department of State  
Corporate Filings  
312 Eighth Avenue North  
6<sup>th</sup> 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  
STATE OF TENNESSEE  
For Office Use Only  
2009 JUN 12 AM 9:01  
FILED  
KIM DARNELL  
SECRETARY OF STATE

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: DUKENET COMMUNICATION SERVICES, 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: DELAWARE, USA

and its date of its formation is: 12/21/2006 (must be month, day and year)

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

526 S. CHURCH STREET, EC-D31 CHARLOTTE, NC 28202  
Street City/State Zip Code

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

800 S. GAY STREET, SUITE 2021 KNOXVILLE, TN 37929  
Street City/State County Zip Code

The name of its registered agent at that office is: CT CORPORATION SYSTEM

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.

6/9/08  
Signature Date

ASSISTANT SECRETARY  
Signer's Capacity

DUKENET COMMUNICATION SERVICES, LLC  
Name of Limited Liability Company

[Signature]  
Signature

DAVID S. MALIZ  
Name (typed or printed)

6325.1294

## **EXHIBIT C**

### **Principal Officers and Management Personnel**

William Bradley Davis  
President – DukeNet  
400 South Tryon Street  
ST29B  
Charlotte, North Carolina 28202

Brad Davis is president of DukeNet, a business unit of Duke Energy that develops and manages fiber-optic communications systems.

A career employee, Davis has more than twenty years of experience with the company. He joined Duke Power, a former Duke Energy company, in 1982 as an instrumentation and controls engineer in the nuclear production department at Catawba Nuclear Station. After a series of promotions, he was named manager of information systems at McGuire Nuclear Station. After serving in several corporate leadership positions, Davis was named manager of customer support for information technology services in 1993, manager of telecommunications systems in 1994 and manager of generation business applications in 1997. In 2001, he was named vice president of engineering and operations for DukeNet. He was named president of DukeNet Communications in 2003 and continued in that role after Duke Energy's merger with Cinergy in April 2006.

Davis received a bachelor of science degree in mechanical engineering from North Carolina State University and earned a master's degree from Queens University.

Tony Cockerham  
Vice President of Sales and Customer Operations – DukeNet  
400 South Tryon Street  
ST29C  
Charlotte, North Carolina 28202

Tony Cockerham was named vice president of sales and customer operations of DukeNet Communications in March 2006. Prior to his current position, Cockerham served as vice president of engineering and operations for DukeNet Communications.

Before joining DukeNet in 1999, Cockerham spent three years in engineering and project management roles in Duke Energy's Telecommunications department. Prior to that, he spent six years in various positions at BellSouth including network engineering, infrastructure planning, sales technical support, and project management.

Kevin Lane

Vice President of Engineering and Operations – DukeNet

400 South Tryon Street

ST29B

Charlotte, North Carolina 28202

Kevin Lane was named vice president of engineering and operations of DukeNet Communications in March of 2006. Prior to his current position, Lane was responsible for business development in DukeNet. Prior to his DukeNet role, Lane was a division manager in the DEBS IT group responsible for workstation and enterprise database management services in Duke Energy.

Before joining Duke Energy in 1997, Lane's career has spanned twenty years in various technical and managerial positions within Information Technology spanning application development, systems management and project management roles in the energy, aerospace and manufacturing business sectors.



**EXHIBIT D**

**Sample Notice and Service List**

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**IN THE MATTER OF THE APPLICATION  
OF DUKENET COMMUNICATIONS, LLC  
FOR A CERTIFICATE TO PROVIDE  
LOCAL EXCHANGE AND INTEREXCHANGE  
TELECOMMUNICATIONS SERVICES  
AS A COMPETITIVE LOCAL EXCHANGE CARRIER**

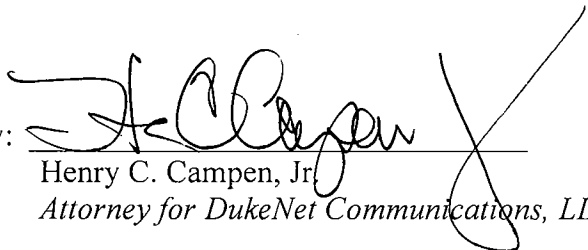
**NOTICE OF FILING**

TO: ALL INCUMBENT LOCAL EXCHANGE CARRIERS (ILECS)

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 April 10, 2009, DukeNet Communications, LLC submitted for filing, via United States mail, an Application for a Certificate of Public Convenience and Necessity to Provide Competing Local Telecommunications Services throughout the State of Tennessee.

This the 10<sup>th</sup> day of April 2009.

By:

  
Henry C. Campen, Jr.  
*Attorney for DukeNet Communications, LLC*

## List Of ILEC Providers

## ILEC

<u>ID</u>	<u>Company Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
21	Ardmore Telephone Company	P. O. Box 549	Ardmore	TN	38449-0000
1	BellSouth Telecommunications, Inc.	333 Commerce Street	Nashville	TN	37201-3300
14	CenturyTel of Adamsville	P. O. Box 4065	Monroe	LA	71211-0000
15	CenturyTel of Claiborne	P. O. Box 4065	Monroe	LA	71211-0000
17	CenturyTel of Ooltewah-Collegedale	PO Box 4065	Monroe	LA	71211-0000
13	Concord Telephone Exchange, Inc.	PO Box 22995	Knoxville	TN	37933-0995
16	Crockett Telephone Company	C/O TSI Payment Processing Center	Jackson	MS	39225-0000
74668	Frontier Communications of Tennessee	300 Bland Street	Bluefield	WV	24701-3020
20	Frontier Communications Of The Volunteer State	300 Bland Street	Bluefield	Wv	24701-0770
22	Humphreys County Telephone Company	P. O. Box 22995	Knoxville	TN	37933-0995
23	Loretto Telephone Company	P. O. Box 130	Loretto	TN	38469-0000
24	Millington Telephone Company, Inc.	4880 Navy Road	Millington	TN	38053-0000
18	Peoples Telephone Company	C/O TSI Payment Processing Center	Jackson	MS	39225-0000
12	Tellico Telephone Company	PO Box 22995	Knoxville	TN	37933-0995
11	Tennessee Telephone Company	PO Box 22995	Knoxville	TN	37933-0995
25	United Telephone Company, Inc.	P. O. Box 38	Chapel Hill	TN	37034-0000
3	United Telephone Southeast, LLC	400 W. 15th Street	Austin	TX	78701-0000
19	West Tennessee Telephone Co.	C/O TSI Payment Processing Center	Jackson	MS	39225-0000

