



0000094107

**Transcript Exhibit(s)**

**Docket#(s):** T-20597A-08-0320

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**Exhibit #:** SI, A1-A2

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LEGAL DIV.  
ARIZ. CORPORATION COMMISSION

MEMORANDUM

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TO: Docket Control  
FROM: Ernest G. Johnson  
Director  
Utilities Division  
DATE: December 24, 2008

*EA for* **FILE**

2008 DEC 24 A 9:14  
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ARIZ. CORP. COMMISSION  
DOCKET CONTROL

RE: IN THE MATTER OF THE APPLICATION OF EXTENET SYSTEMS, INC.  
FOR APPROVAL OF A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE PRIVATE LINE POINT-TO-POINT FIBER  
TRANSPORT SERVICE FOR WIRELESS SERVICE PROVIDERS (DOCKET  
NO. T-20597A-08-0320)

Attached is the Staff Report for the above referenced Application. The Applicant is applying for approval to provide the following services:

- Private Line Telecommunications Services

Staff is recommending approval of the Application.

EGJ:PJG:red

Originator: Pamela J. Genung

Attachment: Original and thirteen copies

SERVICE LIST FOR: EXTENET SYSTEMS, INC.  
DOCKET NO. T-20597A-08-0320

Mr. Terry Ray  
Vice President and Chief Financial Officer  
3030 Warrenville Road, Suite 340  
Lisle, Illinois 60532

Mr. George Vinyard  
General Counsel  
3030 Warrenville Road, Suite 340  
Lisle, Illinois 60532

Ms. Janice Alward  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Mr. Ernest G. Johnson  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Lyn Farmer  
Chief Administrative Law Judge, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

EXTENET SYSTEMS, INC.

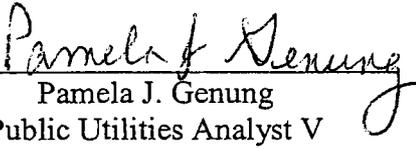
DOCKET NO. T-20597A-08-0320

IN THE MATTER OF THE APPLICATION OF EXTENET SYSTEMS, INC. FOR  
APPROVAL OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE  
PRIVATE LINE POINT-TO-POINT FIBER TRANSPORT SERVICE FOR WIRELESS  
SERVICE PROVIDERS

DECEMBER 24, 2008

## STAFF ACKNOWLEDGMENT

The Staff Report for ExteNet Systems, Inc., Docket No. T-20597A-08-0320 was the responsibility of the Staff member listed below. Pamela J. Genung was responsible for the review and analysis of the Application for a Certificate of Convenience and Necessity to provide private line point-to-point fiber transport service for wireless service providers.

  
\_\_\_\_\_  
Pamela J. Genung  
Public Utilities Analyst V

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**ATTACHMENT**

States/Jurisdictions in which ExteNet is Currently Approved..... Attachment A

## 1. INTRODUCTION

On June 24, 2008, ExteNet Systems, Inc. ("ExteNet" or "Applicant" or "Company") filed an Application with the Arizona Corporation Commission ("Commission") for a Certificate of Convenience and Necessity ("CC&N") to provide private line point-to-point fiber transport service for wireless service providers within the State of Arizona. The Applicant also petitioned the Commission for a determination that its proposed services should be classified as competitive.

On July 22, 2008, Staff issued its First Set of Data Requests to ExteNet. On August 11, 2008, ExteNet and Staff entered into a Protective Agreement for confidential information. On August 12, 2008, ExteNet provided information in response to Staff's First Set of Data Requests.

Staff's review of this Application addresses the overall fitness of the Applicant to receive a CC&N. Staff's analysis also considers whether the Applicant's services should be classified as competitive and if the Applicant's initial rates are just and reasonable.

## 2. TECHNICAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES

In its Application, ExteNet provides the following information and description of ExteNet's services that it proposes to provide in Arizona. ExteNet proposes to offer Dedicated Point-To-Point Private Virtual Circuit ("PVC") Transport Service on a wholesale basis via a Distributed Antenna System ("DAS") network. This service enables Wireless Service Providers ("WSP") to improve their coverage by filling in 'dead spots' and/or to increase their capacity to provide services in certain geographic areas.

ExteNet was founded in 2002 and is headquartered in Lisle, Illinois. ExteNet is a foreign corporation organized under the laws of Delaware and is privately funded. ExteNet has two wholly owned subsidiaries, ExteNet Systems (Virginia) LLC and ExteNet Systems (California) LLC, that provides services of the same type that ExteNet Systems, Inc. intends to provide in Arizona. Neither subsidiary will provide service in Arizona. ExteNet and its affiliates are comprised of approximately 40 employees and 4 full-time independent contractors. The 9 members of ExteNet's management team average over 20 years experience each in the telecommunications industry.

ExteNet currently has 2 employees in Arizona and does not have any specific plan to increase the number of employees in Arizona at this time. ExteNet also does not plan to establish a customer service center in Arizona. ExteNet's Network Operations Center ("NOC") is located within its corporate headquarters in Lisle, Illinois. Since ExteNet's customers are generally wireless service providers, ExteNet typically monitors the unswitched point-to-point telecommunications services that comprise the DAS networks utilized by its customers from its NOC. ExteNet stated that its NOC receives alerts 24x7 if there are problems with the network and takes immediate steps to resolve any issue. ExteNet's customers may also reach ExteNet's NOC 24x7 via a toll-free number.

ExteNet indicated that it has been authorized to provide telecommunications services in 23 states/jurisdictions. (See Attachment A) Of those 23 states/jurisdictions, ExteNet and its subsidiaries currently provide services similar to those it intends to offer within Arizona in the following states/jurisdictions: California, Florida, Massachusetts, Michigan, Nevada, New York, and Texas. Staff has contacted 13 of the 23 Public Utility Commissions representing each of these states/jurisdictions and found that ExteNet is authorized to provide telecommunications services and that no complaints have been filed against ExteNet. Further, a search of the Federal Communications Commission website found that there have been no complaints filed against ExteNet. Based on the above information, Staff believes ExteNet possesses the technical capabilities to provide the services it is requesting the authority to provide.

### **3. FINANCIAL CAPABILITY TO PROVIDE THE REQUESTED SERVICES**

On August 18, 2008, the Applicant provided audited consolidated financial statements under a protective agreement for the time periods ending September 30, 2006 and September 30, 2007. These financial statements list total assets of \$29,213,678; total equity of \$23,535,667; and a net loss of \$4,859,741 for the period ending September 30, 2007. The Applicant provided notes related to the financial statements.

The Applicant stated in its proposed Tariff (reference Section 3.6 on Original Sheet 18 of ExteNet's proposed AZ No. 1 Tariff) that it does not collect deposits, advances, or prepayments from its customers. In response to Staff's First Set of Data Requests, ExteNet filed several replacement pages to its proposed Tariff to ensure this language is consistent throughout its Tariff. Therefore, since ExteNet is requesting approval to provide wholesale services solely to other carriers, not retail customers, and will not be collecting deposits, advances, or prepayments from its customers, Staff does not believe a performance bond or irrevocable sight draft Letter of Credit is necessary.

### **4. ESTABLISHING RATES AND CHARGES**

The Applicant would be providing service in areas where an incumbent local exchange carrier ("ILEC"), along with various competitive local exchange carriers ("CLECs") and interexchange carriers ("IXCs") are providing telephone service. Therefore, the Applicant would have to compete with those providers in order to obtain subscribers to its services. The Applicant would be a new entrant and would face competition from both an incumbent provider and other competitive providers in offering service to its potential customers. Therefore, the Applicant would generally not be able to exert market power. Thus, the competitive process should result in rates that are just and reasonable.

In general, rates for competitive services are not set according to rate of return regulation. ExteNet indicated that as of September 30, 2007, its net book value or fair value rate base was \$10,000. The rate to be ultimately charged by the Company will be heavily influenced by the market. While Staff considered the fair value rate base information submitted by the Company, it did not accord that information substantial weight in its analysis.

The rates proposed in this filing are for competitive services. ExteNet does not provide service to residential or business end users. ExteNet provides unswitched point-to-point telecommunications services and proposes to offer customized services to meet the individual needs of carrier customers in Arizona. ExteNet's customers are all large, sophisticated WSP's who negotiate contract rates on an individual case basis ("ICB") with ExteNet. For ExteNet customers that do not need individualized offerings and do not require an ICB contract to meet its needs, those customers will be allowed to purchase services in accordance with the maximum/actual rates established in ExteNet's proposed tariff.

Staff has reviewed the maximum/actual rates to be charged by the Applicant. ExteNet's rates are for services that have been previously classified as competitive by the Commission and the services are provided to sophisticated carriers and communications companies. These carriers and companies have ample resources and bargaining power to protect their business interests while negotiating for the best market prices for services. Although both an actual rate and a maximum rate may be listed for each competitive service offered, ExteNet's proposed tariff contains actual rates that equal the maximum rates. The proposed tariff rates are similar to those charged by ExteNet in other states and are similar to the tariffed rates of other carriers in Arizona. The rate charged for a service may not be less than the Company's total service long-run incremental cost of providing the service pursuant to A.A.C. R14-2-1109. Therefore, Staff believes that ExteNet's proposed rates are just and reasonable.

## **5. REVIEW OF COMPLAINT INFORMATION**

The Applicant has neither had an Application for service denied nor had a CC&N revoked in any state. There are, and have been, no formal complaint proceedings involving the Applicant. There have not been any civil or criminal proceedings against the Applicant. The Corporations Section has indicated that ExteNet is in good standing and the Consumer Services Section reports no complaints have been filed in Arizona from January 1, 2005 to July 9, 2008.

The Applicant certified that none of its officers, directors or partners has been involved in any civil or criminal investigations. The Applicant also indicated that none of its officers, directors or partners had been convicted of any criminal acts within the last ten years.

## **6. COMPETITIVE SERVICES ANALYSIS FOR PRIVATE LINE SERVICES**

### *6.1 Private Line Services*

Private line service is a direct circuit or channel specifically dedicated to the use of an end user organization for the purpose of directly connecting two or more sites in a multi-site enterprise. Private line service provides a means by which customers may transmit and receive messages and data among various customer locations over facilities operated and provided by the Applicant.

*6.2 Description of Requested Services*

ExteNet proposes to provide private line point-to-point service.

*6.3 A description of the general economic conditions that exist that make the relevant market for the service one that is competitive.*

Interexchange carriers ("IXCs") hold a substantial share of the private line service market. Also, a number of ILECs and CLECs have been authorized to provide private line service. The Applicant will be entering the market as an alternative provider of private line service and, as such, the Applicant will have to compete with several existing companies in order to obtain customers.

*6.4 The number of alternative providers of the service.*

IXCs are providers of private line service in the State of Arizona. ILECs and CLECs also provide private line service.

*6.5 The estimated market share held by each alternative provider of the service.*

IXCs and ILECs hold a substantial share of the private line market. CLECs likely have a smaller share of the private line market.

*6.6 The names and addresses of any alternative providers of the service that are also affiliates of the telecommunications Applicant, as defined in A.A.C. R14-2-801.*

None.

*6.7 The ability of alternative providers to make functionally equivalent or substitute services readily available at competitive rates, terms and conditions.*

IXCs and ILECs have the ability to offer the same services that the Applicant has requested in their respective service territories. Similarly, many of the CLECs offer substantially similar services.

## **7. RECOMMENDATIONS**

Staff recommends that Applicant's Application for a CC&N to provide intrastate telecommunications services, as listed in this Report, be granted. In addition, Staff further recommends:

1. That the Applicant complies with all Commission Rules, Orders and other requirements relevant to the provision of intrastate telecommunications services;

2. That the Applicant abides by the quality of service standards that were approved by the Commission for Qwest in Docket No. T-01051B-93-0183;
3. That the Applicant be required to notify the Commission immediately upon changes to the Applicant's name, address or telephone number;
4. That the Applicant cooperate with Commission investigations including, but not limited to customer complaints;
5. The rates proposed by this filing are for competitive services. In general, rates for competitive services are not set according to rate of return regulation. Staff obtained information from ExteNet indicating that as of September 30, 2007, its net book value or fair value rate base was \$10,000. Staff has reviewed the rates to be charged by the Applicant and believes they are just and reasonable as they are comparable to other wholesale transport providers offering service in Arizona and comparable to the rates the Applicant charges in other jurisdictions. The rate to be ultimately charged by the Company will be heavily influenced by the market. Therefore, while Staff considered the fair value rate base information submitted by the Company, the fair value information provided was not given substantial weight in this analysis;
6. That the Commission authorizes the Applicant to discount its rates and service charges to the marginal cost of providing the services.

Staff further recommends that the Applicant be ordered to comply with the following. If it does not do so, the Applicant's CC&N shall be null and void after due process.

The Applicant shall docket conforming tariffs for each service within its CC&N within 365 days from the date of an Order in this matter or 30 days prior to providing service, whichever comes first. The tariffs submitted shall coincide with the Application and state that the Applicant does not collect advances, deposits and/or prepayments from its customers.

#### **8. RECOMMENDATION ON THE APPLICANT'S PETITION TO HAVE ITS PROPOSED SERVICES CLASSIFIED AS COMPETITIVE**

Staff believes that the Applicant's proposed services should be classified as competitive. There are alternatives to the Applicant's services. The Applicant will have to convince customers to purchase its services, and the Applicant has no ability to adversely affect the local exchange or interexchange service markets. Therefore, the Applicant currently has no market power in the local exchange or interexchange service markets where alternative providers of telecommunications services exist. Staff therefore recommends that the Applicant's proposed services be classified as competitive.

## Attachment A

ExteNet indicated that it is has been approved to provide telecommunications services in the following states/jurisdictions:

1. California
2. Connecticut
3. Delaware
4. District of Columbia
5. Florida
6. Hawaii
7. Illinois
8. Indiana
9. Louisiana
10. Maryland
11. Massachusetts
12. Michigan
13. Minnesota
14. Missouri
15. Nevada
16. New Jersey
17. New York
18. Ohio
19. Pennsylvania
20. Rhode Island
21. Texas
22. Virginia
23. Wisconsin

# NEW APPLICATION

ORIGINAL

## Law Offices of Anita Taff-Rice

1547 Palos Verdes Mall, #298  
Walnut Creek, CA 94597  
Phone: (415) 699-7885  
Facsimile: (925) 274-0988  
anitataffrice@earthlink.net

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June 20, 2008

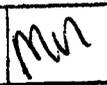
Arizona Corporation Commission

DOCKETED

JUN 24 2008

VIA U.S. MAIL

Arizona Corporation Commission  
Docket Control  
1200 W. Washington Street  
Phoenix, AZ 85007-2927

DOCKETED BY 

Re: *ExteNet Systems Inc. Application for Certificate of Convenience and Necessity*

Dear Sirs,

T-20597A-08-0320

Enclosed please find an original and thirteen copies of ExteNet Systems, Inc.'s application for a certificate of convenience and necessity (CC&N) to operate as a telecommunications carrier in Arizona.

Along with the completed application, ExteNet is providing a number of attachments that demonstrate it is qualified to provide telecommunications service in Arizona. Please note, however, that ExteNet has omitted its financial information in Attachment D. ExteNet is a private company and its financial information is highly sensitive and confidential, and not publicly available. ExteNet will provide this information once it has executed a protective order to protect this information from public disclosure.

If you should have any questions regarding this notice, please don't hesitate to contact me at the phone number or email above.

Please acknowledge receipt of this request by returning a file-stamped copy of this letter in the enclosed postage-paid envelope.

Sincerely,  
  
Anita Taff-Rice  
Counsel for ExteNet

EXHIBIT  
A1  
ADMITTED  
Hearing - ExteNet

# NEW APPLICATION

## ARIZONA CORPORATION COMMISSION

### Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services

Mail original plus 13 copies of completed application to:

For Docket Control Only:  
(Please Stamp Here)

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007-2927

Please indicate if you have current applications pending in Arizona as an Interexchange reseller, AOS provider, or as the provider of other telecommunication services.

T-20597A-08-0320

Type of Service: N/A

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

Date Docketed: \_\_\_\_\_

Type of Service: N/A

Docket No.: \_\_\_\_\_ Date: \_\_\_\_\_

Date Docketed: \_\_\_\_\_

#### A. COMPANY AND TELECOMMUNICATION SERVICE INFORMATION

(A-1) Please indicate the type of telecommunications services that you want to provide in Arizona and mark the appropriate box(s).

- Resold Long Distance Telecommunications Services (Answer Sections A, B).
- Resold Local Exchange Telecommunications Services (Answer Sections A, B, C).
- Facilities-Based Long Distance Telecommunications Services (Answer Sections A, B, D).
- Facilities-Based Local Exchange Telecommunications Services (Answer Sections A, B, C, D, E)
- Alternative Operator Services Telecommunications Services (Answer Sections A, B)
- Other \_\_\_\_\_ (Please attach complete description) **Private line point-to-point fiber transport service for wireless service providers. ExteNet does not provide switched services or dial tone. Please see Attachment E for a detailed description of ExteNet's services.**

(A-2) The name, address, telephone number (including area code), facsimile number (including area code), e-mail address, and World Wide Web address (if one is available for consumer access) of the Applicant:

**ExteNet Systems, Inc.**  
**3030 Warrenville Rd, Ste 340**  
**Lisle, IL 60532**  
**Telephone: (630) 505-3800**  
**Facsimile: (630) 577-1332**  
**[www.extenetsystems.com](http://www.extenetsystems.com)**  
**[info@extenetsystems.com](mailto:info@extenetsystems.com)**

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(A-3) The d/b/a ("Doing Business As") name if the Applicant is doing business under a name different from that listed in Item (A-2): N/A

(A-4) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Management Contact:

**Mr. Terry Ray**  
**Vice President and Chief Financial Officer**  
**3030 Warrenville Rd, Ste 340**  
**Lisle, IL 60532**  
**Telephone: (630) 505-3800**  
**Facsimile: (630) 577-1332**  
**tray@extenetsystems.com**

**In addition, please see Attachment G, which identifies ExteNet's management team and provides their professional biographies.**

(A-5) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Attorney and/or Consultant:

**Mr. George Vinyard**  
**General Counsel**  
**3030 Warrenville Rd, Ste 340**  
**Lisle, IL 60532**  
**Telephone: (630) 505-3800**  
**Facsimile: (630) 577-1332**  
**gvinyard@extenetsystems.com**

(A-6) The name, address, telephone number (including area code), facsimile number (including area code), and E-mail address of the Applicant's Complaint Contact Person:

**Mr. Terry Ray**  
**Vice President and Chief Financial Officer**  
**3030 Warrenville Rd, Ste 340**  
**Lisle, IL 60532**  
**Telephone: (630) 505-3800**  
**Facsimile: (630) 577-1332**  
**tray@extenetsystems.com**

(A-7) What type of legal entity is the Applicant? Mark the appropriate box(s) and category.

- Sole proprietorship
- Partnership: \_\_\_\_\_ Limited, \_\_\_\_\_ General, \_\_\_\_\_ Arizona, \_\_\_\_\_ Foreign
- Limited Liability Company: \_\_\_\_\_ Arizona, \_\_\_\_\_ Foreign
- Corporation: \_\_\_\_\_ "S",  "C", \_\_\_\_\_ Non-profit
- Other, specify: \_\_\_\_\_

(A-8) Please include "Attachment A":

Attachment "A" must include the following information:

1. A copy of the Applicant's Certificate of Good Standing as a domestic or foreign corporation, LLC, or other entity in Arizona.

**ExteNet is a Delaware corporation. Therefore, a copy of ExteNet's Certificate of Good Standing as a foreign corporation is provided as part of Attachment A.**

2. A list of the names of all owners, partners, limited liability company managers (or if a member managed LLC, all members), or corporation officers and directors (specify).

**A table listing ExteNet's owners is provided as part of Attachment A.**

3. Indicate percentages of ownership of each person listed in A-8.2.

**ExteNet has identified in Attachment A all entities that hold a ten percent or greater ownership share in the company. By disclosing entities that hold a ten percent or greater ownership share, ExteNet is providing sufficient information for the Commission to determine all entities that may exercise control over the company.**

(A-9) Include your Tariff as "Attachment B".

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).

**See Tariff Sheets 29-35**

2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).

**See Tariff Sheets 29-35**

3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).

**See Tariff Sheets 11-28**

4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).

**ExteNet does not require deposits, advances or prepayments from its customers. See Tariff Sheet 18.**

5. The proposed fee that will be charged for returned checks (reference by Tariff page number).

**ExteNet does not charge a fee for returned checks.**

(A-10) Indicate the geographic market to be served:

- Statewide. (Applicant adopts statewide map of Arizona provided with this application). See copy of map provided as Attachment F and Tariff Sheet 7.
- Other. Describe and provide a detailed map depicting the area.

