

ORIGINAL

NEW APPLICATION



0000154080

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

T-20918A-14-0342

Arizona Corporation Commission
DOCKETED

SEP 19 2014

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

DOCKETED BY

Type of Service: _____

Docket No.: _____ Date: _____

Date Docketed: _____

Type of Service: _____

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)

(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:

Talk America Services, LLC ("TAS" or "Applicant")
4001 N. Rodney Parham Rd.
Little Rock, AR 72212
Tel: (501) 748-5870
Fax: (330) 425-0881

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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:

Jeffery W. Small
Senior Vice President - Corporate Development and Operations
Talk America Services, LLC
4001 N. Rodney Parham Rd.
Little Rock, AR 72212
Tel: (501) 748-5870
Fax: (330) 425-0881
jeffery.w.small@windstream.com

(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:

Joan S. Burke
Law Office of Joan S. Burke
1650 N. First Avenue
Phoenix, AZ 85003
Tel: (602) 535-0396
joan@jsburkelaw.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:

Jim Severance
2134 W Laburnum Avenue
Richmond, VA 23227
Tel: (804) 422-4729
Fax: (330) 425-0881
james.severance@windstream.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, X 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.

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

Please see **Attachment A**.

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

Please see **Attachment B** included with this application.

Your Tariff must include the following information:

1. Proposed Rates and Charges for each service offered (reference by Tariff page number).
Telecommunications Services Tariff - Arizona C.C. Tariff No. 1, Pages 41-54 (Section 3)
2. Tariff Maximum Rate and Prices to be charged (reference by Tariff page number).
Telecommunications Services Tariff - Arizona C.C. Tariff No. 1, Pages 41-54 (Section 3)
3. Terms and Conditions Applicable to provision of Service (reference by Tariff page number).
Telecommunications Services Tariff - Arizona C.C. Tariff No. 1, Pages 17-38 (Section 2)
4. Deposits, Advances, and/or Prepayments Applicable to provision of Service (reference by Tariff page number).
Telecommunications Services Tariff - Arizona C.C. Tariff No. 1, Page 24 (Section 2.7)
5. The proposed fee that will be charged for returned checks (reference by Tariff page number).
Telecommunications Services Tariff - Arizona C.C. Tariff No. 1, Page 43 (Section 3.4.4)

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



Statewide. (Applicant adopts statewide map of Arizona provided with this application).



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 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.

Neither Applicant nor any of its officers, directors, partners, or managers has been or are currently involved in any formal or informal complaint proceedings before any state or federal regulatory commission, administrative agency, or law enforcement agency.

(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.

Neither Applicant nor 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.

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

Yes 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 * No

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

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

Yes * No

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

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

Yes No

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

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

Yes 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.

*** Applicant would prefer consistent with recent Commission practice that no bond be required. TAS will not collect or require deposits from customers.**

(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.

The Company's deposit policy is included in the attached Arizona C.C. Tariff No. 1 at Page 24, included with this Application as Attachment B.

(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.

Applicant will submit copies of the affidavits of publication for its legal notice, as directed by the Commission after filing of this Application.

(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 No

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

TAS will initially resell the services of its current affiliates:

- 1. McLeodUSA Telecommunications Services, LLC is authorized to provide local exchange and interexchange services pursuant to Commission authorization in Docket T-03267A.**
- 2. Paetec Communications, Inc. is authorized to provide interexchange services pursuant to Commission authorization in Docket No. T-03663A.**
- 3. Talk America, Inc. is authorized to provide interexchange services pursuant to Commission authorization in T-03342A.**
- 4. Windstream Communications, Inc. is authorized to provide interexchange services pursuant to Commission authorization in T-20436A**

(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:

TAS is not currently authorized to provide intrastate telecommunications services in any jurisdiction, and therefore has not been denied authority to provide telecommunications services in any state, but is in the process of obtaining authority to provide intrastate telecommunications services in all of the contiguous United States and the District of Columbia. Applicant is not seeking authority to provide service in Alaska and Hawaii.

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.

(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.

See answer to A-18.

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.

Descriptions of the key personnel of TAS are attached hereto as Attachment E. TAS's highly-qualified staff will ensure that its operations will meet high standards for service quality and reliability.

(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.

Not Applicable. Applicant does not have affiliates who are alternative providers of the service, as defined in R14-2-801. While Applicant intends to resell the services of McLeodUSA Telecommunications Services, LLC, Paetec Communications, Inc., Talk America, Inc. and Windstream Communications, Inc., those providers will not offer residential telephone services after their residential customers in Arizona are transferred to TAS.

(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

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.

TAS is a Delaware limited liability company formed on June 27, 2014.

(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.

Please refer to response to Question B-1 above. In support of Applicant's financial qualification, pro forma financial statements will be provided directly to staff under separate cover, as Attachment D.

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

Applicant does not intend to rely on the financial resources of its sole member.

(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.

Applicant projects total revenues of \$9,600 for the first twelve months of providing telecommunications services to Arizona customers following certification.

1. Provide the operating expenses expected to be incurred during the first twelve months of providing telecommunications services to Arizona customers following certification.

Applicant projects operating expenses of \$6,700 during the first twelve months of providing telecommunications services to Arizona customers following certification.

2. 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.

TAS does not intend to have any Arizona jurisdictional assets used in the provision of intrastate telecommunications services to Arizona customers. At the end of the first twelve months of operation, TAS's net book value of all Arizona jurisdictional assets expected to be used in the provision of telecommunications service to Arizona customers is \$0.

3. If the projected value of all assets is zero, please specifically state this in your response.

The projected value of all Arizona jurisdictional assets is zero.

4. If the projected fair value of the assets is different than the projected net book value, also provide the corresponding projected fair value amounts.

The current fair value of assets is the same as the current net book value.

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.

TAS will amend its certification if it decides to offer services as a facilities-based provider at some point in the future.

E. FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES

Applicant is not seeking authority at this time to offer services as a facilities-based provider.

(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

(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

(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

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.

Jeffery Small
(Signature of Authorized Representative)

September 12, 2014
(Date)

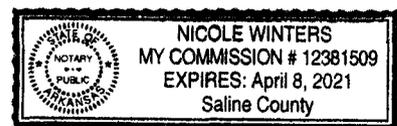
Jeffery W. Small
(Print Name of Authorized Representative)

Senior Vice President, Corporate Development and Operations
(Title)

SUBSCRIBED AND SWORN to before me this 12th day of September, 2014

Nicole Winters
NOTARY PUBLIC

My Commission Expires April 8, 2021



ATTACHMENT A

1) A copy of TAS's Certificate of Good Standing is attached.

2 & 3) The officers are:

Francis X. Frantz
Anthony W. Thomas
Jeffery W. Small

The sole member, Communications Sales & Leasing, Inc., is a Maryland corporation.

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Jodi A. Jerich, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****TALK AMERICA SERVICES, LLC*****

a foreign limited liability company organized under the laws of the jurisdiction of Delaware did obtain a Certificate of Registration in Arizona on the 22nd day of August 2014.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said limited liability company has not had its Certificate of Registration revoked for failure to comply with the provisions of A.R.S. section 29-601 et seq., the Arizona Limited Liability Company Act; and that the said limited liability company has not filed a Certificate of Cancellation 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 19th Day of September, 2014, A. D.




Jodi A. Jerich, Executive Director

By: _____ 1124691

ATTACHMENT B

Proposed Telecommunication Services Tariff

TELECOMMUNICATIONS SERVICES

This tariff applies to the Telecommunications Services furnished by Talk America Services, LLC ("Company") between one or more points in the State of Arizona. This tariff is on file with the Arizona Corporation Commission, and copies may be inspected, during normal business hours, at Company's principal place of business, 4001 N Rodney Parham Rd, Little Rock, AR 72212

Issued: September __, 2014

Effective:

BY: SVP- Corporate Development and Operations
4001 N Rodney Parham Rd
Little Rock, AR 72212

CHECK SHEET

The sheets of this tariff are effective as of the date shown at the bottom of the respective sheets. Original and revised sheets as named below comprise all changes from the original tariff that are currently in effect as of the date at the bottom of this sheet.

| <u>Sheet</u> | <u>Revision</u> | <u>Sheet</u> | <u>Revision</u> |
|---------------------|------------------------|---------------------|------------------------|
| 1 | Original | 35 | Original |
| 2 | Original | 36 | Original |
| 3 | Original | 37 | Original |
| 4 | Original | 38 | Original |
| 5 | Original | 39 | Original |
| 6 | Original | 40 | Original |
| 7 | Original | 41 | Original |
| 8 | Original | 42 | Original |
| 9 | Original | 43 | Original |
| 10 | Original | 44 | Original |
| 11 | Original | 45 | Original |
| 12 | Original | 46 | Original |
| 13 | Original | 47 | Original |
| 14 | Original | 48 | Original |
| 15 | Original | 49 | Original |
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| 27 | Original | | |
| 28 | Original | | |
| 29 | Original | | |
| 30 | Original | | |
| 31 | Original | | |
| 32 | Original | | |
| 33 | Original | | |
| 34 | Original | | |

* Indicates new or revised sheet
submitted with this filing.

