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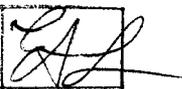
August 1, 2014

Arizona Corporation Commission

DOCKETED

AUG 01 2014

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

DOCKETED BY 

RE: **Supplement to Application of Threshold Communications, Inc.**
Docket No. T-20888A-13-0273

Threshold Communications, Inc. ("Threshold") hereby supplements its Application in this docket with the following information:

1. Threshold is also seeking authority to provide private line service within Arizona and requests that the Commission grant that authority in addition to the authority requested in the initial Application.
2. Threshold hereby submits its March 24, 2014 Responses to Staff's 1st Set of Data Requests to Threshold Communications, Inc. and its July 28, 2014 Supplement to those Responses in further support of its Application.

Sincerely,

Michael W. Patten

MWP:jh
Enclosures

Original and 13 copies filed with Docket Control
cc: Yvette Kinsey, Administrative Law Judge
Pamela Genung
Brian E. Smith, Esq.

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July 28, 2014

E-Mailed and Hand-Delivered

Ms. Pamela Genung
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

RE: Supplement to Staff's 1st Set of Data Requests to Threshold Communications, Inc.
Docket No. T-20888A-13-0273

Dear Ms. Genung:

Enclosed please find a supplement to Threshold's March 24th responses to Staff's 1st Set of Data Requests to Threshold Communications, Inc. in the above docket, which includes:

- 1) a revised page 58 to Threshold tariff A.C.C. No. 1;
- 2) a revised page 7 to Threshold tariff A.C.C. No. 2; and
- 3) a revised comparison of rates as a supplement to the previous response to Request No. PJG 1-26

Please let me know if you have any questions.

Sincerely,



Michael W. Patten

MWP:jh
Enclosures
cc: Brian E. Smith, Esq.

SECTION 4 – RATES AND CHARGES, Continued

4.2. THRESHOLD PRIVATE LINE SERVICES

4.2.1. Recurring and Non-Recurring Charges

<u>Transmission Speed</u>	<u>Monthly Recurring Charge per DS1 Mile</u>	<u>Non-Recurring Installation Charge</u>
DS-0	Not available	Not Available
DS-1	\$ 3.83	\$ 500.00
DS-3	\$ 15.52	\$ 2,000.00
OC-3	\$ 40.98	\$ 6,000.00
OC-12	\$ 149.02	\$20,000.00
OC-48	\$ 521.58	\$50,000.00

Issued:

Effective Date:

Issued By:

Mr. Jeff Matson
President
Threshold Communications, Inc.
16451 Redmond Way, #254C
Redmond, WA 98052-4482
888.820.7833

APPLICATION OF TARIFF

This Tariff applies to intrastate interexchange offered by Threshold Communications, Inc. ("Company") between various locations within the State of Arizona.

Issued:

Effective Date:

Issued By:

Mr. Jeff Matson
President
Threshold Communications, Inc.
16451 Redmond Way, #254C
Redmond, WA 98052-4482
888.820.7833

Business Maximum Rate Comparison of Telecommunications Services provided by Competitor's In Arizona	Applicant's Arizona Tariff			Competitor #1 Arizona Tariff CenturyLink		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services	Basic Local Service	N/A				
	Frame Relay PVC 56 kbps	42/mo	4.3.4	166.68(max)	5.5.1	5-15
	DS-1 Private Line	500 Install + 3.83/mi	4.2.1	ICB (competitive)		3-1
	Hosted PBX Service	30.99 per extension	4.1.2			
Miscellaneous Services & Rates	Directory Assistance	0.75	4.4	1.99	6.2.4.A.3.a	6-15
	Returned Check Charge (NSF)	\$25		12.5	2.3.2.E	2-30
Other Things	Directory Listing Service - Primary Listing	N/A				
	Directory Listing Service - Non-Published	N/A				
Primary Rate Interface (DS0) Service	Voice Trunk	25/mo	4.1.3			
	12 months	500/mo	4.1.1	NA		
	24 Months	500/mo	4.1.1	NA		
	36 Months	500/mo	4.1.1	1590.7	14.3.1.D.10/14.3.1.D.12	14-46&47
Long Distance	Direct Dialed Station-to-Station (Include all relevant billing elements used to make the comparison)	0.11	4.1.2 (XC)	0.78	6.2.1.F.2	9-6
Number Rate Comparison of Telecommunications Services	Competitor #2 Arizona Tariff GC Pivotal					
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services	Basic Local Service					
	Frame Relay PVC 56 kbps	46/mo (48kbps)	11.8.3		23	
	DS-1 Private Line	1000/Install+3.25/mi	11.2.1		15	
	Hosted PBX Service	N/A				
	Directory Assistance	N/A		0.9	5.8.3	93
Miscellaneous Services & Rates	Returned Check Charge (NSF)			25	2.7.6	24
	Primary Rate Interface (DS0) Service					
T1/PRI	Month-to-month			ICB	4.5.2	61
	12 Months			765	4.5.2	61
	24 Months			702	4.5.2	61
	36 Months			638	4.5.2	61
Long Distance	Direct Dialed Station-to-Station (Include all relevant billing elements used to make the comparison)			0.078	7.2.4.A	113

CenturyLink

Issued: 3-18-13

Effective: 3-19-13

2. GENERAL REGULATIONS - CONDITIONS OF OFFERING

2.3 PAYMENT FOR SERVICE

2.3.2 PAYMENT OF BILLS (Cont'd)

- E. Payment of bills for telephone service may be made by any means mutually acceptable to the customer and the Company. Payment which is not honored or paid by the customer's designated financial institution will be considered as nonpayment. A charge will apply whenever a payment for service on an active account is not accepted by the customer's designated financial institution.

	NONRECURRING	
	MAXIMUM	CURRENT
	CHARGE	CHARGE

- | | | |
|--------------------------------------------|---------|---------|
| • Returned Payment Charge, per occasion[1] | \$12.50 | \$10.00 |
|--------------------------------------------|---------|---------|

- F. The customer bill is due upon receipt. Customers have the following options as to the method of paying bills for telephone service:

- At any Company payment depository location.
- At the office of any authorized payment agent of the Company.
- By U.S. Mail, by check or money order.
- Through an agent of the customer.
- By electronic funds transfer.

- G. In order to avoid collection procedures which could result in a temporary disconnection of service, payment must be received no later than the due and payable date shown on the customer's bill.

- H. Payments received by the Company on or before the due and payable date on the customer's bill will prevent collection procedures which could result in a disconnect of service, provided the following billing information is remitted with payment. The following items are all contained on the customer's bill:

- Customer's name
- Customer's telephone number
- Customer's customer code
- Customer's account type
- Amount of payment

[1] Pursuant to Decision No. 73354, actual rates may increase by no more than 10% annually for residence services and 15% annually for small and medium business services during the three years following the 8/21/12 effective date of the decision.

Issued: 3-18-13

Effective: 3-19-13

14. INTEGRATED SERVICES DIGITAL NETWORK

14.3 PRIMARY RATE SERVICE OFFERINGS

14.3.1 PRIMARY RATE SERVICE

D. Rates and Charges (Cont'd)

10. Transport

	USOC	NONRECURRING CHARGE	
		MAXIMUM	CURRENT
• T1 facility			
- 3 Years	ZPT13	\$1,800.00	\$900.00
- 5 Years	ZPT15	1,800.00	900.00
- 7 Years	ZPT17	1,800.00	900.00
- 10 Years	ZPT10	1,800.00	900.00
• Discounted T1 facility			
- 3 Years	ZPTG3	900.00	450.00
- 5 Years	ZPTG5	-	-
• Discounted T1 facility, provisioned on a T3, per T1 facility activated[1,2,3]			
- 3 Years	ZP3H3	900.00	450.00
- 5 Years	ZP3H5	-	-
		MAXIMUM	CURRENT
	USOC	MONTHLY	MONTHLY
		RATE	RATE
• T1 facility			
- 3 Years	ZPT13	\$380.70	\$126.90
- 5 Years	ZPT15	329.94	109.98
- 7 Years	ZPT17	325.71	108.57
- 10 Years	ZPT10	317.25	105.75
• Discounted T1 facility			
- 3 Years	ZPTG3	380.70	126.90
- 5 Years	ZPTG5	329.94	109.98
• Discounted T1 facility, provisioned on a T3, per T1 facility activated[1,2,3]			
- 3 Years	ZP3H3	-	-
- 5 Years	ZP3H5	-	-

[1] Requires a 3- or 5-year contract for ISDN Trunk Connections in addition to this rate.

[2] One Service Configuration is required for each T1 facility.

[3] Also requires a T3 facility and multiplexing specified elsewhere.

Issued: 3-18-13

Effective: 3-19-13

14. INTEGRATED SERVICES DIGITAL NETWORK

14.3 PRIMARY RATE SERVICE OFFERINGS

14.3.1 PRIMARY RATE SERVICE

D. Rates and Charges (Cont'd)

11. ISDN Trunk Connection, per B-channel

	USOC	STABILIZED NONRECURRING CHARGE	
		MAXIMUM	CURRENT
• 3-Year Plan			
- Call-By-Call			
- 2-Way[1]	PT332	\$ 103.00	\$ 51.50
- Dedicated			
- Inward[1]	PT331	103.00	51.50
- Outward	PT330	39.00	19.50
- 2-Way[1]	PT332	103.00	51.50
• 5-Year Plan			
- Call-By-Call			
- 2-Way[1]	PT352	-	-
- Dedicated			
- Inward[1]	PT351	-	-
- Outward	PT350	-	-
- 2-Way[1]	PT352	-	-

**12. UAS Network Connections,
 per T1 facility**

• 3-Year Plan			
- Two-Way	NWO23	1,200.00	600.00
- In-Only	NWO13	1,200.00	600.00
• 5-Year Plan			
- Two-Way	NWO25	-	-
- In-Only	NWO15	-	-

[1] Separate DID Trunk Termination charges do not apply.

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Effective: 8-2-13

5. FRAME RELAY SERVICE

5.5 RATES AND CHARGES

5.5.1 GENERAL (Cont'd)

C. User-to-Network Information Transfer (UNIT)

1. 4-Wire Service

a. 56 or 64 kbps - UNIT

	USOC	NONRECURRING CHARGE MAXIMUM	CURRENT
• First PVC	NRBF1	\$ 62.00	\$31.00
• Each additional PVC	NRBF2	40.00	20.00
• Subsequent PVC(s) order charge, per order[1]	NRBFO	150.00	75.00

	MAXIMUM MONTHLY RATES			
	MONTH-TO-MONTH		1-YEAR	
	USOC	RATE	USOC	RATE
• Per port with:				
1 PVC	17TAM	\$166.68	17TA1	\$158.34
2 PVCs	17TBM	340.89	17TB1	323.85
3 PVCs	17TCM	446.76	17TC1	424.41
4 PVCs	17TDM	532.17	17TD1	505.56
5 PVCs	17TEM	607.29	17TE1	576.93
6 through 14 PVCs[2]	17TGM	18.78	17TG1	17.85
15 through 24 PVCs[3]	17THM	9.39	17TH1	8.91
Each additional PVC over 24[4]	17TJM	4.68	17TJ1	4.44

[1] When appropriate, the "Each Additional PVC" nonrecurring charge applies in addition to the "Subsequent PVC Order Charge".