(A-11) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings pending before any state or federal regulatory commission, administrative agency, or law enforcement agency.

Describe in detail any such involvement. Please make sure you provide the following information:

1. States in which the Applicant has been or is involved in proceedings.
2. Detailed explanations of the Substance of the Complaints.
3. Commission Orders that resolved any and all Complaints.
4. Actions taken by the Applicant to remedy and/or prevent the Complaints from re-occurring.

NONE.

(A-12) Indicate if the Applicant or any of its officers, directors, partners, or managers has been or are currently involved in any civil or criminal investigation, or had judgments entered in any civil matter, judgments levied by any administrative or regulatory agency, or been convicted of any criminal acts within the last ten (10) years.

Describe in detail any such judgments or convictions. Please make sure you provide the following information:

1. States involved in the judgments and/or convictions.
2. Reasons for the investigation and/or judgment.
3. Copy of the Court order, if applicable.

NONE.

(A-13) Indicate if the Applicant's customers will be able to access alternative toll service providers or resellers via 1+101XXXX access.

Yes

X No

(A-14) Is Applicant willing to post a Performance Bond? Please check appropriate box(s).

For Long Distance Resellers, a \$10,000 bond will be recommended for those resellers who collect advances, prepayments or deposits.

Yes

X No

If "No", continue to question (A-15).

For Local Exchange Resellers, a \$25,000 bond will be recommended.

Yes

X No

If "No", continue to question (A-15).

For Facilities-Based Providers of Long Distance, a \$100,000 bond will be recommended.

Yes

X No

If "No", continue to question (A-15).

For Facilities-Based Providers of Local Exchange, a \$100,000 bond will be recommended.

Yes

X No

If any box in (A-14) is marked "No", continue to question (A-15).

Note: Amounts are cumulative if the Applicant is applying for more than one type of service.

(A-15) If any box in (A-14) is marked "No", provide the following information. Clarify and explain the Applicant's deposit policy (reference by tariff page number). Provide a detailed explanation of why the Applicant's superior financial position limits any risk to Arizona consumers.

**Bonding requirements are not applicable to ExteNet because it does not collect advances, prepayments or deposits. Further, ExteNet does not provide service to residential or business end users. Rather, ExteNet provides service to other carriers, who are sophisticated businesses that have sufficient resources to pursue resolution of any dispute that may arise with ExteNet. Therefore, a bonding requirement is not necessary to protect these customers.**

(A-16) Submit copies of affidavits of publication that the Applicant has, as required, published legal notice of the Application in all counties where the Applicant is requesting authority to provide service.

Note: For Resellers, the Applicant must complete and submit an Affidavit of Publication Form as Attachment "C" before Staff prepares and issues its report. Refer to the Commission's website for Legal Notice Material (Newspaper Information, Sample Legal Notice and Affidavit of Publication). For Facilities-Based Service Providers, the Hearing Division will advise the Applicant of the date of the hearing and the publication of legal notice. Do not publish legal notice or file affidavits of publication until you are advised to do so by the Hearing Division.

**ExteNet is a facilities-based provider. Therefore, it will follow instructions from the Hearing Division regarding the required publication of legal notice of its Application in a suitable publication.**

(A-17) Indicate if the Applicant is a switchless reseller of the type of telecommunications services that the Applicant will or intends to resell in Arizona:

Yes

X No

If "Yes", provide the name of the company or companies whose telecommunications services the Applicant resells.

(A-18) List the States in which the Applicant has had an application approved or denied to offer telecommunications services similar to those that the Applicant will or intends to offer in Arizona:

Note: If the Applicant is currently approved to provide telecommunications services that the Applicant intends to provide in Arizona in less than six states, excluding Arizona, list the Public Utility Commission ("PUC") of each state that granted the authorization. For each PUC listed provide the name of the contact person, their phone number, mailing address including zip code, and e-mail address.

**ExteNet has received approval to provide telecommunications services of the type it intends to provide in Arizona in all of the following states: California, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas, Virginia, Washington D.C., and Wisconsin. ExteNet has not been denied authority to operate in any state.**

(A-19) List the States in which the Applicant currently offers telecommunications services similar to those that the Applicant will or intends to offer in Arizona.

Note: If the Applicant currently provides telecommunication services that the Applicant intends to provide in Arizona in six or more states, excluding Arizona, list the states. If the Applicant does not currently provide telecommunications services that the Applicant intends to provide in Arizona in five or less states, list the key personnel employed by the Applicant. Indicate each employee's name, title, position, description of their work experience, and years of service in the telecommunications services industry.

**ExteNet currently provides services similar to those it intends to offer in Arizona in the following states: California, Florida, Massachusetts, Michigan, Nevada, New York, and Texas.**

(A-20) List the names and addresses of any alternative providers of the service that are also affiliates of the telecommunications company, as defined in R14-2-801.

**ExteNet has two wholly owned subsidiaries: ExteNet Systems (Virginia) LLC and ExteNet Systems (California) LLC that provide services of the type that ExteNet Systems, Inc. intends to provide in Arizona. Neither subsidiary will provide service in Arizona. The address for both subsidiaries is 3030 Warrenville Rd, Ste 340, Lisle, IL 60532, Telephone: (630) 505-3800, Facsimile: (630) 577-1332.**

(A-21) Check here if you wish to adopt as your petition a statement that the service has already been classified as competitive by Commission Decision:

- Decision # 64178 Resold Long Distance
- Decision # 64178 Resold LEC
- Decision # 64178 Facilities Based Long Distance
- Decision # 64178 Facilities Based LEC

**ExteNet petitions the Commission to classify its services as competitive, on the grounds that the Commission has already held that the type of services provided by ExteNet are competitive in D.68915 and D.67062. In those orders, the Commission found that private line point-to-point services provided by NextG Networks of California, Inc. and OnFiber Carrier Services were competitive. ExteNet's services have the same characteristics. Other carriers currently provide alternative services in the markets that ExteNet intends to serve. Thus ExteNet will lack market power, and the reasonableness of ExteNet's rates will be constrained by competitive market forces. Further, ExteNet will provide service only to other carriers, which are large, sophisticated entities with ample resources and bargaining power to prevent ExteNet from exercising market power with regard to its rates, terms or conditions of service.**

## B. FINANCIAL INFORMATION

(B-1) Indicate if the Applicant has financial statements for the two (2) most recent years.

Yes

No

If "No," explain why and give the date on which the Applicant began operations.

(B-2) Include "Attachment D".

Provide the Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

**Note:** Make sure "most recent years" includes current calendar year or current year reporting period.

**ExteNet is a private company, therefore its financial information is highly confidential, competitively sensitive, and not publicly available. Therefore, ExteNet is not providing any of the financial information requested in items 1-5 above. ExteNet will provide information to the Commission demonstrating that it is financially sound and has ample resources to provide service in Arizona upon executing a protective agreement.**

(B-3) Indicate if the Applicant will rely on the financial resources of its Parent Company, if applicable.

**ExteNet Systems, Inc. will rely on its own financial resources to provide service in Arizona.**

(B-4) The Applicant must provide the following information.

1. Provide the projected total revenue expected to be generated by the provision of telecommunications services to Arizona customers for the first twelve months following certification, adjusted to reflect the maximum rates for which the Applicant requested approval. Adjusted revenues may be calculated as the number of units sold times the maximum charge per unit.
2. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.
3. Provide the net book value (original cost less accumulated depreciation) of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers at the end of the first twelve months of operation. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
4. If the projected value of all assets is zero, please specifically state this in your response.
5. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

**As discussed above, ExteNet is a privately held corporation and its revenues, operating expenses and asset value is highly confidential and not publicly available. Further, ExteNet operates in a highly competitive market segment providing transport services for wireless carriers. There are a very small number of carriers that provide such services, therefore competition for the same pool of wireless customers is intense. Release of financial information could disadvantage**

ExteNet by giving its competitors insight into ExteNet's ability to compete. Further, release of financial information, including revenue estimates, would substantially harm ExteNet's ability to negotiate with vendors, incumbent local exchange carriers, and other local and interexchange carriers for services and equipment. The release of financial information would also harm ExteNet's relationship with investors.

ExteNet takes all possible steps to protect its financial and customer information. ExteNet marks all such information as confidential, and discloses this information internally only to persons who need it to perform their job functions. In instances where ExteNet is required to provide financial or customer information to state commissions it either submits the information under seal, or submits redacted copies of such documents for public review. ExteNet is requesting protective treatment only to the extent necessary to protect its competitively sensitive information.

**C. RESOLD AND/OR FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(C-1) Indicate if the Applicant has a resale agreement in operation,

Yes  No

If "Yes", please reference the resale agreement by Commission Docket Number or Commission Decision Number.

**D. FACILITIES-BASED LONG DISTANCE AND/OR FACILITIES BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(D-1) Indicate if the Applicant is currently selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona. This item applies to an Applicant requesting a geographic expansion of their CC&N:

Yes  No

If "Yes," provide the following information:

1. The date or approximate date that the Applicant began selling facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services in Arizona.
2. Identify the types of facilities-based long distance telecommunications services AND/OR facilities-based local exchange telecommunications services that the Applicant sells in Arizona.

If "No," indicate the date when the Applicant will begin to sell facilities-based long distance telecommunications AND/OR facilities-based local exchange telecommunications services in Arizona.

**ExteNet will provide only private line, point-to-point transport services. ExteNet will not provide switched exchange service or dial tone in Arizona.**

**ExteNet expects to commence constructing facilities to provide its private line service offerings upon receiving its CC&N, as it has received a request for service from a wireless carrier in Arizona.**

**E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES**

(E-1) Indicate whether the Applicant will abide by the quality of service standards that were approved by the Commission in Commission Decision Number 59421:

Yes  No

**This requirement is not applicable because ExteNet will provide only private line, point-to-point transport services. ExteNet will not provide switched exchange service or dial tone.**

(E-2) Indicate whether the Applicant will provide all customers with 911 and E911 service, where available, and will coordinate with incumbent local exchange carriers ("ILECs") and emergency service providers to provide this service:

Yes  No

**This requirement is not applicable because ExteNet will provide only private line, point-to-point transport services. ExteNet will not provide switched exchange service or dial tone, and therefore will not provide 911 or E911 service.**

(E-3) Indicate that the Applicant's switch is "fully equal access capable" (i.e., would provide equal access to facilities-based long distance companies) pursuant to A.A.C. R14-2-1111 (A):

Yes  No

**This requirement is not applicable because ExteNet will provide only private line, point-to-point transport services. ExteNet will not provide switched exchange service or dial tone.**

**[Signature on Following Page]**

I certify that if the applicant is an Arizona corporation, a current copy of the Articles of Incorporation is on file with the Arizona Corporation Commission and the applicant holds a Certificate of Good Standing from the Commission. If the company is a foreign corporation or partnership, I certify that the company has authority to transact business in Arizona. I certify that all appropriate city, county, and/or State agency approvals have been obtained. Upon signing of this application, I attest that I have read the Commission's rules and regulations relating to the regulations of telecommunications services (A.A.C. Title 14, Chapter 2, Article 11) and that the company will abide by Arizona state law including the Arizona Corporation Commission Rules. I agree that the Commission's rules apply in the event there is a conflict between those rules and the company's tariff, unless otherwise ordered by the Commission. I certify that to the best of my knowledge the information provided in this Application and Petition is true and correct.

[Signature]  
(Signature of Authorized Representative)

6.20.08  
(Date)

Ross W. Manire  
(Print Name of Authorized Representative)

Chief Executive Officer, President, Chairman  
(Title)

SUBSCRIBED AND SWORN to before me this 20 day of June, 2008

Heather C. Majewski  
NOTARY PUBLIC

My Commission Expires 5/25/2011



Attachment A

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**  
CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting: I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

**\*\*\*EXTENET SYSTEMS, INC\*\*\***

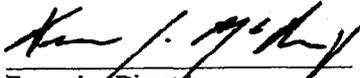
a foreign corporation organized under the laws of Delaware did obtain authority to transact business in the State of Arizona on the 16th day of October 2006.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation has not had its authority revoked for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed an Application for Withdrawal as of the date of this certificate.

This certificate relates only to the legal authority of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 27th Day of March, 2008, A. D.



  
Executive Director

Order Number: 221299

**Table of Ownership and Percentages**

<b>Name of Entity</b>	<b>Address of Entity</b>	<b>Percent of Equity Interest</b>
Sevin Rosen Fund VIII, LP	13455 Noel Road, Suite 1670, Dallas, TX 75240	17.54%
Centennial Ventures, VII LP	1428 Fifteenth St. Denver CO, 80202	17.67%
Centerpoint Venture Fund III (Q) LP	13455 Noel Road, Suite 1670, Dallas TX 75240	16.95%
Palomar Ventures III, LP	100 Wilshire Blvd., Suite 1700, Santa Monica, CA 90401	13.00%

**NOTE: The remaining shares are widely disbursed among numerous persons, none of whom have influence or control over the company.**

**Attachment B**

(Tariff begins on Next Page)

ExteNet Systems, Inc.  
3030 Warrenville Road, Suite 340  
Lisle, IL 60532

AZ No. 1 - Telephone  
Original Title Sheet

**COMPETITIVE LOCAL EXCHANGE CARRIER**

Tariff Schedule Applicable to  
**PRIVATE LINE POINT-TO-POINT SERVICES**  
of  
**EXTENET SYSTEMS, INC.**

Applying to Dedicated Point-To-Point Communications Services Between Points In The State Of  
Arizona, And Containing Rates, Rules And Regulations Governing Service

Issued: June 20, 2008

Issued by:  
Terry Ray  
Vice President

Effective: January 1, 2009

### CHECK SHEET

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

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

\* Included in this filing

## TARIFF FORMAT

This tariff is divided into the following major sections:

**General**

Section 1: Definitions

Section 2: General Regulations

Section 3: Rules

Section 4: Rate Schedules

- A. Sheet Numbering:** Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers:** Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Arizona Corporation Commission. For example, the 4<sup>th</sup> revised Sheet 14 cancels the 3<sup>rd</sup> revised Sheet 14. Because of various suspension periods, deferrals, etc., the Arizona Corporation Commission follows in their tariff approval process, the most current sheet number on file with the Arizona Corporation Commission is not always the tariff sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence:** There are seven levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2
  - 2.1
  - 2.1.1
  - 2.1.1.1
  - 2.1.1.1.1
  - 2.1.1.1.1.1
  - 2.1.1.1.1.1.1
- D. Check Sheets:** When a tariff filing is made with the Arizona Corporation Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision.

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ExteNet Systems, Inc.  
3030 Warrenville Road, Suite 340  
Lisle, IL 60532

AZ No. 1 - Telephone  
Original Sheet 5

### **Preliminary Statement**

This tariff sets forth all effective rates and rules together with information relating to ExteNet Systems, Inc. (referred to herein as "Company" or "ExteNet").

ExteNet Systems, Inc. has been granted authority by the Arizona Corporation Commission ("ACC") to provide competitive private line telecommunications services to non-residential customers throughout the State of Arizona.

The rates and rules contained herein are subject to change pursuant to the rules, regulations and orders of the ACC.

This Tariff is on file with the Arizona, and copies may be inspected during normal business hours at the Company's principal place of business.

Issued: June 20, 2008

Issued by:  
Terry Ray  
Vice President

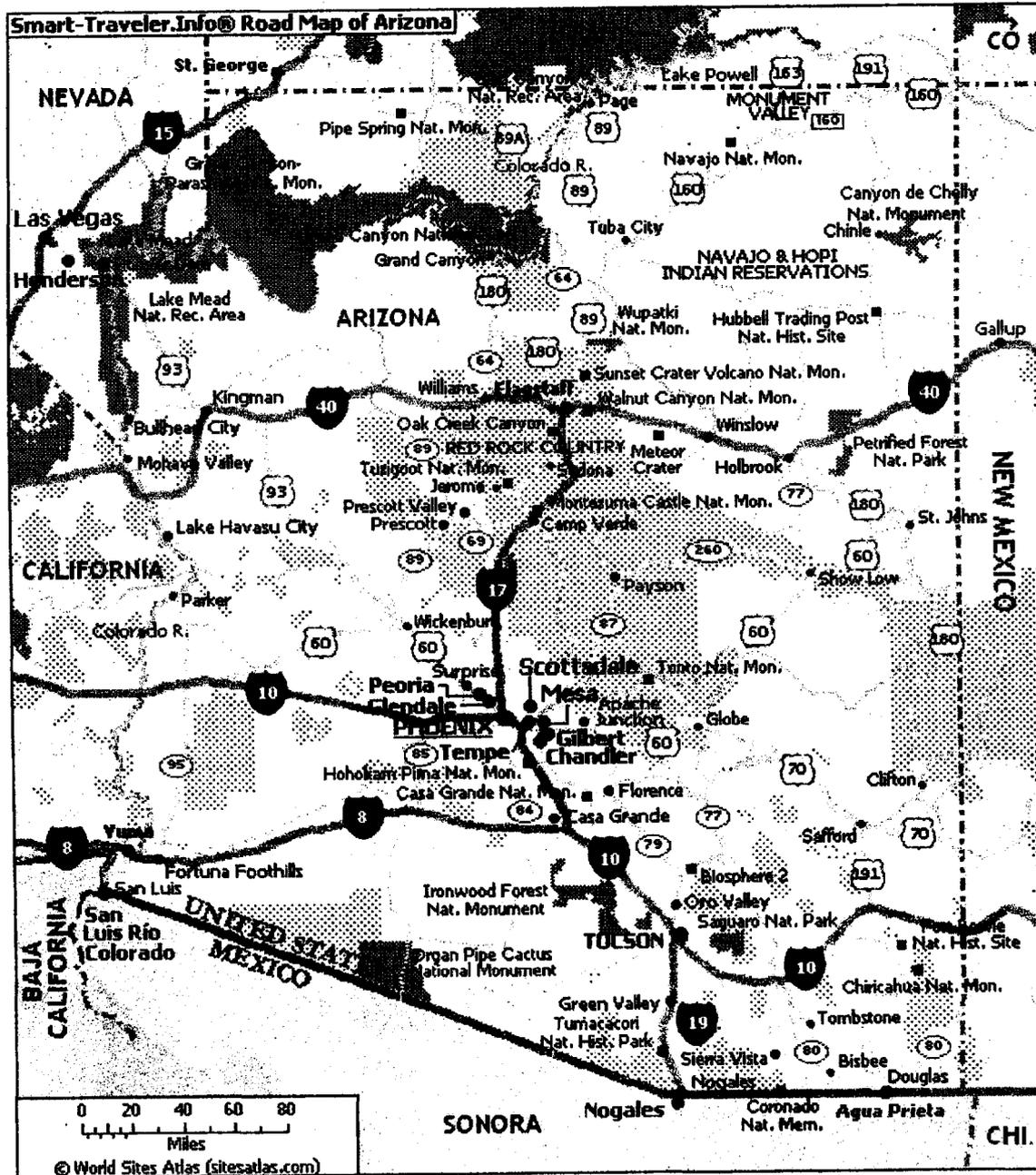
Effective: January 1, 2009

### EXPLANATION OF SYMBOLS

- (C) To signify changed listing, rule, or condition which may affect rates or charges
- (D) To signify discontinued material, including listing, rate, rule or condition
- (I) To signify increase
- (L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, rule or condition
- (N) To signify new material including listing, rate, rule or condition
- (R) To signify reduction
- (S) To signify reissued regulations
- (T) To signify change in text but not change in rate, rule or condition
- (Z) To signify a correction

### SERVICE AREA MAPS

ExteNet's services are available statewide. The obligation of ExteNet to provide service is dependent upon its ability to procure, construct and maintain the facilities that are required to for the Customer Arrangement.



Issued: June 20, 2008

Issued by:  
Terry Ray  
Vice President

Effective: January 1, 2009

## 1 DEFINITIONS

**Business Hours:** The time after 8:00 a.m. and before 5:00 p.m., Monday through Friday, excluding Holidays.

**Business Office:** The primary location where the business operations of Company are performed and where the Company makes a copy of the Company's tariff available for public inspection during Business Hours. The address of the business is: 3030 Warrenville Road, Suite 340, Lisle, IL 60532.

**Commission:** The term "Commission" means the Arizona Corporations Commission.

**Common Carrier:** An authorized company or entity providing telecommunications services to the public.

**Company:** The term "Company" means ExteNet Systems, Inc.

**Competitive Local Carrier:** A Common Carrier authorized to provide services within exchange areas.

**Customer:** The person, firm or corporation that orders service and is responsible for the payment of charges and compliance with the terms and conditions of this tariff.