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Effective:

BY: SVP- Corporate Development and Operations
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Little Rock, AR 72212

CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

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Effective:

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Little Rock, AR 72212

TARIFF FORMAT

Sheet Numbering. Sheet numbers appear in the upper right hand corner of the sheets. Sheets are numbered sequentially. From time to time new sheets may be added to the tariff. When a new sheet is added between existing sheets, a decimal is added to the preceding sheet number. For example, a new sheet added between sheets 5 and 6 would be numbered 5.1.

Sheet Revision Numbers. Revision numbers also appear in the upper right corner of sheets. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th Revised Sheet No. 24 cancels the 3rd Revised Sheet No. 24.

Paragraph Numbering Sequence. There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level, as shown by the following example:

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

Check Sheets. When a tariff filing is made with the Commission, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross-reference to the current revision number. When new sheets are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (*). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current one on file with the Commission.

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4001 N Rodney Parham Rd
Little Rock, AR 72212

TARIFF FORMAT (Cont'd)

Explanation of Symbols. When changes are made in any tariff sheet, a revised sheet will be issued replacing the tariff sheet affected. Changes will be identified on the revised sheet through the use of the following symbols:

- (C) - Identifies a changed regulation.
- (D) - Identifies a discontinued rate or regulation.
- (I) - Identifies an increase in rate.
- (M) - Identifies material moved from one tariff location to another.
- (N) - Identifies a new rate or regulation.
- (R) - Identifies a reduction in rate.
- (T) - Identifies a change in text only.

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Little Rock, AR 72212

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Little Rock, AR 72212

0.0 Application and Scope of Tariff**0.1 Application**

This tariff contains the rates and regulations applicable to intrastate, intraLATA, interexchange and local services provided by The Company between and among points within the State of Arizona.

0.2 Scope

Company's services are provided subject to the availability of facilities and subject to the terms and conditions of this tariff. All services within the jurisdiction of the Commission provided by Company between and among points in Arizona are governed by this tariff.

0.3 Interconnection with Other Carriers

Service provided by Company may be connected with services or facilities of other carriers or may be provided over facilities provided by carriers other than Company. However, service provided by Company is not a part of a joint undertaking with any other carrier providing telecommunications channels, facilities, or services.

Issued: September __, 2014

Effective:

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4001 N Rodney Parham Rd
Little Rock, AR 72212

1.0 Explanation of Terms and Abbreviations

1.1 Definitions of Terms

Authorization Code

A numerical code, one or more of which is available to Customer to enable it to access Company's network, and which are used by Company to prevent unauthorized access to its facilities and to identify Customer for billing purposes.

Basic Two-Way

Trunk which allows traffic originating in the PBX to be transmitted to the central office switch.

Calling Card

A billing arrangement by which the charge for a call may be charged to an authorized calling card account.

Central Office

A unit of the RBOC's system that provides service to the general public and has the necessary equipment and operating arrangements for terminating and interconnecting Customer lines and trunks or trunks only. More than one (1) central office may occupy a building.

Charges

Monthly recurring and nonrecurring amounts billed to Customers for services.

Commission

Arizona Corporation Commission

Company

Talk America Services, LLC

Issued: September __, 2014

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4001 N Rodney Parham Rd
Little Rock, AR 72212

1.0 Explanation of Terms and Abbreviations (Cont'd)

1.1 Definitions of Terms (Cont'd)

Customer

Any person, firm, association, corporation, agency of the federal, state, or local government, or legal entity responsible by law for payment of rates and charges and for compliance with the regulations of Company.

Customer Contract

A written agreement between the Customer and Company containing or referring to the rates and regulations applicable to the service being provided.

Customer Premises Equipment

All terminal equipment normally used on the Customer's premises. This equipment may be Customer-owned, or may be owned by Company or another supplier and leased to the Customer.

Delinquent or Delinquency

An account for which an uncontested bill or payment agreement for regulated services has not been paid in full on or before the last day for timely payment. This term may also apply to a contested bill for which the Commission finds the Customer's complaint to be without merit.

DID

(Direct Inward Dialing) is a special trunking arrangement which permits incoming calls from the exchange network to reach a specific PBX station directly without an attendant's assistance.

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Little Rock, AR 72212

1.0 Explanation of Terms and Abbreviations (Cont'd)

1.1 Definitions of Terms (Cont'd)

Disconnect or Disconnection

The disabling of circuitry to prevent outgoing and/or incoming calls.

Due Date

The last day for payment of a bill without unpaid amounts being considered delinquent or subject to additional collection efforts. The due date may be designated by 'due by,' 'pay by,' 'if paid by,' or other such language on the Customer's bill.

Exchange

A unit established for the administration of local communication services.

Exchange Service

A local communications service furnished by means of local exchange plant and facilities.

Extended Area Service or EAS

Telephone service, offered at a flat local rate, between customers located within an exchange area and all customers in an additional exchange area or areas.

Flat Rate Service

An exchange service for which a specified rate is charged, regardless of the amount of local usage.

Fraud

An attempt to procure or retain service by supplying misleading or deliberately inaccurate information, or by untruthful or unlawful means, including supplying false information on an application for service. There will be a presumption of fraud in cases where the customer's actual usage for a month, or its pro-rata usage for a partial month, is more than three times the customer's estimated usage (or the pro-rata share of estimated usage) as supplied by the customer at the time of application (which may be revised by customer based on actual experience upon notification to the Company), and that usage is in excess of \$500. In such cases, the customer may be contacted to notify the customer of the usage levels, and to discuss the reasons for the usage levels. In such cases, restrictions may be imposed upon further usage unless satisfactory payment arrangements are made.

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1.0 Explanation of Terms and Abbreviations (Cont'd)

1.1 Definitions of Terms (Cont'd)

Incumbent Local Exchange Carrier or Incumbent Carrier

The local exchange carrier that has Section 251(c) obligations under the federal Telecommunications Act.

Individual Case Basis

A rate, charge, or condition of the tariff as determined by individual circumstances.

Inside Station Wiring or Inside Wiring

Wiring on the premises beyond the demarcation point.

Interexchange Service

The provision of intrastate telecommunications services and facilities between local exchanges, excluding EAS.

InterLATA Service

The completion of calls between Local Access and Transport Areas.

IntraLATA Service

The completion of calls between points within the boundaries of a Local Access and Transport Area.

Local Access and Transport Area or LATA

A geographic area within which Bell Operating Companies are permitted to offer interexchange service. These areas were established as a result of the break-up of the former Bell System.

Local Exchange Utility or Local Utility

A telephone utility that provides local service under a tariff filed with the Commission. The utility may also provide other services and facilities.

Local Service

Telephone service furnished between points located within an area where there is no toll charge. Unless otherwise specified, local calling areas in this tariff shall be the same as the local calling areas of the incumbent carrier.

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1.0 Explanation of Terms and Abbreviations (Cont'd)

1.1 Definitions of Terms (Cont'd)

MCA

Metropolitan Calling Area

Message

A telephone call made by a Customer.

Month

For billing purposes, a month is considered to have thirty (30) days.

Network Elements

Elements of the incumbent carrier network leased by Company pursuant to an interconnection agreement or approved wholesale tariffs. In the pricing tables, service identified as being provided via ANetwork Elements' is provided using a combination of network elements.

Operator

An automated or live operator.

Point of Presence (or POP)

The location in Company's system where local access facilities connect to an interexchange carrier's network.

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1.0 Explanation of Terms and Abbreviations (Cont'd)

1.1 Definitions of Terms (Cont'd)

Port

A connection to Company's switching network with one or more voice grade communications channels, each with a unique network address (telephone number), dedicated to the Customer. Each port is equipped with a Terminal Interface.

Premise Visit Charge

This charge applies when a technician is dispatched for Premise Work. This charge could be in addition to the Schedule I, Schedule II, or Schedule III charges for time and labor. This charge also applies if a technician is dispatched to the customer location and cannot gain access to the customer premises at the scheduled time.

Premise Work

Any work done on the Customer's side of the network interface device.

Premises

The space occupied by a Customer or authorized user in a building or buildings or contiguous property (except railroad rights-of-way, etc.) not separated by a highway.

Public Safety Answering Point

A communications facility operated on a twenty-four (24) hour basis and serving participating jurisdictions that initially receives 911 calls and either directly dispatches emergency response services or relays the calls to the appropriate public safety agency.

Rates

The usage amounts billed to customers for regulated services and/or equipment.

Schedule I

Rates associated with Premise Work done during normal business hours.

Schedule II

Rates associated with Premise Work done after business hours and all day on Saturday.

Schedule III

Rates associated with Premise Work done on Sundays and holidays. Holidays include New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, and Christmas Day.

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1.0 Explanation of Terms and Abbreviations (Cont'd)

1.1 Definitions of Terms (Cont'd)

Service

Any or all service(s) provided by Company pursuant to this tariff or Customer Contract.