[2] For each PVC over 5, up to and including 14, add this rate to the monthly rate for 5 PVCs.

[3] For each PVC over 14, up to and including 24, add this rate to the total monthly rate for 14 PVCs.

[4] For each PVC over 24 add this rate to the total monthly rate for 24 PVCs.

Issued: 8-8-13

Effective: 8-9-13

3. RATE TERMS AND CONDITIONS

3.1 GENERAL

This section contains specific terms and conditions governing the rates and charges for Private Line Transport Service.

3.2 TYPES OF RATES AND CHARGES

There are two types of rates and charges. These are recurring rates and nonrecurring charges described as follows.

3.2.1 RECURRING RATES

Recurring rates are flat rates that apply each month or fraction thereof that Private Line Transport Service is provided. These rates may apply on a daily or monthly basis, depending on the type of service. For billing purposes, each month is considered to have 30 days.

3.2.2 RESERVED FOR FUTURE USE

Terms and Conditions for Nonrecurring Charges formerly found in this Section of the Tariff are deregulated pursuant to Decision No. 73354 and can now be found in the Private Line Transport Services Catalog.

Issued: 8-8-13

Effective: 8-9-13

3. RATE TERMS AND CONDITIONS

3.2 TYPES OF RATES AND CHARGES (Cont'd)

3.2.3 CUSTOM SERVICE ARRANGEMENT

If the standard Channel Performance packages or available Optional Features and Functions are not adequate to meet a specific customer requirement, the customer may request and the Company may develop a unique Custom package where facilities and operating conditions permit. Both the monthly rate and the nonrecurring charges for the features will be developed on an individual case basis. The charges for all other rate categories as described in 5.1.2, following, will apply for the type of channel service requested. Special Construction charges as defined in Private Line Transport Service Catalog, may also apply.

3.2.4 ALTERNATE PRICING ARRANGEMENT

Where circumstances warrant, a customer subscribing to Private Line Transport Service may request, on an individual case basis, an Alternate Pricing Arrangement. The terms and conditions of such an arrangement will be determined by the Company at the time the request is made.

Issued: 8-8-13

Effective: 8-9-13

3. RATE TERMS AND CONDITIONS

3.3 MINIMUM BILLING PERIOD AND FRACTIONAL RATES

- A. Rates for service offered under this Tariff are for a minimum billing period of one month or the length of time specified in a Custom Service Arrangement, in an Alternate Pricing Arrangement, or in a specific service agreement.
- B. When the minimum billing period has been met, charges for a fraction of a month will be the monthly rate, prorated for the actual number of days service is furnished. For this purpose every month is considered to have 30 days.
- C. Fractions of a cent are carried throughout the computation of the charge. When the computed charge includes a fraction of a cent;
 - One-half cent or more is treated as one cent;
 - Less than one-half cent is disregarded
- D. The rates for service installed or changes in service which involve a change in rates will become effective on the day the service is installed or changed.

3.4 MILEAGE MEASUREMENT

The mileage to be used to determine the monthly rate for the Transport Mileage is calculated using the airline distance between wire centers. The serving wire center associated with a customer-designated premises is the serving wire center from which the customer-designated premises would normally obtain dial tone.

Transport Mileage is shown in terms of mileage bands. To determine the rate to be billed, first compute the mileage using the V & H coordinates method, as set forth in the National Exchange Carrier Association Tariff F.C.C. No. 4, then find the band into which the computed mileage falls and apply the rates shown for that band. When the calculation results in a fraction of a mile, always round up to the next whole mile before determining the mileage band and applying the rates.

When bridging locations are involved, mileage is computed and rates applied separately for each section of the Transport Mileage. When any service is routed through a wire center for purposes other than customer specified bridging (e.g., the Company chooses to so route for test access purposes), rates will be applied only to the distance calculated between the serving wire centers associated with the customer-designated premises.

Issued: 8-8-13

Effective: 8-9-13

3. RATE TERMS AND CONDITIONS

3.5 RESERVED FOR FUTURE USE

3.6 COMPETITIVE RESPONSE

A. Description

The Customer Incentive Program is an offering for potential new business and to existing business customers to induce the retention or continuation of existing services by those customers.

B. Terms and Conditions

1. This competitive response offering may be offered to potential new Qwest business customers. In addition, the Company may provide a retention benefit to any existing business customer who has retained a service for some period of time.
2. For potential new business customers, the Company will condition its offers upon a business customer remaining with the Company for a minimum of one year. Any minimum period of time shall be identified to the business customer as part of the offer. In such cases, if the customer terminates service early, they will be billed all of the nonrecurring charge(s) and monthly rate(s) waived under this program.
3. The recipients of the customer incentive offer and the amount of the customer incentive offer shall be in the sole discretion of the Company, but the value of the retention benefit may not exceed the sum of C.1., following.
4. The Company shall determine the particular details, including but not limited to periods and duration, class of customers, services, amounts, and geographic area, so long as each such offer to a particular business customer is not inconsistent with the provisions of this Tariff and the amount does not exceed the maximum amount set forth in C.1., following. The Company may prohibit use of this program in conjunction with another offer being marketed by the Company and/or a Company affiliate.

Issued: 8-8-13

Effective: 8-9-13

3. RATE TERMS AND CONDITIONS

3.6 COMPETITIVE RESPONSE

B. Terms and Conditions(Cont'd)

5. Offers may differ based on reasonable criteria, including the following criteria or combinations of criteria below:
 - a. The sales channel through which the products are sold.
 - b. A specific geographic area.
 - c. Existing customers who request to have one or more products disconnected.
 - d. Customers who identify a better competitive offer are available to them. Qwest representatives may present to these customers multiple offers up to the maximum value under this Tariff.
 - e. Such other facts, criteria, and circumstances as the Company believes is a reasonable basis upon which to distinguish among groups of customers.
 - f. The Company reserves the right to discontinue this offer.

Issued: 8-8-13

Effective: 8-9-13

3. RATE TERMS AND CONDITIONS

3.6 COMPETITIVE RESPONSE (Cont'd)

C. Rates and Charges

1. Customers may be offered one of the following, or the equivalent monetary value, on selected products as determined by the Company:
 - a. A waiver of an amount up to 100% of the current business nonrecurring charge(s), or
 - b. A waiver of up to two months of the recurring rate(s), or
 - c. A waiver of an amount up to 100% of the current business nonrecurring charge(s) and up to two months of the recurring rate(s).
2. The waiver(s) will appear in the form of a credit(s) on the customer's bill. The waiver may be one-time, or spread over a period of up to 12 months in a fashion determined by the Company.
3. Waiver amounts are calculated on the first month's nonrecurring charge(s) and monthly rate(s). The total waived amount will not exceed the value of the total nonrecurring charge(s) plus two months service of the monthly rate(s).
4. In all cases, resellers who use the Customer Incentive Program shall be provided the maximum monetary equivalent of the program as allowed by this Tariff and can distribute that value to their end user customers in any manner that they choose. Further, resellers are not required to match the Company's program offers or timing in order to take advantage of the program, and no further wholesale discount is provided to the maximum monetary equivalent. Resellers shall be provided monetary equivalents and they shall not be provided merchandise, coupon offers, or the like.

GC Pivotal

11. PRIVATE LINE SERVICES RATES AND CHARGES

1. Private Line Service

Private line service provides a dedicated transmission path on a point-to-point basis that does not interfere with a Company switch. Private line is offered on a DC-n and OC-n level. DC-n Services include DS-1 and DS-3 level OC-n Services include OC-3, OC-12, OC-48 and OC-192 level.

Frame Relay and ATM Services also available.

2. DS1 Service

2.1 Non-Channelized

(A) Installation and Ancillary/Administrative Charges

Rate Element	Charge Per DS1			
	Out of Term	1 Yr Term Plan	3 Yr Term Plan	5 Yr Term Plan
Installation Charge	\$1,000.00	\$700.00	\$500.00	\$0.00
Service Order Change Charge	\$325.00	\$325.00	\$325.00	\$325.00
Service Order Cancellation Charge	\$500.00	\$500.00	\$500.00	\$500.00

(B) Monthly Recurring Charge -- Fixed

	Fixed Monthly Recurring Charges			
	Out of Term	1 Yr Term Plan	3 Yr Term Plan	5 Yr Term Plan
Per Circuit	\$850.00	\$775.00	\$720.00	\$675.00

(C) Interoffice Channel Charge -- Per Mile

The per mile interoffice Channel charge is as follows:

	Per Mile Charge			
	Out of Term	1 Yr Term Plan	3 Yr Term Plan	5 Yr Term Plan
Per Mile	\$3.25	\$2.35	\$2.25	\$2.20

11. PRIVATE LINE SERVICES RATES AND CHARGES (cont.)

8. Domestic Frame Relay Service (cont.)

8.3 PVCs – Duplex

CIR/PVC	Monthly Recurring Charges	One Time Charges
4 Kbps	\$16.00	\$0.00
8 Kbps	\$16.00	\$0.00
16 Kbps	\$16.00	\$0.00
32 Kbps	\$31.00	\$0.00
48 Kbps	\$46.00	\$0.00
64 Kbps	\$63.00	\$0.00
128 Kbps	\$125.00	\$0.00
192 Kbps	\$190.00	\$0.00
256 Kbps	\$251.00	\$0.00
320 Kbps	\$315.00	\$0.00
384 Kbps	\$375.00	\$0.00
448 Kbps	\$440.00	\$0.00
512 Kbps	\$500.00	\$0.00
576 Kbps	\$565.00	\$0.00
640 Kbps	\$625.00	\$0.00
704 Kbps	\$690.00	\$0.00
768 Kbps	\$750.00	\$0.00
832 Kbps	\$815.00	\$0.00
896 Kbps	\$875.00	\$0.00
960 Kbps	\$940.00	\$0.00
1024 Kbps	\$1,000.00	\$0.00

8.4 Ancillary/Administrative Charges

Rate Element	Charge
FRS Configuration Change Charge	\$50.00
FRS Port Order Change Charge	\$100.00
PVC Order Change Charge	\$50.00
Service Order Cancellation Charge	\$250.00

tw telecom

SECTION 4 – BUSINESS NETWORK SWITCHED SERVICE, (CONT'D.)

4.5 Voice T1 Service

4.5.1 Description

Voice T1 Service allows the Customer to connect suitably-equipped Customer Premises Equipment to the Company's switching equipment using a digital transport facility. Each link is configured with 24 DS0s or channels and can be provisioned with either ISDN or non-ISDN digital signaling, depending on the CPE requirements and application needs. Customers can choose inward, outward or two-way directionality.