**Customer Arrangement:** Customer-specific arrangements that may vary from this tariff in rates, terms and/or conditions to meet customer-specific requirements and service-specific parameters.

**Customer Premises:** A location designated by the Customer for the purposes of connecting to the Company's services.

**Dark Fiber:** Unactivated optical fiber deployed without optoelectronics and through which no light is transmitted and no signal is carried.

**Delinquent or Delinquency:** An account for which payment has not been made in full on or before the last day for timely payment.

**Dim Fiber:** Unactivated optical fiber deployed with optoelectronics on one end owned by the customer, and on one end owned by the Company, and which may carry signals.

### 1 DEFINITIONS (cont'd.)

**Distributed Antenna System ("DAS"):** As used by Company, a network of components that input an RF signal from Customer equipment located at a Head End, convert it to an optical signal, transport it on fiber optic facilities to one or more remote locations, and then re-convert it back to an RF signal that is transmitted from an antenna at the remote location. This network is bi-directional, and the same components input an RF signal from an antenna at the remote location, convert it to an optical signal, transport it on fiber optic facilities to a Head End, and then re-convert it back to an RF signal that is handed off to Customer equipment located at a Head End.

**Head End:** A physical location, building or structure used to house the Company equipment and Customer equipment used to transfer originating and terminating traffic between Company and Customer.

**Holiday:** New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When holidays fall on Saturdays or Sundays, the holiday rate applies unless a larger discount would normally apply.

**Individual Case Basis ("ICB"):** Customer-specific arrangements that may vary from tariff in rates, terms and/or conditions according to Customer-specific requirements and service-specific parameters.

**Interruption:** The inability to complete calls due to equipment malfunctions or human errors. Interruption shall not include the failure of any service or facilities provided by a Common Carrier or other entity other than the Company. Any Interruption allowance provided within this tariff by Company shall not apply where service is interrupted by the negligence or willful act of the Customer, or where the Company, pursuant to the terms of this tariff, terminates service because of non-payment of bills, unlawful or improper use of the Company's facilities or service, or any other reason covered by this tariff or by applicable law.

**Interexchange Carrier:** A Common Carrier authorized to provide services between exchange areas.

**Lambda:** A specific wavelength on a fiber optic system.

**Non-Business Hours:** The time period after 5:00 p.m. and before 8:00 a.m., Monday through Friday, and all day Saturday, Sunday, and Holidays.

**Nonrecurring Charges:** Charges to the Customer for services and equipment, assessed by the Company once, usually at the origination or termination of services, and/or installation of equipment.

**1 DEFINITIONS (cont'd.)**

**Permanent Virtual Circuit ("PVC"):** A bi-directional transmission path of variable bandwidth that carries RF traffic between a Company Head End and one or more remote Point(s) of Presence, provisioned on a Company-provided DAS.

**Point of Presence:** A physical location at the remote end (i.e., non-Head End) of a PVC that hosts Company and/or Customer RF/optical conversion, fiber interconnect, and/or multiplexing equipment that is connected to the fiber optic system carrying the PVC.

**Recurring Charges:** Monthly, quarterly or other periodic charges to the Customer for services and equipment, which continue for the agreed-upon duration of the service.

**RF:** Radio Frequency.

**Service:** Any service or services, singly or in any combination, offered pursuant to the terms of this tariff.

**SONET:** Synchronous Optical Network standard for optical telecommunications transport services developed by the American National Standards Institute.

**Telecommunications:** The transmission of voice and/or data communications between two points.

**Timely Payment:** A payment on Customer's account made on or before the due date.

**Term Agreement:** An agreement between the Company and the Customer for a fixed period of time.

## **2 GENERAL REGULATIONS**

### **2.1 LIMITATIONS OF SERVICE**

- 2.1.1** Service requested by Customers is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.
- 2.1.2** Subject to Commission approval, the Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control (examples of these conditions are more fully set forth elsewhere in this tariff), or when service is used in violation of provisions of this tariff or the law.
- 2.1.3** The Company does not undertake to transmit messages, but offers the use of its service when available, and, as more fully set forth elsewhere in this tariff, shall not be liable for errors in transmission or for failure to establish connections.
- 2.1.4** Subject to Commission approval, the Company reserves the right to discontinue service, limit service, or to impose requirements as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.
- 2.1.5** The Company reserves the right to refuse an application for service made by a present or former Customer who is indebted to the Company for service previously rendered pursuant to this tariff until the indebtedness is satisfied.

### **2.2 USE OF SERVICE**

- 2.2.1** Service may be used by the Customer for any lawful purpose for which the service is technically suited.
- 2.2.2** The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, process, or code. All right, title and interest to such items remain, at all times, solely with the Company.
- 2.2.3** Recording of telephone conversations of service provided by the Company under this tariff is prohibited except as authorized by applicable federal, state and local laws.

## **2 GENERAL REGULATIONS (cont'd.)**

### **2.2 USE OF SERVICE (cont'd.)**

#### **2.2.4 Use and Ownership of Equipment**

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

### **2.3 RESPONSIBILITIES OF THE CUSTOMER**

The Customer is responsible for: 1) placing any necessary orders; 2) complying with tariff regulations; 3) for assuring that users comply with tariff regulations; 4) payment of charges for calls originated from the Customer's telephone lines.

The Customer is responsible for arranging access to its premises at times mutually agreeable to Company and the Customer when required for installation, repair, maintenance, inspection or removal of equipment associated with the provision of Company services.

The Customer is responsible for maintaining its terminal and interconnection equipment and facilities in good operating condition. The Customer is liable for any loss, including loss through theft, of any Company equipment installed at Customer's premises.

The Customer shall be responsible for all calls placed by or through Customer's equipment by any person. In particular and without limitation to the foregoing, the Customer is responsible for any calls placed by or through the Customer's equipment via any remote access features.

## 2 GENERAL REGULATIONS (cont'd.)

### 2.4 SPECIAL ARRANGEMENTS AND CONSTRUCTION

Special 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. Customer may be required to pay a non-recurring charge in advance for some or all costs for construction or rearrangement of facilities needed for special arrangements and construction. Such payment is not a service deposit or pre-payment against which service charges will be billed. Rates and charges for special arrangements or special construction will be set forth in writing in individual contracts. Special arrangements will be offered on a non-discriminatory basis to similarly situated Customers in substantially similar circumstances. Upon reasonable request, Company will make available to the Commission and its staff copies of customer contracts designated as confidential data.

Where the Company furnishes a facility or service under a special arrangement or special construction, charges will be based on the costs incurred by the Company and may include: (1) non-recurring charges; (2) monthly recurring charges; (3) termination liabilities; or (4) combinations thereof.

#### 2.4.1 Basis for Cost Computation

Costs for special construction may include one or more of the following items to the extent they are applicable:

Cost of installed facilities to be provided including estimated costs for the rearrangements of existing facilities. These costs may include:

- (a) installation of equipment and materials provided or used;
- (b) engineering, labor and supervision during construction;
- (c) transportation of materials; and
- (d) rights of way, easements or other property rights required for transmission facilities;
- (e) Maintenance;
- (f) depreciation on the estimated cost installed of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage;
- (g) Administration, taxes and uncollectible revenue on the basis of reasonable average costs for these items;

**(b) GENERAL REGULATIONS (cont'd.)**

**2.4 SPECIAL ARRANGEMENTS AND CONSTRUCTION (CONT'D.)**

**2.4.1. Basis for Cost Computation (cont'd.)**

- License preparation, processing and related fees;
- Tariff preparation, processing and other related regulatory fees;
- Any other identifiable costs related to the facilities provided; and
- An amount for return and contingencies.

**2.5 TERMINATION LIABILITY**

To the extent that Company cannot use or reuse facilities requested by Customer or necessary for special arrangements or construction, a termination liability may apply whether or not the Company has begun providing service.

- 2.5.1 The termination liability period is the estimated service life of the facilities provided.
- 2.5.2 The amount of the maximum termination liability is equal to the estimated cost for installation and operation of the service during its service life. Costs include those items previously listed in Section 2.5.1 above.
- 2.5.3 The applicable termination liability will be calculated based on the following:
  - 2.5.3.1 Multiplying the sum of the amounts determined as set forth in Section 2.5.1 above by a factor related to the unexpired period of liability and the discount rate for return and contingencies.
  - 2.5.3.2 The amount determined in Section 2.5.1 above shall be adjusted to reflect the predetermined estimate net salvage, if any, including any reuse of the facilities provided.
  - 2.5.3.3 The final termination liability is then adjusted to reflect applicable taxes or regulatory fees.

## **2 GENERAL REGULATIONS (cont'd.)**

### **2.6 NON-ROUTINE INSTALLATION AND/OR MAINTENANCE**

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

### **3 RULES**

#### **3.1 DESCRIPTION OF SERVICE**

Company provides facilities-based competitive telecommunications services. Service is offered for private line point-to-point circuits to non-residential customers on a Distributed Antenna System pursuant to the terms of this Tariff. Company does not provide switched services or dial tone. Descriptions applicable to specific offerings are found in the Rate Schedules of this Tariff. Service is not offered or available for purchase by residential and/or business end users.

Service is available 24 hours per day, seven days per week and is subject to the availability of necessary equipment and facilities and the economic feasibility of providing such necessary equipment and facilities.

Services are offered via the Company's facilities (whether owned, leased, or under contract) where available, in combination with facilities or resold services provided by other carriers or providers.

#### **3.2 APPLICATION FOR SERVICE**

Applicants must initiate service with the Company pursuant to a completed and signed written service order. Prior to finalizing a written agreement for services, the Company will inform Customer of all rates and charges for the desired services and any other rates or charges that will appear on the Customer's first bill.

In addition, within 10 days of initiating service, the Company will provide a new Customer a written statement of all material terms and conditions affecting what the Customer will pay for services provided by Company.

Filing an application for service pursuant to this Tariff authorizes the Company to conduct a credit search on the Customer. The Company reserves the right to refuse service, or may require Customer to pay a deposit or guarantee, on the basis of credit history.

The Company shall provide applicants who are denied service for failure to establish credit or failure to pay a deposit the reason for the denial in writing within 10 days of the service denial.

### **3 RULES (cont'd.)**

#### **3.2 APPLICATION FOR SERVICE (cont'd.)**

##### **3.2.1 Cancellation of Application for Service**

Where the applicant cancels an application for service prior to the receipt of final order confirmation, or prior to the start of special construction, no charge applies.

Where installation of service has been started prior to the cancellation, a cancellation charge equal to the costs incurred by the Company may apply. Such charges will be calculated on a case-by-case basis.

#### **3.3 CONTRACTS**

Contracts will be used for Individual Case Basis ("ICB") service offerings or Special Construction. Contracts will be offered in response to the specific, individual requirements of the customer. Such contract rates or customer-specific pricing differs from the Company's standard or general tariffed offerings because they are based on special circumstances such as a volume or term commitment, or a Customer-specific service arrangement. The terms and conditions of each contract offering are subject to the agreement of both the Customer and Company.

Contract offerings will be made available to similarly situated Customers in substantially similar circumstances. Contracts are available to any similarly situated Customer that places an order within 90 days of the contract's effective date.

#### **3.4 SPECIAL INFORMATION REQUIRED ON FORMS**

##### **3.4.1 Customer Bills**

The Company shall be identified on each Customer bill. Each bill will prominently display a toll-free number for service or billing inquiries, together with an address where the Customer may write to the Company. If the Company uses a billing agent, the Company will also include the name of such billing agent. Each bill for telephone service will contain notations concerning the following:

- (a) When to pay the bill;
- (b) Billing detail, including the period of service covered by the bill;
- (c) Late payment charges and when they apply;
- (d) How to pay your bill;
- (e) Questions about your bill;
- (f) How to contact the Company with questions about the bill.

**3 RULES (cont'd.)**

**3.5 ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT**

Company may require Customer or potential Customer to provide information pertaining to its financial ability to pay for service. Company may deny service to Customers who do not provide the requested information or who fail to meet Company's financial criteria. If service was discontinued for non-payment of charges, the Company may request additional information from the Customer.

**3.5.1 Credit Information and Deposits**

Each applicant for service shall provide credit information satisfactory to the Company or pay a deposit. Deposits shall not be required if the Customer:

- (a) Provides credit history acceptable to the Company.;
- (b) Provides a cosigner or guarantor with credit history acceptable to the Company in order to establish credit for service; or
- (c) Provides a deposit to establish credit for service; provided however, the Company may determine the acceptable form of the Customer's deposit (*e.g.* cashier's check, money order, bond, or letter of credit);
- (d) Is a federal, state or municipal government agency.

**3.6 DEPOSITS**

The Company does not collect deposits, advances or prepayments.

**3.7 NOTICES**

Notices provided to the Customer by the Company shall be as follows:

**3.7.1 Rate Information**

Rate information and information regarding the terms and conditions of service shall be provided in writing upon request by a current or potential Customer. Notice of rate increases and/or more restrictive term or condition of service shall be provided in writing to Customers and postmarked at least 25 days prior to the effective date of the change or on the date when the Commission approves such change.

### **3 RULES (cont'd.)**

#### **3.7 NOTICES (cont'd.)**

##### **3.7.2 Discontinuance of Service Notice**

###### **3.7.2.1 Notice by Customer**

Customer is responsible for notifying the Company of its desire to discontinue service on or before the date of disconnection. Such notice must be in writing.

###### **3.7.2.2 Notice by Company**

Notices to discontinue service for nonpayment of bills shall be provided in writing by first class mail to the Customer not less than 7 calendar days prior to termination. Each notice shall include all of the following information:

- (a) The name and address of the Customer whose account is delinquent.
- (b) The amount that is delinquent.
- (c) The date when payment or arrangements for payment are required in order to avoid termination.
- (d) The telephone number of a representative of the Company, who can provide additional information or institute arrangements for payment.

##### **3.7.3 Change in Ownership or Identity**

Company shall notify Customer of a change in corporate ownership or identity of Company on the Customer's next monthly bill.

##### **3.7.4 Rules for Company Notices**

Notices the Company sends to Customers, or the Commission, shall be a legible size and printed in a minimum point size type of 10 and are deemed made on date of presentation.

#### **3.8 RENDERING AND PAYMENT OF BILLS**

The Customer is responsible for payment of all charges for services and equipment furnished by the Company to the Customer. All charges due by the Customer are payable to the Company or to the Company's authorized billing agent upon presentation of the bill. Any objections to billed charges must be reported to the Company or its billing agent within 1 year after receipt of bill. Adjustments to the Customer's bill shall be made

3 RULES (cont'd.)

**3.8 RENDERING AND PAYMENT OF BILLS (cont'd.)**

to the extent circumstances exist that reasonably indicate that such changes are appropriate.

**3.8.1 Collection Fees & Expenses**

In the event that the Company incurs fees or expenses, including attorney's fees, collecting, or attempting to collect, any charges owned to the Company, the Company may charge the Customer all such fees and expenses reasonably incurred, including a collection fee on the unpaid charges accruing at a rate of one-and-one half percent (1.5%) per month. Collection fees on unpaid charges shall begin to accrue when the account is assigned to an outside collection agency. Such collection fees are separate and distinct from attorney's fees and other costs incurred in collecting charges owed to the Company. In any legal dispute between the Customer and the Company, the nonprevailing party may be liable for court costs and attorney fees as determined by the court or the Commission.

**3.8.2 Bill Payment**

Bills are due and payable on the date of presentation. A late payment charge may be applied if payment is not received by the Company on or before the late payment date that shall be prominently displayed on the Customer's bill. The late payment date will be at least 30 days after the date of presentation on the billing envelope. The Company shall credit payments within 24 hours of receipt to avoid assessing late payment charges incorrectly.

**3.8.3 Surcharges**

In addition to other sales and usage taxes, the Company will add to Customer's bill certain federal, state and local surcharges. Such charges shall be separately stated on the Customer's bill.

**3.8.4 Previous Charges on Bill**

A bill will not include any previously unbilled charge for service furnished prior to three months immediately preceding the date of the bill.

**3.9 DISPUTED BILLS**

Customers should notify the Company's customer service organization of billing disputes in writing. In the case of a dispute between a Customer and the Company as to the correct amount of a bill rendered by the Company for service furnished to the Customer, which cannot be resolved with mutual satisfaction, the Customer may make the

### **3 RULES (cont'd.)**

#### **3.9 DISPUTED BILLS (cont'd.)**

arrangements set forth below. The Company will not suspend or discontinue the Customer's service for non-payment so long as the Customer complies with the procedures set forth in this Section.

##### **3.9.1 Company Investigation**

The Customer may make a written request, and the Company shall comply with the request, for an investigation and review of the disputed amount. Inquiries or disputes regarding Customer bills should be directed to:

ExteNet Systems, Inc.  
Attn: Mr. Terry Ray  
3030 Warrenville Road, Suite 340  
Lisle, IL 60532

##### **3.9.2 Undisputed Portion of Bill**

The undisputed portion of the bill, and subsequent bills must be paid by the "Due By" date (no sooner than 15 days of the date of presentation) shown on the bill. If the undisputed portion of the bill and subsequent bills become delinquent as described herein, the service may be subject to disconnection so long as the Company has notified the Customer by written notice of such delinquency and impending termination.

##### **3.9.3 Payment of Disputed Portion of Bill**

In order to avoid disconnection of service and late payment charges, the disputed amount must be paid within 14 calendar days after the date on which the Company notifies the Customer that the investigation and review are complete, and that payment of the disputed amount of the bill must be made to avoid suspension or discontinuance of service. However, the Company will not suspend or discontinue service prior to the "Due By" date shown on the bill.

##### **3.9.4 Commission Inquiries or Complaints**

If, after investigation by the Company, a dispute remains as to the Customer's bill, the Customer may submit an inquiry or complaint to:

Arizona Corporation Commission  
Utilities Division  
1200 West Washington  
Phoenix, AZ 85007-2996

**3 RULES (cont'd.)**

**3.9 DISPUTED BILLS (cont'd.)**

**3.9.4 Commission Inquiries or Complaints (cont'd.)**

(602) 542-4251; 1-800-222-7000 (in state only)  
mailmaster@cc.state.az.us

Or

Arizona Corporation Commission  
400 West Congress  
Tucson, AZ 85701-1347  
(520) 628-6550; 1-800-535-0148 (in state only)

**3.10 DISCONTINUANCE AND RESTORATION OF SERVICE**

**3.10.1 Discontinuance of Service by Customer**

The Customer may discontinue service upon written notice to the Company no less than thirty (30) days prior to the date on which the Customer wishes to discontinue service. The Company shall hold the Customer responsible for payment of all bills for service furnished until the cancellation date specified by the Customer or until the date that the written cancellation notice is received, whichever is later. The Customer may also be responsible for charges incurred by the Company for Special Construction, as described in Section 1.4 and 1.5. A termination liability charge applies to early cancellation of a Term Agreement.

At the expiration of the initial term specified in Customer's Service Order, or any extension thereof, service shall continue month-to-month at the then current rates unless terminated by either party. Any termination shall not relieve the Customer of its obligation to pay charges incurred under the Service Order or this tariff prior to termination.

**3.10.2 Discontinuance of Service by Company with Notice**

The Company may discontinue service to the Customer by providing seven (7) days written notice for:

- (a) for failure of the Customer to meet the company's deposit and credit requirements;
- (b) for failure of the Customer to make proper application for service;

**3 RULES (cont'd.)**

**3.10 DISCONTINUANCE AND RESTORATION OF SERVICE (cont'd.)**

**3.10.2 Discontinuance of Service by Company with Notice (cont'd.)**

- (c) for Customer's breach of the contract for service between the Company and the Customer;
- (d) for failure of the Customer to furnish such service, equipment, and/or rights-of-way necessary to serve said customer as shall have been specified by the utility as a condition of obtaining service;
- (e) Violations, or failure to comply with, any regulation governing the service under this tariff;
- (f) A violation of any law, rule, or regulation of any government authority having jurisdiction over the service;
- (g) Non-payment of any undisputed sum due to the Company for service more than thirty (30) days beyond the date the bill was posted;
- (h) Neglect or refusal to provide the Company reasonable access for the purpose of inspection and maintenance of equipment owned by the Company;
- (i) When necessary for the Company to comply with any order, decision, or request of any governmental authority having jurisdiction;
- (j) If necessary to protect the Company or third parties against fraud or to otherwise protect its personnel, agents, facilities or services without notice;
- (k) For unlawful, unauthorized or fraudulent use of the service or use of the service for unlawful purposes; or
- (l) If the Customer provides false information to the Company regarding the Customer's identity, address, creditworthiness, or past, current or planned use of Company's services.