**EXHIBIT E**

**Illustrative Tariff**

**DRAFT**

DUKENET COMMUNICATIONS, LLC

REGULATIONS AND SCHEDULE OF CHARGES

APPLYING TO INTEREXCHANGE COMMUNICATIONS

SERVICES WITHIN THE STATE OF TENNESSEE

This tariff is on file with the Tennessee Regulatory Authority (TRA). In addition, this tariff is available for review at the Company's principle place of business, Monday - Friday, 9:00 am - 5:00 pm, local time, 400 S. Tryon Street, Charlotte, NC 28209. The Company may be reached via its toll free number: 1-800-754-7730.

---

ISSUED:

Anthony R. Cockerham  
VP Sales and marketing  
400 S. Tryon Street  
Charlotte, NC 28209

EFFECTIVE:

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**CHECK SHEET**

PAGE NO.	REVISION
1	Original*
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23	Original*
24	Original*

\* - Denotes new or revised page with this filing.

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ISSUED:

EFFECTIVE:

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**SYMBOLS SHEET**

- C -** To signify changed regulation.
- D -** To signify discontinued rate or regulation.
- I -** To signify increased rate.
- M -** To signify a move in the location of text.
- N -** To signify new rate or regulation.
- R -** To signify reduced rate.
- S -** To signify reissued matter.
- T -** To signify a change in text but no change in rate or regulation.

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### TARIFF FORMAT SHEET

- A. Page numbering - Page numbers appear in the upper right hand corner of the page. Pages are numbered sequentially. However, new pages are occasionally added to the tariff. When a new page is added between pages already in effect, a decimal is added. For example, new pages added between pages 14 and 15 would be 14.1.
- B. Page revision numbers - Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current page version on file with the Commission. For example, the 4th revised Page 14 cancels the 3rd revised Page 14. Because of various suspension periods, deferrals, etc., the Commission allows in their tariff approval process, the most current page number on file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the page currently in effect.
- C. Paragraph Numbering Sequence -There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2
  - 2.1
  - 2.1.1.
  - 2.1.1.A.
  - 2.1.1.A.1
  - 2.1.1.A.1.(a).
  - 2.1.1.A.1.(a).I.
  - 2.1.1.A.1.(a).I.(i).
  - 2.1.1.A.1.(a).I.(i).(1)
- D. Check Sheets: When a tariff filing is made with the Commission, an updated Check Sheet accompanies the tariff filing. The Check Sheet lists 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 (i.e. the format, etc. remains the same, just revised revision levels on some pages). 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.



**SECTION 1 - DEFINITIONS**

Access Line - An arrangement from a local exchange telephone company or other common carrier, using either dedicated or switched access, which connects a Customer's location to Carrier's location or switching center.

Authorization Code - A numerical code, one or more of which may be assigned to a Customer to enable Carrier to identify the origin of service of the Customer so it may rate and bill the call. All authorization codes shall be the sole property of Carrier and no Customer shall have any property or other right or interest in the use of any particular authorization code. Automatic numbering identification (ANI) may be used as or in connection with the authorization code.

Company – DukeNet Communications, LLC

Common Carrier – An authorized company or entity providing telecommunications service to the public.

TRA – The Tennessee Regulatory Authority

Customer - The person, firm, corporation or other entity which subscribes to, utilizes, or enters into arrangements for Carrier's telecommunications services and is responsible for payment of Carrier's services.

Holiday - New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day.

Local Access and Transport Area (LATA) – A geographical area established by the U.S. District Court for the District of Columbia in Civil Action No. 82-0192, within which a local exchange company provides communication services.

Telecommunications – The transmission of voice communications or, subject to the transmission capabilities of the service, the transmission of data, facsimile, signaling, metering, or other similar communications.

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## **SECTION 2 - RULES AND REGULATIONS**

### **2.1 Application of Tariff**

- 2.1.1 This Tariff contains the regulations and rates applicable to intrastate interexchange telecommunications services provided by Company for telecommunications between points within the State of Tennessee. Company's services are furnished subject to the availability of facilities and services and subject to the terms and conditions of this Tariff.
- 2.1.2 Company's services may be provided over the telecommunications channels, facilities or services of other facilities-based carriers and may involve the resale of services of underlying Common Carriers.
- 2.1.3 The rates and regulations contained in this Tariff apply only to the services furnished by Company to the Customer and do not apply to lines, facilities, or services used in accessing the services of Company that are not provided by Company.
- 2.1.4 The Customer is entitled to limit the use of Company's services by end users at the Customer's facilities, and may use other Common Carriers in addition to or in lieu of Company.

### **2.2 Use of Services**

- 2.2.1 Company's services may be used for any lawful purpose consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of services.
- 2.2.2 The use of Company's services without payment for service or attempting to avoid payment for service by fraudulent means or devices, schemes, false or invalid numbers, or false calling or credit cards is prohibited.
- 2.2.3 Company's services are available for use twenty-four hours per day, seven days per week, except with respect to limited planned outages about which the Customer will be provided advance notice.
- 2.2.4 Company does not transmit messages pursuant to this Tariff, but its services may be used for that purpose.