Customers who select the Company as their long distance provider for both interLATA and intraLATA calling or for intraLATA only will receive a monthly allowance of 6,500 long distance minutes of usage per Voice T1. For Grandfathered Customers as of May 22, 2012, the monthly allowance is 5,000 long distance minutes of usage per Voice T1. Usage in excess of the aforementioned minutes will be billed at the regular tariffed rate. Customers who do not select the Company as their long distance provider are not eligible to receive the monthly allowance of long distance minutes of usage.

(C)
 (T)
 |
 (T)
 (T)

Service is available as equipment and facilities permit.

4.5.2 Maximum Rates and Charges

		12 Month	24 Month	36 Month	60 Month
	(D)	<u>Term</u>	<u>Term</u>	<u>Term</u>	<u>Term</u>
Monthly Recurring Charge		\$ 765.00	\$ 702.00	\$638.00	\$606.00
Nonrecurring Charge	(D)	\$1,500.00	\$1,000.00	\$750.00	\$750.00

Issued: April 20, 2012

Effective: May 22, 2012

Issued by: Lyndall Nipps, Vice President - Regulatory Affairs
 10475 Park Meadows Drive, Suite 400
 Littleton, CO 80124

AZ11203a

SECTION 7 - TOLL SERVICES, (CONT'D.)

7.2 Intrastate Calling Service, (Cont'd.)

7.2.4 Maximum Rates and Charges

A. Rates Applicable to Locations Served with Company-Provided Local Service

1. Tiered Rate Schedule – All Markets Grandfathered

This section of rates and charges is grandfathered and is only available to existing Customers at existing locations without modification as of August 29, 2012.

(T)
 |
 |
 (T)

<u>Usage Tier</u>	<u>Rate Per Minute Outbound</u>	<u>Rate Per Minute Toll Free</u>
0-10,000	\$0.074	\$0.074
10,001 – 50,000	\$0.068	\$0.068
50,001 – 100,000	\$0.066	\$0.066
100,001 – 150,000	\$0.065	\$0.065
150,001 – 200,000	\$0.065	\$0.065
200,001 – 300,000	\$0.065	\$0.063
300,001 – 500,000	\$0.063	\$0.063
500,001 – 700,000	\$0.063	\$0.063
700,001 – 900,000	\$0.063	\$0.063
900,001 and over	\$0.063	\$0.063

2. LD Simple Rate Schedule

<u>Term</u>	<u>Rate Per Minute Outbound</u>	<u>Rate Per Minute Toll Free</u>
Any	\$0.060	\$0.080

B. Rates Applicable to Locations not Served with Company-Provided Local Service

Rates Per Minute Outbound or Toll Free \$0.48

C. Rates Applicable to All Locations for Calling Card Services

Rate Per Minute \$0.338

Issued: July 30, 2012

Effective: August 29, 2012

Issued by: Lyndall Nipps, Vice President - Regulatory Affairs
 10475 Park Meadows Drive, Suite 400
 Littleton, CO 80124

AZ11208

SECTION 7 - TOLL SERVICES, (CONT'D.)

7.2 Intrastate Calling Service, (Cont'd.)

7.2.4 Maximum Rates and Charges

A. Rates Applicable to Locations Served with Company-Provided Local Service

<u>Usage Tier</u>	<u>Rate Per Minute Outbound</u>	<u>Rate Per Minute Toll Free</u>
0-10,000	\$0.074	\$0.074
10,001 - 50,000	\$0.068	\$0.068
50,001 - 100,000	\$0.066	\$0.066
100,001 - 150,000	\$0.065	\$0.065
150,001 - 200,000	\$0.065	\$0.065
200,001 - 300,000	\$0.065	\$0.063
300,001 - 500,000	\$0.063	\$0.063
500,001 - 700,000	\$0.063	\$0.063
700,001 - 900,000	\$0.063	\$0.063
900,001 and over	\$0.063	\$0.063

B. Rates Applicable to Locations not Served with Company-Provided Local Service

Rates Per Minute Outbound or Toll Free	\$0.48
----------------------------------------	--------

C. Rates Applicable to All Locations for Calling Card Services

Rate Per Minute	\$0.338
-----------------	---------

Issued: April 10, 2009

Effective: May 10, 2009

Issued by: Lyndall Nipps, Vice President - Regulatory Affairs
10475 Park Meadows Drive, Suite 400
Littleton, CO 80124

APPROVED FOR FILING DECISION # 76057 ^{A710901}

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March 24, 2014

E-Mailed and Hand-Delivered

Ms. Pamela Genung
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

RE: Staff's 1st Set of Data Requests to Threshold Communications, Inc.
Docket No. T-20888A-13-0273

Dear Ms. Genung:

Enclosed please find the responses to Staff's 1st Set of Data Requests to Threshold Communications, Inc. in the above docket. Please let me know if you have any questions.

Sincerely,



Michael W. Patten

MWP:jh
Enclosures
cc: Brian E. Smith, Esq.

STAFF'S FIRST SET OF DATA
REQUESTS FOR THRESHOLD
COMMUNICATIONS, INC. DOCKET NO.
T-20888A-13-0273

PJG 1-1 In response to (A-1) of Threshold's Application, Threshold specified that it is requesting authorization to provide VoIP services in Arizona. As requested in (A-1), please provide a complete description of the VoIP service that Threshold intends to offer.

Response: Threshold will use VOIP technology to deliver the following services to Arizona business customers:

- Long Distance Service
- Toll-Free Service
- SIP Trunks for Local and Long Distance Calling
- FAX to E-mail Service
- Hosted PBX Service

PJG 1-2 Staff's understanding is that the VoIP services that Threshold is requesting to provide in Arizona are private line services. Please confirm whether Staff's understanding is correct. If it is not correct, please provide a more accurate understanding.

Response: Threshold will be providing Private Line Services in addition to the VOIP Services listed above.

PJG 1-3 Will Threshold be installing its own facilities to provide VoIP services in Arizona?

Response: Yes. The facilities will include servers and routers and will be installed in a collocation facility in the Phoenix area.

PJG 1-4 If Threshold will not be installing its own facilities to provide VoIP services, will it be leasing facilities from other service providers? If so, please identify those providers by name

Response: **Threshold will lease access lines from existing carriers in Arizona, including Centurylink.**

PJG 1-5 If Threshold intends to deploy a VoIP facilities-based local exchange network that interconnects directly to the Public Switched Telephone Network ("PSTN") or any VoIP network elements that interconnect directly to the PSTN, please respond to the following:

Response:

1. Does Threshold understand that all VoIP services and traffic directly interconnecting to the PSTN will be under the jurisdiction of the Commission's CC&N authority? and;

Yes in the event that Threshold connects directly to the PSTN.

2. Does Threshold understand that all VoIP customers, lines and revenues are to be included in Commission required or requested reports such as Annual Reports.

Yes in the event that Threshold connects directly to the PSTN.

PJG 1-6 Please be aware that Staff does not recommend local exchange CC&N approval for companies who will service only affiliates or non-affiliates, such as VoIP providers.

Does Threshold intend to provide local exchange service directly to end-users? If yes, is Threshold willing to accept the following condition for Commission approval -"That Threshold's Application be approved based upon its representation to the Commission that Threshold will be providing local exchange service directly to end-users in Arizona. Should Threshold not provide service directly to end-user customers, it shall notify the Commission and file for cancellation of its CC&N."

Response: **Threshold will be providing VOIP-based service directly to end user business customers. Threshold is willing to accept the condition.**

PJG 1-7 As indicated in Attachment D of Threshold's Application, the financial statements for Threshold Communications, Inc. for the years ending December 31, 2011 and December 30, 2012 have been redacted pending a signed

confidentiality agreement. Please specify the reasons for confidentiality of Threshold's financial statements.

Response: **Threshold is a privately held company and its financial information is competitively sensitive.**

PJG 1-8 Should Staff agree to a confidentiality agreement of the financial statements, please acknowledge that Threshold will still be required to allow Staff to include four figures in its Staff Report - Net Income, Total Assets, Total Equity, and the Net Book Value of all Arizona jurisdictional assets.

Response: **We understand that should Staff agree to a confidentiality agreement of our financial statements, Threshold will still be required to allow Staff to include Threshold's Net Income, Total Assets, Total Equity and the Net Book Value of all Arizona jurisdictional assets in its Staff Report.**

PJG 1-9 Please specify the number of years of telecommunications experience for each of the three Officers of Threshold that are identified in Attachment A of Threshold's Application.

Response: **Jeff Matson has 29 years of experience in telecommunications; Karen Mason has 9 years of experience in telecommunications; and Rick Crabbe has 11 years of experience in telecommunications.**

PJG 1-10 Please identify where Threshold's headquarters is located.

Response: **Our headquarters are located at 16541 Redmond Way, #245C, Redmond, WA 98052.**

PJG 1-11 Please state the year Threshold was founded.

Response: **Threshold was founded in 2001.**

PJG 1-12 Please describe Threshold's plan for providing customer service and maintenance to its local exchange customers in Arizona (e.g. through use of contractors, another service provider (identify company), 24x7 access, number

to call or other contact means for customers to use).

Response: Threshold provides phone support 24 hours a day, 7 days a week every day of the year. Customer Service may be reached at 1-877-820-8900. If dispatch is required, Threshold will work with the company that Threshold leased services from to dispatch a technician.

PJG 1-13 Is Threshold planning to have a customer service center in Arizona?

Response: Threshold will not have a customer service center in Arizona.

PJG 1-14 Is Threshold planning to have employees in Arizona? If so, please indicate how many.

Response: Yes, Threshold will have between 1 and 10 employees in Arizona.

PJG 1-15 Please indicate the total number of employees of Threshold and its affiliates.

Response: Threshold presently has a total of 12 employees.

PJG 1-16 Please indicate whether Threshold will be offering telecommunications service to residential and/or business end-user customers in Arizona.

Response: Threshold will be providing services only to business end-user in Arizona.

PJG 1-17 If Threshold intends to provide services only to business end-user customers in Arizona, please specify the type(s) of customers (e.g. small, medium, large business).

Response: Threshold intends to provide service to small and medium businesses in Arizona.

PJG 1-18 Based on the services offered in Threshold's proposed Resold Local Exchange Services Tariff, A.C.C. No. 1, it appears that Threshold is only planning to

provide Private line, Data Services, Frame Relay services, and long distance services. If Threshold intends to offer residential and/or business local exchange service to end-user customers, please provide a service description of those services and the associated rates by filing replacement tariff pages containing that information.

If Threshold will not be providing residential and/or business local exchange service to end-user customers, please file an amendment to the Application.