**3.10.3 Discontinuance of Service by Company without Notice**

The Company may discontinue service to the Customer without notice:

- (a) in the event the Customer is tampering with the Company's equipment;

**3 RULES (cont'd.)**

**3.10 DISCONTINUANCE AND RESTORATION OF SERVICE (cont'd.)**

**3.10.3 Discontinuance of Service by Company without Notice (cont'd.)**

- (b) in the event of a condition determined to be hazardous to the customer, to other customers of the company, to the company's equipment, the public, or to employees of the company; or
- (c) in the event of a customer's use of equipment in such a manner as to adversely affect the company's equipment or the company's service to others.

**Timing of Discontinuance**

Service will not be discontinued on any Friday, Saturday, Sunday or legal holiday, or at any time when the company's business offices are not open to the public, except where an emergency exists.

**Re-connection After Non-payment**

Service may be restored after discontinuance for nonpayment if the Customer establishes credit worthiness. Customer whose service has been discontinued for nonpayment of bills will be required to pay the unpaid balance due to the Company and may be required to pay reconnect charges.

**Disconnection Due to Fraud**

The Company reserves the right to refuse to re-establish service to Customer for whom service was disconnected due to reasons of fraud, tampering with equipment, violations of rules and regulations, or similar reasons.

**Termination Liability**

Unless otherwise specified in individually negotiated contracts, the termination liability for services purchased under a Term Agreement will be equal to the lesser of either:

- (a) One hundred percent (100%) of the unpaid monthly recurring charges applicable to the remaining portion of the term; or
- (b) The difference between the monthly rate for the selected term plan and the monthly rates for the longest term plan that Customer could have satisfied prior to early discontinuance of service.

### **3 RULES (cont'd.)**

#### **3.11 INFORMATION TO BE PROVIDED THE PUBLIC**

The Company's tariffs are available for inspection and information regarding the Company's service is available upon request and open to public inspection by inquiring in person or writing to:

ExteNet Systems, Inc.  
3030 Warrenville Road, Suite 340  
Lisle, IL 60532

Customers may call 630-505-3800 to order or change a service.

#### **3.12 TEMPORARY SERVICE**

From time to time, the Company may agree to install temporary service for a Customer for demonstration purposes only. Such service will not be continued for more than 30 days. Customer use of such temporary service will be subject to the rates and regulations provided in this tariff.

#### **3.13 LIABILITY OF THE COMPANY**

##### **3.13.1 Limitations of Liability**

The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, or errors, or defects in any of the services including private line service, or facilities furnished by the Company up to and including its Local Loop Demarcation Point and supplemental equipment, shall in no event exceed an amount equal to the pro rata charges to the Customer for the period during which the services or facilities are affected by the mistake, omission, interruption, delay, error or defect, provided, however, that where any mistake, omission, interruption, delay, error or defect in any one service or facility affects or diminishes the value of any other service said liability shall include such diminution, but in no event shall the liability exceed the total amount of the charges to the Customer for all services or facilities for the period affected by the mistake, omission, interruption, delay, error or defect.

In the event an error or omission is caused by the gross negligence of the Company, the liability of the Company shall be limited to and in no event exceed the sum of \$10,000.

### **3 RULES (cont'd.)**

#### **3.13 LIABILITY OF THE COMPANY (cont'd.)**

The Company shall be indemnified and held harmless by the customer or Customers against claims for libel, slander, or the infringement of copyright arising directly or indirectly from the material transmitted over the facilities or the use thereof; against claims for infringement of patents arising from, combining with, or using in connection with, facilities furnished by the Company, apparatus and systems of the Customer; and against all other claims arising out of any act or omission of the customer in connection with the facilities provided by the Company.

Neither the Company, nor any concurring, connecting or other participating carrier shall be liable for any act or omission of any other company or companies furnishing a portion of such service.

The Company is not responsible to the customer, authorized user, joint user, or patron of a reseller for injuries or damages to persons or property arising from the use, installation or existence of customer-provided equipment or power supply.

#### **3.14 SERVICE INTERRUPTIONS AND CREDITS**

Credit allowance for interruptions of service which are not due to Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications system provided by Customer are subject to Section 13.13.1 above. It shall be the obligation of the Customer to notify the Company of any interruptions in service. Before giving such notice, Customer shall ascertain that the trouble is not being caused by any action or omission of Customer, within its control, and is not in wiring or equipment connected to the terminal of Company.

#### **3.15 EMERGENCIES**

The use and restoration of service in emergencies shall be in accordance with Part 64, Subpart D of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities.

#### **3.16 PRORATED BILLS**

Any prorated bill shall use a 30-day month to calculate the pro-rata amount. Prorating shall apply only to recurring charges. All nonrecurring and usage charges incurred during the billing period shall be billed in addition to prorated amounts.

**3 RULES (cont'd.)**

**3.17 SERVICE CONNECTIONS AND FACILITIES ON CUSTOMER'S PREMISES**

**3.17.1 Provisioning Services**

Service furnished by the Company may be interconnected with services or facilities of other Common Carriers and with private systems, subject to the technical limitations established by the Company. Service furnished by the Company is not part of a joint undertaking with such other Common Carriers.

**3.17.2 Interconnection**

Interconnection with the facilities or services of other Common Carriers shall be under the applicable terms and conditions of the other Common Carrier's tariffs. Customer is responsible for taking all necessary legal steps for interconnecting its Customer—provided terminal equipment or communications systems with the Company's facilities. Customer shall secure all licenses, permits, right-of-way, and other arrangements necessary for such interconnection.

**3.17.3 Customer Equipment**

Company's facilities and service may be used with or terminated in Customer-provided connections, terminal equipment and/or communications systems. Such terminal equipment shall be furnished and maintained at the expense of Customer, except as otherwise provided. Customer is responsible for all costs at its premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry.

### 3 RULES (cont'd.)

#### 3.18 DEMARCATION POINT

The Company will provide facilities, equipment, and services to its network demarcation point. The Company is responsible for the provisioning and maintenance of its facilities, equipment, and services to the network demarcation point, including those located at that point.

The Customer is responsible for the completion of services beyond the Company's network demarcation point. Customer requested services beyond the network demarcation point may be provided by the Company at the Customer's expense.

#### 3.19 DISCLAIMER OF WARRANTIES

**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 WITHIN.**

#### 3.20 FORCE MAJEURE

The Company will not be liable for any failure of performance due to causes beyond its control, including but not limited to cable dig-up by third party, utility outages, acts of God, civil disorders, actions of governmental authorities, actions of civil or military authority, labor problems, national emergency, insurrection, riots, war, fire, flood, and atmospheric conditions or other phenomena of nature, such as radiation. In addition, the Company will not be liable for any failure of performance due to necessary network reconfiguration, system modifications for technical upgrades, or actions taken by any court or government agency having jurisdiction over the Company.

## 4 RATE SCHEDULES

### 4.1 SCHEDULE 1: DEDICATED POINT-TO-POINT PERMANENT VIRTUAL CIRCUIT ("PVC") TRANSPORT SERVICE

#### 4.1.1 Service Description

Dedicated Point-To-Point PVC Transport Service is available on the Company's Distributed Antenna Systems. Dedicated Point-To-Point PVC Transport Service begins at a Company Head End. Customers are responsible for providing or obtaining circuits to connect from their networks to the Company Head End. The Head End contains Customers' circuit terminating equipment, Base Transceiver Station and related peripheral equipment, as well as Company's and/or Customer's RF/Optical conversion equipment. The RF/Optical conversion equipment converts Customers' RF signals into optical signals, and places those signals into a PVC that traverses Company DAS network facilities between the Head End and one or more Points of Presence ("POPs").

#### 4.1.2 Monthly Recurring Rate Elements

The following monthly recurring rate elements apply to Dedicated Point-To-Point PVC Transport Service:

##### 4.1.2.1 Signal Conversion Rate

Signal Conversion Rates apply where Company owns the RF/optical conversion equipment. Signal Conversion Rates are not applicable when the Customer owns the RF/optical conversion equipment.

##### 4.1.2.2 Local Signal Conversion Rate

A Local Signal Conversion Rates applies when the RF/optical conversion equipment located at the Head End is owned and operated by Company.

##### 4.1.2.3 Remote Signal Conversion Rates

Remote Signal Conversion Rates apply when the RF/optical conversion equipment located at the POPs distributed throughout a Company network is owned and operated by Company.

#### **4. RATE SCHEDULES (cont'd.)**

#### **4.1 Schedule 1: Dedicated Point-To-Point Permanent Virtual Circuit ("PVC") Transport Service (cont'd.)**

##### **4.1.2 Monthly Recurring Rate Elements (cont'd.)**

##### **4.1.2.4 Committed Information Rate**

The Committed Information Rate ("CIR") of a PVC is the amount of bandwidth selected by Customer to carry the RF traffic that is optically converted and transported over the Company DAS network, stated in MegaHertz ("MHZ") and made available in Tiers (increments) of 5 MHZ to 60 MHZ per PVC.

##### **4.1.2.5 Permanent Virtual Circuit ("PVC") Rate Elements**

PVC Rate Elements relate to both the physical layer and the bandwidth required to create a PVC to transport Customer's CIR from the Head End to one or more POPs on the Company DAS network. The rate elements that will apply depend on the type of optical conversion and multiplexing methodology used to aggregate one or more Customer CIR Tiers over a PVC to one or more POPs.

##### **4.1.2.5.1 Dedicated Strand Charge**

The Dedicated Strand Charge applies to PVCs utilizing one or more dim or dark fibers between the Head End and the POP(s).

##### **4.1.2.5.2 Wave Division Multiplexed ("WDM") Charge**

The WDM Charge applies to PVCs utilizing one or more lambdas engineered with WDM technology and equipment on a fiber between the Head End and the POP(s). The WDM charge applies to all current and future variations of WDM, including but not limited to Coarse Wave and Dense Wave Division Multiplexing in both analog and digital transport topologies.

##### **4.1.2.5.3 SONET Ring Charge**

The SONET Ring Charge applies to a PVC deployed on a SONET ring network configuration, using Dedicated Strand(s) or WDM, engineered in a point to multi-point configuration. SONET Ring PVCs may be provisioned using customary add/drop, physical interconnect or WDM technology for both originating and terminating traffic, from a head end to one or more POPs connected to the SONET Ring.

#### **4. RATE SCHEDULES (cont'd.)**

#### **4.1 Schedule 1: Dedicated Point-To-Point Permanent Virtual Circuit ("PVC") Transport Service (cont'd.)**

##### **4.1.2 Monthly Recurring Rate Elements (cont'd.)**

##### **4.1.2.5 Permanent Virtual Circuit ("PVC") Rate Elements (cont'd.)**

##### **4.1.2.5.4 Add/Drop Charges**

Add/Drop charges apply to each POP requested by Customer on a SONET Ring or point to multi-point PVC.

##### **4.1.3 Non-Recurring Rate Elements**

The following non-recurring rate elements may apply to Dedicated Point-To-Point PVC Transport Service:

##### **4.1.3.1 Lateral Construction Charge**

A Lateral Construction Charge applies where POPs requested by Customer are to be integrated into a Company network and the cost of construction of the lateral and/or building riser facilities cannot reasonably be recovered by Company over the expected duration of service to Customer.

##### **4.1.3.2 Lateral Connection Charge**

A Lateral Connection Charge applies where POPs requested by Customer are to be integrated into a Company network and the cost of (i) interconnecting to circuits or facilities not owned by Company, and/or (ii) non-standard interconnection requested by Customer, cannot reasonably be recovered by Company over the expected duration of service to Customer.

##### **4.1.3.3 Network Connection Charge**

A Network Connection Charge applies where Company provides certain specified network integration and connection services to integrate and optimize the physical and virtual connections between Company and Customer equipment.

**4. RATE SCHEDULES (cont'd.)**

**4.1 Schedule 1: Dedicated Point-To-Point Permanent Virtual Circuit ("PVC") Transport Service (cont'd.)**

**4.1.4 Rates.** Maximum rates will depend on the number and type of rate elements chosen by the customer.

	<u>PVC RATE ELEMENT</u>	<u>MONTHLY RECURRING CHARGE</u>	<u>CHARGING BASIS</u>
<b>1.1</b>	<b><u>SIGNAL CONVERSION RATES</u></b>		
1.1.1	Local Signal Conversion Rate )	\$500.00	Per Month Per POP
1.1.2	Remote Signal Conversion Rate	\$2,000.00	Per Month Per POP
<b>1.2</b>	<b><u>COMMITTED INFORMATION RATES</u></b>		
1.2.1	Tier 1: 5 MHZ	\$2,000.00	Per Month Per POP
1.2.2	Tier 2: 10 MHZ	\$2,275.00	Per Month Per POP
1.2.3	Tier 3: 15 MHZ	\$2,425.00	Per Month Per POP
1.2.4	Tier 4: 20 MHZ	\$2,575.00	Per Month Per POP
1.2.5	Tier 5: 25 MHZ	\$2,725.00	Per Month Per POP
1.2.6	Tier 6: 30 MHZ	\$2,875.00	Per Month Per POP
1.2.7	Tier 7: 35 MHZ	\$3,025.00	Per Month Per POP
1.2.8	Tier 8: 40 MHZ	\$3,175.00	Per Month Per POP
1.2.9	Tier 9: 45 MHZ	\$3,325.00	Per Month Per POP
1.2.10	Tier 10: 50 MHZ	\$3,475.00	Per Month Per POP
1.2.11	Tier 11: 55 MHZ	\$3,625.00	Per Month Per POP
1.2.12	Tier 12: 60 MHZ	\$3,775.00	Per Month Per POP
<b>1.3</b>	<b><u>PERMANENT VIRTUAL CIRCUIT ELEMENTS</u></b>		
1.3.1	Dedicated Fiber Strand	\$5,200.00	Per Month Per Strand
1.3.2	WDM	\$3,900.00	Per Month Per POP
1.3.5	SONET Ring	\$2,080.00	Per Month Per Ring
1.3.6	Add / Drop	\$625.00	Per Month Per Drop
<b>2</b>	<b><u>NONRECURRING ELEMENTS</u></b>	<b><u>NONRECURRING CHARGES</u></b>	
2.1	Lateral Construction Charge	\$200,000.00	Per POP
2.2	Lateral Connection Charge	\$30,000.00	Per POP
2.3	Network Connection Charge	\$100,000.00	Per Network

#### **4. RATE SCHEDULES (cont'd.)**

##### **4.2 SCHEDULE 2: COLLOCATION**

###### **4.2.1 Service Description**

Collocation service allows a Customer to place Customer's telecommunications equipment on certain of the Company's premises and within space allocated at the Company's Head Ends, in designated locations at such premises. Collocation shall be subject to the availability of appropriately sized and located space at such locations. The prices, terms and conditions of collocation shall be negotiated between the Company and Customer on a site-specific basis. The Company shall provide space that is appropriately conditioned for Customer's equipment.

###### **4.2.2 Non-Recurring and Monthly Recurring Rates**

ICB

#### **4. RATE SCHEDULES (cont'd.)**

### **4.3 SCHEDULE 3: SPECIAL CONSTRUCTION**

#### **4.3.1 Service Description**

Special construction or arrangement of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. The Company will determine whether to undertake special construction, and what charges should apply. Special construction may be undertaken in the following circumstances:

- (a) where facilities are not presently available,
- (b) where the service is of a type other than that which the Company would normally utilize in the furnishing of its service;
- (c) where the service is requested over a route other than that which the Company would normally utilize in the furnishing of its services;
- (d) where the service is in a quantity greater than that which the Company would normally provide;
- (e) where service is requested on an expedited basis;
- (f) where service is requested on a temporary basis until permanent facilities are available;
- (g) where the service requested involves abnormal costs; or
- (h) where service is requested in advance of the Company's normal construction schedule.

#### **4.3.2 Non-Recurring and Monthly Recurring Rates**

ICB

#### **4. RATE SCHEDULES (cont'd.)**

#### **4.4 SCHEDULE 4: TIME AND MATERIALS SERVICE**

##### **4.4.1 Service Description**

This service provides for the Time and Materials charges associated with installation, maintenance, testing and repair deemed to be associated with equipment and facilities not provided by the Company or deemed to be non-standard or non-routine.

The Company shall have no responsibility for the maintenance and repair of any kind with respect to equipment and facilities not provided by the Company. The Company will charge the Customer time, materials and charges listed in Section 2 for any maintenance visits with respect to service problems which are determined to arise from equipment or facilities not provided by the Company.

When a Customer reports a trouble to the Company for clearance and no trouble is found in the Company's facilities, the Customer shall be responsible for payment of Time and Materials Charges as listed in Section 2 for the period of time from when the Company personnel were dispatched to the Customer's premises to when the work is completed. Failure of Company personnel to find trouble in Company facilities will result in no charge if the trouble is actually in those facilities, but not discovered at the time.

If the Customer, after being informed that the trouble is not in Company facilities, wishes to have the maintenance work performed by Company, and the Company agrees to perform the work, the Time and Materials Charges listed below shall apply.

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases Time and Materials Charges listed in Section 2 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.

##### **4.4.2 Non-Recurring and Monthly Recurring Rates**

ICB

## **Attachment D**

### **Confidential Financial Materials Omitted Pending Entry of Protective Order**

The following information will be provided once a protective order is in place:

The Applicant's financial information for the two (2) most recent years.

1. A copy of the Applicant's balance sheet.
2. A copy of the Applicant's income statement.
3. A copy of the Applicant's audit report.
4. A copy of the Applicant's retained earnings balance.
5. A copy of all related notes to the financial statements and information.

## **Attachment E**

### **Description of ExteNet's Services**

Applicant will offer Dedicated Point-To-Point Private Virtual Circuit ("PVC") Transport Service on a wholesale basis via a Distributed Antenna System ("DAS") network. This service enables Wireless Services Providers ("WSP") to improve their coverage by filling in "dead spots," and/or to increase their capacity to provide services in certain geographic areas.

In order to accomplish this, Applicant installs a Head End in a building or outside enclosure located close to the area to be served. Dedicated Point-To-Point PVC Transport Service begins at Applicant's Head End. WSP customers are responsible for providing or obtaining circuits to connect from their networks to the Applicant's Head End. This Head End contains the WSP's circuit terminating equipment, Base Transceiver Station and related peripheral equipment, as well as Applicant's and/or WSP's RF/Optical conversion equipment.

The RF/Optical conversion equipment converts a WSP's RF signals into optical signals, and places those signals onto fiber optic facilities, which transport those signals to one or more remote locations and then re-converts it back to an RF signal that is transmitted from an antenna at the remote location. This network is bi-directional, and the same components input an RF signal from an antenna at the remote location, convert it to an optical signal, transport it on fiber optic facilities back to the Head End, and then re-convert it back to an RF signal that is handed off to WSP equipment located at the Head End.

At this time, ExteNet does not intend to furnish residential or business local voice telephone services or switched interexchange services.



## Attachment G

### Professional Biographies for Key Employees

#### MANAGEMENT TEAM BIOGRAPHIES AND TECHNICAL EXPERTISE

**Ross W. Manire, Chief Executive Officer** was most recently the President of the Enclosure Systems Division of Flextronics International, Ltd., a global operating company with design, engineering, manufacturing, and logistics operations in 29 countries, five continents, and more than 95,000 employees. The Enclosure Systems Division was a billion dollar global operation responsible for the manufacture and integration of electronic packaging systems for the telecommunications and high technology industries, with over 8,000 employees in over 10 countries. His employment by Flextronics was the result of its acquisition of Chatham Technologies, Inc. where Mr. Manire was the Chief Executive Officer from March of 1999 to the acquisition in September 2000. Prior to Chatham Technologies, Inc., Mr. Manire was Senior Vice President-Carrier Systems Division at 3COM Corporation, a global high technology company. The Carrier Systems Division (CSD) was focused on the research and development, manufacture, sales and technical support of internet access, Voice over IP, ATM and wireless data platforms for the telecommunications, Internet Service Provider and enterprise marketplaces. The division served the global marketplace with approximately a billion dollars in revenue. 3COM had acquired US Robotics, Inc. in June of 1997 where Mr. Manire had formed the Network Systems Division that was the foundation of CSD at 3 COM after the acquisition. NSD had been founded in 1995 to take advantage of the growing demand for internet access and from its founding to the acquisition in 1997 NSD grew to \$600 million. Mr. Manire also served as the Senior Vice President, Chief Financial Officer and head of Operations from 1991 to his assumption of the role of forming the Network Systems Division. From 1989 to 1991 he was a partner at the leveraged buyout firm of Ridge Capital which focused on middle market acquisition opportunities. Mr. Manire was a partner at Ernst & Young from 1985 to 1989 and served in various capacities from 1976 to 1985. Mr. Manire holds a Bachelor of Arts in Economics from Davidson College in North Carolina and a MBA from the University of Chicago.