Service Order

The written request for Network Services executed by the Customer and Company in the format designated by Company. The signing of a Service Order by the Customer and acceptance by Company initiates the respective obligations of the parties as set forth herein and pursuant to the tariffs of Company, but the duration of the service is calculated from the service commencement date.

Shared

A facility or equipment system or subsystem that can be used simultaneously by several Customers.

Signaling

Represents the type of signaling format utilized to maintain a T1 level digital transmission from the Central Office to the customer premise. Signaling options include: AMI, ESF, SF, B8ZF; other options may be available on an individual case basis.

Standard Elements

For Company bundled local packages, the Standard Elements consist of switched local dial tone, unlimited local calling, local number portability and mandatory EAS or EACS.

Suspend or Suspension

To disconnect or impair a service temporarily in order to disable either outgoing or incoming calls or both.

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1.0 Explanation of Terms and Abbreviations (Cont'd)

1.1 Definitions of Terms (Cont'd)

Terminal Interface

The method of physical connection between a Company-provided service and a Customer's or User's transmission cable, inside wiring, or terminal equipment. Depending upon the service ordered by the Customer, there may be a choice of terminal interfaces. The Customer is responsible for ordering a terminal interface that is compatible with the Customer's or User's terminal equipment. All terminal interfaces will be provided by industry-standard connectors as specified in or authorized by Subpart F of Part 68, Title 47, Code of Federal Regulations.

Timely Payment

A payment of the Customer's account made on or before the due date shown on a current bill for rates and charges or by an agreement between the Customer and Company for a series of partial payments to settle a delinquent account.

Two-Way

A service attribute that includes DOD (the ability to dial directly from an extension without having to go through an operator or attendant) for outbound calls and can also be used to carry inbound calls to a central point for further processing.

User

A Customer or any other person authorized by a Customer to use service provided to the Customer under a Company tariff.

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1.0 Explanation of Terms and Abbreviations (Cont'd)

1.2 Explanation of Acronyms and Trade Names

DA = Directory Assistance
EAS = Extended Area Service
EACS = Extended Area Calling Service
EUCL = End User Common Line
FCC = Federal Communications Commission
ILEC = Incumbent Local Exchange Carrier
IXC = Interexchange Carrier
LATA = Local Access and Transport Area
LNP = Local Number Portability
NPA = Numbering Plan Area, more commonly known as Area Code
NRC = Non-Recurring Charge
OS = Operator Service
PICC = Primary Interexchange Carrier
RBOC = Regional Bell Operating Company
SNI = Standard Network Interface
TDD = Telecommunication Device for the Deaf
TRS = Telecommunications Relay Services Surcharge
TTY = Teletypewriter
USF = Universal Service Fund

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2.0 General Rules and Regulations

2.1 Undertaking of Company

2.1.1 General

Pursuant to this tariff, Company undertakes to provide within the service area in which Company has been approved for certification the regulated intrastate, intraLATA, interexchange services, and retail services described in this tariff.

2.1.2 Limitations

- A. Service is offered subject to the availability of the necessary facilities and equipment and subject to the provisions of this tariff in compliance with limitations set forth in the Commission's rules.
- B. Company reserves the right to limit or to allocate the use of existing facilities, or of additional facilities offered by Company, when necessary because of lack of facilities, or due to some other cause beyond Company's control on a non-discriminatory basis.
- C. The furnishing of service under the tariffs of Company is subject to the availability on a continuing basis of all the necessary facilities and is limited to the capacity of the Company's facilities as well as facilities the Company may obtain from other carriers to furnish service from time to time as required at the sole discretion of the Company.
- D. Company reserves the right to discontinue service when the Customer is using the service in violation of the provisions of this tariff, signed contract, or the law, with notice as required by the rules of the Commission.
- E. Company does not undertake to transmit messages or information, but offers the use of its facilities, when available, for that purpose.

2.0 General Rules and Regulations (Cont'd)

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2.2 Use

2.2.1 Lawful Purpose

Services provided under this tariff may be used for any lawful purpose for which the service is technically suited consistent with the transmission and switching parameters of the telecommunications facilities utilized in the provision of the service.

2.2.2 Use of Service for Unlawful and/or Fraudulent Purposes

Company's services are provided subject to the condition that they will not be used for any unlawful and/or fraudulent purpose. Services will not be furnished if any law enforcement agency, acting within its jurisdiction, advises Company that such services are being used or are likely to be used in violation of the law and/or in a fraudulent manner. If Company receives other evidence giving reasonable cause to believe that such services are being used or are likely to be used for unlawful and/or fraudulent purposes, it may either discontinue or deny the services, and/or refer the matter to the appropriate law enforcement agency in accordance with law and/or Commission rules.

2.2.3 Unauthorized Use

Any individual who uses or receives Company's services other than under the provisions of an accepted application for service and a current Customer relationship shall be liable for the appropriate rates and charges for the service received and for Company's costs of investigation and collection.

2.2.4 Recording Devices

Company's services are not designed for the use of recording devices, and customers who use such devices to record two-way telephone conversations do so at their own risk.

2.2.5 Use of Service Mark

No Customer shall use any service mark or trademark of Company or refer to Company in connection with any product, equipment promotion, or publication of the Customer without the prior written consent of Company.

2.0 General Rules and Regulations (Cont'd)

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2.3 Liability

Company's liability, if any, for its willful misconduct is not limited by this Tariff. With respect to any other claim or suit, by a customer, or by any others, for damages associated with installation, provision, preemption, termination, maintenance, repair or restoration of service, or any other service, Company's liability, if any, shall not exceed an amount equal to the proportionate part of the monthly recurring charge for the service for the period during which the service was affected. This liability shall be in addition to any amounts that may otherwise be due the customer under this Tariff or state commission regulations as an allowance for interruptions.

The services furnished by Company, in addition to the limitations set forth preceding, also are subject to the following limitations: Company shall not be liable for damage arising out of our mistakes, omissions, interruptions, delays, errors or defects in transmission or other injury, including but not limited to injuries to persons or property from voltages or currents transmitted over the service of Company caused by customer provided equipment (except where a contributing cause is the malfunctioning of a Company-provided connection arrangement, in which event the liability of the Company shall not exceed an amount equal to a proportional amount of the Company billing for the period of service during which such, mistake, omission, interruption, delay, error, defect in transmission or injury occurs.) Company also shall not be liable for the acts or omissions of other companies when their facilities are used to provide service.

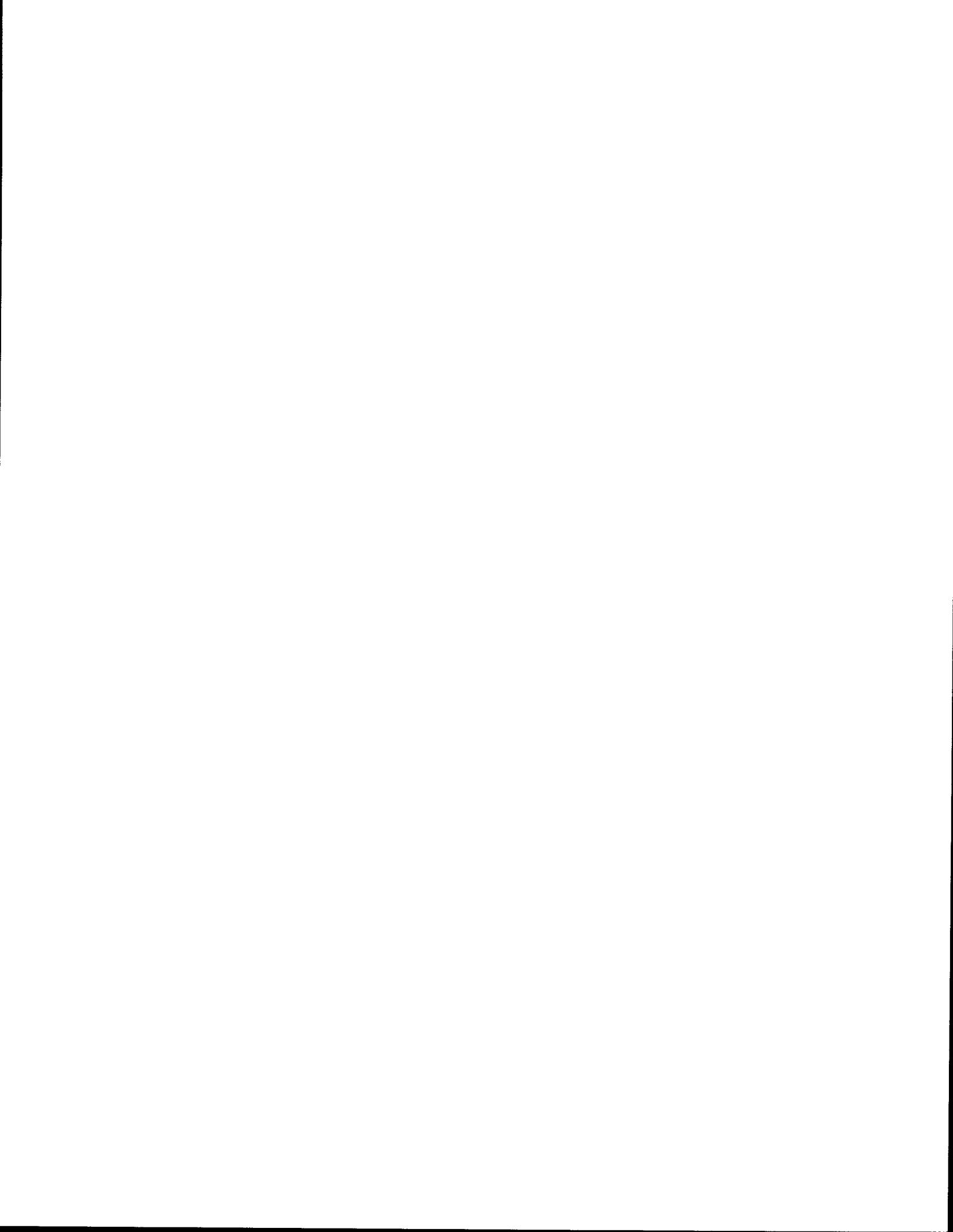
Except for granting credit allowances for interruptions of service as provided in the last paragraph of this section, Company shall not be liable for any claim or loss, expense or damage, for any failure of performance due to failure or malfunction of Customer-supplied equipment, acts of God, storms, fires, floods or other catastrophes, power failure, natural emergencies, insurrections, riots or wars, or any law, order, regulation, or other action of any governmental authority or agency thereof.