Response: **Threshold will be providing business local exchange services along with the VoIP services identified in response to PJG-1. As suggested in PJG 1-25, the tariffs attached to this data request replace the originally submitted tariffs in their entirety.**

PJG 1-19 If Threshold intends to provide services to both residential and business end-user customers in Arizona, please file a replacement page to Threshold's proposed Resold Local Exchange Services Tariff, A.C.C. No. 1, Original Page No. 1, to correct the paragraph that identifies only "business end users

Response: **Threshold is only planning to provide services to business end-user customers in Arizona.**

PJG 1-20 On Original Page No. 7 of Threshold's proposed Resold Local Exchange Services Tariff, A.C.C. No. 1, Threshold stated in the last paragraph "All services are interstate offerings. Intrastate service is an add-on service available only if the Customer subscribes to the Company's interstate offerings". The Arizona Corporation Commission authorizes service providers to provide intrastate telecommunications services in Arizona through a CC&N. Therefore, the tariff that will be approved by the Arizona Corporation Commission shall contain intrastate service offerings, not interstate. For clarification, Staff suggests that the above proposed language included on Original Page No. 7 be removed by filing a replacement page to Threshold's proposed A.C.C. No. 1 tariff.

If Threshold's services are interstate, not intrastate, please specify whether Threshold wants to continue pursuing a CC&N to serve end-users in Arizona.

Response: **Threshold will be providing intrastate service. As suggested in PJG 1-25, the tariffs attached to this data request replace the originally submitted tariffs in their entirety.**

PJG 1-21 In Threshold's proposed Resold Local Exchange Services Tariff, A.C.C. No. 1, at Original Page No. 52, the Voice Services described on that page appear primarily to be long distance services. Staff questions whether that page plus the associated rate pages are necessary in the local exchange services tariff as those same services are offered in Threshold's proposed Interexchange Services Tariff, A.C.C. No. 2. Please provide a response to Staff's concern.

If Threshold intends to keep its long distance services and associated rates in its local exchange services tariff, and if Threshold intends to provide services only to business end-user customers in Arizona, please file a replacement page to Threshold's proposed Resold Local Exchange Services Tariff, A.C.C. No. 1, Original Page No. 52, to correct the paragraph at 3.1.3, Threshold "Best Rate" Service that identifies residential customers.

Response: Threshold will make the corrections suggested by Staff. As suggested in PJG 1-25, the tariffs attached to this data request replace the originally submitted tariff(s) in their entirety.

PJG 1-22 In Threshold's proposed Resold Local Exchange Services Tariff, A.C.C. No. 1, at Original Page No. 58, please provide an explanation regarding the statement "A 200 mile minimum applies for Private Line service."

In addition, please file a replacement tariff page, Original Page No. 58, removing the additional dollar sign (\$) in the installation charge listed for an OC-48.

Response: There is not a 200 mile minimum. Threshold will make the corrections suggested by Staff. As suggested in PJG 1-25, the tariffs attached to this data request replace the originally submitted tariffs in their entirety.

PJG 1-23 If Threshold intends to provide services to both residential and business end-user customers in Arizona, please file a replacement page to Threshold's proposed Interexchange Services Tariff, A.C.C. No. 2, Original Page No. 1, to correct the paragraph that identifies only "business end users".

Response: Threshold will only provide services to business end-user customers.

PJG 1-24 If Threshold intends to provide services only to business end-user customers in Arizona, please file a replacement page to Threshold's proposed Interexchange

Services Tariff, A.C.C. No. 2, Original Page No. 52, to correct the paragraph at 3.1.3, Threshold "Best Rate" Service that identifies residential customers.

Response: Threshold will make the corrections suggested by Staff. As suggested in PJG 1-25, the tariffs attached to this data request replace the originally submitted tariffs in their entirety.

PJG 1-25 In regards to Threshold's proposed Interexchange Services Tariff, A.C.C. No. 2, Staff suggests that Threshold review and file a replacement tariff in entirety, or provide notification of which pages to remove from the proposed tariff. There are various sections and services that are unnecessary if A.C.C. No. 2 is to serve as Threshold's long distance tariff. Such sections/services are Private Lines Services (Section 3) Original Pages 53-54 and (Section 4) Page 58, Data Services (Section 3) Original Page No. 55 and (Section 4) Pages 59-61.

Response: Threshold will make the corrections suggested by Staff. The tariffs attached to this data request replace the originally submitted tariffs in their entirety.

PJG 1-26 Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis should contain publicly available examples of tariff rates and charges charged by the incumbent and other carriers for similar services. Please provide actual tariff pages and use the attached matrix format to show your actual or proposed tariff rates and charges. Then show each competitor's tariff rates and charges for comparable telecommunications services. At a minimum, show tariff information of Qwest/CenturyLink and two other competitors in Arizona. The material you provide should enable Staff to determine whether the tariff rates and charges of the Applicant are just and reasonable compared to other competitors offering the same or similar telecommunications services in Arizona. *(See Attachments A & B -By Competitor) (For the Applicant's ease, an excel file can be provided by contacting Pamela Genung at pgenung@azcc.gov).*

Response: See attached rates and charges for competitor rates as compared to Threshold. The Threshold tariffs submitted with these data request responses set forth the maximum rates.

PJG 1-27 Please identify all other states/jurisdictions in which the Company or an affiliate provides telecommunications services. Please specify, in the attached matrix format, the tariff rates and charges that the Company and/or affiliate charges for telecommunications services in these other jurisdictions. If there is a difference between the tariff rates and charges that the Company

will charge in Arizona and the tariff rates and charges that the Company and/or affiliate charges in other jurisdictions for telecommunications services; please explain why you are charging different tariff rates and charges in Arizona. The material you provide should enable Staff to determine whether these tariff rates and charges are comparable to the tariff rates and charges charged in other jurisdictions. If this information has already been provided in an earlier data response, please specify as such. *(See Attachments C & D - By State) (For the Applicant's ease, an excel file can be provided by contacting Pamela Genung at pgenung@azcc.gov).*

Response: Threshold provides services in California, Oregon and Washington and its offered rates are the same in all states.

THRESHOLD COMMUNICATIONS, INC

**RATES, RULES AND ADMINISTRATIVE REGULATIONS,
AS FILED WITH THE ARIZONA CORPORATION COMMISSION,
FOR FURNISHING LOCAL EXCHANGE SERVICES
TO BUSINESS END USERS WITHIN THE STATE OF ARIZONA**

Issued:

Effective Date:

Issued By:

Mr. Jeff Matson
President
Threshold Communications, Inc.
16451 Redmond Way, #254C
Redmond, WA 98052-4482
888.820.7833

CHECK LIST

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

<u>PAGE</u>	<u>Revision</u>	<u>PAGE</u>	<u>Revision</u>	<u>PAGE</u>	<u>Revision</u>
1	Original	31	Original	61	Original
2	Original	32	Original	62	Original
3	Original	33	Original	63	Original
4	Original	34	Original		
5	Original	35	Original		
6	Original	36	Original		
7	Original	37	Original		
8	Original	38	Original		
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20	Original	50	Original		
21	Original	51	Original		
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24	Original	54	Original		
25	Original	55	Original		
26	Original	56	Original		
27	Original	57	Original		
28	Original	58	Original		
29	Original	59	Original		
30	Original	60	Original		

*Denotes new or revised page

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CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

EXPLANATION OF SYMBOLS

- (C) To signify **changed** condition or regulation
- (D) To signify **deleted or discontinued** rate, regulation or condition
- (I) To signify a change resulting in an **increase** to a Customer's bill
- (M) To signify that material has been **moved from** another Tariff location
- (N) To signify a **new** rate, regulation condition or sheet
- (R) To signify a change resulting in a **reduction** to a Customer's bill
- (T) To signify a change in **text** but no change to rate or charge

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TARIFF FORMAT

- A. **Sheet Numbering** - Sheet numbers appear in the heading of each sheet. Sheets are numbered sequentially. However, occasionally, when a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in its Tariff approval process, the most current sheet number on file with the Commission is not always the sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. **Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of code is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. **Check Sheets** - When a Tariff filing is made with the Commission, an updated Check Sheet accompanies the Tariff filing. The Check Sheet lists 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 (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The Tariff user should refer to the latest Check Sheet to find if a particular sheet is the most current on file with the Commission.

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APPLICATION OF TARIFF

This Tariff contains the rates, terms and conditions applicable to the provision of specialized resold local common carrier telecommunications services by Threshold Communications, Inc. between various locations within the State of Arizona.

Issued:

Effective Date:

Issued By:

Mr. Jeff Matson
President
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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Account Code:

A numerical code, one or more of which are available to a Customer to enable identification of individual users or groups of users on an account and to allocate costs of service accordingly.

Authorized User:

A person, firm, corporation or other entity that either is authorized by the Customer to use local exchange service or is placed in a position by the Customer, either through acts or omissions, to use the Company's services.

Called Station:

The terminating point of a call (i.e., the called number).

Calling Card:

A card issued by Company containing such account numbers assigned to its Customer which enables the charges for calls made to be properly billed on a pre-arranged basis.

Commission:

Arizona Corporation Commission ("Commission")

Company:

Threshold Communications, Inc. ("Threshold")

Credit Card:

A valid bank or financial organization card, representing an account to which the costs of products and services purchased by the card holder may be charged for future payment. Such cards include those issued by VISA or MasterCard.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued

Customer:

The person, firm, corporation or other entity, which orders or uses service and is responsible for payment of charges and compliance with Tariff regulation.

Dedicated Access:

Non-switched access between a Customer's premises and the point of presence of the Company's underlying carrier.

Disconnect or Disconnection:

The termination of a circuit connection between the originating station and the called station or the Company's operator.

Gbps

Gigabits or 1,000 Mbps bits per second. Used in reference to data transmission speed.

Internet Gateway

A switching device which connects the public switched network to dedicated Internet facilities

Kbps

Kilobits or 1,000 bits per second. Used in reference to data transmission speed.

Loop

A private physical transmission path between a switch and a customer's premises. Usually a T1 portion of a DS3 facility.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued

Mbps

Megabits or 1,000,000 bits per second. Used in reference to data transmission speed.

Measured Service:

The provision of long distance measured time communications telephone service to customers who access the Company's service at its contracted interexchange carriers' switching and call processing equipment by means of access facilities obtained from local exchange common carrier(s). Company contacted interexchange carrier is responsible for arranging the access lines.

Message Telecommunications Service

Ordinary, switched, long-distance service charged on a usage sensitive basis.

Packet

A group of unstructured data transmissions that have been disassembled and formatted in preparation to be transmitted over some medium to be reassembled once received at the destination location.

Point of Presence:

The point of physical interconnection between the local exchange company's local network and the interexchange carrier's network ("POP").

Port

A physical interface connection point between a network facility and a switch.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued

Tariff

This document, which sets forth the Company's rates, services, terms and conditions of service in Arizona.

Private Line

A non-switched telecommunications path between a Customer's premises and Company's switch.

Private Virtual Circuit

A shared portion of a high-capacity network facility which provides the Customer with the equivalent functionality of the facility, without requiring that the Customer lease the entire facility.

Subscriber:

See "Customer" definition.

Travel Card

See definition of "Calling Card."

User:

Any person or entity that obtains the Company's services provided under this Document, regardless of whether such person or entity is so authorized by the Customer.