**Tormod Larsen, Vice President-Chief Technology Officer**, brings more than 10 years of Distributed Antenna System experience to ExteNet. He was most recently the Vice President of Sales and Engineering for LGP Allgon Ltd., which was recently acquired by Powerwave Technologies Inc., a global provider of wireless infrastructure equipment and services with approximately 2,000 employees in more than 20 countries and more than \$550 million in annual revenue. Mr. Larsen was responsible for building the Coverage Systems Division which consisted of a dedicated team of sales, engineering and deployment resources specialized in providing turn-key Distributed Antenna Systems. Under Mr. Larsen's direction the team deployed large multi-operator systems. Mr. Larsen has implemented systems such as Chicago Transit Authority, Microsoft Campus, Seattle Tacoma International Airport, Wynn Las Vegas and Mandalay Resorts Group. Prior to his role as Vice President of Sales and Engineering, Mr. Larsen held the position of Director of Technology and Engineering for Allgon Telecom Ltd. As Director of Technology he had overall responsibility for the company's product management, technical support and

engineering in North America. He originally joined Allgon Telecom Ltd. in 1999 as Regional Manager, Coverage Engineering for North America. Prior to joining Allgon Mr. Larsen served as Global Product Manager, Repeater and Confined Area Communication Systems for Siemens AG, a global original equipment manufacturer ("OEM") providing a wide specter of solutions ranging from medical equipment, power systems, transportation systems, automation systems and information & communication systems with more than 400,000 employees in 140 countries and with an annual revenue of approximately \$80 billion. During his five years with the company Mr. Larsen also held various engineering positions with specific focus on DAS and wireless communication in confined environments. Mr. Larsen holds a Master of Science in Electrical Engineering from The Norwegian University of Science and Technology, Trondheim.

**Vince Aragona, Director of Engineering and Network Implementation**, brings over 22 years of progressive industry experience prior to ExteNet, including RF technical operations, RF engineering management, site and network development, construction, field operations, regulatory affairs and logistics. Throughout his career, Mr. Aragona and his teams were directly responsible for the development and implementation of over 1800 RF transmission facilities including paging, narrowband PCS and wireless internet and over 20,000 air-interface and fiber-fed micro cells. Mr. Aragona has directed projects, programs, technical and business operations in 26 US States. Most recently, Mr. Aragona was Senior Director of Implementation for NextG Networks Inc., managing the outside plant fiber and micro cell network design, engineering planning, permitting and construction, vendor management, and deployment of a number of fiber-fed, distributed antenna systems throughout California, Chicago and New York from point of sale through turn up, test, optimization and commissioning. Prior to NextG Networks, Mr. Aragona was Area Director of Network Operations and Construction with Metricom Inc., with direct responsibility for the regulatory and franchise acquisition program for 130 municipalities and electric utilities, RF engineering, site development, deployment and network operation of over 20,000 micro cells and 350 WAP sites required to operate the 128 Kilo bit "Ricochet" network. Initially recruited to Metricom to accelerate the deployment efforts in the southwest, Mr. Aragona and his teams were ultimately responsible for the 1<sup>st</sup> national launch of commercial service in San Diego, the 3<sup>rd</sup> market launch in Phoenix and the 4<sup>th</sup> and largest commercial service launch in the Los Angeles geographic service area. From 1994 to 2000, Mr. Aragona held a number of positions with Paging Network Inc., including Regional Director of Field Operations covering 13 markets in the Western Region, Regional Project Director for both the northwest and Atlantic regions, Regional PCS Manager for the Atlantic region and began with PageNet as Systems Manager responsible for the Upstate NY start-up operation. Early in his career, Mr. Aragona was a Systems Technician for Arch Communications, Owner and General Manager of Diverse Business Systems and Service Technician for Executone Telecommunications. He began his career in 1982 as a Ground Radio Communications, Electronics Technician in the United States Air Force.

**Eric Lekacz, Vice President of Business Development & Strategy**, brings more than 20 years of Sales, Marketing and Management experience to ExteNet. He was most recently the Vice President of Business Development Europe for the Enclosure Systems Division of Flextronics International, Ltd., a global operating company with design, engineering, manufacturing, and logistics operations in 29 countries, five continents and more than 95,000 employees. The Enclosure Systems Division was a billion dollar global operation responsible for the manufacture and integration of electronic

packaging systems for the telecommunications and high technology industries, with over 8,000 employees in over 10 countries. His employment by Flextronics was the result of its acquisition of Chatham Technologies, Inc. where Mr. Lekacz was the Senior Vice President of Business Development Europe from January of 1999 to the acquisition in September 2000. In Europe he developed and implemented a cohesive business development strategy for Chatham's European operations which grew to over \$350M in annual revenue at the time of the acquisition by Flextronics. Prior to Chatham Technologies, he was Vice President of Business Development for the Automotive Chemicals Division of Pennzoil. His employment with Pennzoil was the result of Pennzoil's acquisition of Total Action Automotive Products, a company he co-founded. Before founding Total Action Automotive Products, he served as an Account Executive for Hitachi Data Systems for two years selling large CPU's and Data Storage Systems in Houston, Texas. He began his career with IBM in sales and rapidly advanced to Advisory Marketing Representative in the 5 years he was with the company. Mr. Lekacz holds Bachelor of Science Degrees in both Mechanical Engineering and Electrical Engineering from the University of Arizona.

**Terry Ray, Vice President-Chief Financial Officer**, brings more than 25 years of financial and operating experience in the technology, graphics and food manufacturing industries. He has been involved in strategic development and mergers and acquisitions throughout his career. Mr. Ray joined ExteNet from On-Cor Frozen Foods, Inc. where he was V.P. of Finance and Operations. Previous to that, Mr. Ray was President and CFO of Rittal Corporation, the U.S. subsidiary of the Rittal Group, a privately held German based electronics enclosure manufacturer. Mr. Ray was also CFO of the global Enclosures Division of Flextronics International, which acquired Lightning Manufacturing Solutions, a global computer chassis manufacturer and integrator where he was Chief Administrative Officer and CFO. Mr. Ray's past experience also includes senior executive, operational and financial positions in the printing and graphics industries. He has received an undergraduate degree in business and a Masters of Science in accounting from DePaul University in Chicago.

**David Schneider, Director of Governmental & Community Affairs**, has over 17 years of experience in land development, zoning, and governmental coordination within both the private and public sectors. Most recently, he served as Vice President of National Strategic Sites for Trintel Communications where he was involved in zoning and regulatory management, training and establishing new markets on a national level. Prior to joining Trintel, he provided specialty zoning and site acquisition services for Nextel's highly successful Detroit market and was the Planning and Development Coordinator for Sprint PCS in the Detroit MTA. Before entering the telecommunications industry he was a City Planner for the City of Ann Arbor, Michigan, Assistant Director for Community and Economic Development for Canton Charter Township, Michigan, Assistant City Planner for Coconut Creek, Florida and Site Development Manager for City Management Corporation in Detroit. He has been invited to provide insight to the planning and zoning process at many telecommunications and planning conferences and workshops. Mr. Schneider has a B.S. degree in Environmental Planning and a M.S. degree in Geography, both from Eastern Michigan University.

**David M. Fasshauer, Engineering and Network Implementation Director (Midwest Region)**, brings over 23 years of OSP construction, engineering, planning, design, and project management

experience to ExteNet. Dave began his career in telecommunications as a fiber optic technician with Ameritech. As an engineer, Mr. Fasshauer planned and designed Ameritech's fully redundant interoffice fiber network throughout the Chicago metro area, which included over 400 miles of cable connecting 35 central offices. Ameritech New Media, Ameritech's successful venture into the cable television industry, offered Mr. Fasshauer a position as their first fiber design engineer where he was initially responsible for the fiber design for the Chicago market. After a year and a half, he was promoted to a Planning Engineer, responsible for the planning of the fiber network for the entire Detroit metropolitan area. He was asked to join Ameritech Communications Inc. to manage the construction of their long distance fiber network as their Outside Plant Project Manager. Mr. Fasshauer's responsibilities included all phases of OSP engineering and construction, ROW procurement, contract negotiations, and vendor selection and management for Ameritech's \$40 million, 2,000 mile long distance fiber optic network connecting 17 cities across 5 states. Mr. Fasshauer was also employed with Global Crossing as their Manager of Metro Network Development for the Chicago market responsible for all OSP and ISP engineering and construction prior to joining ExteNet.

**Daniel Hope, Engineering and Network Implementation Director (Eastern Region)**, brings over 11 years of wireless communications industry experience. After graduating from school with an electrical engineering degree, Mr. Hope started with Telecom Analysis Systems, Inc. as a systems technician responsible for product development and technical support. Mr. Hope then spent the next five years in various capacities with AT&T Wireless including diverse roles such as RF Systems Engineer responsible for the integration, operation and maintenance of BTS and MSC equipment and Engineering RF Manager with responsibility for the introduction of new technologies to various markets in the East and Northeast. Mr. Hope was also a member of the National Standards Team at AT&T. Most recently, Mr. Hope was Senior Systems Engineer at Remec, Inc. where he was responsible for the development of coverage enhancement applications for such companies as Cingular/AWS, Sprint, Verizon and T-Mobile. Mr. Hope also provided technical support to the sales organization and product line management and has extensive knowledge and experience with a variety of RF technologies and equipment solutions.

**Ric Holland, Vice President of Business Development (Eastern Region)**, brings more than 20 years of sales, marketing and management experience to ExteNet. He was most recently the Vice President of Business Development/Service Provider Solutions Group for the Enclosure Systems Division of Flextronics International, Ltd., a global operating company with design, engineering, manufacturing, and logistics operations in 29 countries, five continents and more than 95,000 employees. The Enclosure Systems Division was a billion dollar global operation responsible for the manufacture and integration of electronic packaging systems for the telecommunications and high technology industries with over 8,000 employees in over 10 countries. His employment by Flextronics was the result of its acquisition of Chatham Technologies, Inc. where he was the Vice President of Business Development from January of 1998 to the acquisition in September 2000. In his capacity Mr. Holland directed sales and business development strategies for Chatham's Washington based engineering, design, fabrication and integration firm serving U.S. wireless carriers. The Service Provider Group grew from \$11M in business in 1998 to over \$100M by year end 2000. Over the last several years Mr. Holland has focused primarily on leading the corporate field sales efforts of design, supply-chain, fabrication, integration, logistics and deployment of

Cellular, PCS and GSM outdoor base station systems and wireless consumer devices to major wireless carriers such as: AT&T Wireless, Nextel, Cingular, Triton PCS, TeleCorp, Verizon and other smaller carriers. Mr. Holland has held regional and national level business development responsibility for NEC America and Uniden America Corporation, where he was responsible for business development, management and sales of first and second generation cellular and paging devices to national wireless carriers. His telecommunications career started in 1976 when he served as General Manager of Associated Communications Inc., a family owned and operated wireless carrier and SMR dealer.

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SYSTEMS

VIA OVERNIGHT  
(602-542-0664)

2008 AUG 12 P 12:12

AZ CORP COMMISSION  
DOCKET CONTROL

August 8, 2008

Pamela J. Genung  
Staff Analyst  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Arizona Corporation Commission  
**DOCKETED**

AUG 12 2008

**RE: Staff's First Set of Data Requests to ExteNet Systems, Inc**  
**Docket No. T-20597A-08-0320**

DOCKETED BY MM

Dear Ms. Genung:

The purpose of this letter is to provide ExteNet Systems, Inc.'s ("ExteNet") response to the data request dated July 22, 2008, regarding ExteNet's Application and Petition for Certificate of Convenience and Necessity to Provide Intrastate Telecommunications Services ("Application") filed on or around June 20, 2008.

**PJG 1.1 Please indicate the total number of employees of ExteNet and its affiliates.**

ExteNet and its affiliates have forty (40) employees and four (4) full-time independent contractors.

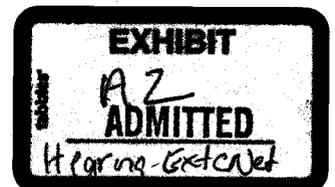
**PJG 1.2 Please describe ExteNet's plan for providing customer service to its customers in Arizona.**

ExteNet's customers are generally wireless service providers. Typically, ExteNet provides customer service by monitoring the unswitched point-to-point telecommunications services that comprise the distributed antenna system ("DAS") networks utilized by its customers. ExteNet's network operation center ("NOC") receives alerts 24/7/365 if there are problems with the network and takes immediate steps to resolve any issue.

ExteNet's customers may also reach ExteNet's NOC on a 24/7/365 basis by calling 866-892-5327 (866- 89CLEAR). The general public may reach ExteNet at 630-505-3800 between the hours of 8:00AM and 5:00PM Central Time.

**PJG 1.3 Does ExteNet plan to have a customer service center in Arizona?**

ExteNet's NOC is located within its corporate headquarters in Lisle, Illinois. ExteNet does not have any plans to establish a customer service center in Arizona.





**PJG 1.4 Does ExteNet plan to have employees in Arizona? If so, please indicate how many.**

ExteNet currently has two (2) employees in Arizona. ExteNet does not have a specific plan to increase the number of employees in Arizona at this time.

**PJG 1.5–PJG 1.7**

These data requests involved corrections to ExteNet's tariff attached to the Application. These corrections have been made and a copy of the corrected tariff is being filed simultaneously with this letter.

**PJG 1.8 Is it ExteNet's intention to use the maximum rates that were filed in the proposed tariff within its Application as ExteNet's actual rates? If not, please submit replacement tariff pages containing the actual rates.**

ExteNet provides unswitched point-to-point telecommunications services and proposes to offer customized services to meet individualized needs of carrier customers in Arizona. ExteNet's customers are all sophisticated wireless service providers who negotiate contract rates on an individual case basis ("ICB") with ExteNet. See Exhibit E of the Application for a full description.

Nevertheless, for the potential ExteNet customer that does not need individualized offerings and therefore does not require an ICB contract to meet its needs, , such customer may purchase services through Extenet's tariff. The tariff rate schedules reflect the maximum rates ExteNet will charge for such services outlined and itemized on Original Sheet 32, section 4.1.4 of ExteNet's corrected tariff being filed simultaneously with this letter.

**PJG 1.9 Please explain how ExteNet calculated the maximum and actual rates that will be contained in ExteNet's tariff for each of its services.**

ExteNet calculated its maximum tariff rates similar to frame relay circuits so that a customer's rate is based upon the amount of bandwidth consumed as well as construction and connection charges. For this type of telecommunications service, there are charges for the originating and terminating connections, recurring charges for the two ends and the circuit itself, and a charge for the bandwidth used, assuming a migration to a fiber-optic based wavelength service at a point in the future. ExteNet also provides rates for dark and dim fiber as well as dedicated strand fiber, which is ExteNet's primary form of delivery.

**PJG 1.10 Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of tariff rates and charges charged by the incumbent and other carriers for similar services. Please provide actual tariff pages and use the attached matrix format to show your actual or proposed tariff rates and charges. At a minimum, show tariff information of Qwest and two other competitors in Arizona.**

ExteNet has attached Attachments A & B. Attachment A is not applicable to ExteNet because it doesn't provide any residential services. ExteNet provides unswitched point-to-point telecommunications services to other telecommunications carriers, typically by constructing DAS networks that are leased to wireless service providers. Therefore, the categories listed in Attachment B are not applicable to ExteNet. ExteNet inserted applicable categories into Exhibit B based upon rough categories used to describe the services offered by ExteNet and its competitors, NextG Networks of California, Inc. and NewPath Networks LLC. Within ExteNet's industry, services are highly customized in ICB contracts, so there is no standard method for charging for individual services. The categories are approximate and a "best measure" given that ExteNet does not have detailed access to either company's complete cost-setting structure.

The tariff information of ExteNet's competitors was taken from pages of the respective tariffs (see attached) provided in NewPath Networks LLC's initial Application and Petition for Certificate of Convenience and Necessity, Docket No. T-20567A-07-0662 filed November 26, 2007 and NextG Networks of California, Inc's response to the First Staff Data Request, Docket No. T-20377A-05-0484 filed October 17, 2005.

ExteNet reviewed Qwest's tariff and could not find rates for services comparable to ExteNet's because Qwest does not offer services similar to ExteNet's services. Therefore, ExteNet marked that portion of Attachment B "N/A."

The extent that ExteNet's rates are competitive cannot be deduced by trying to compare the tariff rates of ExteNet, its competitors, and Qwest because the reality of the market place is that rates are set in ICB contracts. ExteNet begins the process of acquiring a new customer by participating in a competitive bidding process, such as responding to a request for proposal, wherein ExteNet competes with companies offering similar services, such as NextG Networks of California, Inc. and NewPath Networks LLC.

ExteNet's customers are sophisticated wireless services providers experienced in negotiating charges and other contract terms for dedicated point-to-point telecommunications services, such as those provided by a DAS network. Its customers also have adequate resources to protect their business interests and negotiate the best market prices for services.

Given that ExteNet must compete in a highly competitive bid process against multiple competitors, including, but not limited to, both NextG Networks of California, Inc. and NewPath Networks LLC to win new customers and negotiate each ICB contract with sophisticated and experienced industry participants. These market forces will ensure that ExteNet's rates are just and reasonable.

**PJG 1.11 Please identify all other states/jurisdictions in which the Company or an affiliate provides telecommunications services. Please specify, in the attached matrix format, the tariff rates and charges that the Company and/or affiliate charges for telecommunications services in these other jurisdictions. If there is a difference between the tariff rates and charges that the Company and/or affiliate charges in other jurisdictions for telecommunications services, please explain why you are charging different tariff rates and charges in Arizona.**

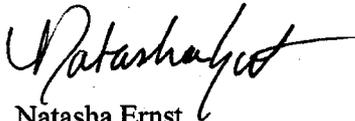
ExteNet has attached Attachments C & D. Attachment C is not applicable to ExteNet because it doesn't provide any residential services. The categories of service specified in Attachment D are not applicable to ExteNet; therefore, a revised service list has been inserted.

ExteNet identified all other states/jurisdictions in which it or its affiliate provides telecommunications services in its answer to question A-19 of its Application filed on or around June 20, 2008. These states are California, Florida, Massachusetts, Michigan, Nevada, New York, and Texas. Florida, Nevada, and Texas do not require tariffs. To the extent a tariff is required, ExteNet's tariff rates are the same for all jurisdictions as outlined and itemized on Original Sheet 32, section 4.1.4 of ExteNet's corrected tariff being filed simultaneously with this letter.

As discussed above, ExteNet negotiates ICB contracts for all its telecommunications services. These contracts vary based upon circumstances specific to individual DAS networks; however, rates do not exceed the maximum rates established by the tariff rates.

ExteNet is providing an original plus 13 copies of this response and all attachments. It is also including a copy to be date stamped and returned in the pre-addressed, postage paid envelop enclosed. If you have any questions regarding ExteNet's responses, please do not hesitate to contact Natasha Ernst at 630-505-3844 or by email: [nernst@extenetsystems.com](mailto:nernst@extenetsystems.com).

Best regards,



Natasha Ernst  
*Associate General Counsel*  
George Vinyard  
*General Counsel*

**NextG Networks of California, Inc**  
**Tariff Rate Page**

NextG Networks of California, Inc.  
2216 O'Toole Ave.  
San Jose, CA 95131

Arizona Tariff No. 1  
Original Sheet No. 6

**1.0 RATES AND CHARGES**

**Schedule 1: RF Transport Services (continued)**

**2. RF Transport Services (continued)**

**A. General Service Offerings and Limitations (continued)**

1. The specific limitations applicable to RF Transport Services are as follows:
  - (a) All optical services are provided on single mode optical fiber.
  - (b) Some optical services may be of a multi-wavelength nature.
  - (c) Current wireless standards limit the distance between a hub site and a remote node to 20 km.
  - (d) The optical loss between a hub site and a remote node must not exceed 18 dB.

**B. Rates**

Unless otherwise provided in an individual case basis ("ICB") arrangement pursuant to Rule 4 below, the Rates for RF Transport Services are as follows:

**DESCRIPTION**

Nonrecurring connection charge	\$100,000 for 6 nodes
Monthly recurring charge	\$2,500 per node

**Minimum Charges:** In the absence of an ICB arrangement pursuant to Rule 4 below, a Customer must purchase a minimum of 6 nodes, which results in a minimum price for the service being \$100,000 connection fee for each group of 6 nodes, plus \$15,000 in recurring charges (i.e., \$2,500 x 6 nodes) per month for each group of 6 nodes.