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**SECTION 2 - RULES AND REGULATIONS (continued)**

- 2.2.5 Company's services may be cancelled for nonpayment of uncontested bill charges or for other violations of this Tariff.

**2.3 Liability of the Company**

- 2.3.1 Due to the unavailability of errors incident to the services and to the use of the facilities furnished by the Company, the services and facilities furnished by the Company are subject to the terms, conditions and limitations set forth herein.
- 2.3.2 The liability of the Company for any loss or damages whatsoever arising out of mistakes, omissions, delays, errors, defects or failures in the service, or in any non-regulated equipment or facilities, shall not exceed an amount equivalent to the proportionate charge to the Customer for the period during which the mistake, omission, delay, defect, or failure existed, or the Tariff charge for the service involved. Under no circumstances shall the Company be liable for any consequential, special, indirect, incidental or exemplary damages.
- 2.3.3 Company shall not be liable for any act or omission of any connecting carrier, underlying carrier, or incumbent local exchange company; for acts or omission of any other providers of connections, facilities, or service other than the Company; or for culpable conduct of the Customer or failure of equipment, facilities or connection provided by the Customer.
- 2.3.4 Company shall not be liable for defacement of, or damage to, the premises of a Customer resulting from the attachment of instruments, apparatus and associated wiring furnished by the Company on such Customer's premises or by the installation or removal thereof, when such defacement or damage is not the result of the Company's gross negligence. No agents or employees of the other participating carriers shall be deemed to be agents or employees of Company.
- 2.3.5 Company shall not be liable for any unlawful or unauthorized use of Company's facilities and service, unless such use results solely from the negligence or willful misconduct of Company.

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**SECTION 2 - RULES AND REGULATIONS (continued)**

2.3.6 The Customer is responsible for taking all necessary legal steps for interconnecting Customer-provided terminal equipment with Company's facilities. The Customer shall secure all licenses, permits, rights-of-way, and other arrangements necessary for such interconnection.

**2.4 Force Majeure**

2.4.1 Except as provided in Sections 2.4.2 through 2.4.4 below, and notwithstanding any provision or inference to the contrary contained in this Tariff, neither party shall be liable for any failure or suspension of performance due to an act of God; fire; explosion; local, state or federal government action; unusual shortage of materials; strike or other labor unavailability; riot or war (individually, a "force majeure event"). The party claiming relief under this section shall exercise reasonable efforts to minimize the time of any failure or suspension of performance hereunder and promptly notify the other party of the occurrence of the force majeure event. Notwithstanding the foregoing, in no event shall a failure to pay sums required pursuant to this Tariff or any service order(s) be deemed, or postponed by, a force majeure event.

2.4.2 If a failure of performance arising out of a force majeure event shall be solely on the part of Customer and shall be for thirty (30) days or less, then the affected service shall remain in effect and Customer shall remain liable for all charges therefore. If such failure of performance by Customer shall be in excess of thirty (30) days, Customer shall have the option either to maintain the affected service by continuing payments or to cancel the affected service by notice to Company without further liability of the parties.

2.4.3 If a failure of performance arising out of a force majeure event shall be solely on the part of Company and shall be for thirty (30) days or less, then the affected service shall remaining effect with no liability on the part of Company, and Customer shall have no liability for recurring charges as to the period of Company's nonperformance as to the affected service. If such failure of performance by Company shall be in excess of thirty (30) days ("Failed Performance Period"), then the affected service may be canceled by Customer any time thereafter but no later than twenty (20) days after the end of the Failed Performance Period without further liability of the parties, provided that until such time as Customer cancels the

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**SECTION 2 - RULES AND REGULATIONS (2.4.3 continued)**

affected service, such service shall remain in effect with no liability on the part of Company; and, until the sooner of such time as Customer so cancels the affected service or resumption of Company's performance after the force majeure event, Customer shall have no liability for recurring charges as to said period of Company's nonperformance as to the affected service.

- 2.4.4 If a failure to perform arising out of a force majeure event shall be on the part of both Customer and Company shall be for thirty (30) days or less, then the affected service shall remain in effect with no liability on the part of Company, and Customer shall have no liability for recurring charges as to the period of Company's nonperformance as to the affected service. If such failure of performance by both parties shall be in excess of thirty (30) days, then the affected service may be canceled by either party without further liability of the parties thereunder any time within twenty (20) days after the end of such force majeure event(s), provided that until the sooner of such time of cancellation or resumption of Company's performance after any force majeure event, Customer shall have no liability for recurring charges as to said period of Carrier's nonperformance as to the affected service.

**2.5 Obligations of the Customer**

- 2.5.1 The Customer is responsible for placing any necessary orders for complying with Tariff regulations; for the placement of any stickers or tent cards provided by Company or as required by law; and for assuring that end users comply with Tariff regulations. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to services provided or made available by the Customer to end users. The Customer is also responsible for the payment of charges for calls originated at the Customer's numbers which are not collect, third party, calling card, or credit card calls.
- 2.5.2 The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by Company on the Customer's behalf.

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**SECTION 2 - RULES AND REGULATIONS (continued)**

- 2.5.3 If required for the provision of Company's services, the Customer must provide any equipment space, supporting structure, conduit and electrical power without charge to Company.
- 2.5.4 The Customer is responsible for arranging access to its premises at times mutually agreeable to Company and the Customer when required for Carrier personnel to install, repair, maintain, program, inspect or remove equipment used for or with the provision of Company's services.
- 2.5.5 The Customer shall ensure that its equipment and/or system is properly interfaced with Company facilities or services, that the signals emitted into Company's network are of the proper mode, bandwidth, power, and signal level for the intended use of the Customer and in compliance with the criteria set forth in this Tariff and that the signals do not damage equipment, injure personnel, or degrade service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, Company will permit such equipment to be connected with its channels without use of protective interface devices. If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to Company equipment, personnel, or the quality of service to other Customers, Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, Company may terminate the Customer's service.
- 2.5.6 The Customer is responsible for payment of the charges set forth in this Tariff.
- 2.5.7 The Customer is responsible for compliance with the applicable regulations set forth in this Tariff.
- 2.5.8 The Customer shall indemnify and save Company harmless from all liability disclaimed by Company as specified in Section 2.3 above, arising in connection with the provision of service by Company.