"800" or "Toll Free" Number:

An interexchange service offered pursuant to this Document for which the called party is assigned a unique 800-NXX-XXXX, 888-NXX-XXXX, 877-NXX-XXXX number, 866-NXX-XXXX or 855-NXX-XXX, or any other NPA, and is billed for calls terminating at that number.

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SECTION 2 - RULES AND REGULATIONS

2.1. UNDERTAKING OF THE COMPANY

- 2.1.1. Company's Services are furnished for telecommunications originating and/or terminating in any area within the State of Arizona.
- 2.1.2. Company offers resold, non-facilities-based telecommunications services to Customers for the direct transmission and reception of voice, data, and other types of communications.
- 2.1.3. The Company's services are provided on a monthly basis and are available twenty-four (24) hours per day, seven (7) days per week.
- 2.1.4. Provision of the Company's services is dependent upon the availability of suitable facilities for services. The facilities used to provide a particular service are chosen by the Company and are not represented to be suitable for any one service.
- 2.1.5. The Company's Services are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.2. LIMITATIONS OF SERVICE

- 2.2.1. Service is offered subject to availability of the necessary facilities and/or equipment and subject to the provisions of this Tariff.
- 2.2.2. Company reserves the right to discontinue furnishing Service, when necessitated by conditions beyond its control, when Customer is using Service in violation of the law or in violation of the provisions of this Tariff, or for non-payment of billed charges by Customer.
- 2.2.3. The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.4. The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, telephone number, process or code. All rights, titles and interests remain, at all times, solely with the Company.
- 2.2.5. Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this Tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.
- 2.2.6. The Company may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the terms and conditions of this Tariff are being complied with in the installation, operation or maintenance of the Customer's or the Company's facilities or equipment.
- 2.2.7. The Company reserves the right to refuse an application for service made by a present or former Customer who is indebted to the Company for service previously rendered pursuant to this Tariff until the indebtedness is satisfied.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.3 CUSTOMER RESPONSIBILITIES

- 2.3.1. The Customer is responsible for the payment of all charges for Services furnished to the Customer and for all additional charges for calls the Customer elects to continue making.
- 2.3.2. The Customer is responsible for compliance with applicable regulations set forth in this Tariff.
- 2.3.3. The Customer is responsible for establishing its identity as often as necessary during the course of the call or when seeking credits from the Company.
- 2.3.4. Customer shall provide and maintain at its own expense terminal equipment on the Customer's premise and the electric power consumed by such equipment. The Customer is responsible for the provision of wiring or cable to connect its terminal equipment to the Company's Point of Connection.
- 2.3.5. The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltage and currents impressed on Company-provided equipment and wiring by the connection, operations, or maintenance of such equipment and wiring shall be such as not to cause damage to Company-provided equipment and wiring or injury to Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by Company at the Customer's expense.
- 2.3.6. In the event Company incurs fees or expenses, including attorney's fees, to collect; or attempt to collect, any charges owed Company by customer, including charges alleged to have resulted from fraud or abuse of customer's service, the Company shall charge customer all such fees and expenses, including Company's reasonable attorney's fees, incurred to collect or to attempt to collect its charges, and Company shall be entitled to recover such fees or expenses irrespective of whether it prevails in any legal action brought to collect its charges, all in accordance with and subject to the following additional legal requirements.

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President
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16451 Redmond Way, #254C
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SECTION 2 - RULES AND REGULATIONS, Continued

2.3 CUSTOMER RESPONSIBILITIES, Continued

- 2.3.7. In accordance with the "filed tariff doctrine," as established by judicial and regulatory decisions and precedents, customer shall pay all charges due and owing irrespective of any claims of loss, liability, set off, damages, or other claims against Company to which customer may claim to be entitled, the duty to pay such charges shall arise upon the demand for payment by Company and shall not be delayed or deferred by the commencement of any legal or equitable action by either customer or Company in connection with such charges incurred under this Tariff.
- 2.3.8. The Customer is responsible for damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer or of any User; or by the noncompliance by the Customer or any User, with these regulations; or by fire or theft or other casualty on the Customer Premises or the premises of any User, unless caused by the negligence or willful misconduct of the employees or agents of the Company.
- 2.3.9. The Customer is responsible for providing, at no charge, as specified from time to time by the Company, any needed equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises.
- 2.3.10. The Customer is responsible for obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of transmission facilities and associated equipment used to provide Services to the Customer from the cable building entrance or property line to the location of the building equipment space. Any and all costs associated with the obtaining and maintaining rights-of-way described herein, including the costs of altering the structure to permit installation of the Company provided facilities, shall be borne entirely by, or may be charged by the Company, to the Customer. The Company may require the Customer to demonstrate its compliance with this Section prior to accepting an order for service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.3 CUSTOMER RESPONSIBILITIES, Continued

- 2.3.11. The Customer is responsible for providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g., friable asbestos) prior to any construction or installation work.
- 2.3.12. The Customer is responsible for complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the locations of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under other provisions of this Tariff.
- 2.3.13. The Customer is responsible for not creating, or allowing to be placed, any liens or other encumbrances on the Company's equipment or facilities.
- 2.3.14. The Customer is responsible for making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.
- 2.3.15. The Customer shall be responsible for making arrangements or obtaining permission for safe and reasonable access for Company employees or agents of the Company, at times mutually acceptable to Company and Customer, to enter the premises of the Customer or any joint user or Customer of the Customer at any reasonable hour for the purpose of inspecting, repairing, testing or removing any part of the Company's facilities, without charge to the Company.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.3 CUSTOMER RESPONSIBILITIES, Continued

- 2.3.16. The Customer is responsible for notifying Company of any interruptions of service.
- 2.3.17. The Customer is responsible for placing any necessary orders; for complying with Tariff regulations; for the placement of any stickers or tent cards provided by the Company or as required by law; and for assuring that Users comply with Tariff regulations. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to Services provided or made available by the Customer to Users. The Customer is also responsible for the payment of all charges for calls originated at the Customer's numbers.
- 2.3.18. The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by the Company on the Customer's behalf.
- 2.3.19. The Customer shall ensure that the equipment and/or system is properly interfaced with Company facilities or Services, that the signals emitted into the Company's Network are of the proper mode, bandwidth, power, and signal level for the intended use of the Customer and in compliance with the criteria set forth in this Tariff, and that the signals do not damage equipment, injure personnel, or degrade Service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, the Company will permit such equipment to be connected with its channels without use of protective interface devices.

If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to Company equipment, personnel, or the quality of Service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's Service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.3 CUSTOMER RESPONSIBILITIES, Continued

2.3.20. The Customer is responsible for returning any Company-owned equipment to the Company, in good working condition, within five (5) days after Service is discontinued.

2.3.21. The Customer is responsible for paying for the loss through theft of any Company equipment installed at Customer's premises.

2.4. CUSTOMER'S USE OF SERVICE

2.4.1. Service may be used for the transmission of communications by the Customer for any lawful purpose for which the service is technically suited.

2.4.2. Customers may transmit or receive information or signals via the Company's facilities. Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this Tariff. A Customer may transmit any form of signal that is compatible with Company's equipment, but Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this Tariff.

2.4.3. Service may not be used for any unlawful purpose or for any purpose for which any payment or other compensation is received by the Customer, except when the Customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between the Customer, authorized user or joint user to share the cost of service.

2.4.4. Application for Service may be made verbally or in writing. The name(s) of the Customer(s) desiring to use the service must be set forth in the application for Service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.4. CUSTOMER'S USE OF SERVICE, Continued

- 2.4.5. The Company strictly prohibits use of the Company's Services without payment or an avoidance of payment by the Customer by fraudulent means or devices including providing falsified calling card numbers or invalid calling card numbers to the Company, providing falsified or invalid credit card numbers to the Company or in any way misrepresenting the identity of the Customer.
- 2.4.6. Recording of telephone conversations of service provided by the Company under this Tariff is prohibited except as authorized by applicable federal, state and local laws.

2.5. LIABILITIES OF THE COMPANY

- 2.5.1 The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the Customer, commences upon activation of service and in no event exceeds an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors, or defects in transmission occur. No other liability shall in any case attach to the Company. The above described remedies in favor of Customer are exclusive and in no event shall Company, its employees, officers, agents and employees' agents be liable for or responsible to Customer or any other person or entity with respect to any other liability, loss or damage, arising out of, caused or alleged to be caused, directly or indirectly, by Company, including but not limited to any death, bodily injury, or interruption of service, loss of business or profits or any indirect, incidental, special or consequential damages.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

2.5.2. Company shall not be liable for, and the Company shall be indemnified, defended and held harmless from any and all loss claims, demands, suits, or other action or liability whatsoever, whether suffered, made instituted or asserted by the Customer or by any other party or person, for:

- A. Acts, omissions, or negligence of other companies when their facilities are used in connection with Company's facilities to provide service, or for the unavailability or any delays in the furnishing of any services or facilities, which are provided by other companies;
- B. Any defacement or damage to the customer's premises or equipment resulting from the existence of Company's instruments, apparatus and associated wire on such premises, or from the installation or removal thereof, when such defacement or damage is not the result of the negligence of Company, or its employees;
- C. Failure of performance hereunder due to causes beyond its control, including but not limited to fire, flood, or other catastrophes; Acts of God; atmospheric conditions or other phenomena of nature, such as radiation; any law, order, regulation, directive, order by request of the United States Government, or any other government including state and local governments having any jurisdiction over Company or the services provided hereunder; national emergencies, civil disorder, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor problems or regulations established or actions taken by any court or government agency having jurisdiction over Company;
- D. Act or omission of any other entity furnishing to the Customer facilities or equipment used with the Service furnished hereunder; nor shall Company be liable for any damages or losses due in whole or in part to the fault or negligence of the Customer or due in whole or in part to the failure of Customer-provided equipment or facilities;

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

2.5.2., Continued

- E. Liability for failure to provide service or any delays in the furnishing of any services or facilities;
- F. Any charges or costs incurred by Customer for use of another carrier's services whether caused by failure of Company's equipment or service or otherwise;
- G. Providing listing information to any Local Exchange Carrier ("LEC") for inclusion in LEC directories. Company is not responsible for publication of any directories. No liability for damages arising from errors and/or omissions of directory listings, or listings obtained from the directory assistance operator shall attach to Company;
- H. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising directly or indirectly from the material, data, information or other content transmitted over Company facilities or the use thereof, claims for infringement of patents arising from combining facilities furnished by Company with, or using the facilities in connection with, apparatus and systems of the Customer and all other claims arising out of any act or omission of the Customer in connection with facilities provided by Company.
- I. Any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or Service provided by the Company;