Company shall not be liable for, and shall be fully indemnified and held harmless by, Customers against any claim or loss, expense or damage, for defamation, libel, slander, invasion, infringement of copyright or patent, unauthorized use of any trademark, trade name, service mark, or proprietary or creative right, or any other injury to any person, property, or entity arising out of the material, data, or information transmitted.

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2.0 General Rules and Regulations (Cont'd)**2.3 Liability (Cont'd)**

No agent or employee of any other carrier shall be deemed to be an agent or employee of Company.

Company's liability due to any failure of the transmission shall not exceed an amount equal to the charges provided for by the applicable tariff (for regulated services) and applicable price list, catalogue, and/or contract (for all other services) for the call. Company shall not be liable for damages arising out of the use of Company's services for the transmission of anything other than voice grade service.

Company will provide a customer's correct name and telephone number to a calling party either upon request to or interception by Company in the event there is an error or omission in the customer's directory listing. Company's liability for any errors or omissions in any directory listings is limited to the charges made for the listing itself. Company shall not be liable for any incidental, indirect, special or consequential damages of any kind, including loss of use, loss of business, or loss of profit, arising from errors or omissions in directory listings.

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2.0 General Rules and Regulations (Cont'd)**2.3 Liability (Cont'd)**

Notwithstanding anything to the contrary in this section, if Customer's service is interrupted and remains out of service for more than twenty-four (24) hours after the earlier of being reported to Company or being found by Company to be out of order, and if the interruption is not the result of a negligent or willful act by the Customer, a malfunction of Customer-owned equipment, Company's inability to gain access to the Customer's premises, or causes beyond Company's control as described in the first paragraph of this section, Company will make appropriate adjustments upon request. Such adjustments, in the form of direct payments or bill credits, will be the proportionate part of the monthly charge for all services and facilities rendered inoperative during the interruption, beginning with the hour of the report to Company, or discovery by Company, of the interruption. A service interruption may include, among other events, lawful disconnections pursuant to Section 2.11 of this tariff and when a customer's service interrupted during a move to a new Customer premise.

2.4 Equipment**2.4.1 Inspection, Testing, and Adjustment**

Company may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the requirements of this tariff are being complied with in the installation, operation, or maintenance of the Customer's equipment. Company may interrupt the service at any time, without penalty to itself, unless interruption exceeds twenty-four (24) hours.

2.4.2 Interference and Hazard

The operating characteristics of Customer premises equipment or communications systems connected to Company's services must not interfere with, or impair, any of the services offered by Company. Additionally, connected Customer premises equipment must not endanger the safety of Company employees or the public, damage or interfere with the proper functioning of Company's equipment, or otherwise injure the public in its use of Company's services.

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2.0 General Rules and Regulations (Cont'd)2.4 Equipment (Cont'd)2.4.3 Maintenance and RepairA. Customer Liability

The Customer shall be responsible for damages to Company's facilities used in the provision of regulated services caused by the negligence or willful act of the Customer or those using Company's service through the Customer. The Customer may not physically modify or intrude upon, rearrange, disconnect, remove, or attempt to repair any of Company's facilities except upon written consent of Company.

B. Leased or Owned Facilities

The Customer's obligation to Company is the same whether the facilities involved are Company's facilities or are facilities leased by Company from another party. If Company incurs expenses due to the Customer's actions that result in damage or impairment of Company's owned or leased facilities, Company will pass on to the Customer any and all expenses to repair Company's facilities or that the owner imposes on Company for leased facilities.

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2.0 General Rules and Regulations (Cont'd)

2.5 Contract for Service

Installation of certain services may require a contractual agreement between a Customer and the Company. The contractual agreement specifies the terms and conditions of service not covered by this tariff. The contract does not alter the obligations of Company to Customers as described in this tariff. The agreement may require the Customer to pay a minimum monthly fee ('MMF') wherein the Customer agrees, in writing, to pay for the duration of the term agreement, either the monthly recurring and usage charges, or the MMF amount, whichever is greater. Should the Customer choose to terminate their contract without cause prior to the agreed upon term, the Customer will be liable for the MMF specified in the contract multiplied by the number of months remaining in the term, unless Customer converts to another service provided by Company with equal or greater term and MMF commitment. In the event Company continues to provide service after the Customer contract is terminated or expires, then Company shall continue to provide service to the Customer under the terms of the then applicable tariff and applicable terms of the expired contract under a month-to-month arrangement.

2.6 Application for Service

2.6.1 Information Required

When applying for service, each prospective Customer will be required to furnish Company with the following information:

- A. The name of the party who will be responsible for payment for the service provided.
- B. The address or addresses or exact location of the premises where service is to be provided and billed.
- C. Any information required to make a proper determination of appropriate creditworthiness.

2.6.2 Initiation of Service

Service shall be deemed to be initiated upon the service activation date. For multi-location customers, service shall be deemed to be initiated upon service activation at the first location.

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2.0 General Rules and Regulations (Cont'd)

2.7 Deposits

The Company will not require or collect deposits from its customers.

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2.0 General Rules and Regulations (Cont'd)**2.8 Billing****2.8.1 Monthly Billing**

Bills to Customers will be issued monthly unless Company is authorized by the Commission to bill at other than monthly intervals because of unusual circumstances. Local service charges, including installation charges, are billed in advance. Certain toll charges and NRCs are billed in arrears. If a Customer elects, Company may issue a billing statement to a Customer in an electronic format only.

Company shall have no responsibility with respect to billings, charges, or disputes related to services used by the Customer which are not included in the services herein including, without limitation, any local, regional, and long distance services provided by a third party vendor. The Customer shall be fully responsible for the payment of any bills for such services and for the resolution of any disputes or discrepancies with the service provider.

2.8.2 Bill Contents

The bill form or a bill insert will provide the following information: the dates at the beginning and end of the billing period; the last date for timely payment, which shall not be less than twenty (20) days after the bill is rendered; the amount of the net charge, stated by category, for local service, bundled packages, packages of long distance minutes, ancillary services and equipment, toll service, information service, sales tax and excise tax, and of any late payment charge, together with the gross amount of the bill, with separate entries for total amounts current or in arrears. Company will also comply with reasonable requests for bill detail.

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2.0 General Rules and Regulations (Cont'd)2.9 Payment for Service2.9.1 Late Payment Charge

Company may impose a late payment charge, not to exceed the maximum rate as set by the Commission, on any bill not paid by the due date listed on the invoice. Customers are obligated to drop off payment at a designated payment location or mail payment to the address contained on the invoice. Customers shall be responsible for all costs incurred in the collection of unpaid charges or in any other action to enforce payments and/or obligations arising under this tariff. Company will also charge a check service charge if a check tendered for payment is returned to Company as non-sufficient funds (NSF) or is not in acceptable form.

2.9.2 Partial Payment

If a Customer makes a partial payment in a timely manner and does not designate the service for which payment is made, the payment shall first be applied to the undisputed balance for local service, with the remainder applied on a pro rata basis to regulated utility services and toll service. Any remainder will then be applied to deregulated and unregulated services other than toll. Any late payment penalty charge will be applied only to the outstanding balance for utility services.

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2.0 General Rules and Regulations (Cont'd)**2.9 Payment for Service (Cont'd)****2.9.3 Collection**

No collection efforts other than the rendering of the bill shall be undertaken until the delinquency date. If payment is not received by the due date listed on the bill, Customer may be charged a \$12.00 Collection Fee in addition to any late payment charges described in Section 2.9.1.