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**SECTION 2 - RULES AND REGULATIONS continued**

2.5.9 Customer has the sole responsibility and liability for obtaining at its expense any and all third party access rights (including, without limitation, entrance facilities and interconnection) that Customer desires or requires for Customer to access Customer's customers from or between any Carrier Point of Presence and said customer.

**2.6 Cancellation or Interruption of Services**

2.6.1 Without incurring liability, Company may discontinue services to a Customer or may withhold the provision of ordered or contracted services, subject to the procedures set forth in 2.6.2:

2.6.1.1 For nonpayment of any sum due Company for more than thirty (30) days after issuance of the bill for the amount due;

2.6.1.2 For violation of any of the provisions of this Tariff;

2.6.1.3 For violation of any law, rule, regulation or policy of any governing authority having jurisdiction over Company's services;

2.6.1.4 By reason of any order or decision of a court, public service commission or federal regulatory body or other governing authority prohibiting Company from furnishing its services;

2.6.1.5 If Company is reasonably unable to furnish all of the service requested by Customer for any cause other than Company's negligence or willful misconduct; or

2.6.1.6 If any material rate or term contained in this Tariff is substantially changed adversely to Company by order of the Commission and such order is sustained by the highest court of competent jurisdiction to which the matter is appealed.

2.6.2 Procedures for discontinuance of existing service:

2.6.2.1 Company may discontinue service without notice for any of the following reasons:

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**SECTION 2 - RULES AND REGULATIONS continued**

- 2.6.2.1.1 If a Customer or User causes or permits any signals or voltages to be transmitted over Company's network in such a manner as to cause a hazard or to interfere with Company's service to others.
- 2.6.2.1.2 If a customer or User uses Company's services in a fraudulent manner.
- 2.6.2.2 In all other circumstances, Company will provide the Customer with written notice via first class U.S. mail stating the reason for discontinuance, and will allow the Customer not less than fifteen (15) days to remove the cause for discontinuance. In cases of non-payment of charges due, the Customer will be allowed at least ten (10) days written notice via first class mail that disconnection will take place, and the Customer will be given the opportunity to make full payment of all undisputed charges.
- 2.6.2.3 Without incurring liability, Company may interrupt the provision of services at any time in order to perform tests and inspections to assure compliance with tariff regulations and the proper installation and operation of Customer and Company's equipment and facilities and may continue such interruption until any items of non-compliance or improper equipment operation so identified are rectified.
- 2.6.2.4 Service may be discontinued by Company, without notice to the Customer, by blocking traffic to certain countries, cities, or NXX exchanges when Company deems it necessary to take such action to prevent unlawful use of its service. Company will restore service as soon as it can be provided without undue risk.

**2.7 Interruption of Services**

- 2.7.1 When interruptions occur, the Company shall re-establish service with the shortest possible delay.
- 2.7.2 The Company shall receive customer trouble reports twenty-four (24) hours daily and clear trouble of an emergency nature at all hours, consistent with the bona fide needs of the Customer and personal safety of Company personnel.



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- 2.7.3 The Company shall maintain an accurate record of trouble reports made by Customers. This record shall include appropriate identification of the Customer or service affected, the time, date and nature of the report, the action taken to clear trouble or satisfy the complaint, and the date and time of trouble clearance or other disposition. This record shall be available to the TRA or its authorized representatives upon request at any time within the period prescribed for retention of such records.

## 2.8 **Payment and Rendering of Bills**

- 2.8.1 Customers will be billed directly by Company.
- 2.8.2 Company will render invoices monthly. Payment is due within thirty (30) days after Customer's receipt of its invoice.
- 2.8.3 If any portion of the payment is not received by the Company, or if any portion of the payment is received by the Company in funds that are not immediately available, by the subject invoice due date, which shall not be sooner than 20 days from the mail date on the bill, then a late payment penalty shall be due the company. The late payment penalty shall be that portion of the payment not received by the date due minus any charges billed as local taxes multiplied by 1.5 percent. Company may invoice Customer for the late payment charge on the next regular monthly invoice.
- 2.8.4 For Returned Checks: The Customer will be assessed a returned check charge of \$20.00 for each check submitted by the Customer to the Company that a financial institution refuses to honor. This charge is inclusive of the bank fee plus a reasonable Company administrative fee.

## 2.9 **Validation of Credit**

Company reserves the right to validate the credit worthiness of Customers.

## 2.10 **Disputed Bills**

All bills are presumed accurate, and will be binding on the Customer unless objection is received by Company within ninety (90) days after such bills are rendered. Customer nevertheless shall pay to Company no later than the subject invoice due date the undisputed amount, if any, due and owing to Company and provide to Company no later than the subject invoice due date, in writing, the grounds upon which Customer is contesting the disputed amount. In the event that the parties are unable to amicably resolve the issues raised by Customer concerning the Disputed Amount within ninety (90) days of the billing date:

**SECTION 2 - RULES AND REGULATIONS (continued)**

2.10.1 Customer or Company may file an appropriate complaint with the TRA staff. The current address for filing complaints is:

Consumer Services Division,  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, Tennessee 37243-0505  
FAX: 615-741-8953

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

Any billing dispute between the Company and a Customer that is being investigated by the Company or the TRA shall be considered a bona fide dispute until the Company or the TRA, whichever is the investigating entity, completes its investigation and advises the Customer of its determination. The Customer's service or services, which are subject to the dispute, shall not be disconnected pending resolution of a bona fide dispute.