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

2.5.2., Continued

- J. Any loss, damage, defacement or destruction of the premises of the Customer or any other property, whether owned by the Customer or by others, caused or claimed to have been caused directly or indirectly by the installation, delayed installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment or wiring provided by Company where such installation, operation, failure to operate, maintenance, condition, location or use is not the direct result of Company's negligence;
- K. For any personal injury to or death of any person or persons;
- L. Any act or omission of: (1) the Customer, (2) any other entity furnishing Service, equipment or facilities for use in conjunction with Services or facilities provided by the Company, or (3) common carriers or warehousemen;
- M. any errors omissions, whether arising through negligence or otherwise, in the information furnished to Directory Assistance;
- N. Any unlawful or unauthorized use of the Company's facilities and Services;
- O. Breach in the privacy or security of communications transmitted over the Company's facilities;
- P. Defacement of or damage to Customer premises resulting from the furnishing of Services or equipment on such premises or the installation or removal thereof, when such defacement or damage is not the result of the result of the Company's negligence;

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

2.5.2., Continued

- Q. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;
- R. Any intentional, wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by the Company;
- S. Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Tariff;
- T. Any non-completion of calls due to network busy conditions;
- U. Any calls not actually attempted to be completed during any period that service is unavailable;
- V. Service, facilities, or equipment, which the Company does not furnish;
- W. Any and all other claims arising out of any act or omission of the Customer in connection with any service provided by Company.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

- 2.5.3. No agents or employees of connecting, concurring or other participating carriers or companies shall be deemed to be agents or employees of the Company without written authorization.
- 2.5.4. The Company is not liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to, unavoidable interruption in the working of its circuits or those of another common carrier; acts of nature, storms, fire, floods, or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or any other governmental entity having jurisdiction over the Company or of any department, agency, commission, bureau, corporation, or other instrumentality or any one or more of such instrumentality or any one of more of such governmental entities, or of any civil or military authority; national emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties; or notwithstanding anything in this Tariff to the contrary, the unlawful acts of the Company's agents and employees, if committed beyond the scope of their employment.
- 2.5.5. The Company shall not be liable for damages or adjustments, refunds, or cancellation of charges unless the Customer has notified the Company, in writing, of any dispute concerning charges, or the basis of any claim for damages, after the invoice is rendered by the Company for the call giving rise to such dispute or claim, unless ordered by the Commission pursuant to Minnesota law. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demands.
- 2.5.6. The Company shall not be liable for any damages, including usage charges, that the Customer may incur as a result of the unauthorized use of its communications equipment. The unauthorized use of the Customer's communications equipment includes, but is not limited to, the placement of calls from the Customer's premises and the placement of calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over the Company's network services without the authorization of the Customer. The Customer shall be fully liable for all such charges.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

- 2.5.7. In the absence of gross negligence or willful misconduct, and except for the allowances stated below, no liability for damages arising from errors or mistakes in or omissions of directory listings, or errors or mistakes in or omissions of listings obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company.
- 2.5.8. Any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.
- 2.5.9. The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided.
- 2.5.10. The Company shall not be liable for any damages resulting from delays in meeting any service dates due to delays resulting from normal construction procedures. Such delays shall include, but not be limited to, delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals and delays in actual construction work.
- 2.5.11. THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

- 2.5.12. IN NO EVENT WILL THE COMPANY OR ITS SUPPLIERS BE LIABLE FOR ANY LOST REVENUE, PROFIT, OR DATA, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY ARISING OUT OF THE USE OF OR INABILITY TO USE PRODUCT OR EQUIPMENT EVEN IF THE COMPANY OR ITS SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. In no event shall the Company's or its suppliers' liability to the Customer, whether in contract, tort (including negligence), or otherwise, exceed the price of the equipment paid by the Customer. The foregoing limitations shall apply even if the standard of the Company's warranty or its suppliers fails of its essential purpose.
- 2.5.13. Company shall not be liable for any errors or omissions, whether arising through negligence or otherwise, in the information furnished to Directory Assistance; and the customer shall indemnify and save Company harmless against all claims and reasonable attorney's fees that may arise from the use of such information.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.6. LIABILITY OF THE CUSTOMER

2.6.1. General Liabilities of the Customer

- A. The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invites, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.
- B. To the extent caused by any negligent or intentional act of the Customer as described in (A) preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorney's fees, for (1) any loss, destruction or damage to property of any third party, and (2) any liability incurred by the Company to any third party pursuant to this or any other Tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.
- C. The Customer shall not assert any claim against any other Customer or user of the Company's Services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this Tariff including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other Customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other Customer or user and not by any act or omission of the Company. Nothing in this Tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.
- D. The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by the negligent or willful acts of the Customer, Users, or others, by improper use of the Services, or by use of equipment provided by the Customer, Users, or others.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.6. LIABILITY OF THE CUSTOMER, Continued

2.6.1. General Liabilities of the Customer, Continued

- E. The Customer must pay for the loss through theft of any Company equipment installed at Customer's premises.

2.6.2 Liability of the Customer for Unauthorized Use of Company's Services

A. Unauthorized Use of Company's Services

1. Unauthorized use occurs when: (1) a person or entity that does not have actual, apparent, or implied authority to use the Company's Services, obtains the Company's Services provided under this Tariff; or (2) a person or entity that otherwise has actual, apparent, or implied authority to use the Company's Services, makes fraudulent use of the Services provided under this Tariff, or uses specific Services that are not authorized.
2. The following activities constitute fraudulent use:
 - a. Using the Company's Services to transmit a message, locate a person, or otherwise give or obtain information, without payment for the service;
 - b. Using or attempting to use the Company's Services with the intent to avoid payment, either in whole or in part, of any of the Company's Tariffed charges by either rearranging, tampering with, or making connections not authorized by this Tariff to any service components used to furnish the Company's Services or using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices;

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SECTION 2 - RULES AND REGULATIONS, Continued

2.6. LIABILITY OF THE CUSTOMER, Continued

2.6.2 Liability of the Customer for Unauthorized Use of Company's Services, Continued

A. Unauthorized Use of Company's Services

2., Continued

- c. Toll free callers using the Company's Services with the intent of gaining access to a Customer's outbound calling capabilities on an unauthorized basis; and
 - d. Using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices to defraud or mislead callers.
3. Customers are advised that use of Services provided under this Tariff carries a risk of various forms of telecommunications fraud (including, but not limited to, toll, PBX, and Centrex "clip-on" fraud perpetrated by Users who gain access to a Customer's facilities, account numbers, security or authorization codes, etc.). Customers should take all necessary steps to restrict access to their facilities, including equipment and Services provided hereunder, and to detect and prevent unauthorized use of equipment and Services provided by the Company under this Tariff. Furthermore, Customers must notify the Company in writing of unauthorized use or charges appearing on the Customer's bill. All charges shall be deemed correct and authorized if such notice is not received by the Company within thirty (30) days from the date of issuance of the Customer's bill.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.6. LIABILITY OF THE CUSTOMER, Continued

2.6.2 Liability of the Customer for Unauthorized Use of Company's Services, Continued

B. Liability for Unauthorized Use

1. The Customer is responsible for payment of all charges for Services provided under this Tariff. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by Users or other third parties, the Customer's employees, or the public.
2. The Customer is responsible for payment of all outbound call charges arising from calls placed to a Customer's 800 service number, whether or not such calls are authorized or fraudulent, where the User gains access to the Customer's outbound calling equipment and services.
3. The Customer is liable for all costs incurred as a result of unauthorized use of Company's Services, including Service charges and any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages. The Company will take reasonable steps, upon verbal or written notification that fraud has occurred, or is believed to have occurred, to assist the Customer in identifying the nature and/or source of the fraud, and in terminating the fraudulent use of the Customer's service. The Company will also assist the Customer in facilitating changes in phone number, and assist the Customer in identifying perpetrator(s) of the fraud for purposes of pursuing civil remedies.
4. The Customer is responsible for payment of any charges related to the suspension and/or termination of Service, and any charges for reconnection of Service, incurred as a result of unauthorized use.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.6. LIABILITY OF THE CUSTOMER, Continued

2.6.2 Liability of the Customer for Unauthorized Use of Company's Services, Continued

C. Liability for Credit Card Fraud

The Customer is liable for the unauthorized use of the Services obtained through the fraudulent use of a Credit Card. The liability of the Customer for unauthorized use of the Services by Credit Card fraud may be limited by state or federal law, and the Customer shall seek indemnification from the organization or company issuing such card for unauthorized use thereof.

2.7. FULL FORCE AND EFFECT

Should any provision or portion of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions of this Tariff will remain in full force and effect.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.8. ALLOWANCES FOR INTERRUPTION OF SERVICE

- 2.8.1. The Company will follow the Commission's rules in the case of major outage and/or service interruption.
- 2.8.2. It is the obligation of the Customer to notify the Company of any interruptions in service. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer, not within the Customer's control, or is not in wiring or equipment connected to the terminal of the Company.
- 2.8.3. For the purpose of applying this provision 2.9, the word "interruption" will mean the inability to complete calls either incoming or outgoing or both due to equipment malfunction or human errors. "Interruption" does not include, and no allowance will be given for, service difficulties such as slow dial tone, circuits busy or other network and/or switching capacity shortages.
- 2.8.4. All reported interruptions of service will be restored within two working days, excluding Sundays and holidays, except those caused by emergency situations, unavoidable catastrophes and force majeure.
- 2.8.5. Interruptions in service, which are not due to the negligence of, or non-compliance with the provisions of this price sheet by, the Customer or of an authorized or joint user, or to the operation or malfunction of the facilities, power or equipment provided by the Customer or authorized or joint user, will be credited to the Customer for the part of the service that the interruption affects.
- 2.8.6. It shall be the obligation of the Customer to notify Company of any interruptions of service. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer, not within the Customer's control.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.8. INTERRUPTION OF SERVICE, Continued

2.8.7. Credit allowances are given on a per line basis for any period during which any line subscribed to by the Customer hereunder and/or, if applicable, company-provided station equipment attached thereto is out of service, except as specified below. Out of service conditions are defined as complete loss of call origination and/or receipt capability. Credit allowances, if any, shall be deducted from the charges payable by the Customer hereunder and shall be expressly indicated on the next bill to the Customer. An interruption period begins when the Customer reports a malfunction in service to the company. The malfunction period ends when the affected line and/or associated station equipment is fully operative.

2.8.8. Credit Allowances do not apply to interruptions:

- A. Caused by the Customer; or
- B. Due to failure of power or equipment provided by the Customer or others; or
- C. During any period in which the Company is not given access to the service premises; or
- D. Due to scheduled maintenance and repair.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.8. INTERRUPTION OF SERVICE, Continued

2.8.9. Interruptions of 24 Hours or less are credited a portion of daily per line charge according to the following schedule:

<u>Length of Service Interruption</u>	<u>Credit</u>
Less than 4 hours	None
4 hours up to but not including 8 hours	1/3 of day
8 hours up to but not including 12 hours	1/2 of day
12 hours up to but not including 16 hours	2/3 of day
16 hours up to but not including 24 hours	One day

Two or more service interruptions of the same type to the same line/equipment of 2 hours or more during any one twenty-four hour period shall be considered as one interruption. In no event shall such interruption credits for any one line/equipment exceed one day's fixed recurring charges for such line/equipment in any 24 hour period.