2.9.4 Taxes and Fees

Any governmental assessments, fees, licenses, or other similar taxes or fees imposed upon Company, may be charged to Customers receiving Company's service within the territorial limits of the governmental authority imposing such taxes and fees. Such taxes and fees will be allocated among such Customers on the basis of Customers' monthly charges for the types of service made subject to the taxes or fees. Such taxes and fees will be separately stated on bills.

LNP, PICC, USF, TRS, TTY/TDD, and any similar surcharges permitted to be passed through, will also be assessed where applicable, at the maximum permissible rate as determined by the Commission or governing authority.

2.10 Disputes and Complaints**2.10.1 Disputed Bills**

In the event of a dispute concerning the bill, Company will require the Customer to pay a sum of money equal to the amount of the undisputed portion of the bill. Following payment of the undisputed amount, efforts to resolve the complaint using the complaint procedures in Section 2.10.2 shall continue, and for not less than forty-five (45) days after the rendering of the disputed bill. Service shall not be disconnected for nonpayment of the disputed amount. The 45-day period may be extended by up to sixty (60) days if requested of Company by the Arizona Corporation Commission in the event the Customer files a written complaint with the agency. Subject to regulatory requirements, Company's policy is to limit retroactive adjustments for billing errors to 90 days prior to the date the error is discovered.

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2.0 General Rules and Regulations (Cont'd)**2.10** Disputes and Complaints (Cont'd)**2.10.2** Complaint Procedures

Inquiries, general questions, or complaints may be directed informally to Company by telephone, in person, or in writing at Talk America Services, LLC's offices located at 4001 N Rodney Parham Rd, Little Rock, AR 72212. Company's customer service department can be reached at 855-546-5000. Company's customer service department accepts calls on a twenty-four-hour-a-day basis. Complaints concerning the charges, practices, facilities, or services of Company will be investigated promptly and thoroughly. Company will keep records of each complaint showing the name and address of the complainant, the date and nature of the complaint, its disposition, and all other pertinent facts dealing with the complaint that will enable Company to review and analyze its procedures and actions. The records maintained by Company under this tariff will be available for inspection by the Commission or its staff upon request. Within thirty (30) days of the receipt of a written complaint, Company will provide written notice to the Customer of the status of the complaint. Each Customer may file with the Commission for resolution of disputes. Each complainant will be mailed a statement of the complainant's right to contact the Commission at:

Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 66604
(602) 542-4251

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2.0 General Rules and Regulations (Cont'd)**2.10 Disputes and Complaints (Cont'd)****2.10.3 Bill Insert or Notice**

Company shall notify Customers, by bill insert or notice on the bill form, of the address and telephone number where a Company representative qualified to assist in resolving the complaint can be reached. The bill insert or notice shall also include the following statement: If Company does not resolve your complaint, the service may be subject to state regulation. You may contact the Arizona Corporation Commission at 1200 W. Washington Street, Phoenix, Arizona 66604, (602) 542-4251

2.11 Service Refusal, Disconnection, and Suspension

In no event shall service be disconnected on the day preceding or day on which Company's local business office or local authorized agent is closed.

2.11.1 Notice of Pending Disconnection

Prior to the disconnection of service, Company shall provide a written notice to the Customer setting forth the reason for disconnection and the final date by which the account is to be settled or specific action taken. Final dates shall be no less than ten (10) calendar days with respect to an unpaid bill after the notice is rendered and no less than 12 days with respect to an unpaid or new deposit. The notice shall be considered rendered to the Customer when deposited in the U.S. Mail with postage prepaid. If delivery is by other than U.S. Mail, the notice shall be considered rendered when delivered to the last known address of the person responsible for payment for the service. The notice will specify a toll-free number at which a Company representative can be reached to provide additional information about the disconnection.

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2.0 General Rules and Regulations (Cont'd)

2.11 Service Refusal, Disconnection, and Suspension (Cont'd)

2.11.2 Reasons for Service Refusal, Disconnection, and Suspension

Service may be refused, disconnected, or suspended:

- A. Without notice if a condition on the Customer's premises is determined by Company to be hazardous.
- B. Without notice if the Customer uses the service in such a manner as to adversely affect Company's equipment or Company's service to others.
- C. Without notice if equipment furnished, leased, or owned by Company is subject to tampering.
- D. Without notice if there is unauthorized use. Unauthorized use includes, without limitation, use or attempted use for an unlawful purpose and/or use or attempted use in any fraudulent manner.

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2.0 General Rules and Regulations (Cont'd)2.11 Service Refusal, Disconnection, and Suspension (Cont'd)2.11.2 Reasons for Service Refusal, Disconnection, and Suspension (Cont'd)

- E. With prior written notice if there are reasonable grounds to believe there is a violation of or noncompliance with Company's regulations on file with the Commission, municipal ordinances, or law.
- F. With prior written notice if the Customer or prospective Customer fails to furnish service equipment, permits, certificates, or rights-of-way specified to be furnished in Company's regulations filed with the Commission as conditions for obtaining service, or withdraws such equipment or terminates those permissions or rights, or fails to fulfill the contractual obligations imposed upon the Customer as conditions of obtaining service.
- G. With prior written notice if the Customer fails to permit Company reasonable access to its equipment.
- H. With prior written notice if the Customer routinely uses abusive or profane language or makes physical threats in conversations with Company personnel, or otherwise abuses access to customer service personnel by making repeated unwarranted calls that are unrelated to specific service issues.

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2.0 General Rules and Regulations (Cont'd)2.11 Service Refusal, Disconnection, and Suspension (Cont'd)2.11.3 Refusal, Disconnection, and Suspension of Service for Nonpayment of Bill

Except as restricted by Section 2.11.4, service may be refused, disconnected, or suspended for nonpayment of a bill if Company has made a reasonable attempt to effect collection and:

- A. Company has provided the Customer with ten (10) days' prior written notice with respect to an unpaid bill or twelve (12) days' written notice with respect to an unpaid new deposit.
- B. Company is open, at minimum, one more hour and open the following day of the scheduled disconnection.
- C. In the event of a dispute concerning the bill, Company will require the Customer to pay a sum of money equal to the amount of the undisputed portion of the bill. Following payment of the undisputed amount, efforts to resolve the complaint using the complaint procedures in Section 2.10.2 shall continue, and service shall not be disconnected for nonpayment of the disputed amount.

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2.0 General Rules and Regulations (Cont'd)**2.11 Service Refusal, Disconnection, and Suspension (Cont'd)****2.11.4 Insufficient Reasons for Refusal, Suspension, or Discontinuance of Service**

The following reasons are not sufficient cause for refusal, suspension, or discontinuance of service to a present or prospective Customer:

- A. Delinquency in payment for service by a previous occupant of the premises to be served, unless that occupant is a Customer of the same household as the customer.
- B. Failure to pay for unregulated services or equipment purchases.
- C. Failure to pay the bill of another Customer as guarantor thereof.
- D. Failure to pay for a different type or class of public utility service or 900, 960 or 976 calls disputed by the Customer. However, if a residential customer has requested that Company remove the free 900 or 976 call blocking service, then that Customer shall be fully responsible for payment of all such calls regardless of who made the call from the Customer's telephone line.
- E. Failure to pay for information service not regulated by the Commission.
- F. Permitting another occupant of the premises access to the telephone utility service when that other occupant owed an uncollectible bill for service rendered at a different location.

2.11.5 Medical Emergency

Notwithstanding any other provision of this tariff, Company will postpone the disconnection of service to a residential Customer for a reasonable time, not to exceed thirty (30) days, if the Customer produces verification from a physician or a public health or social services official stating that telephone service is essential due to an existing medical emergency of the Customer, a customer of the Customer's family, or any permanent resident of the premises where service is rendered. This written verification shall identify the medical emergency and specify the circumstances. Initial verification may be by telephone if written verification is forwarded to Company within five (5) days.

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2.0 General Rules and Regulations (Cont'd)**2.11 Service Refusal, Disconnection, and Suspension (Cont'd)****2.11.6 Temporary Service**

When Company renders temporary service to a Customer, the Customer may be required by Company to bear the entire cost of installing and removing the service facilities in excess of any salvage realized.

2.12 Cancellations and Deferments of Service

When a Customer cancels or defers an order for service before the service is activated, a charge applies that will allow Company to recover its unrecovered costs, including but not limited to outside vendor charges, engineering, labor, materials, and equipment. Charges apply as follows:

2.12.1 Cancellation

In a cancellation situation, the charge is equal to the unrecoverable costs incurred prior to the request for cancellation and the costs of removal, restoration, and disposal, if any, to comply with the cancellation. Those costs include, but are not limited to, costs of outside vendors, engineering, labor, non-recoverable materials, and equipment expense.