2.11 **Deposits**

Company does not require a deposit from the Customer unless creditworthiness is an issue or they have already established a poor pay records with us.

2.12 **Advance Payments**

For Customers from whom Company feels an advance payment is necessary, Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and if necessary a new advance payment will be collected for the next month.

2.13 **Taxes**

All federal excise taxes and state and local sales taxes, are billed as separate items and are not included in the quoted rates. Customer shall pay to Company gross receipts, right-of-way, franchise, sales and use taxes and other similar charges that are levied upon or assessed against Company or Company's

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**SECTION 2 - RULES AND REGULATIONS (2.12 continued)**

property or legally required to be collected by Company as a direct result of Carrier's provision of service to Customer within thirty (30) days of Company's written request therefore, but in no event shall Customer be obligated to pay income taxes levied upon Company's net income.

**2.14 Shortage of Equipment or Facilities**

2.14.1 The Company reserves the right to limit or to 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.

2.14.2 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 facilities as well as facilities the Company may obtain from other Common Carriers to furnish service from time to time as required at the sole discretion of the Company.

**2.15 Special Construction**

2.15.1 When it is necessary for the Company to provide outside plant construction, either on a public road or on private property, which is other than that usually provided for the area and class of service furnished, the customer or other party requiring such special construction is required to pay the difference between the estimated cost of usual construction and the estimated cost of the type of construction provided under the conditions specified herein. These costs are calculated as the cost to the Company plus an administrative charge, minus any credit for salvage or reuse. Such special construction includes, but is not limited to:

(1) underground construction where aerial construction would usually be provided,

(2) submarine cable,

(3) greater quantity or a different type of facilities than that which the Company would otherwise construct in order to fulfill the customer's initial requirements for service,

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**SECTION 2 - RULES AND REGULATIONS (2.14 continued)**

(4) routing facilities different from that which the Company would normally utilize,

(5) expedition of the construction of facilities at greater expense than would otherwise be incurred

**2.16 Other Services Provided by Company**

Company may agree to provide other services or facilities to Customer that are not regulated telecommunications services, including arranging on Customer's behalf for telecommunications services, such as local loop services, to be provided by other common carriers. Any such services are not covered by or subject to this Tariff, but are subject to other agreements or arrangements between Company and Customer.

**SECTION 3 - DESCRIPTION OF SERVICES****3.1 High Capacity Private Line and Special Access Services**

High Capacity Private Line Services consist of dedicated telecommunications transmission facilities between two locations. These services are offered on a point-to-point basis and the entire usable bandwidth for each service is available to the Customer for their exclusive use. Services are offered by the Company via its own facilities and/or the facilities of other Common Carriers. Services are offered as one-way or two-way communications services, as specified. Special construction charges may apply in each case. Services may not be available to all Customers. Company does not provide services that are billed by the call or by the minute. The following private line services are offered under this tariff:

OC-192 (10 Gbps) OC-192 Service is a high capacity channel for the full duplex, synchronous, optical transmission of digital data based on the Synchronous Optical Network (SONET) standard of 9953.28 Mbps. OC-192 has the equivalent capacity of 64 OC-3 Services. For rate purposes, this service is provided on an ICB/Case-by-Case basis.

OC-48 (2.5 Gbps) OC-48 Service is a high capacity channel for the full duplex, synchronous, optical transmission of digital data based on the Synchronous Optical Network (SONET) standard at a rate of 2488.32 Mbps. OC-48 has the equivalent capacity of 16 OC-3 services. For rate purposes, this service is provided on an ICB/Case-by-Case basis.

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**SECTION 3 - DESCRIPTION OF SERVICES (3.1 continued)**

GigE (1 Gbps) GigE is a dedicated, point to point, private line Ethernet service at a rate of 1 Gbps. For rate purposes, this service is provided on an ICB/Case-by-Case basis.

OC12 (622 Mbps) OC-12 Service is a high capacity channel for the full duplex, synchronous, optical transmission of digital data based on the Synchronous Optical Network (SONET) standard at a rate of 622.08 Mbps. OC-12 has the equivalent capacity of 3 OC-3 Services. For rate purposes, this service is provided on an ICB/Case-by-Case basis.

OC3 (155 Mbps) OC-3 Service is a high capacity channel for the full duplex, synchronous, optical transmission of digital data based on the SONET standard at a rate of 155.52 Mbps. OC-3 has the equivalent capacity of 3.5 DS-3 Services. For rate purposes, this service is provided on an ICB/Case-by-Case basis.

FastE (100 Mbps) FastE is a dedicated, point to point, private line Ethernet service at a rate of 100 Mbps. For rate purposes, this service is provided on an ICB/Case-by-Case basis.

Ethernet (10-50- Mbps): a dedicated point to point, private line Ethernet service at a rate of 10-50 Mbps. For rate purposes, this service is provided on an ICB/Case-by-Case basis.

DS3 (44.7 Mbps) DS3 Service is a dedicated, high capacity channel with a line speed of 44.736 Mbps. DS3 Service has the equivalent capacity of 28 DS1 Services at 1.544 Mbps or 672 Voice Grade Services at 56/64 Kbps. DS-3 rates may vary based on distance. The mileage used to determine the monthly rate is the airline distance between the Customer's originating and terminating point for the circuit. For rate purposes, this service is provided on an ICB/Case-by-Case basis.

DS1 (1.544 Mbps) DS1 Service is a dedicated, high capacity channel with a line speed of 1.544 Mbps. DS1 Service has the equivalent capacity of 24 Voice Grade services of 24 DS0 services. For rate purposes, this service is provided on an ICB/Case-by-Case basis.

**3.2 Other Services**

Other services, including fractional point-to-point high-speed digital point-to-point services, may be provided by the Company on a case-by-case basis as described in section 3.3.1. The availability of a service using a particular

**SECTION 3 - DESCRIPTION OF SERVICES (continued)**

technology may be limited in accordance with Company's policies and practices, which shall not be unreasonably discriminatory.