Service interruptions over 24 hours will be credited 4 hours for each 4 - hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.8. INTERRUPTION OF SERVICE, Continued

2.8.10. No credit allowance will be made for:

- A. Interruptions due to the negligence of, or non-compliance with the provisions of this price sheet by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company; or
- B. Interruptions of service due to the failure or malfunction of facilities, power or equipment provided by the Customer, authorized user, joint user, or other common carrier providing service connected to the service offered by the Company; or
- C. Interruptions of service during any period in which the Company is not given access to the premises at which the Company provided service is interrupted or terminated; or
- D. Interruptions of service that occur or continue due to the Customer's failure to authorize replacement of any element of special construction; or

2.8.11. Interruptions of service during any period when the Customer, authorized user, or joint user has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.9. RESTORATION OF SERVICE

2.9.1. When a Customer's service has been disconnected in accordance with this Tariff and the service has been terminated through the completion of a Company service order, service will be restored only upon the basis of application for new service.

2.10. MINIMUM SERVICE PERIOD

2.10.1 Month-to-Month Service

- A. The minimum service period for month-to-month service is (30 days). Customers subscribing to the Company's services on a month-to-month basis pay the regular Tariffed rates for the service they subscribe to for the minimum period of service.
- B. If a Customer disconnects service before the end of the minimum service period, that Customer is responsible for paying the Tariffed rates for the remainder of the minimum service period.
- C. When the service is moved within the same building, to another building on the same premises, or to a different premises entirely, the period of service at each location is accumulated to calculate if the Customer has met the minimum period of service obligation.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.10. MINIMUM SERVICE PERIOD, Continued

2.10.2 Service Terms of One Year or More

- A. The minimum service period for Customers subscribing to the Company's service for terms of one or more years is the length of the term ("Commitment Period").
- B. In the event the Customer terminates service with the Company prior to the end of the Commitment Period or in the event that the Company terminates service based upon Customer's default, Customer will pay to the Company a Termination Fee consisting of 1) a one time handling fee of five hundred dollars (\$500.00), 2) any installation charges previously waived by Company, and 3) a termination penalty equivalent to monthly minimum charges for the remainder of the Commitment Period. The Termination Fee will be due immediately upon termination of service.

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

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

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SECTION 2 - RULES AND REGULATIONS, Continued

2.11. PAYMENTS AND BILLING

2.11.1. General Payment Regulations

- A. Charges for service are applied on a recurring basis. Service is provided and billed on a monthly (30 day) basis. The billing date is dependent on the billing cycle assigned to the Customer. Service continues to be provided until cancelled by the Customer pursuant to Section 2.13.
- B. The Customer is responsible for the payment of all charges for services furnished to the Customer or to authorized or joint users once service is activated. Upon nonpayment of any sum due or upon a violation of any of the conditions governing the furnishing of service, Company may discontinue furnishing said service as provided for in Arizona Administrative Code ("AAC") Title 14, Article 5, Section R14-2-509 without incurring any liability.
- C. Charges for long distance service are based on actual usage, and are billed monthly in arrears. Billing for recurring services will be rendered monthly in advance.
- D. Customer will be billed and is responsible for payment of applicable local, state and federal taxes assessed in connection with the services used.
- E. Billing is payable upon receipt and past due twenty (20) days after issuance and posting of invoice.
- F. In the event that Company must employ the services of attorneys for collection of charges due under this Tariff, Company shall be permitted to recover the costs of collection, including reasonable attorney's fees.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.11. PAYMENTS AND BILLING, Continued

2.11.2. Late Payment Fee

- A. Customer will be liable for late fees of 1.5% on payments received after due date or maximum allowed by law, whichever is lower.
- B. The late payment charge will be applied to all undisputed amounts previously billed under this Tariff, except taxes Company is required by law to levy on a Customer, including arrears and unpaid late payment charges.
- C. Late payment charges do not apply to those portions (and only those portions) of unpaid balances that are associated with disputed amounts. Undisputed amounts on the same bill are subject to late payment charges if unpaid and carried forward to the next bill.
- D. Late payment charges do not apply to final accounts.

2.11.3. Checks

When a check which has been presented to the Company by a Customer in payment for charges is returned by the bank, the Customer shall be responsible for the payment of a returned check charge of \$25.00.

- 2.11.4.** A Customer or prospective customer may initiate a complaint with the Company on any relevant matter by telephone at 888.820.7833, in person or in writing directed to Customer Service, Threshold Communications, Inc., 16451 Redmond Way, #254C, Redmond, WA 98052-4482. Company's response to the complaint will generally be in the same form used by the Customer.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.11. PAYMENTS AND BILLING, Continued

2.11.5. Company shall promptly investigate all disputed charges and shall report its findings and disposition to Customer, pursuant to AAC Title 14, Article 5, Section R14-2-510. Nothing in this Section limits Customer's rights as provided by statute to contest charges.

2.11.6. The Customer may dispute a bill only by written notice to the carrier delivered within 180 days after the statement date. Unless such notice is received in the timely fashion indicated above, the bill statement shall be deemed to be correct and payable in full by the Customer. If the Customer is unable to resolve any dispute with the Company, then Customer may request information or assistance from the Commission.

The address and telephone numbers of the Commission are:

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Telephone: 602.542.4251
Toll Free: 800.222.7000

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SECTION 2 - RULES AND REGULATIONS, Continued

2.12. CANCELLATION BY CUSTOMER

2.12.1. Customers subscribing to month-to-month services may cancel service by giving oral or written notice to the Company or by subscribing to another presubscribed interexchange carrier. Customers subscribing to service terms of one year or more must cancel service according to the terms of the service contract.

2.12.2. Customer is responsible for payment of all charges while still connected to the Company's service.

2.12.3. A charge equal to the unrecoverable costs incurred prior to a request for cancellation and the costs of removal, restoration and disposal, if any, shall be borne by the Customer if:

- A. The Customer orders service requiring special facilities dedicated to the Customer's use and then cancels the order before such service begins, before completion of the minimum period or before completion of some the period mutually agreed with the Customer for the non-recoverable portions of expenditures; or
- B. Liabilities are incurred expressly on behalf of the Customer by Company and not fully reimbursed by installation and monthly charges; and
- C. If based on an order for service and construction has either begun or has been completed, but no service provided.

These costs include, but are not limited to, engineering, labor and non-recoverable material and equipment expense.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY

2.13.1 The Company may not disconnect service for any of the reasons stated below:

1. Delinquency in payment for services rendered to a prior customer to the premises where service is being provided, except in the instance where the prior customer continues to reside on the premises.
2. Failure of the customer to pay for services or equipment which are not regulated by the Commission.
3. Nonpayment of a bill related to another class of service.
4. Failure to pay for a bill to correct a previous underbilling due to a billing error if the customer agrees to pay over a reasonable period of time.

2.13.2. The Company may disconnect service for any of the following reasons provided the Company has met the notice requirements established by the Commission:

1. Customer violation of any of the Commission's rules.
2. Failure of the customer to pay a delinquent bill for service.
3. Failure to meet or maintain the Company's credit and deposit requirements.
4. Failure of the customer to provide the Company reasonable access to its equipment and property.
5. Customer breach of a written contract for service between the Company and customer.
6. When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.

The Company shall maintain a record of all terminations of service with notice. This record shall be maintained for one year and be available for Commission inspection.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY

2.13.3. Termination Notice Requirements

1. The Company shall not terminate service to any of its customers without providing advance written notice to the customer of the Company's intent to disconnect service, except under those conditions specified where advance written notice is not required.
2. Such advance notice shall contain, at a minimum, the following information:
 - a. The name of the person or company whose service is to be terminated and the address where service is being rendered.
 - b. The Commission rule or regulation that was violated and explanation thereof or the amount of the bill which the customer has failed to pay in accordance with the payment policy of the Company, if applicable.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY, Continued

2.13.3. Termination Notice Requirements, Continued

- c. The date on or after which service may be terminated.
- d. A statement advising the customer that the Company's stated reason for the termination of service may be disputed by contacting the Company at a specific address or telephone number, advising the Company of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the Company in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and the utility shall retain the option to terminate service after affording this opportunity for a meeting and concluding that the reason for termination is just and advising the customer of the his right to file a complaint with the Commission.

2.13.4 Timing of terminations with notice

- 1. The Company shall be required to give at least five days' advance written notice prior to the termination date.
- 2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.
- 3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for the payment thereof or in the case of a violation of the Company's rules the customer has not satisfied the Company that such violation has ceased, the Company may then terminate on or after the day specified in the notice without giving further notice.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY, Continued

- 2.13.5. Before service is disconnected, the Company will make a good faith effort, by two attempts during reasonable hours, to reach the Customer by telephone to advise the Customer of the pending disconnection and the reasons therefore. The Company will maintain a log or record of the attempts, showing the telephone number called and the time of call.
- 2.13.6. Telephone or personal contact need not be attempted when the Company has attempted such contact in any two billing periods during a consecutive twelve-month period and the Company has notified the Customer in writing that telephone or personal contact will not be attempted in the future before disconnecting service.
- 2.13.7. All notices of delinquency or pending disconnection will include details pertinent to the situation and describe how the Customer can make contact with the Company to resolve any differences. All notices must accurately state amounts owing for service(s) which are subject to disconnection. A new notice will be required in cases where information is incorrect.
- 2.13.8. Except in case of danger to life or property, no disconnection shall be made on Saturdays, Sundays, legal holidays, or on any other day on which the Company cannot reestablish service on the same or following day.
- 2.13.9. When the Company has reason to believe service is to other than the Customer of record, the Company shall undertake reasonable efforts to inform occupants of the service address of the impending disconnection. In this case, at the request of the service users, a minimum period of five business days will be allowed to permit the service users to arrange for continued service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY, Continued

2.13.10 Landlord/Tenant rule

1. In situations where service is rendered at an address different from the mailing address of the bill or where the company knows that a landlord/tenant relationship exists and that the landlord is the customer of the Company, and where the landlord as a customer would otherwise be subject to disconnection of service, the Company may not disconnect service until the following actions have been taken:
 - a. Where it is feasible to so provide service, the Company, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the Company may disconnect service pursuant to the rules.
 - b. The Company shall not attempt to recover from a tenant or condition service to a tenant with the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY, Continued

2.13.11. Termination of service without notice

1. Service may be disconnected without advance written notice under the following conditions:
 - a. The existence of an obvious hazard to the safety or health of the consumer or the general population.
 - b. The Company has evidence of fraud.
2. The Company shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the Company.
3. The Company shall maintain a record of all terminations of service without notice. This record shall be maintained for a minimum of one year and shall be available for inspection by the Commission.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.14. PROVISION OF EQUIPMENT AND FACILITIES