**Maximum Charges:** In the absence of an individual case basis ("ICB") arrangement pursuant to Rule 4 below, the maximum price for the service is

*Issued by:*  
Robert L. Delsman  
Tariff Manager

Date Filed: October 13, 2005  
Effective: October 13, 2005



**NewPath Networks LLC**  
**Tariff Rate Page**

NewPath Networks, LLC  
1300 N. Northlake Way  
Seattle, WA 98103

Arizona Tariff  
Original Ariz. Corp. Comm. Sheet 33

**RADIO FREQUENCY TRANSPORT AND BACKHAUL SERVICES**

**4. RATE SCHEDULES (cont'd.)**

**4.1.4 Rates**

	<b><u>MONTHLY RECURRING RATE ELEMENTS</u></b>	<b><u>MONTHLY RECURRING CHARGE</u></b>	<b><u>CHARGING BASIS</u></b>
4.1.4.1	Base Station License Fee	\$5,000.00	Per Month Per Base Station
4.1.4.2	Remote Node License Fee	\$2,000.00	Per Month Per Node
	<b><u>NON-RECURRING RATE ELEMENTS</u></b>	<b><u>NON- RECURRING CHARGE</u></b>	<b><u>CHARGING BASIS</u></b>
4.1.4.3	Base Station Construction and Equipment Charge	\$100,000.00	Per Base Station
4.1.4.4	Remote Node Construction and Equipment Charge	\$75,000.00	Per Node

Issued by:  
Michael J. Kavanagh  
Chief Executive Officer

Date Filed: November 26, 2007  
Effective Date: November 26, 2007

ATTACHMENT A  
BY COMPETITOR

Applicant does not provide residential services.

Residence Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Applicant's Arizona Tariff			Qwest's Arizona Tariff		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
<b>Product/Services</b>						
Basic Local Service	N/A	N/A	N/A	N/A	N/A	N/A
Service Connect Fee	N/A	N/A	N/A	N/A	N/A	N/A
Dispatch Call & Trouble isolated on cust. equip.	N/A	N/A	N/A	N/A	N/A	N/A
Feature Change Order	N/A	N/A	N/A	N/A	N/A	N/A
Toll Restriction Fee Order	N/A	N/A	N/A	N/A	N/A	N/A
Transfer of Service (move order)	N/A	N/A	N/A	N/A	N/A	N/A
Restoration of Service	N/A	N/A	N/A	N/A	N/A	N/A
Directory Assistance	N/A	N/A	N/A	N/A	N/A	N/A
<b>Miscellaneous Services &amp; Rates</b>						
Returned Check Charge (NSF)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Listings</b>						
Directory Listing Service - Primary Listing	N/A	N/A	N/A	N/A	N/A	N/A
Directory Listing Service - Non-Published	N/A	N/A	N/A	N/A	N/A	N/A
<b>Primary Rate Interface (DS0) Service</b>						
Month-to-month	N/A	N/A	N/A	N/A	N/A	N/A
12 Months	N/A	N/A	N/A	N/A	N/A	N/A
24 Months	N/A	N/A	N/A	N/A	N/A	N/A
36 Months	N/A	N/A	N/A	N/A	N/A	N/A
<b>Long Distance</b>						
Direct Dialed Station-to-Station (include all relevant billing elements used to make the comparison)	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A

Residence Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Competitor #1 Arizona Tariff <i>Name of Competitor</i>			Competitor #2 Arizona Tariff <i>Name of Competitor</i>		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
<b>Product/Services</b>						
Basic Local Service	N/A	N/A	N/A	N/A	N/A	N/A
Service Connect Fee	N/A	N/A	N/A	N/A	N/A	N/A
Dispatch Call & Trouble isolated on cust. equip.	N/A	N/A	N/A	N/A	N/A	N/A
Feature Change Order	N/A	N/A	N/A	N/A	N/A	N/A
Toll Restriction Fee Order	N/A	N/A	N/A	N/A	N/A	N/A
Transfer of Service (move order)	N/A	N/A	N/A	N/A	N/A	N/A
Restoration of Service	N/A	N/A	N/A	N/A	N/A	N/A
Directory Assistance	N/A	N/A	N/A	N/A	N/A	N/A
<b>Miscellaneous Services &amp; Rates</b>						
Returned Check Charge (NSF)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Listings</b>						
Directory Listing Service - Primary Listing	N/A	N/A	N/A	N/A	N/A	N/A
Directory Listing Service - Non-Published	N/A	N/A	N/A	N/A	N/A	N/A
<b>Primary Rate Interface (DS0) Service</b>						
Month-to-month	N/A	N/A	N/A	N/A	N/A	N/A
12 Months	N/A	N/A	N/A	N/A	N/A	N/A
24 Months	N/A	N/A	N/A	N/A	N/A	N/A
36 Months	N/A	N/A	N/A	N/A	N/A	N/A
<b>Long Distance</b>						
Direct Dialed Station-to-Station (include all relevant billing elements used to make the comparison)	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A

ATTACHMENT B  
BY COMPETITOR

Business Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Applicant's Arizona Tariff			Qwest's Arizona Tariff		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
<b>Product/Services</b>						
Per Node: Nonrecurring Connection Charge	\$130,000.00	4.1.4	32	N/A	N/A	N/A
Per Node: Nonrecurring Construction Charge	\$200,000.00	4.1.4	32	N/A	N/A	N/A
Per Node: Monthly Recurring Charge	\$2,000.00-\$3,755.00	4.1.4	32	N/A	N/A	N/A
<b>Miscellaneous Services &amp; Rates</b>						
Returned Check Charge (NSF)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Listings</b>						
Directory Listing Service - Primary Listing	N/A	N/A	N/A	N/A	N/A	N/A
Directory Listing Service - Non-Published	N/A	N/A	N/A	N/A	N/A	N/A
<b>Primary Rate Interface (DS0) Service</b>						
Month-to-month	N/A	N/A	N/A	N/A	N/A	N/A
12 Months	N/A	N/A	N/A	N/A	N/A	N/A
24 Months	N/A	N/A	N/A	N/A	N/A	N/A
36 Months	N/A	N/A	N/A	N/A	N/A	N/A
<b>Long Distance</b>						
Direct Dialed Station-to-Station (include all relevant billing elements used to make the comparison)	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A

Business Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Competitor #1 Arizona Tariff <i>NextG Networks of California, Inc</i>			Competitor #2 Arizona Tariff <i>NewPath Networks LLC</i>		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
<b>Product/Services</b>						
Per Node: Nonrecurring Connection Charge	\$100,000.00	1.2.B.	6			
Per Node: Nonrecurring Construction Charge				\$75,000.00	4.1.4.4.	33
Per Node: Monthly Recurring Charge	\$2,500.00	1.2.B.	6	\$2,000.00	4.1.4.2.	33
<b>Miscellaneous Services &amp; Rates</b>						
Returned Check Charge (NSF)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Listings</b>						
Directory Listing Service - Primary Listing	N/A	N/A	N/A	N/A	N/A	N/A
Directory Listing Service - Non-Published	N/A	N/A	N/A	N/A	N/A	N/A
<b>Primary Rate Interface (DS0) Service</b>						
Month-to-month	N/A	N/A	N/A	N/A	N/A	N/A
12 Months	N/A	N/A	N/A	N/A	N/A	N/A
24 Months	N/A	N/A	N/A	N/A	N/A	N/A
36 Months	N/A	N/A	N/A	N/A	N/A	N/A
<b>Long Distance</b>						
Direct Dialed Station-to-Station (include all relevant billing elements used to make the comparison)	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A

ATTACHMENT C  
BY STATE

Applicant does not provide residential services.

Residence Rate Comparison of Telecommunications Services provided by Applicant in other States	Applicant's Arizona Tariff			Applicant's Tariff (State #1)		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
<b>Product/Services</b>						
Basic Local Service	N/A	N/A	N/A	N/A	N/A	N/A
Service Connect Fee	N/A	N/A	N/A	N/A	N/A	N/A
Dispatch Call & Trouble isolated on cust. equip.	N/A	N/A	N/A	N/A	N/A	N/A
Feature Change Order	N/A	N/A	N/A	N/A	N/A	N/A
Toll Restriction Fee Order	N/A	N/A	N/A	N/A	N/A	N/A
Transfer of Service (move order)	N/A	N/A	N/A	N/A	N/A	N/A
Restoration of Service	N/A	N/A	N/A	N/A	N/A	N/A
Directory Assistance	N/A	N/A	N/A	N/A	N/A	N/A
<b>Miscellaneous Services &amp; Rates</b>						
Returned Check Charge (NSF)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Listings</b>						
Directory Listing Service - Primary Listing	N/A	N/A	N/A	N/A	N/A	N/A
Directory Listing Service - Non-Published	N/A	N/A	N/A	N/A	N/A	N/A
<b>Primary Rate Interface (DS0) Service</b>						
Month-to-month	N/A	N/A	N/A	N/A	N/A	N/A
12 Months	N/A	N/A	N/A	N/A	N/A	N/A
24 Months	N/A	N/A	N/A	N/A	N/A	N/A
36 Months	N/A	N/A	N/A	N/A	N/A	N/A
<b>Long Distance</b>						
Direct Dialed Station-to-Station (include all relevant billing elements used to make the comparison)	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A
Residence Rate Comparison of Telecommunications Services provided by Applicant in other States	Applicant's Tariff (State #2)			Applicant's Tariff (State #3)		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
<b>Product/Services</b>						
Basic Local Service	N/A	N/A	N/A	N/A	N/A	N/A
Service Connect Fee	N/A	N/A	N/A	N/A	N/A	N/A
Dispatch Call & Trouble isolated on cust. equip.	N/A	N/A	N/A	N/A	N/A	N/A
Feature Change Order	N/A	N/A	N/A	N/A	N/A	N/A
Toll Restriction Fee Order	N/A	N/A	N/A	N/A	N/A	N/A
Transfer of Service (move order)	N/A	N/A	N/A	N/A	N/A	N/A
Restoration of Service	N/A	N/A	N/A	N/A	N/A	N/A
Directory Assistance	N/A	N/A	N/A	N/A	N/A	N/A
<b>Miscellaneous Services &amp; Rates</b>						
Returned Check Charge (NSF)	N/A	N/A	N/A	N/A	N/A	N/A
<b>Listings</b>						
Directory Listing Service - Primary Listing	N/A	N/A	N/A	N/A	N/A	N/A
Directory Listing Service - Non-Published	N/A	N/A	N/A	N/A	N/A	N/A
<b>Primary Rate Interface (DS0) Service</b>						
Month-to-month	N/A	N/A	N/A	N/A	N/A	N/A
12 Months	N/A	N/A	N/A	N/A	N/A	N/A
24 Months	N/A	N/A	N/A	N/A	N/A	N/A
36 Months	N/A	N/A	N/A	N/A	N/A	N/A
<b>Long Distance</b>						
Direct Dialed Station-to-Station (include all relevant billing elements used to make the comparison)	N/A	N/A	N/A	N/A	N/A	N/A
	N/A	N/A	N/A	N/A	N/A	N/A

ATTACHMENT D  
BY STATE

Business Rate Comparison of Telecommunications Services provided by Applicant in other States	Applicant's Arizona Tariff			Applicant's Tariff (State #1) California (Original, effective 10.24.2006)		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
<b>Signal Conversion Rates</b>						
Local Signal Conversion Rate	\$500	4.1.4 1.1.1	32	\$500	4.1.4 1.1.1	42
Remote Signal Conversion Rate	\$2,000	4.1.4 1.1.2	32	\$2,000	4.1.4 1.1.2	42
<b>COMMITTED INFORMATION RATES</b>						
Tier 1: 5 Mhz to Tier 2: 60 Mhz	\$2,000-\$3,775	4.1.4 1.2.1- 1.2.12	32	\$2,000-\$3,775	4.1.4 1.2.1- 1.2.12	42
<b>PERMANENT VIRTUAL CIRCUIT ELEMENTS</b>						
Dedicated Fiber Strand	\$5,200	4.1.4 1.3.1	32	\$5,200	4.1.4 1.3.1	42
WDM	\$3,900	4.1.4 1.3.2	32	\$3,900	4.1.4 1.3.2	42
SONET Ring	\$2,080	4.1.4 1.3.3	32	\$2,080	4.1.4 1.3.5	42
Add / Drop	\$625	4.1.4 1.3.4	32	\$625	4.1.4 1.3.6	42
<b>NONRECURRING ELEMENTS/COSTS</b>						
Lateral Construction Charge	\$200,000	4.1.4 2.1	32	\$200,000	4.1.4 2.1	42
Lateral Connection Charge	\$30,000	4.1.4 2.2	32	\$30,000	4.1.4 2.2	42
Network Connection Charge	\$100,000	4.1.4 2.3	32	\$100,000	4.1.4 2.3	42
<b>Business Rate Comparison of Telecommunications Services provided by Applicant in other States</b>	<b>Applicant's Tariff (State #2) Massachusetts (1st Revised, effective 9.1.2006)</b>			<b>Applicant's Tariff (State #3) Michigan (Original, effective 7.26.2007)</b>		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
<b>Signal Conversion Rates</b>						
Local Signal Conversion Rate	\$500	1.4 1.2.1.1	10	\$500	4. 1.1.1	34
Remote Signal Conversion Rate	\$2,000	1.4 1.2.1.2	10	\$2,000	4.1.4 1.1.2	34
<b>COMMITTED INFORMATION RATES</b>						
Tier 1: 5 Mhz to Tier 2: 60 Mhz	\$2,000-\$3,775	1.4 1.2.2.1- 1.2.2.12	10	\$2,000-\$3,775	4. 1.2.1- 1.2.12	34
<b>PERMANENT VIRTUAL CIRCUIT ELEMENTS</b>						
Dedicated Fiber Strand	\$5,200	1.4 1.2.3.1	10	\$5,200	4. 1.3.1	34
WDM	\$3,900	1.4 1.2.3.2	10	\$3,900	4. 1.3.2	34
SONET Ring	\$2,080	1.4 1.2.3.3	10	\$2,080	4. 1.3.5	34
Add / Drop	\$625	1.4 1.2.3.4	10	\$625	4. 1.3.6	34
<b>NONRECURRING ELEMENTS/COSTS</b>						
Lateral Construction Charge	\$200,000	1.4 1.3.1	10	\$200,000	4. 2.1	34
Lateral Connection Charge	\$30,000	1.4 1.3.2	10	\$30,000	4. 2.2	34
Network Connection Charge	\$100,000	1.4 1.3.3	10	\$100,000	4. 2.3	34
<b>Business Rate Comparison of Telecommunications Services provided by Applicant in other States</b>	<b>Applicant's Tariff (State #4) New York (Original, effective 2.6.2006)</b>					
	Charges & Rates (\$)	Section Number	Page Number			
<b>Signal Conversion Rates</b>						
Local Signal Conversion Rate	\$500	3.1.4 1.1.1	40			
Remote Signal Conversion Rate	\$2,000	3.1.4 1.1.2	40			
<b>COMMITTED INFORMATION RATES</b>						
Tier 1: 5 Mhz to Tier 2: 60 Mhz	\$2,000-\$3,775	4.1.4 1.2.1- 1.2.12	40			
<b>PERMANENT VIRTUAL CIRCUIT ELEMENTS</b>						
Dedicated Fiber Strand	\$5,200	3.1.4 1.3.1	40			
WDM	\$3,900	3.1.4 1.3.2	40			
SONET Ring	\$2,080	3.1.4 1.3.3	40			
Add / Drop	\$625	3.1.4 1.3.4	40			
<b>NONRECURRING ELEMENTS/COSTS</b>						
Lateral Construction Charge	\$200,000	3.1.4 2.1	40			
Lateral Connection Charge	\$30,000	3.1.4 2.2	40			
Network Connection Charge	\$100,000	3.1.4 2.3	40			

ExteNet Systems, Inc.  
3030 Warrenville Road, Suite 340  
Lisle, IL 60532

AZ No. 1 - Telephone  
Original Title Sheet

**COMPETITIVE LOCAL EXCHANGE CARRIER**

Tariff Schedule Applicable to  
**PRIVATE LINE POINT-TO-POINT SERVICES**  
of  
**EXTENET SYSTEMS, INC.**

Applying to Dedicated Point-To-Point Communications Services Between Points In The State Of  
Arizona, And Containing Rates, Rules And Regulations Governing Service

Issued: August 13, 2008

Issued by:  
Terry Ray  
Vice President

Effective: January 1, 2009

### CHECK SHEET

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

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

\* Included in this filing

## TARIFF FORMAT

This tariff is divided into the following major sections:

**General**

Section 1: Definitions

Section 2: General Regulations

Section 3: Rules

Section 4: Rate Schedules

- A. Sheet Numbering:** Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. Sheet Revision Numbers:** Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the Arizona Corporation Commission. For example, the 4<sup>th</sup> revised Sheet 14 cancels the 3<sup>rd</sup> revised Sheet 14. Because of various suspension periods, deferrals, etc., the Arizona Corporation Commission follows in their tariff approval process, the most current sheet number on file with the Arizona Corporation Commission is not always the tariff sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. Paragraph Numbering Sequence:** There are seven levels of paragraph coding. Each level of coding is subservient to its next higher level:
- 2
  - 2.1
  - 2.1.1
  - 2.1.1.1
  - 2.1.1.1.1
  - 2.1.1.1.1.1
  - 2.1.1.1.1.1.1
- D. Check Sheets:** When a tariff filing is made with the Arizona Corporation Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision.

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ExteNet Systems, Inc.  
3030 Warrenville Road, Suite 340  
Lisle, IL 60532

AZ No. 1 - Telephone  
Original Sheet 5

### **Preliminary Statement**

This tariff sets forth all effective rates and rules together with information relating to ExteNet Systems, Inc. (referred to herein as "Company" or "ExteNet").

ExteNet Systems, Inc. has been granted authority by the Arizona Corporation Commission ("ACC") to provide competitive private line telecommunications services to non-residential customers throughout the State of Arizona.

The rates and rules contained herein are subject to change pursuant to the rules, regulations and orders of the ACC.

This tariff is on file with the Arizona Corporation Commission, and copies may be inspected during normal business hours at the Company's principal place of business.

Issued: August 13, 2008

Issued by:  
Terry Ray  
Vice President

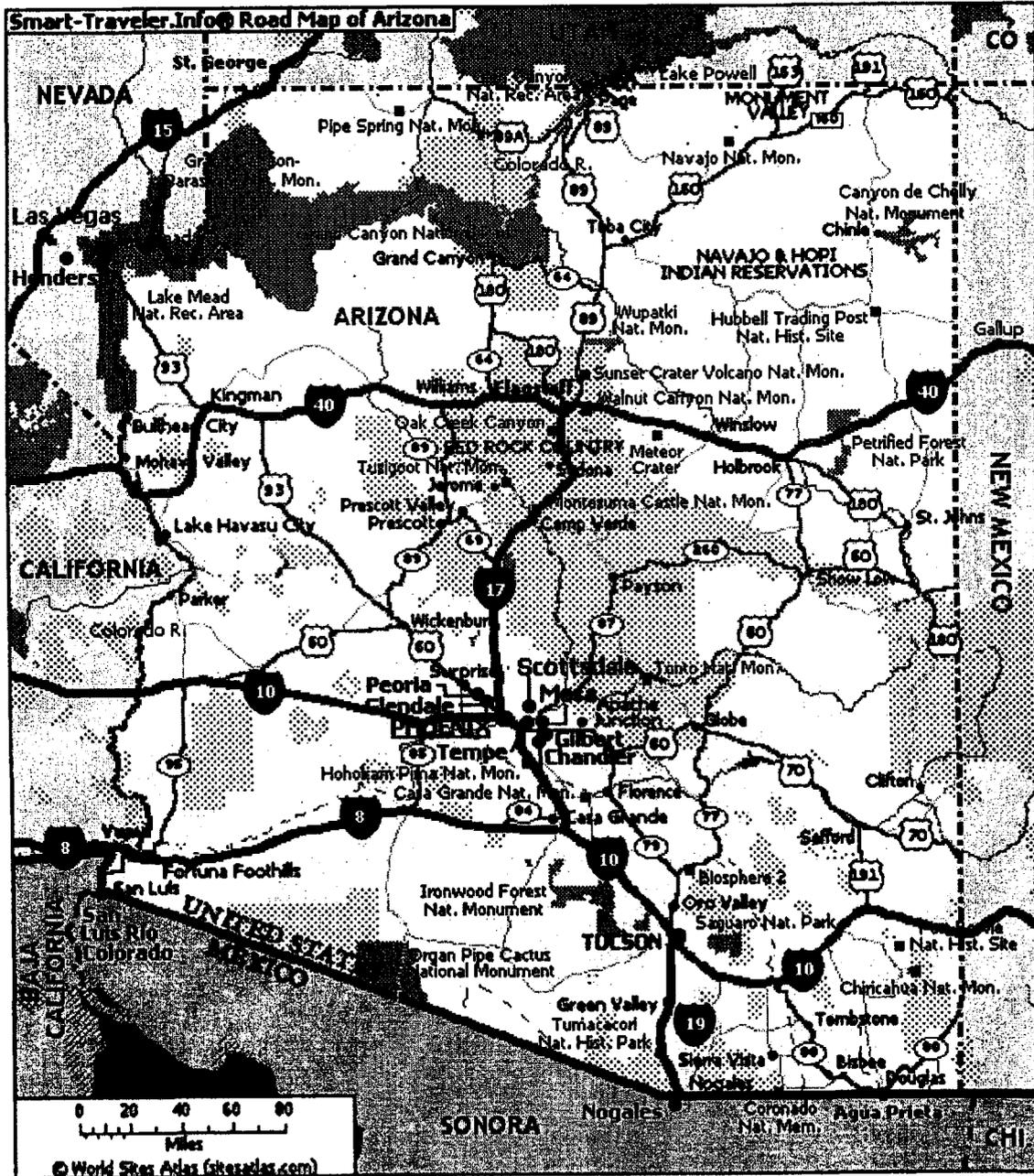
Effective: January 1, 2009

### EXPLANATION OF SYMBOLS

- (C) To signify changed listing, rule, or condition which may affect rates or charges
- (D) To signify discontinued material, including listing, rate, rule or condition
- (I) To signify increase
- (L) To signify material relocated from or to another part of tariff schedules with no change in text, rate, rule or condition
- (N) To signify new material including listing, rate, rule or condition
- (R) To signify reduction
- (S) To signify reissued regulations
- (T) To signify change in text but not change in rate, rule or condition
- (Z) To signify a correction

### SERVICE AREA MAPS

ExteNet's services are available statewide. The obligation of ExteNet to provide service is dependent upon its ability to procure, construct and maintain the facilities that are required to for the Customer Arrangement.