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2.0 General Rules and Regulations (Cont'd)**2.12 Cancellations and Deferments of Service (Cont'd)****2.12.2 Deferment of Start of Service**

If a request for deferment of service is received by Company prior to the date an order for equipment or service is placed with Company's supplier, no charge shall apply. For deferments received by Company subsequent to the date the order for equipment or service is placed with Company's supplier, a monthly recurring charge based upon the costs incurred prior to the request for the deferment applies. This monthly rate shall be equal to the deferred investment multiplied by the monthly prime interest rate as announced by USBank plus recurring costs resulting directly from the deferral such as storage, taxes, etc., unless otherwise ordered by the Commission.

In addition, any extraordinary nonrecurring costs resulting from the deferral, such as additional engineering, labor, and transportation, shall be billed in total. Billing shall start at the beginning of the month of deferment and extend to the start of service. Charges shall not exceed the monthly rate that would have applied had the service been established. Company will also charge the Customer who defers service any and all rates and charges incurred by Company for any leased facilities for which Company is held responsible. Company will make a good faith effort to minimize those rates and charges whenever possible.

2.13 Information Service Access Blocking

Where facilities are available, Company shall institute call blocking to all '900', '960' and '976' prefix numbers, without charge for the first block subject to applicable law. If a customer chooses to eliminate the free call blocking service for these types of calls, the Customer shall be fully responsible for all such charges regardless of who made such calls from the Customer's telephone line. Company will comply with all applicable rules of the Commission concerning such blocking.

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2.0 General Rules and Regulations (Cont'd)**2.14 Special Construction and Special Arrangements**

Subject to the agreement of Company and to all of the regulations contained in the tariffs of Company, special construction and special arrangements may be undertaken on a reasonable efforts basis at the request of the Customer. Special arrangements include any service or facility relating to a regulated telecommunications service not otherwise specified under tariff, or for the provision of service on an expedited basis or in some other manner different from the normal tariff conditions. Special construction is that construction undertaken:

- A. where facilities are not presently available, and there is no other requirements for the facilities so constructed;
- B. of a type other than that which Company would normally utilize in the furnishing of its services;
- C. over a route other than that which Company would normally utilize in the furnishing of its services;
- D. in a quantity greater than that which Company would normally construct;
- E. on an expedited basis;
- F. on a temporary basis until permanent facilities are available;
- G. involving abnormal costs; or
- H. in advance of its normal construction.

2.14.1 Basis for Charges

Where Company furnishes a facility or service on a special construction basis, or any service for which a rate or charge is not specified in Company's tariffs, charges will be based on the costs incurred by Company and may include: (1) non-recurring type charges; (2) recurring type charges; (3) termination liabilities; or (4) combinations thereof. The agreement for special construction will ordinarily include a minimum service commitment based upon the estimated service life of the facilities provided.

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2.0 General Rules and Regulations (Cont'd)2.14 Special Construction and Special Arrangements (Cont'd)2.14.2 Basis for Cost Computation

The costs referred to in 2.14.1 preceding may include one or more of the following items to the extent they are applicable:

- A. Installation cost of the facilities to be provided including estimated costs for the rearrangements of existing facilities. Installation cost includes the cost of:
1. equipment and materials provided or used,
 2. engineering, labor and supervision,
 3. transportation,
 4. rights of way, and
 5. any other item chargeable to the capital account;
- B. Annual charges including the following:
1. cost of maintenance,
 2. 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,
 3. administration, taxes and uncollectible revenue on the basis of reasonable average costs for these items,
 4. any other identifiable costs related to the facilities provided, and
 5. an amount for return and contingencies.

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2.0 General Rules and Regulations (Cont'd)**2.15 Non-Routine Installation**

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

2.16 Universal Emergency Telephone Number Service (911)

The Company will supply the 911/E-911 service provider in the Company's service area with accurate information necessary to update the 911/E-911 database at the time Company accepts Customer orders. At the time that the Company provides local service to a Customer, the Company will make the necessary equipment or facility additions in order to accurately and properly update the database for 911/E-911.

By dialing 911, the customer agrees to release, indemnify, defend, and hold the Company harmless from any and all loss or claims, whatsoever, whether suffered, made, instituted, or asserted by the destruction of any property, whether owned by the customer or others. Notwithstanding any provision to the contrary, in no event shall the Company be liable for any special, incidental, consequential, exemplary, or punitive damages of any nature whatsoever, including for default routing.

The Company is not responsible for any infringement or invasion of the right of privacy of any person or persons, caused, or claimed to have been caused, directly or indirectly, by the installation, operation, failure to operate, maintenance, removal, presence, condition, occasion or use of the 911 service features and the equipment associated therewith, including, but not limited to, the identification of the telephone number, address or name associated with the telephone used by the party or parties accessing the 911 service.

The Company will bill the Customer a monthly surcharge, per voice grade equivalent line in order to fund the E-911 system.

Access (at no additional charge) to the emergency services bureau by dialing 9-1-1 is offered at no charge to the Customer.

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3.0 Services, Rates, and Charges**3.1 Local Service Overview****3.1.1 Nature of Service**

Local Service is a service that allows customers to originate non-toll local calls at locations within the service areas in which Company has been approved for certification for termination within the local calling area (including any applicable EAS areas) of those locations. Subject to service availability and the package selection by the customer, Local Service may include services in addition to those required for completion of non-toll local calls (including services which may not be subject to regulation under this tariff) which are purchased as part of a bundled package.

3.1.2 Availability

Company offers local service in the areas in which it has been certified by the Arizona Corporation Commission and in which Company has available required network facilities or is able to lease required network facilities to enable the offering of service. Some services and features may not be available in all areas, or may slightly vary between service areas contingent on network availability or configuration. Company will provide the most feature rich version of a feature in the bundled Local Service package available in a given market depending on network availability or configuration.

3.1.3 Local Service Packages

The standard elements of local line packages consist of local dial tone and unlimited local calling unless otherwise noted in a service specific description. Mandatory extended area service ('EAS') is provided where applicable for the prices set forth in the Rate Tables. For plans that include "Unlimited" calling, there is a cap of 5,000 minutes per month. Exceeding this cap is determined to be not typical residential use and may result in a warning, suspension or termination of services.

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3.0 Services, Rates, and Charges (Cont'd)**3.1.4 Promotional Offerings**

Company may from time to time engage in special promotions of limited duration. These promotions may be in the form of waiver or reduced recurring and nonrecurring fees, lowered usage charges, or other actions designed to attract new Customers or to increase existing Customer awareness of a particular service. All promotions will be offered on a non-discriminatory basis to eligible Customers.

3.1.5 Individual Case Basis (ICB) and Term and Volume Discounts

Company may offer individualized arrangements on a case-by-case basis where necessary to meet prices, terms, or conditions of service offered by competitors. In such cases, the prices offered by Company shall not exceed the prices for similar services contained in this tariff.

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3.0 Services, Rates, and Charges (Cont'd)

3.2 Directory Assistance

3.2.1 Nature of Service

Directory Assistance (DA) Service is defined as furnishing aid in obtaining telephone numbers.

3.2.2 Availability

DA is available to all Customers.

3.2.3 Maximum Number of Requests Per Call

Two (2) requests for a telephone number will be accepted per call to the DA operator. A telephone number that is not listed in the DA records will not be available to the Customer.

3.2.4 Operator Limitations

The Directory Assistance operator will not transfer, forward or redial a Customer's call to any other location for any purpose other than provision of DA service.

3.2.5 Persons and Locations Exempt from All DA Charges

Any Customer who is visually, physically or mentally handicapped in a way that makes the Customer unable to utilize a telephone directory shall be exempt from charges for DA. The Customer must provide Company with certification of this condition. Certification from a doctor, psychologist, psychiatrist, county or state social service agency, or similar person or agency will be acceptable. The exemption is effective prospectively and also retroactively for the month prior to the presentation of the certificate to Company.

3.2.6 Rate

Customers not exempted in Section 3.2.5 will be charged the following rate per call.

| | <u>Current Charge Per Call</u> | <u>Maximum Charge Per Call</u> |
|--|------------------------------------|------------------------------------|
| Local or Long Distance Directory Assistance | \$1.99 | \$4.00 |

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3.0 Services, Rates, and Charges (Cont'd)3.3 Directory Listing Service

For each Customer of Company-provided Exchange Access Service(s), the Company shall arrange for the listing of the Customer's main billing telephone number in the directory(ies) published by the dominant Local Exchange Carrier in the area at no additional charge. At a Customer's option, the Company will arrange for optional listing services, subject to availability, at the rates following

3.3.1 Non-Published Listing

A non-published listing is not listed in either the alphabetical section of the dominant Local Exchange Company's directory or Company directory assistance records and will not be furnished upon request of a calling party. The Company will complete an incoming call to a Customer with a non-published listing only when the calling party places the call by number.

| | Monthly Recurring Charge | |
|----------------------------|--------------------------|----------------|
| | <u>Current</u> | <u>Maximum</u> |
| Each Non-Published Listing | \$5.95 | \$10.00 |

3.3.2. Non-Listed Listing

A non-listed listing is not listed in the alphabetical section of the dominant Local Exchange Company's directory, but is maintained on Company directory assistance records and will be furnished upon request of a calling party. In the absence of gross negligence or willful misconduct, no liability for damages arising from publishing a non-listed telephone number in the directory shall attach to the Company.

| | Monthly Recurring Charge | |
|-------------------------|--------------------------|----------------|
| | <u>Current</u> | <u>Maximum</u> |
| Each Non-Listed Listing | \$5.95 | \$10.00 |

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3.0 Services, Rates, and Charges (Cont'd)

3.4 Nonrecurring Charges

3.4.1 Early Termination Charges

If a Customer terminates service prior to the expiration of the term of the contract without cause, the Customer may be required to pay an early termination charge as set forth in the contract for service.