**3.3 Special Arrangements**

**3.3.1 Individual Case Basis (ICB) / Case-By-Case.** Arrangements will be developed on a case-by-case basis in response from a Customer or prospective Customer to develop a competitive price for a service offered under this tariff. Rates quoted in response to such competitive requests will be offered to the Customer in writing and on a nondiscriminatory basis.

The Company will maintain records of its ICB/Case-By-Case contracts for TRA review as conditions or circumstances may require.

**3.3.2 Promotional Offerings.** The Company may make promotional offerings of its tariffed services which may include reducing or waiving applicable charges for the promoted service. No individual promotional offering will exceed six months in duration, and any promotional offering will be extended on a non-discriminatory basis to any customer similarly classified who requests the specific offer. The Company will submit its Promotions by letter to the TRA Staff outlining the promotion, listing the tariffed item being promoted, and the promotion's start and end dates in lieu of filing language in the tariff.

**3.3.3 Special Assembly.** The Company may provide a unique intrastate service for a customer where no tariff exists for the service. The unique service can be provided via a Special Assembly. The Company will maintain records of its Special Assembly contracts for TRA review as conditions or circumstance may require.

**3.4. Calculation of Distance****3.4.1. General**

This section contains instructions for determining airline mileages for long distance message telecommunications service and interexchange channels. V & H coordinates needed for the calculations may be obtained from the Company or from national publications produced by the National Exchange Carrier's Association ("NECA") and Telcordia, with the Company being the first resource.

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**SECTION 3 - DESCRIPTION OF SERVICES (continued)****3.4.2. Regulations**

- A. In general, each point in the State of Tennessee is designated as a rate center except that certain small towns or communities are assigned adjacent rate centers with which they are closely associated for communication purposes or by community of interest.
- B. For the purpose of determining airline mileages vertical and horizontal grid lines have been established across the State of Tennessee. The spacing between adjacent vertical grid lines and between horizontal grid lines represents a distance of one coordinate unit. This unit is the square root of 0.1, expressed in statute miles. A vertical (V) and horizontal (H) coordinate is computed for each rate center from its latitude and longitude location by use of appropriate map-projection equations. A pair of V-H coordinates locates a rate center, for determining airline mileages, at a particular intersection of an established vertical grid line with an established horizontal grid line. The distance between any two rate centers is the airline mileage computed as explained in 3.2.3. following.
- C. For long distance message telecommunications service and interexchange channels, the rate center for a point not listed in this section is the rate center for the central office to which the point is assigned for long distance message telecommunications service rate purposes.
- D. The mileage for multipoint interexchange channel services is that combination of airline distances between rate centers which will produce the lowest total interexchange mileage charge.

**3.4.3. Determination of Airline Mileages**

- A. Long Distance Message Telecommunications Service
  - 1. To determine the rate distance between any two rate centers proceed as follows.
    - a. Obtain the "V" and "H" coordinates for each rate center.
    - b. Obtain the difference between the "V" coordinates of the two rate centers. Obtain the difference between the "H" coordinates.

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**SECTION 3 - DESCRIPTION OF SERVICES (3.4.3 continued)**

Note: The difference is always obtained by subtracting the smaller coordinate from the larger coordinate.

- c. Divide each of the differences obtained in (b) by three, rounding each quotient to the nearer integer.
- d. Square these two integers and add the two squares.

If the sum of the squares is greater than 1777, divide the integers obtained in c. by three and repeat step d. Repeat this process until the sum of the squares obtained in d is less than 1778.

- e. The number of successive divisions by three in steps c. and d determines the value of "N". Multiply the final sum of the two squares obtained in step d by the multiplier specified in the following table for this value of "N" preceding.

<u>N</u>	<u>Multiplier</u>	<u>Minimum Rate Mileage</u>
1	0.9	-
2	8.1	41
3	72.9	121
4	656.1	361

- f. Obtain square root of product in e. and, with any resulting fraction, round up to the next higher integer. This is the message rate mileage except that when the mileage so obtained is less than the minimum rate shown in e. preceding, the minimum rate mileage corresponding to the "N" value is applicable.

**B. Interexchange Channels**

- 1. To determine the rate distance between any two rate centers proceed as follows.
  - a. Obtain the "V" and "H" coordinates for each rate center.
  - b. Obtain the difference between the "V" coordinates of the two rate centers. Obtain the difference between the "H" coordinates.



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**SECTION 3 - DESCRIPTION OF SERVICES (3.4.3 continued)**

Note: The difference is always obtained by subtracting the smaller coordinate from the larger coordinate.

- c. Square each difference obtained in b. preceding.
- d. Add the squares of the "V" difference and "H" difference obtained in c. preceding.
- e. Divide the sum of the squares obtained in d. preceding by ten. Round to the next higher integer if any fraction is obtained.
- f. Obtain the square root of the result obtained in e. preceding. This is the rate distance in miles with fractional miles being considered full

**SECTION 4 – RATES AND CHARGES****4.1 Rate Categories**

4.1.1 Non-recurring and monthly recurring rates apply for each High Capacity Private Line Service furnished by the Company. Monthly recurring rates vary according to the time period for which the Customer commits to take the service. Unless otherwise noted, two standard rate elements are used in calculating the monthly rate for each service:

- 4.1.1.1 IntraLATA Service: This rate element applies to services originating and terminating solely within the same LATA. Pricing depends on mileage, customer volume and term.
- 4.1.1.2 InterLATA Service: This rate element applies to services that originate and terminate in more than one LATA. Pricing depends on mileage, customer volume and term.
- 4.1.1.3 Optional features and functions: Optional features and functions are available as follows: (a) Cross-Connection Charge- This rate element applies for cross-connections within Carrier locations between one or more Customer services, or between the services of different Customers. (b) Multiplexing Charge – This rate element applies where the Customer requests that its services be multiplexed onto higher bandwidth facilities for delivery to the Customer.