Issued: August 13, 2008

Issued by:  
Terry Ray  
Vice President

Effective: January 1, 2009

## 1 DEFINITIONS

**Business Hours:** The time after 8:00 a.m. and before 5:00 p.m., Monday through Friday, excluding Holidays.

**Business Office:** The primary location where the business operations of Company are performed and where the Company makes a copy of the Company's tariff available for public inspection during Business Hours. The address of the business is: 3030 Warrenville Road, Suite 340, Lisle, IL 60532.

**Commission:** The term "Commission" means the Arizona Corporation Commission.

**Common Carrier:** An authorized company or entity providing telecommunications services to the public.

**Company:** The term "Company" means ExteNet Systems, Inc.

**Competitive Local Carrier:** A Common Carrier authorized to provide services within exchange areas.

**Customer:** The person, firm or corporation that orders service and is responsible for the payment of charges and compliance with the terms and conditions of this tariff.

**Customer Arrangement:** Customer-specific arrangements that may vary from this tariff in rates, terms and/or conditions to meet customer-specific requirements and service-specific parameters.

**Customer Premises:** A location designated by the Customer for the purposes of connecting to the Company's services.

**Dark Fiber:** Unactivated optical fiber deployed without optoelectronics and through which no light is transmitted and no signal is carried.

**Delinquent or Delinquency:** An account for which payment has not been made in full on or before the last day for timely payment.

**Dim Fiber:** Unactivated optical fiber deployed with optoelectronics on one end owned by the customer, and on one end owned by the Company, and which may carry signals.

### 1 DEFINITIONS (cont'd.)

**Distributed Antenna System ("DAS"):** As used by Company, a network of components that input an RF signal from Customer equipment located at a Hub, convert it to an optical signal, transport it on fiber optic facilities to one or more remote locations, and then re-convert it back to an RF signal that is transmitted from an antenna at the remote location. This network is bi-directional, and the same components input an RF signal from an antenna at the remote location, convert it to an optical signal, transport it on fiber optic facilities to a Hub, and then re-convert it back to an RF signal that is handed off to Customer equipment located at a Hub.

**Hub:** A physical location, building or structure used to house the Company equipment and Customer equipment used to transfer originating and terminating traffic between Company and Customer.

**Holiday:** New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When holidays fall on Saturdays or Sundays, the holiday rate applies unless a larger discount would normally apply.

**Individual Case Basis ("ICB"):** Customer-specific arrangements that may vary from tariff in rates, terms and/or conditions according to Customer-specific requirements and service-specific parameters.

**Interruption:** The inability to complete calls due to equipment malfunctions or human errors. Interruption shall not include the failure of any service or facilities provided by a Common Carrier or other entity other than the Company. Any Interruption allowance provided within this tariff by Company shall not apply where service is interrupted by the negligence or willful act of the Customer, or where the Company, pursuant to the terms of this tariff, terminates service because of non-payment of bills, unlawful or improper use of the Company's facilities or service, or any other reason covered by this tariff or by applicable law.

**Interexchange Carrier:** A Common Carrier authorized to provide services between exchange areas.

**Lambda:** A specific wavelength on a fiber optic system.

**Non-Business Hours:** The time period after 5:00 p.m. and before 8:00 a.m., Monday through Friday, and all day Saturday, Sunday, and Holidays.

**Nonrecurring Charges:** Charges to the Customer for services and equipment, assessed by the Company once, usually at the origination or termination of services, and/or installation of equipment.

**1 DEFINITIONS (cont'd.)**

**Permanent Virtual Circuit ("PVC"):** A bi-directional transmission path of variable bandwidth that carries RF traffic between a Company Hub and one or more remote Point(s) of Presence, provisioned on a Company-provided DAS.

**Point of Presence:** A physical location at the remote end (i.e., non-Hub) of a PVC that hosts Company and/or Customer RF/optical conversion, fiber interconnect, and/or multiplexing equipment that is connected to the fiber optic system carrying the PVC.

**Recurring Charges:** Monthly, quarterly or other periodic charges to the Customer for services and equipment, which continue for the agreed-upon duration of the service.

**RF:** Radio Frequency.

**Service:** Any service or services, singly or in any combination, offered pursuant to the terms of this tariff.

**SONET:** Synchronous Optical Network standard for optical telecommunications transport services developed by the American National Standards Institute.

**Telecommunications:** The transmission of voice and/or data communications between two points.

**Timely Payment:** A payment on Customer's account made on or before the due date.

**Term Agreement:** An agreement between the Company and the Customer for a fixed period of time.

## **2 GENERAL REGULATIONS**

### **2.1 LIMITATIONS OF SERVICE**

- 2.1.1** Service requested by Customers is offered subject to the availability of the necessary facilities and/or equipment and subject to the provisions of this tariff.
- 2.1.2** Subject to Commission approval, the Company reserves the right to discontinue or limit service when necessitated by conditions beyond its control (examples of these conditions are more fully set forth elsewhere in this tariff), or when service is used in violation of provisions of this tariff or the law.
- 2.1.3** The Company does not undertake to transmit messages, but offers the use of its service when available, and, as more fully set forth elsewhere in this tariff, shall not be liable for errors in transmission or for failure to establish connections.
- 2.1.4** Subject to Commission approval, the Company reserves the right to discontinue service, limit service, or to impose requirements as required to meet changing regulatory or statutory rules and standards, or when such rules and standards have an adverse material affect on the business or economic feasibility of providing service, as determined by the Company in its reasonable judgment.
- 2.1.5** The Company reserves the right to refuse an application for service made by a present or former Customer who is indebted to the Company for service previously rendered pursuant to this tariff until the indebtedness is satisfied.

### **2.2 USE OF SERVICE**

- 2.2.1** Service may be used by the Customer for any lawful purpose for which the service is technically suited.
- 2.2.2** The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, process, or code. All right, title and interest to such items remain, at all times, solely with the Company.
- 2.2.3** Recording of telephone conversations of service provided by the Company under this tariff is prohibited except as authorized by applicable federal, state and local laws.

## **2 GENERAL REGULATIONS (cont'd.)**

### **2.2 USE OF SERVICE (cont'd.)**

#### **2.2.4 Use and Ownership of Equipment**

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

### **2.3 RESPONSIBILITIES OF THE CUSTOMER**

The Customer is responsible for: 1) placing any necessary orders; 2) complying with tariff regulations; 3) for assuring that users comply with tariff regulations; 4) payment of charges for calls originated from the Customer's telephone lines.

The Customer is responsible for arranging access to its premises at times mutually agreeable to Company and the Customer when required for installation, repair, maintenance, inspection or removal of equipment associated with the provision of Company services.

The Customer is responsible for maintaining its terminal and interconnection equipment and facilities in good operating condition. The Customer is liable for any loss, including loss through theft, of any Company equipment installed at Customer's premises.

The Customer shall be responsible for all calls placed by or through Customer's equipment by any person. In particular and without limitation to the foregoing, the Customer is responsible for any calls placed by or through the Customer's equipment via any remote access features.

## 2 GENERAL REGULATIONS (cont'd.)

### 2.4 SPECIAL ARRANGEMENTS AND CONSTRUCTION

Special 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. Customer may be required to pay a non-recurring charge in advance for some or all costs for construction or rearrangement of facilities needed for special arrangements and construction. Such payment is not a service deposit or pre-payment against which service charges will be billed. Rates and charges for special arrangements or special construction will be set forth in writing in individual contracts. Special arrangements will be offered on a non-discriminatory basis to similarly situated Customers in substantially similar circumstances. Upon reasonable request, Company will make available to the Commission and its staff copies of customer contracts designated as protected data pursuant to the Minnesota Government Data Practices Act, Minnesota Statutes Section 13.37.

Where the Company furnishes a facility or service under a special arrangement or special construction, charges will be based on the costs incurred by the Company and may include: (1) non-recurring charges; (2) monthly recurring charges; (3) termination liabilities; or (4) combinations thereof.

#### 2.4.1 Basis for Cost Computation

Costs for special construction may include one or more of the following items to the extent they are applicable:

Cost of installed facilities to be provided including estimated costs for the rearrangements of existing facilities. These costs may include:

- (a) installation of equipment and materials provided or used;
- (b) engineering, labor and supervision during construction;
- (c) transportation of materials; and
- (d) rights of way, easements or other property rights required for transmission facilities;
- (e) Maintenance;
- (f) depreciation on the estimated cost installed of any facilities provided, based on the anticipated useful service life of the facilities with an appropriate allowance for the estimated net salvage;
- (g) Administration, taxes and uncollectible revenue on the basis of reasonable average costs for these items;

## **2 GENERAL REGULATIONS (cont'd.)**

### **2.4 SPECIAL ARRANGEMENTS AND CONSTRUCTION (CONT'D.)**

#### **2.4.1. Basis for Cost Computation (cont'd.)**

- License preparation, processing and related fees;
- Tariff preparation, processing and other related regulatory fees;
- Any other identifiable costs related to the facilities provided; and
- An amount for return and contingencies.

### **2.5 TERMINATION LIABILITY**

To the extent that Company cannot use or reuse facilities requested by Customer or necessary for special arrangements or construction, a termination liability may apply whether or not the Company has begun providing service.

- 2.5.1 The termination liability period is the estimated service life of the facilities provided.
- 2.5.2 The amount of the maximum termination liability is equal to the estimated cost for installation and operation of the service during its service life. Costs include those items previously listed in Section 2.5.1 above.
- 2.5.3 The applicable termination liability will be calculated based on the following:
  - 2.5.3.1 Multiplying the sum of the amounts determined as set forth in Section 2.5.1 above by a factor related to the unexpired period of liability and the discount rate for return and contingencies.
  - 2.5.3.2 The amount determined in Section 2.5.1 above shall be adjusted to reflect the predetermined estimate net salvage, if any, including any reuse of the facilities provided.
  - 2.5.3.3 The final termination liability is then adjusted to reflect applicable taxes or regulatory fees.

## **2 GENERAL REGULATIONS (cont'd.)**

### **2.6 NON-ROUTINE INSTALLATION AND/OR MAINTENANCE**

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

Issued: August 13, 2008

Issued by:  
Terry Ray  
Vice President

Effective: January 1, 2009

### **3 RULES**

#### **3.1 DESCRIPTION OF SERVICE**

Company provides facilities-based competitive telecommunications services. Service is offered for private line point-to-point circuits to non-residential customers on a Distributed Antenna System pursuant to the terms of this Tariff. Company does not provide switched services or dial tone. Descriptions applicable to specific offerings are found in the Rate Schedules of this Tariff. Service is not offered or available for purchase by residential and/or business end users.

Service is available 24 hours per day, seven days per week and is subject to the availability of necessary equipment and facilities and the economic feasibility of providing such necessary equipment and facilities.

Services are offered via the Company's facilities (whether owned, leased, or under contract) where available, in combination with facilities or resold services provided by other carriers or providers.

#### **3.2 APPLICATION FOR SERVICE**

Applicants must initiate service with the Company pursuant to a completed and signed written service order. Prior to finalizing a written agreement for services, the Company will inform Customer of all rates and charges for the desired services and any other rates or charges that will appear on the Customer's first bill.

In addition, within 10 days of initiating service, the Company will provide a new Customer a written statement of all material terms and conditions affecting what the Customer will pay for services provided by Company.

Filing an application for service pursuant to this Tariff authorizes the Company to conduct a credit search on the Customer. The Company reserves the right to refuse service on the basis of credit history.

The Company shall provide applicants who are denied service for failure to establish credit the reason for the denial in writing within 10 days of the service denial.

### **3 RULES (cont'd.)**

#### **3.2 APPLICATION FOR SERVICE (cont'd.)**

##### **3.2.1 Cancellation of Application for Service**

Where the applicant cancels an application for service prior to the receipt of final order confirmation, or prior to the start of special construction, no charge applies.

Where installation of service has been started prior to the cancellation, a cancellation charge equal to the costs incurred by the Company may apply. Such charges will be calculated on a case-by-case basis.

#### **3.3 CONTRACTS**

Contracts will be used for Individual Case Basis ("ICB") service offerings or Special Construction. Contracts will be offered in response to the specific, individual requirements of the customer. Such contract rates or customer-specific pricing differs from the Company's standard or general tariffed offerings because they are based on special circumstances such as a volume or term commitment, or a Customer-specific service arrangement. The terms and conditions of each contract offering are subject to the agreement of both the Customer and Company.

Contract offerings will be made available to similarly situated Customers in substantially similar circumstances. Contracts are available to any similarly situated Customer that places an order within 90 days of the contract's effective date.

#### **3.4 SPECIAL INFORMATION REQUIRED ON FORMS**

##### **3.4.1 Customer Bills**

The Company shall be identified on each Customer bill. Each bill will prominently display a toll-free number for service or billing inquiries, together with an address where the Customer may write to the Company. If the Company uses a billing agent, the Company will also include the name of such billing agent. Each bill for telephone service will contain notations concerning the following:

- (a) When to pay the bill;
- (b) Billing detail, including the period of service covered by the bill;
- (c) Late payment charges and when they apply;
- (d) How to pay your bill;
- (e) Questions about your bill;
- (f) How to contact the Company with questions about the bill.

**3 RULES (cont'd.)**

**3.5 ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT**

Company may require Customer or potential Customer to provide information pertaining to its financial ability to pay for service. Company may deny service to Customers who do not provide the requested information or who fail to meet Company's financial criteria. If service was discontinued for non-payment of charges, the Company may request additional information from the Customer.

**3.5.1 Credit Information**

Each applicant for service shall provide credit information satisfactory to the Company.

**3.6 DEPOSITS**

The Company does not collect deposits, advances or prepayments.

**3.7 NOTICES**

Notices provided to the Customer by the Company shall be as follows:

**3.7.1 Rate Information**

Rate information and information regarding the terms and conditions of service shall be provided in writing upon request by a current or potential Customer. Notice of rate increases and/or more restrictive term or condition of service shall be provided in writing to Customers and postmarked at least 25 days prior to the effective date of the change or on the date when the Commission approves such change.

### **3 RULES (cont'd.)**

#### **3.7 NOTICES (cont'd.)**

##### **3.7.2 Discontinuance of Service Notice**

###### **3.7.2.1 Notice by Customer**

Customer is responsible for notifying the Company of its desire to discontinue service on or before the date of disconnection. Such notice must be in writing.

###### **3.7.2.2 Notice by Company**

Notices to discontinue service for nonpayment of bills shall be provided in writing by first class mail to the Customer not less than 7 calendar days prior to termination. Each notice shall include all of the following information:

- (a) The name and address of the Customer whose account is delinquent.
- (b) The amount that is delinquent.
- (c) The date when payment or arrangements for payment are required in order to avoid termination.
- (d) The telephone number of a representative of the Company, who can provide additional information or institute arrangements for payment.

##### **3.7.3 Change in Ownership or Identity**

Company shall notify Customer of a change in corporate ownership or identity of Company on the Customer's next monthly bill.

##### **3.7.4 Rules for Company Notices**

Notices the Company sends to Customers, or the Commission, shall be a legible size and printed in a minimum point size type of 10 and are deemed made on date of presentation.

#### **3.8 RENDERING AND PAYMENT OF BILLS**

The Customer is responsible for payment of all charges for services and equipment furnished by the Company to the Customer. All charges due by the Customer are payable to the Company or to the Company's authorized billing agent upon presentation of the bill. Any objections to billed charges must be reported to the Company or its billing agent within 1 year after receipt of bill. Adjustments to the Customer's bill shall be made

### 3 RULES (cont'd.)

#### 3.8 RENDERING AND PAYMENT OF BILLS (cont'd.)

to the extent circumstances exist that reasonably indicate that such changes are appropriate.

##### 3.8.1 Collection Fees & Expenses

In the event that the Company incurs fees or expenses, including attorney's fees, collecting, or attempting to collect, any charges owned to the Company, the Company may charge the Customer all such fees and expenses reasonably incurred, including a collection fee on the unpaid charges accruing at a rate of one-and-one half percent (1.5%) per month. Collection fees on unpaid charges shall begin to accrue when the account is assigned to an outside collection agency. Such collection fees are separate and distinct from attorney's fees and other costs incurred in collecting charges owed to the Company. In any legal dispute between the Customer and the Company, the nonprevailing party may be liable for court costs and attorney fees as determined by the court or the Commission.

##### 3.8.2 Bill Payment

Bills are due and payable on the date of presentation. A late payment charge may be applied if payment is not received by the Company on or before the late payment date that shall be prominently displayed on the Customer's bill. The late payment date will be at least 30 days after the date of presentation on the billing envelope. The Company shall credit payments within 24 hours of receipt to avoid assessing late payment charges incorrectly.

##### 3.8.3 Surcharges

In addition to other sales and usage taxes, the Company will add to Customer's bill certain federal, state and local surcharges. Such charges shall be separately stated on the Customer's bill.

##### 3.8.4 Previous Charges on Bill

A bill will not include any previously unbilled charge for service furnished prior to three months immediately preceding the date of the bill.

#### 3.9 DISPUTED BILLS

Customers should notify the Company's customer service organization of billing disputes in writing. In the case of a dispute between a Customer and the Company as to the correct amount of a bill rendered by the Company for service furnished to the Customer, which cannot be resolved with mutual satisfaction, the Customer may make the

### **3 RULES (cont'd.)**

#### **3.9 DISPUTED BILLS (cont'd.)**

arrangements set forth below. The Company will not suspend or discontinue the Customer's service for non-payment so long as the Customer complies with the procedures set forth in this Section.

##### **3.9.1 Company Investigation**

The Customer may make a written request, and the Company shall comply with the request, for an investigation and review of the disputed amount. Inquiries or disputes regarding Customer bills should be directed to:

ExteNet Systems, Inc.  
Attn: Mr. Terry Ray  
3030 Warrenville Road, Suite 340  
Lisle, IL 60532

##### **3.9.2 Undisputed Portion of Bill**

The undisputed portion of the bill, and subsequent bills must be paid by the "Due By" date (no sooner than 15 days of the date of presentation) shown on the bill. If the undisputed portion of the bill and subsequent bills become delinquent as described herein, the service may be subject to disconnection so long as the Company has notified the Customer by written notice of such delinquency and impending termination.

##### **3.9.3 Payment of Disputed Portion of Bill**

In order to avoid disconnection of service and late payment charges, the disputed amount must be paid within 14 calendar days after the date on which the Company notifies the Customer that the investigation and review are complete, and that payment of the disputed amount of the bill must be made to avoid suspension or discontinuance of service. However, the Company will not suspend or discontinue service prior to the "Due By" date shown on the bill.