3.4.2 Third Party Vendor Charges

Customers may also be charged for certain charges incurred by Company (at the Customer's instruction) in obtaining services from third party vendors. At the earliest opportunity, the Customer will be advised of the nature of the charges and the estimated amount of the charges.

3.4.3 Reconnection Fee

Residential, current rate: \$35.00/line
Residential, maximum rate: \$50.00/line

This charge applies to reconnect service after service has been suspended, and is due at the time services are restored.

3.4.4 Nonsufficient Funds Charge (NSF Checks)

The NSF check charge shall be \$25.00, or the highest amount permitted by law. This charge applies when a check has been returned by the bank for non-payment.

3.4.5 PIC/LPIC Change Charge

Initial PIC/LPIC selections will be processed at a \$5.50 charge per line, which may be waived if the Customer chooses Company as their long distance provider. A non-recurring \$5.50 charge shall be applicable to all subsequent PIC/LPIC changes. If a PIC/LPIC change is initiated by an IXC on behalf of the Customer, and the Customer denies having made a change, and the IXC is unable to produce documentation of the change with a letter of agency signed by the Customer; then the Customer will be reassigned to its previously selected PIC/LPIC and the charge will be assessed to the IXC.

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3.0 Services, Rates, and Charges (Cont'd)**3.4 Nonrecurring Charges (Cont'd)****3.4.6 Trouble Isolation Charge**

This charge applies when Company dispatches either its own, or a third-party, technician to a customer premises to test the line from the central office, up to the demarcation point, and the line tests clear (no trouble found in the Company facilities). No Trouble Isolation Charge shall apply if the customer subscribes to an inside wire maintenance plan with Company or trouble is found on the network side of the demarcation point.

Current Rate: \$95.00 per hour

Maximum Rate: \$150.00 per hour

3.4.7 Bill Copies

Residential Customer: \$5.00 per copy*

Additional and alternate bill copies will be available upon a customer's request. An additional bill copy is a secondary copy of the customer's initial bill and an alternate bill copy is an additional bill sent to a different address other than the billing address. Charges for the additional and alternate bill copies are noted above.

*This charge may be waived if the additional bill is a replacement of the original bill which was lost or destroyed.

3.4.8 Account Handling Charge

Account Handling Charge: \$30.00 for each subsequent attempt

Account Handling Charge is assessed to a customer's account for each Company attempt to return an outstanding credit balance to the customer if a first mailing is returned undeliverable. This charge is for maintaining the account after the initial attempt and for each subsequent attempt. This charge will not be assessed more than twice a year.

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 3.0 Services, Rates, and Charges (Cont'd)
3.4 Nonrecurring Charges (Cont'd)3.4.9 Payphone Surcharge

Payphone Surcharge \$0.70 / per call

Payphone Surcharge is applied to all intrastate, interstate and international calls that originate from any domestic pay telephone used to access Company services. This charge is in addition to standard tariffed usage charges and surcharges.

3.4.10 Order Charge

This charge will apply per order for the following actions: ANI Swap, business to residential conversion, residential to business conversion, Change of Ownership, Add/Change/Remove Directory Listing, Add/Change/Remove Blocking Features, Add/Change/Remove Features, Add/Change/Remove Voicemail, RCF install, POTs to RCF conversion, package change, changes to seasonal lines.

This charge will also apply per order on Toll Free ANIs for, but not limited to, the following actions: Adding a Toll Free number, porting a Toll Free number, disconnecting a Toll Free number, changes such as area of service, service change, PIN change, blocking certain numbers or allowing certain numbers.

| | |
|-----------------------|------------------------------|
| Residential Customers | \$36.00 / per order, Current |
| Residential Customers | \$50.00 / per order, Maximum |

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3.0 Services, Rates, and Charges (Cont'd)

3.4 Nonrecurring Charges (Cont'd)

3.4.11 Service Charges

All rates apply on a per line basis, unless otherwise noted, below.

| <u>Residential Customers Service Charges</u> | <u>Current Rate</u> | <u>Maximum Rate</u> |
|--|---------------------|---------------------|
| Line Installation, per line | \$80.00 | \$100.00 |
| Move Line, per line | \$60.00 | \$80.00 |
| Order Charge, per order | \$36.00 | \$50.00 |

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3.0 Services, Rates, and Charges (Cont'd)

3.5 Residential Service Packages

All plans are available to new or existing Residential customers.
The Company does not offer service to Business or Commercial customers at this time.

For plans that include "Unlimited" calling, there is a cap of 5,000 minutes per month; exceeding this cap is determined to be atypical residential use and may result in a warning, suspension or termination of services.

Unless otherwise specified, each plan detailed in Section 3.5.3 following, is 'Month to Month'; there is no term commitment.

Not all services, features, and charges included in, and associated with, the package plans in Section 3.5.3 are regulated by the Arizona Commission.

3.5.1 Residential Optional Features

Additional Optional Features below are available on all Residential Service Packages in Section 3.5.3 of this tariff.

| | <u>Current Rate</u> | <u>Maximum Rate</u> |
|---|---------------------|---------------------|
| Unlimited Directory Assistance | \$12.95 | \$15.00 |
| Wire-Guard (Not available in rental properties) | \$6.95 | \$12.00 |
| Distinctive Ring | \$4.95 | \$10.00 |

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3.0 Services, Rates, and Charges (Cont'd)3.5 Residential Service Packages (Cont'd)3.5.2 Residential Packages, Miscellaneous Charges

Unless otherwise specified, when applicable, the following charges apply to the Residential Local Service Packages detailed in Section 3.5.3 of this tariff.

| | Current Add/Change Fee | Maximum Add/Change Fee | MRC | Current Usage Charge, Per Minute | Maximum Usage Charge, Per Minute | Current Surcharge | Maximum Surcharge |
|--------------------------------------|-------------------------------|-------------------------------|------------|---|---|--------------------------|--------------------------|
| 800 Numbers | \$ 10.80 | \$20.00 | N/A | \$ 0.10 | \$0.15 | N/A | N/A |
| Travel Calling Cards | \$ 10.80 | \$20.00 | N/A | \$0.25 (U.S.) \$0.28 (Int'l) | \$0.35 (U.S.) \$0.40 (Int'l) | \$ 1.25, per call | \$2.00, per call |
| CID Name Changes | \$ 10.80 | \$20.00 | N/A | N/A | N/A | N/A | N/A |
| Collect Call and/or 3rd Party Blocks | \$ 10.80 | \$20.00 | N/A | N/A | N/A | N/A | N/A |
| Add New Service | \$ 10.80 | \$20.00 | Varies | N/A | N/A | Varies | Varies |
| Remove Service | \$ 10.80 | \$20.00 | N/A | N/A | N/A | N/A | N/A |
| Outside Move (POTS or DSL) | \$ 35.95 | \$50.00 | N/A | N/A | N/A | N/A | N/A |
| Feature Changes | \$ 10.80 | \$20.00 | N/A | N/A | N/A | N/A | N/A |
| Listing Changes | \$ 10.80 | \$20.00 | N/A | N/A | N/A | N/A | N/A |
| Plan Changes | \$ 10.80 | \$20.00 | N/A | N/A | N/A | N/A | N/A |
| Number Changes | \$ 35.00 | \$50.00 | N/A | N/A | N/A | N/A | N/A |

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 3.0 Services, Rates, and Charges (Cont'd)
3.5 Residential Service Packages (Cont'd)3.5.3 Residential Package Plans3.5.3.A Value Phone

Basic calling plan for Residential customers

- Unlimited Local Calling
- Long Distance \$0.09 per minute in US and Canada †

Features include Last Call Connect, Repeat Dial, Speed Dial and Three Way Conference Calling. A La Carte features available at additional charge.

Rates and Charges

- \$19.95 per month, Standard taxes and Fees apply‡
- \$6.00 End User Common Line charge added to each account per month
- Installation Fee \$39.95*§
 * For new customers that fail the credit check, this fee is collected at the time of sale. For new customers that pass the credit check, this fee appears on the first month's invoice.