## **EXHIBIT F**

### **DukeNet Communications, LLC**

#### **SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN**

Pursuant to T.C.A. 65-5-112, as amended, DukeNet Communications, LLC (“DukeNet”) 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 local exchange and interexchange telecommunications services in Tennessee.

#### **I. PURPOSE**

The purpose of 65-5-112 is to provide opportunities for small and minority-owned businesses to provide goods and services to telecommunications service providers. DukeNet is committed to the goals of 65-5-112 and to taking steps to support the participation of small and minority-owned telecommunications businesses in the telecommunications industry. DukeNet 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, DukeNet will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to DukeNet of such opportunities. DukeNet’s representatives have contacted the Department of Economic and Community Development, the administrator of the small and minority-owned telecommunications assistance program, to obtain a list of qualified vendors. Moreover, DukeNet 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 65-5-112.

*Minority-Owned Business.* Minority-owned business shall mean a business which is solely owned, or at least fifty-one (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

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

Andrew Grier-Supplier  
Diversity Specialist-Power Delivery & Enterprise  
704-382-7690  
abgrier@duke-energy.com

The Administrator's responsibilities will include:

- (1) Maintaining an updated Plan in full compliance with 65-5-112 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 65-5-112.
- (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 DukeNet 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

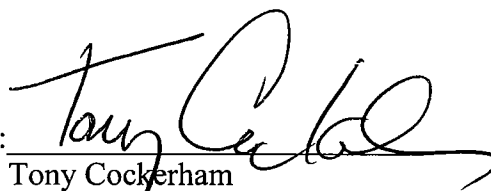
The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will include offering, where appropriate and feasible, small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

#### IV. RECORDS AND COMPLIANCE REPORTS

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

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

DukeNet Communications, LLC

By:   
Tony Cockerham  
Vice President of Sales and Customer Operations  
DukeNet Communications, LLC

Dated: April 8, 2009

## **EXHIBIT G**

### **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?

A: N/A, DukeNet does not intend to provide dialtone service in Tennessee.

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

A: N/A, DukeNet does not intend to provide dialtone service in Tennessee.

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

A: N/A, DukeNet does not intend to provide dialtone service in Tennessee.

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.

A: N/A, DukeNet does not intend to provide dialtone service in Tennessee.

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.

Rob Dellinger-Director of Operations

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?

A: No, DukeNet does not intend to telemarket its services in Tennessee.

**EXHIBIT H**

**BEFORE THE  
TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

**IN THE MATTER OF THE APPLICATION  
OF DUKENET COMMUNICATIONS, LLC  
FOR A CERTIFICATE TO PROVIDE  
LOCAL EXCHANGE AND INTEREXCHANGE  
TELECOMMUNICATIONS SERVICES  
AS A COMPETITIVE LOCAL EXCHANGE CARRIER**

**PREFILED TESTIMONY OF: TONY COCKERHAM**

I, Tony Cockerham, do hereby testify as follows in support of the Application of DukeNet Communications, LLC ("DukeNet") for a Certificate of Public Convenience and Necessity as a competing telecommunications services provider to provide local exchange and interexchange telecommunication services throughout the State of Tennessee.

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

**A:** My name is Tony Cockerham. My business address is 400 South Tryon Street ST29C Charlotte, North Carolina 28202. My position is Vice President of Sales and Customer Operations for DukeNet.

**Q: Please describe your business experience and professional background.**

**A:** I was named vice president of sales and customer operations of DukeNet in March 2006. Prior to my current position, I served as vice president of engineering and operations for DukeNet. Before joining DukeNet in 1999, I spent three years in engineering and project management roles in Duke Energy's Telecommunications department. Prior to that, I spent six years in various positions at BellSouth including network engineering, infrastructure planning, sales technical support, and project management.

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

**A:** Yes.

**Q: Please describe the current corporate structure of DukeNet.**

**A:** DukeNet Communications, LLC is a Delaware limited liability company headquartered in Charlotte, North Carolina. DukeNet is a wholly owned subsidiary of Duke Energy Corporation, a Fortune 500 company that has operated a private fiber network with unsurpassed technical expertise since 1981. From 1994 to 2000, DukeNet operated as DukeNet Communications, Inc. providing local exchange and interexchange telecommunications services. In 2000 DukeNet Communications, Inc. merged, and the surviving company has continued operations as DukeNet Communications, LLC.

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

**A:** Yes.

**Q: Please describe DukeNet's financial qualifications.**

**A:** As indicated in Duke Energy Corp.'s most recent Securities and Exchange Commission Form 10-K which includes the company's balance sheet, income statement and statement of cash flow, offered at <http://www.duke-energy.com/investors/publications/annual.asp>, DukeNet has available through its parent corporation the resources to fund its proposed telecommunications operations in Tennessee.

**Q: Please describe DukeNet's managerial and technical qualifications.**

**A:** DukeNet possesses the managerial qualifications necessary to provide local exchange telecommunications services in Tennessee. DukeNet's management team has extensive business



experience which will enable DukeNet to meet high service quality standards. Attached to DukeNet's Application as **Exhibit C** are the names and addresses of DukeNet's principal officers and a description of the experience and expertise of DukeNet's key management personnel. DukeNet is technically qualified to provide local exchange telecommunications services in Tennessee and meet the minimum standards establish by the TRA. DukeNet is the telecommunications arm of Duke Energy, a multinational energy company that has focused on quality, reliability and service for more than 100 years. Since 1994, DukeNet has developed and managed fiber optic systems for wireless, local and long-distance communications companies, Internet service providers and other businesses and organizations. DukeNet retains qualified technical and operational personnel to support its operations and DukeNet's experienced management team can be relied upon for the provision of quality telecommunications services in Tennessee.