##### **3.9.4 Commission Inquiries or Complaints**

If, after investigation by the Company, a dispute remains as to the Customer's bill, the Customer may submit an inquiry or complaint to:

Arizona Corporation Commission  
Utilities Division  
1200 West Washington  
Phoenix, AZ 85007-2996

**3 RULES (cont'd.)**

**3.9 DISPUTED BILLS (cont'd.)**

**3.9.4 Commission Inquiries or Complaints (cont'd.)**

(602) 542-4251; 1-800-222-7000 (in state only)  
mailmaster@cc.state.az.us

Or

Arizona Corporation Commission  
400 West Congress  
Tucson, AZ 85701-1347  
(520) 628-6550; 1-800-535-0148 (in state only)

**3.10 DISCONTINUANCE AND RESTORATION OF SERVICE**

**3.10.1 Discontinuance of Service by Customer**

The Customer may discontinue service upon written notice to the Company no less than thirty (30) days prior to the date on which the Customer wishes to discontinue service. The Company shall hold the Customer responsible for payment of all bills for service furnished until the cancellation date specified by the Customer or until the date that the written cancellation notice is received, whichever is later. The Customer may also be responsible for charges incurred by the Company for Special Construction, as described in Section 1.4 and 1.5. A termination liability charge applies to early cancellation of a Term Agreement.

At the expiration of the initial term specified in Customer's Service Order, or any extension thereof, service shall continue month-to-month at the then current rates unless terminated by either party. Any termination shall not relieve the Customer of its obligation to pay charges incurred under the Service Order or this tariff prior to termination.

**3.10.2 Discontinuance of Service by Company with Notice**

The Company may discontinue service to the Customer by providing seven (7) days written notice for:

- (a) for failure of the Customer to meet the Company's credit requirements;
- (b) for failure of the Customer to make proper application for service;

**3 RULES (cont'd.)**

**3.10 DISCONTINUANCE AND RESTORATION OF SERVICE (cont'd.)**

**3.10.2 Discontinuance of Service by Company with Notice (cont'd.)**

- (c) for Customer's breach of the contract for service between the Company and the Customer;
- (d) for failure of the Customer to furnish such service, equipment, and/or rights-of-way necessary to serve said customer as shall have been specified by the utility as a condition of obtaining service;
- (e) Violations, or failure to comply with, any regulation governing the service under this tariff;
- (f) A violation of any law, rule, or regulation of any government authority having jurisdiction over the service;
- (g) Non-payment of any undisputed sum due to the Company for service more than thirty (30) days beyond the date the bill was posted;
- (h) Neglect or refusal to provide the Company reasonable access for the purpose of inspection and maintenance of equipment owned by the Company;
- (i) When necessary for the Company to comply with any order, decision, or request of any governmental authority having jurisdiction;
- (j) If necessary to protect the Company or third parties against fraud or to otherwise protect its personnel, agents, facilities or services without notice;
- (k) For unlawful, unauthorized or fraudulent use of the service or use of the service for unlawful purposes; or
- (l) If the Customer provides false information to the Company regarding the Customer's identity, address, creditworthiness, or past, current or planned use of Company's services.

**3.10.3 Discontinuance of Service by Company without Notice**

The Company may discontinue service to the Customer without notice:

- (a) in the event the Customer is tampering with the Company's equipment;

**3 RULES (cont'd.)**

**3.10 DISCONTINUANCE AND RESTORATION OF SERVICE (cont'd.)**

**3.10.3 Discontinuance of Service by Company without Notice (cont'd.)**

- (b) in the event of a condition determined to be hazardous to the customer, to other customers of the company, to the company's equipment, the public, or to employees of the company; or
- (c) in the event of a customer's use of equipment in such a manner as to adversely affect the company's equipment or the company's service to others.

**Timing of Discontinuance**

Service will not be discontinued on any Friday, Saturday, Sunday or legal holiday, or at any time when the company's business offices are not open to the public, except where an emergency exists.

**Re-connection After Non-payment**

Service may be restored after discontinuance for nonpayment if the Customer establishes credit worthiness. Customer whose service has been discontinued for nonpayment of bills will be required to pay the unpaid balance due to the Company and may be required to pay reconnect charges.

**Disconnection Due to Fraud**

The Company reserves the right to refuse to re-establish service to Customer for whom service was disconnected due to reasons of fraud, tampering with equipment, violations of rules and regulations, or similar reasons.

**Termination Liability**

Unless otherwise specified in individually negotiated contracts, the termination liability for services purchased under a Term Agreement will be equal to the lesser of either:

- (a) One hundred percent (100%) of the unpaid monthly recurring charges applicable to the remaining portion of the term; or
- (b) The difference between the monthly rate for the selected term plan and the monthly rates for the longest term plan that Customer could have satisfied prior to early discontinuance of service.

### **3 RULES (cont'd.)**

#### **3.11 INFORMATION TO BE PROVIDED THE PUBLIC**

The Company's tariffs are available for inspection and information regarding the Company's service is available upon request and open to public inspection by inquiring in person or writing to:

ExteNet Systems, Inc.  
3030 Warrenville Road, Suite 340  
Lisle, IL 60532

Customers may call 630-505-3800 to order or change a service.

#### **3.12 TEMPORARY SERVICE**

From time to time, the Company may agree to install temporary service for a Customer for demonstration purposes only. Such service will not be continued for more than 30 days. Customer use of such temporary service will be subject to the rates and regulations provided in this tariff.

#### **3.13 LIABILITY OF THE COMPANY**

##### **3.13.1 Limitations of Liability**

The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, or errors, or defects in any of the services including private line service, or facilities furnished by the Company up to and including its Local Loop Demarcation Point and supplemental equipment, shall in no event exceed an amount equal to the pro rata charges to the Customer for the period during which the services or facilities are affected by the mistake, omission, interruption, delay, error or defect, provided, however, that where any mistake, omission, interruption, delay, error or defect in any one service or facility affects or diminishes the value of any other service said liability shall include such diminution, but in no event shall the liability exceed the total amount of the charges to the Customer for all services or facilities for the period affected by the mistake, omission, interruption, delay, error or defect.

In the event an error or omission is caused by the gross negligence of the Company, the liability of the Company shall be limited to and in no event exceed the sum of \$10,000.

### **3 RULES (cont'd.)**

#### **3.13 LIABILITY OF THE COMPANY (cont'd.)**

The Company shall be indemnified and held harmless by the customer or Customers against claims for libel, slander, or the infringement of copyright arising directly or indirectly from the material transmitted over the facilities or the use thereof; against claims for infringement of patents arising from, combining with, or using in connection with, facilities furnished by the Company, apparatus and systems of the Customer; and against all other claims arising out of any act or omission of the customer in connection with the facilities provided by the Company.

Neither the Company, nor any concurring, connecting or other participating carrier shall be liable for any act or omission of any other company or companies furnishing a portion of such service.

The Company is not responsible to the customer, authorized user, joint user, or patron of a reseller for injuries or damages to persons or property arising from the use, installation or existence of customer-provided equipment or power supply.

#### **3.14 SERVICE INTERRUPTIONS AND CREDITS**

Credit allowance for interruptions of service which are not due to Company's testing or adjusting, to the negligence of the Customer, or to the failure of channels, equipment or communications system provided by Customer are subject to Section 13.13.1 above. It shall be the obligation of the Customer to notify the Company of any interruptions in service. Before giving such notice, Customer shall ascertain that the trouble is not being caused by any action or omission of Customer, within its control, and is not in wiring or equipment connected to the terminal of Company.

#### **3.15 EMERGENCIES**

The use and restoration of service in emergencies shall be in accordance with Part 64, Subpart D of the Federal Communications Commission's Rules and Regulations, which specifies the priority system for such activities.

#### **3.16 PRORATED BILLS**

Any prorated bill shall use a 30-day month to calculate the pro-rata amount. Prorating shall apply only to recurring charges. All nonrecurring and usage charges incurred during the billing period shall be billed in addition to prorated amounts.

**3 RULES (cont'd.)**

**3.17 SERVICE CONNECTIONS AND FACILITIES ON CUSTOMER'S PREMISES**

**3.17.1 Provisioning Services**

Service furnished by the Company may be interconnected with services or facilities of other Common Carriers and with private systems, subject to the technical limitations established by the Company. Service furnished by the Company is not part of a joint undertaking with such other Common Carriers.

**3.17.2 Interconnection**

Interconnection with the facilities or services of other Common Carriers shall be under the applicable terms and conditions of the other Common Carrier's tariffs. Customer is responsible for taking all necessary legal steps for interconnecting its Customer—provided terminal equipment or communications systems with the Company's facilities. Customer shall secure all licenses, permits, right-of-way, and other arrangements necessary for such interconnection.

**3.17.3 Customer Equipment**

Company's facilities and service may be used with or terminated in Customer-provided connections, terminal equipment and/or communications systems. Such terminal equipment shall be furnished and maintained at the expense of Customer, except as otherwise provided. Customer is responsible for all costs at its premises, including personnel, wiring, electrical power, and the like, incurred in the use of the Company's service. When such terminal equipment is used, the equipment shall comply with the generally accepted minimum protective criteria standards of the telecommunications industry.

### **3 RULES (cont'd.)**

#### **3.18 DEMARCATION POINT**

The Company will provide facilities, equipment, and services to its network demarcation point. The Company is responsible for the provisioning and maintenance of its facilities, equipment, and services to the network demarcation point, including those located at that point.

The Customer is responsible for the completion of services beyond the Company's network demarcation point. Customer requested services beyond the network demarcation point may be provided by the Company at the Customer's expense.

#### **3.19 DISCLAIMER OF WARRANTIES**

**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 WITHIN.**

#### **3.20 FORCE MAJEURE**

The Company will not be liable for any failure of performance due to causes beyond its control, including but not limited to cable dig-up by third party, utility outages, acts of God, civil disorders, actions of governmental authorities, actions of civil or military authority, labor problems, national emergency, insurrection, riots, war, fire, flood, and atmospheric conditions or other phenomena of nature, such as radiation. In addition, the Company will not be liable for any failure of performance due to necessary network reconfiguration, system modifications for technical upgrades, or actions taken by any court or government agency having jurisdiction over the Company.

## 4 RATE SCHEDULES

### 4.1 SCHEDULE 1: DEDICATED POINT-TO-POINT PERMANENT VIRTUAL CIRCUIT ("PVC") TRANSPORT SERVICE

#### 4.1.1 Service Description

Dedicated Point-To-Point PVC Transport Service is available on the Company's Distributed Antenna Systems. Dedicated Point-To-Point PVC Transport Service begins at a Company Hub. Customers are responsible for providing or obtaining circuits to connect from their networks to the Company Hub. The Hub contains Customers' circuit terminating equipment, Base Transceiver Station and related peripheral equipment, as well as Company's and/or Customer's RF/Optical conversion equipment. The RF/Optical conversion equipment converts Customers' RF signals into optical signals, and places those signals into a PVC that traverses Company DAS network facilities between the Hub and one or more Points of Presence ("POPs").

#### 4.1.2 Monthly Recurring Rate Elements

The following monthly recurring rate elements apply to Dedicated Point-To-Point PVC Transport Service:

##### 4.1.2.1 Signal Conversion Rate

Signal Conversion Rates apply where Company owns the RF/optical conversion equipment. Signal Conversion Rates are not applicable when the Customer owns the RF/optical conversion equipment.

##### 4.1.2.2 Local Signal Conversion Rate

A Local Signal Conversion Rates applies when the RF/optical conversion equipment located at the Hub is owned and operated by Company.

##### 4.1.2.3 Remote Signal Conversion Rates

Remote Signal Conversion Rates apply when the RF/optical conversion equipment located at the POPs distributed throughout a Company network is owned and operated by Company.

#### **4. RATE SCHEDULES (cont'd.)**

#### **4.1 Schedule 1: Dedicated Point-To-Point Permanent Virtual Circuit ("PVC") Transport Service (cont'd.)**

##### **4.1.2 Monthly Recurring Rate Elements (cont'd.)**

##### **4.1.2.4 Committed Information Rate**

The Committed Information Rate ("CIR") of a PVC is the amount of bandwidth selected by Customer to carry the RF traffic that is optically converted and transported over the Company DAS network, stated in MegaHertz ("MHZ") and made available in Tiers (increments) of 5 MHZ to 60 MHZ per PVC.

##### **4.1.2.5 Permanent Virtual Circuit ("PVC") Rate Elements**

PVC Rate Elements relate to both the physical layer and the bandwidth required to create a PVC to transport Customer's CIR from the Hub to one or more POPs on the Company DAS network. The rate elements that will apply depend on the type of optical conversion and multiplexing methodology used to aggregate one or more Customer CIR Tiers over a PVC to one or more POPs.

##### **4.1.2.5.1 Dedicated Strand Charge**

The Dedicated Strand Charge applies to PVCs utilizing one or more dim or dark fibers between the Hub and the POP(s).

##### **4.1.2.5.2 Wave Division Multiplexed ("WDM") Charge**

The WDM Charge applies to PVCs utilizing one or more lambdas engineered with WDM technology and equipment on a fiber between the Hub and the POP(s). The WDM charge applies to all current and future variations of WDM, including but not limited to Coarse Wave and Dense Wave Division Multiplexing in both analog and digital transport topologies.

##### **4.1.2.5.3 SONET Ring Charge**

The SONET Ring Charge applies to a PVC deployed on a SONET ring network configuration, using Dedicated Strand(s) or WDM, engineered in a point to multi-point configuration. SONET Ring PVCs may be provisioned using customary add/drop, physical interconnect or WDM technology for both originating and terminating traffic, from a Hub to one or more POPs connected to the SONET Ring.

#### **4. RATE SCHEDULES (cont'd.)**

#### **4.1 Schedule 1: Dedicated Point-To-Point Permanent Virtual Circuit ("PVC") Transport Service (cont'd.)**

##### **4.1.2 Monthly Recurring Rate Elements (cont'd.)**

##### **4.1.2.5 Permanent Virtual Circuit ("PVC") Rate Elements (cont'd.)**

##### **4.1.2.5.4 Add/Drop Charges**

Add/Drop charges apply to each POP requested by Customer on a SONET Ring or point to multi-point PVC.

##### **4.1.3 Non-Recurring Rate Elements**

The following non-recurring rate elements may apply to Dedicated Point-To-Point PVC Transport Service:

##### **4.1.3.1 Lateral Construction Charge**

A Lateral Construction Charge applies where POPs requested by Customer are to be integrated into a Company network and the cost of construction of the lateral and/or building riser facilities cannot reasonably be recovered by Company over the expected duration of service to Customer.

##### **4.1.3.2 Lateral Connection Charge**

A Lateral Connection Charge applies where POPs requested by Customer are to be integrated into a Company network and the cost of (i) interconnecting to circuits or facilities not owned by Company, and/or (ii) non-standard interconnection requested by Customer, cannot reasonably be recovered by Company over the expected duration of service to Customer.

##### **4.1.3.3 Network Connection Charge**

A Network Connection Charge applies where Company provides certain specified network integration and connection services to integrate and optimize the physical and virtual connections between Company and Customer equipment.

**4. RATE SCHEDULES (cont'd.)**

**4.1 Schedule 1: Dedicated Point-To-Point Permanent Virtual Circuit ("PVC") Transport Service (cont'd.)**

**4.1.4 Rates.** Rates will be calculated based on the number and type of rate elements chosen by the customer.

	<u>PVC RATE ELEMENT</u>	<u>MONTHLY RECURRING CHARGE</u>	<u>CHARGING BASIS</u>
<b>1.1</b>	<b><u>SIGNAL CONVERSION RATES</u></b>		
1.1.1	Local Signal Conversion Rate	\$500.00	Per Month Per POP
1.1.2	Remote Signal Conversion Rate	\$2,000.00	Per Month Per POP
<b>1.2</b>	<b><u>COMMITTED INFORMATION RATES</u></b>		
1.2.1	Tier 1: 5 MHZ	\$2,000.00	Per Month Per POP
1.2.2	Tier 2: 10 MHZ	\$2,275.00	Per Month Per POP
1.2.3	Tier 3: 15 MHZ	\$2,425.00	Per Month Per POP
1.2.4	Tier 4: 20 MHZ	\$2,575.00	Per Month Per POP
1.2.5	Tier 5: 25 MHZ	\$2,725.00	Per Month Per POP
1.2.6	Tier 6: 30 MHZ	\$2,875.00	Per Month Per POP
1.2.7	Tier 7: 35 MHZ	\$3,025.00	Per Month Per POP
1.2.8	Tier 8: 40 MHZ	\$3,175.00	Per Month Per POP
1.2.9	Tier 9: 45 MHZ	\$3,325.00	Per Month Per POP
1.2.10	Tier 10: 50 MHZ	\$3,475.00	Per Month Per POP
1.2.11	Tier 11: 55 MHZ	\$3,625.00	Per Month Per POP
1.2.12	Tier 12: 60 MHZ	\$3,775.00	Per Month Per POP
<b>1.3</b>	<b><u>PERMANENT VIRTUAL CIRCUIT ELEMENTS</u></b>		
1.3.1	Dedicated Fiber Strand	\$5,200.00	Per Month Per Strand
1.3.2	WDM	\$3,900.00	Per Month Per POP
1.3.5	SONET Ring	\$2,080.00	Per Month Per Ring
1.3.6	Add / Drop	\$625.00	Per Month Per Drop
<b>2</b>	<b><u>NONRECURRING ELEMENTS</u></b>	<b><u>NONRECURRING CHARGES</u></b>	
2.1	Lateral Construction Charge	\$200,000.00	Per POP
2.2	Lateral Connection Charge	\$30,000.00	Per POP
2.3	Network Connection Charge	\$100,000.00	Per Network

#### **4. RATE SCHEDULES (cont'd.)**

##### **4.2 SCHEDULE 2: COLLOCATION**

###### **4.2.1 Service Description**

Collocation service allows a Customer to place Customer's telecommunications equipment on certain of the Company's premises and within space allocated at the Company's Hubs, in designated locations at such premises. Collocation shall be subject to the availability of appropriately sized and located space at such locations. The prices, terms and conditions of collocation shall be negotiated between the Company and Customer on a site-specific basis. The Company shall provide space that is appropriately conditioned for Customer's equipment.

###### **4.2.2 Non-Recurring and Monthly Recurring Rates**

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#### 4. RATE SCHEDULES (cont'd.)

### 4.3 SCHEDULE 3: SPECIAL CONSTRUCTION

#### 4.3.1 Service Description

Special construction or arrangement of facilities may be undertaken on a reasonable efforts basis at the request of the Customer. The Company will determine whether to undertake special construction, and what charges should apply. Special construction may be undertaken in the following circumstances:

- (a) where facilities are not presently available,
- (b) where the service is of a type other than that which the Company would normally utilize in the furnishing of its service;
- (c) where the service is requested over a route other than that which the Company would normally utilize in the furnishing of its services;
- (d) where the service is in a quantity greater than that which the Company would normally provide;
- (e) where service is requested on an expedited basis;
- (f) where service is requested on a temporary basis until permanent facilities are available;
- (g) where the service requested involves abnormal costs; or
- (h) where service is requested in advance of the Company's normal construction schedule.

#### 4.3.2 Non-Recurring and Monthly Recurring Rates

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#### **4. RATE SCHEDULES (cont'd.)**

#### **4.4 SCHEDULE 4: TIME AND MATERIALS SERVICE**

##### **4.4.1 Service Description**

This service provides for the Time and Materials charges associated with installation, maintenance, testing and repair deemed to be associated with equipment and facilities not provided by the Company or deemed to be non-standard or non-routine.

The Company shall have no responsibility for the maintenance and repair of any kind with respect to equipment and facilities not provided by the Company. The Company will charge the Customer time, materials and charges listed in Section 2 for any maintenance visits with respect to service problems which are determined to arise from equipment or facilities not provided by the Company.

When a Customer reports a trouble to the Company for clearance and no trouble is found in the Company's facilities, the Customer shall be responsible for payment of Time and Materials Charges as listed in Section 2 for the period of time from when the Company personnel were dispatched to the Customer's premises to when the work is completed. Failure of Company personnel to find trouble in Company facilities will result in no charge if the trouble is actually in those facilities, but not discovered at the time.

If the Customer, after being informed that the trouble is not in Company facilities, wishes to have the maintenance work performed by Company, and the Company agrees to perform the work, the Time and Materials Charges listed below shall apply.

At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases Time and Materials Charges listed in Section 2 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.

##### **4.4.2 Non-Recurring and Monthly Recurring Rates**

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