 † Current Rate; Maximum Rate = \$0.12 per minute in US and Canada

‡ Current Rate; Maximum Rate = \$30.00 per month

§ Current Rate; Maximum Rate = \$50.00

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3.0 Services, Rates, and Charges (Cont'd)

3.5 Residential Service Packages (Cont'd)

3.5.3 Residential Package Plans (Cont'd)

3.5.3.A Value Phone (Cont'd)

Value Phone Package Optional Features Available
Price per Package, Per Feature

| | Current <u>Rate</u> | Maximum <u>Rate</u> |
|--------------------------|------------------------|------------------------|
| Voicemail | \$4.25 | \$6.00 |
| Caller ID | \$5.75 | \$7.00 |
| Call Waiting | \$3.25 | \$5.00 |
| Anonymous Call Rejection | \$2.65 | \$4.00 |
| Call Blocking | \$3.75 | \$5.50 |
| Call Forwarding | \$3.25 | \$5.00 |
| Remote Call Forward | \$5.00 | \$6.50 |

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 3.0 Services, Rates, and Charges (Cont'd)
3.5 Residential Service Packages (Cont'd)3.5.3 Residential Package Plans (Cont'd)3.5.3.B Local Connect

Basic calling plan for Residential customers with comprehensive features included.

- Unlimited Local Calling
- Long Distance \$0.05 per minute in US and Canada**

Features include Voicemail, Caller ID, Call Waiting, Anonymous Call Rejection, Call Blocking, Call Forwarding, Last Call Connect, Repeat Dial, Remote Call Forwarding, Speed Dialing, Three Way Conference Calling

Rates and Charges

- \$35.00 per month, standard taxes and Fees apply††
- Installation Fee \$39.95*,‡‡
* For new customers that fail the credit check, this fee is collected at the time of sale. For new customers that pass the credit check, this fee appears on the first month's invoice.

** Current Rate; Maximum Rate = \$0.08 per minute in US and Canada

†† Current Rate; Maximum Rate = \$45.00 per month

‡‡ Current Rate; Maximum Rate = \$50.00

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3.0 Services, Rates, and Charges (Cont'd)

3.5 Residential Service Packages (Cont'd)

3.5.3 Residential Package Plans (Cont'd)

3.5.3 C Complete Connect

Basic calling plan for Residential customers with comprehensive features included.

- Unlimited Local Calling
- Unlimited Long Distance Calling in US and Canada

Features include Voicemail, Caller ID, Call Waiting, Anonymous Call Rejection, Call Blocking, Call Forwarding, Last Call Connect, Repeat Dial, Remote Call Forwarding, Speed Dialing, Three Way Conference Calling

Rates and Charges

- \$45.00 per month, standard taxes and Fees apply‡‡
- Installation Fee \$39.95*, §§
** For new customers that fail the credit check, this fee is collected at the time of sale. For new customers that pass the credit check, this fee appears on the first month's invoice.*

‡‡ Current Rate; Maximum Rate = \$55.00 per month

§§ Current Rate; Maximum Rate = \$50.00 per month

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3.0 Services, Rates, and Charges (Cont'd)

3.5 Residential Service Packages (Cont'd)

3.5.3 Residential Package Plans (Cont'd)

3.5.3.D Local Connect Plus

Basic calling plan for Residential customers with comprehensive features included.

- Unlimited Local Calling
- Long Distance \$0.05 per minute in US and Canada^{†††}

Features include Voicemail, Caller ID, Call Waiting, Anonymous Call Rejection, Call Blocking, Call Forwarding, Last Call Connect, Repeat Dial, Remote Call Forwarding, Speed Dialing, Three Way Conference Calling

Includes High-Speed DSL Internet up to 8MPS. Includes Free 4 port Wi-Fi Router (shipping extra) and self-installation kit. Three email addresses, free pop-up blocker, SPAM blocker and anti-virus protection included.

Rates and Charges

- \$55.00 per month, standard taxes and Fees apply^{†††}
- Installation Fee \$79.90*,^{§§§}
** For new customers that fail the credit check, this fee is collected at the time of sale. For new customers that pass the credit check, this fee appears on the first month's invoice.*
- There is a \$12.95 Modem Shipping fee that appears on the first month's invoice.

^{†††} Current Rate; Maximum Rate = \$0.08 per minute in US and Canada

^{†††} Current Rate; Maximum Rate = \$65.00 per month

^{§§§} Current Rate; Maximum Rate = \$100.00

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3.0 Services, Rates, and Charges (Cont'd)

3.5 Residential Service Packages (Cont'd)

3.5.3 Residential Package Plans (Cont'd)

3.5.3.E Complete Connect Plus

Basic calling plan for Residential customers with comprehensive features included.

- Unlimited Local Calling
- Unlimited Long Distance in US and Canada

Features include Voicemail, Caller ID, Call Waiting, Anonymous Call Rejection, Call Blocking, Call Forwarding, Last Call Connect, Repeat Dial, Remote Call Forwarding, Speed Dialing, Three Way Conference Calling

Includes High-Speed DSL Internet up to 8MPS. Includes Free 4 port Wi-Fi Router (shipping extra) and self-installation kit. Three email addresses, free pop-up blocker, SPAM blocker and anti-virus protection included.

Rates and Charges

- \$65.00 per month, standard taxes and Fees apply†††
- Installation Fee \$79.90*,‡‡‡‡
* For new customers that fail the credit check, this fee is collected at the time of sale. For new customers that pass the credit check, this fee appears on the first month's invoice.
- There is a \$12.95 Modem Shipping fee that appears on the first month's invoice.

†††† Current Rate; Maximum Rate = \$75.00 per month

‡‡‡‡ Current Rate; Maximum Rate = \$100.00

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ATTACHMENT C

Proposed Publication Notice

Will be supplied to Staff following publication.

ATTACHMENT D

Financial Statements

The financial statements of the Applicant are confidential and proprietary. Applicant seeks permission to provide the financials supporting this Application to Staff pursuant to a protective agreement and will work with Staff to provide the necessary assurances that the Applicant's financial resources are adequate.

ATTACHMENT E

Key Personnel Management Biographies

Francis X. ("Skip") Frantz – Chairman of the Board

Francis X. ("Skip") Frantz, is the Chairman of the Board of Directors for Communications Sales and Leasing, Inc. Previously, Mr. Frantz served as a director of Windstream since 2006 and served as Chairman of the Audit Committee. From July 2006 to February 2010, he served as Chairman of the Windstream Board. Mr. Frantz has served as Chairman of Central Bank (a community bank in Little Rock, Arkansas) since February 2007, and also serves as a director of a number of other privately held companies. Prior to January 2006, Mr. Frantz was Executive Vice President-External Affairs, General Counsel and Secretary of Alltel Corporation. Mr. Frantz joined Alltel in 1990 as Senior Vice President and General Counsel and was appointed Secretary in January 1992 and Executive Vice President in July 1998. While with Alltel, he was responsible for Alltel's mergers and acquisitions negotiations, wholesale services group, federal and state government and external affairs, corporate communications, administrative services, and corporate governance, in addition to serving as Alltel's chief legal officer. Mr. Frantz served as the 2006 and 2007 Chairman of the Board and of the Executive Committee of the United States Telecom Association.

Anthony W. Thomas – Chief Executive Officer

Tony Thomas is Chief Executive Officer for Communications Sales & Leasing, Inc. Tony has worked in the communications industry for more over 15 years and is focused on creating shareholder value by expanding and diversifying the Company's communications real estate portfolio. Previously, Mr. Thomas served as chief financial officer for Windstream since August 2009 with responsibility for overseeing Windstream's financial, tax, procurement, audit, treasury, risk management and investor relations teams. In addition, Mr. Thomas oversees the carrier solutions and the telecom procurement organizations. The carrier solutions team provides a full portfolio of communications products to carriers, wireless providers, cable providers and others. The telecom procurement organization is responsible for the acquisition of telecommunications services.

Previously, he served as controller for three years, overseeing the company's accounting, financial planning, external reporting, and retail billing departments. Thomas joined Windstream with the spinoff from Alltel Corp., where he was vice president of investor relations. He previously held various financial and operational management roles at Alltel including: vice president of corporate financial planning, vice president of finance for the southeast region, vice president of process development and vice president of wireless wholesale roaming. He had joined Alltel as director of revenue accounting when it merged with 360 Communications in 1998. Before entering the communications industry, he was a senior auditor with Ernst & Young. Thomas holds a master's degree in business administration from Wake Forest University and a bachelor's degree in accountancy from the University of Illinois. He is a certified public accountant.

Jeffery W. Small - Senior Vice President – Corporate Development and Operations

Jeff Small is Senior Vice President of corporate development and operations for Communications Sales & Leasing, Inc. Jeff is responsible for lease administration of the real estate portfolio and is the senior leader of the consumer CLEC operations of Talk America.

Previously Jeff was Vice President of procurement and carrier service delivery at Windstream with responsibilities for supply chain management, procurement strategy and vendor management, and oversight of the service delivery experience for a full portfolio of carrier communications products provided to carriers, wireless providers, cable providers and others. Jeff also held various accounting and finance leadership roles since joining the Company in 2008.

Prior to joining Windstream, Jeff served four years as the controller for Ranger Boats, Inc. and was an audit senior with Arthur Andersen LLP for five years. Jeff holds a degree in accounting from the Arkansas State University and is a licensed certified public accountant.