**Q: What services with DukeNet offer?**

**A:** DukeNet will provide local exchange and interexchange telecommunications services as a competitive local exchange carrier ("CLEC") throughout Tennessee. DukeNet plans to begin offering its services in the Nashville and Knoxville areas. More specifically, as the necessary facilities are installed or acquired, DukeNet plans to offer service that will enable customers to originate and terminate local calls to other customers served by DukeNet as well as to customers of other local exchange carriers. DukeNet's local exchange service will also provide customers the ability to access their choice of interexchange carriers.

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

**A:** DukeNet is requesting authority to provide local exchange and interexchange telecommunications services as a competitive local exchange carrier (“CLEC”) throughout Tennessee. However, DukeNet plans to begin offering its services in the Nashville and Knoxville areas. In the event DukeNet pursues opportunities to provide local exchange telecommunications services in areas served by an incumbent local exchange telephone company with fewer than 100,000 total access lines, DukeNet will first negotiate and execute interconnection agreements with those carriers.

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

**A:** Yes. Grant of the authority sought in this Application will serve the public interest. The entry of DukeNet into the local exchange and interexchange market will enhance the provision of telecommunications services within Tennessee as prescribed by the Federal Telecommunications Act. Granting of this application will not adversely impact, but rather will contribute to, the availability of reasonably affordable local exchange and interexchange service in Tennessee. DukeNet will provide customers with an optimal combination of price, quality, and customer service. The competition which Applicant seeks to bring to local telecommunications markets will expand customer choice and spur higher service quality at lower prices through increased innovation and efficiency. The result will be a stimulus to economic growth and development, particularly in the information-intensive service industries that form an increasingly important component of the Tennessee economy. In addition, granting the requested certificate will not unreasonably prejudice or disadvantage any class of customers or service providers. Accordingly, DukeNet anticipates that its proposed services will serve the public interest and need by increasing consumer choice of innovative, diversified, and reliable service offerings.

**Q: Does DukeNet 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, DukeNet intends to comply with all applicable 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 DukeNet or one of its affiliates authorization to provide intrastate service?**

**A:** No.

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

**A:** No.

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

**A:** No.

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

**A:** I, Tony Cockerham, am knowledgeable about DukeNet's operations and will serve as DukeNet's regulatory contact. Rob Dellinger, Director of Operations, will serve as DukeNet's customer service contact.

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

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

Q: Does this conclude your testimony?

A: Yes.

*(Signature appears on next page.)*

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

Respectfully submitted this 8<sup>th</sup> day of April, 2009.

By: Tony Cockerham  
Tony Cockerham

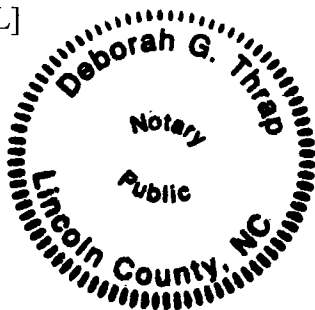
Sworn to (or affirmed) and subscribed before me this the 8<sup>th</sup> day of April, 2009.

Deborah G. Thrap

Deborah G. Thrap, Notary Public

My commission expires: 4/6/2012

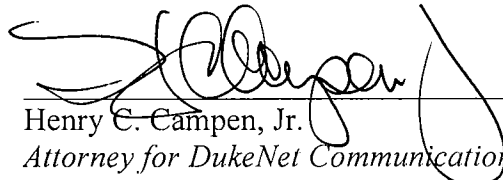
[SEAL]



**CERTIFICATE OF SERVICE**

I, Henry C. Campen, Jr., attorney for DukeNet Communications, LLC, do hereby certify that I have this day served the foregoing Application for a Certificate to Provide Competing Local Telecommunications Services upon the parties on the attached service list by placing a copy in the United States Mail, postage prepaid.

This the 10<sup>th</sup> day of April, 2009.

  
\_\_\_\_\_  
Henry C. Campen, Jr.  
*Attorney for DukeNet Communications, LLC*

11/21/2008

# List Of ILEC Providers

## ILEC

<u>ID</u>	<u>Company Name</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>Zip</u>
21	Ardmore Telephone Company	P. O. Box 549	Ardmore	TN	38449-0000
1	BellSouth Telecommunications, Inc.	333 Commerce Street	Nashville	TN	37201-3300
14	CenturyTel of Adamsville	P. O. Box 4065	Monroe	LA	71211-0000
15	CenturyTel of Claiborne	P. O. Box 4065	Monroe	LA	71211-0000
17	CenturyTel of Ooltewah-Collegedale	PO Box 4065	Monroe	LA	71211-0000
13	Concord Telephone Exchange, Inc.	PO Box 22995	Knoxville	TN	37933-0995
16	Crockett Telephone Company	C/O TSI Payment Processing Center	Jackson	MS	39225-0000
74668	Frontier Communications of Tennessee	300 Bland Street	Bluefield	WV	24701-3020
20	Frontier Communications Of The Volunteer State	300 Bland Street	Bluefield	Wv	24701-0770
22	Humphreys County Telephone Company	P. O. Box 22995	Knoxville	TN	37933-0995
23	Loretto Telephone Company	P. O. Box 130	Loretto	TN	38469-0000
24	Millington Telephone Company, Inc.	4880 Navy Road	Millington	TN	38053-0000
18	Peoples Telephone Company	C/O TSI Payment Processing Center	Jackson	MS	39225-0000
12	Tellico Telephone Company	PO Box 22995	Knoxville	TN	37933-0995
11	Tennessee Telephone Company	PO Box 22995	Knoxville	TN	37933-0995
25	United Telephone Company, Inc.	P. O. Box 38	Chapel Hill	TN	37034-0000
3	United Telephone Southeast, LLC	400 W. 15th Street	Austin	TX	78701-0000
19	West Tennessee Telephone Co.	C/O TSI Payment Processing Center	Jackson	MS	39225-0000