- 2.14.1. The Company will not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where Customer-provisioned equipment is connected to the facilities furnished under this Tariff, the responsibility of the Company will be limited to the furnishing of facilities offered pursuant to this Tariff. Beyond this responsibility, the Company will not be responsible for:
- A. the transmission of signals to Customer-provided equipment or for the quality of, or defects in, such transmission; or
 - B. the reception of signals by Customer-provided equipment; or
 - C. network control signaling when performed by Customer-provided network control signaling equipment.
- 2.14.2. Company shall use reasonable efforts to maintain only the facilities and equipment that it furnishes to the Customer. The Customer may not, nor may Customer permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise interfere with any of the facilities or equipment installed by Company, except upon the written consent of Company.
- 2.14.3. Company shall not be responsible to the Customer or any other person or entity if changes in the criteria or in any of Company's facilities, operations or procedures render Customer provided facilities obsolete or cause Customer provided facilities to require modification or alteration, or otherwise affect the use or performance of Customer provided facilities. Where it is reasonably foreseeable to Company that such changes may affect Customer-provided facilities, Company shall provide reasonable notice.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.14. PROVISION OF EQUIPMENT AND FACILITIES, Continued

- 2.14.4. Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this Tariff. Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer except as provided by contract.
- 2.14.5. Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided to the Customer.
- 2.14.6. At the request of the Customer, installation or maintenance may be performed outside of 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 by the Company will apply. If installation or maintenance 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.
- 2.14.7. Facilities furnished by Company remain the property of Company until transferred or abandoned.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.15. INTERCONNECTION

- 2.15.1. The Customer must secure all licenses, permits, rights-of-way and other arrangements necessary for interconnection with Company. In addition, the Customer must ensure that its equipment and/or system or that of its Authorized User or agent(s) is properly interfaced with Company's Service and the signals emitted into Company's network are of the proper mode, band-width, power, data speed and signal level for the intended use of the Customer. If the Customer or its Authorized User or agent(s) fails to properly maintain and operate its equipment and/or system, Company may, upon written request, require the use of protective equipment at the Customer's expense.
- 2.15.2. Service furnished by Company may be interconnected with services or facilities of other authorized carriers and with private systems, subject to the technical limitations established by Company. Any special interface of equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers must be provided at the Customer's expense.
- 2.15.3. Interconnection of the Customer's facilities with the facilities or services of other carriers is governed by the applicable terms and conditions of the other carriers' tariffs or Tariffs.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.16. DEPOSITS AND ADVANCE PAYMENTS

At this time, the Company does not collect deposits or advance payments. Should the Company collect deposits or advance payments in the future, the deposit or advance payment shall be collected and maintained pursuant to AAC Title 14, Article 5, Section 3B.

2.17. CREDIT LIMIT

The Company may, at any time and at its sole discretion, set a credit limit for any Customer's consumption of Services for any monthly period.

2.18. TAXES AND SURCHARGES

In addition to the charges specifically pertaining to the Services, certain federal, state, and local surcharges, taxes, gross receipts, and fees will be applied to these Services. Examples of such programs include but are not limited to the Arizona Universal Service Fund and the Telecommunications Infrastructure Fund. These taxes, surcharges, and fees are calculated based upon the amount billed to the End User for Service(s).

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SECTION 3 – THRESHOLD COMMUNICATIONS SERVICES

3.1. DESCRIPTION OF SERVICE – VOICE SERVICES

- 3.1.1. Company offers a variety of inbound and outbound, voice telecommunications services, which establish a communications path between two stations by using uniform dialing plans.
- 3.1.2. Company makes its voice service offerings exclusively to high-volume calling customers who agree to exceed specific monthly minimum charges. Customers that do not exceed the monthly minimum charges in any given month agree to be billed the monthly minimum charge. In determining whether the Customer has exceeded the monthly minimum charges, the Company will credit the customer for charges for all of the Company's services utilized during the month, including intrastate, domestic interstate, international, private line and data service calling charges.
- 3.1.3. **Basic Local Calling** is provided through digital T1 lines that are connected to office telecommunications equipment.
- 3.1.4. **Hosted PBX Service** is a private branch exchange service that allows outside phone lines to connect to extensions within an office and allows an entire organization to be on a single telephone system.
- 3.1.5. **SIP Trunks for Local Calling** that allows voice equipment to operate with the enterprise data equipment over an IP network.
- 3.1.6 **FAX to E-mail Service** provides a specific fax number that delivers facsimiles to a designated email address.

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SECTION 3 – THRESHOLD COMMUNICATIONS SERVICES

3.2. DESCRIPTION OF SERVICE – PRIVATE LINE SERVICES

3.2.1. Company offers Private Line services, which provide point to point dedicated, private line transmission channels for the Customer's exclusive use between two or more locations. Point-To-Point Service connects two Customer-designated premises, either on a directly connected basis, or through a hub where multiplexing functions are performed.

A. DS-0 Service

DS-0 Service provides a digital transmission path at speeds of up to and including 64 Kbps or, if provided over analog facilities, within the normal frequency range of 300 and 3,000 Hz.

B. DS-1 Service

DS-1 Service provides the Customer a high capacity channel for the transmission of 1.544 Mbps.

C. DS-3 Service

DS-3 Service provides the Customer a high capacity channel for the transmission of 44.736 Mbps.

D. OC-3 Service

OC-3 Service provides the Customer a high capacity channel for the transmission of 155.52 Mbps.

E. OC-12 Service

OC-12 Service provides the Customer a high capacity channel for the transmission of 622.08 Mbps.

F. OC-48 Service

OC-48 Service provides the Customer a high capacity channel for the transmission of 2.4 Gbps.

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SECTION 3 – THRESHOLD COMMUNICATIONS SERVICES

3.2. DESCRIPTION OF SERVICE – PRIVATE LINE SERVICES, Continued

- 3.2.2. Company offers an Internet Private Line access connection service through the Customer's local exchange carrier for connection between the customer's premises and an Internet Gateway, in conjunction with the Company's Private Line services. Company does not provide its Internet Private Line access service as a standalone service. Company Internet Private Line Access is provided as a convenience to Customers who utilize Internet Private Line access facilities in conjunction with Company's service offerings. Internet Private Line access service rates are those of the Customer's local exchange carrier as reflected in the applicable local exchange carrier's tariff or Tariff, on file with the Commission.

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SECTION 3 – THRESHOLD COMMUNICATIONS SERVICES

3.3. DESCRIPTION OF SERVICE – DATA SERVICES

- 3.3.1. Company offers a data service consisting of a Frame Relay service as an alternative to conventional point to point networks for wide area network connectivity. Frame Relay service provides multi-point, wide-area connectivity using frame relay packet technology to reduce costs of distributed data networks. This service allows bridges, routers, frame relay access devices and other equipment to connect multiple sites.

The components of Company's Frame Relay service for each Customer location/site are: 1) the connection between the customer's premise and Company's nearest point-of presence at a pre-specified speed; 2) an assigned port on Company's Frame Relay Switch; 3) and use of the Company's Frame Relay network to the destination point. Frame Relay offers a choice of interface speeds, which may differ for multiple locations. Speeds vary from 56 Kbps to 1.536 Mbps.

3.4. DIRECTORY ASSISTANCE SERVICE

The Company provides Directory Assistance as an ancillary service exclusively to its customers. Directory Assistance is accessible by dialing "1", the area code of the desired number and "555-1212".

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SECTION 4 – RATES AND CHARGES

4.1. THRESHOLD VOICE SERVICES

4.1.1 Local Calling

\$500 per T-1 per month.

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SECTION 4 – RATES AND CHARGES, Continued

4.1. THRESHOLD VOICE SERVICES, Continued

4.1.2. Hosted PBX Service

\$30.99 per month per extension served

4.1.3 SIP Trunks for Local Calling

\$25.00 per SIP Trunk per month

4.1.4 FAX to E-mail Service

\$10.00 per month per fax number

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SECTION 4 – RATES AND CHARGES, Continued

4.2. THRESHOLD PRIVATE LINE SERVICES

4.2.1. Recurring and Non-Recurring Charges

<u>Transmission Speed</u>	<u>Monthly Charge per DS1 Mile</u>	<u>Recurring Non-Recurring Installation Charge</u>
DS-0	Not available	Not Available
DS-1	\$ 3.83	\$ 500.00
DS-3	\$ 15.52	\$ 2,000.00
OC-3	\$ 40.98	\$ 6,000.00
OC-12	\$ 149.02	\$ 20,000.00
OC-48	\$ 521.58	\$\$50,000.00

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SECTION 4 – RATES AND CHARGES, Continued

4.3. THRESHOLD DATA SERVICES

4.3.1. Loop Rates

Loop rates associated with Company's data services are those of the underlying local exchange carrier, which serves the Customer, as reflected in the local exchange carrier's tariff or Tariff, on file with the Commission. These rates are passed through directly to the Customer.

4.3.2. Frame Relay Port Rates

<u>Transmission Speed</u>	<u>Monthly Recurring Rate</u>
56 Kbps	\$190.00
128 Kbps	\$355.00
256 Kbps	\$395.00
384 Kbps	\$420.00
448 Kbps	\$625.00
512 Kbps	\$720.00
56 Kbps	\$790.00
768 Kbps	\$990.00
1.024 Mbps	\$1,265.00
1.536 Mbps	\$1,595.00

Issued:

Effective Date:

Issued By:

Mr. Jeff Matson
President
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888.820.7833

SECTION 4 – RATES AND CHARGES, Continued**4.3. THRESHOLD DATA SERVICES, Continued****4.3.3. Frame Relay Port Rates, Continued**

Non-Recurring Installation Charges

PORT Facility and Below

Per port \$250.00

4.3.4. Frame Relay Permanent Virtual Circuit Rates

<u>Transmission Speed</u>	<u>Monthly Recurring Rate</u>
16 Kbps	\$12.00
32 Kbps	\$24.00
48 Kbps	\$36.00
56 Kbps	\$42.00
128 Kbps	\$96.00
192 Kbps	\$144.00
256 Kbps	\$192.00
320 Kbps	\$240.00
384 Kbps	\$288.00
448 Kbps	\$336.00
512 Kbps	\$384.00
576 Kbps	\$432.00
640 Kbps	\$480.00
704 Kbps	\$528.00
768 Kbps	\$576.00
832 Kbps	\$624.00
896 Kbps	\$672.00
960 Kbps	\$720.00

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SECTION 4 – RATES AND CHARGES, Continued**4.3. THRESHOLD DATA SERVICES, Continued****4.3.4. Frame Relay Permanent Virtual Circuit Rates, Continued**

<u>Transmission Speed</u>	<u>Monthly Recurring Rate</u>
1.024 Mbps	\$768.00
1.152 Mbps	\$864.00
1.280 Mbps	\$960.00
1.408 Mbps	\$1,056.00
1.536 Mbps	\$1,152.00
3.072 Mbps	\$2,304.00
4.608 Mbps	\$3,456.00
6.144 Mbps	\$4,608.00
7.680 Mbps	\$5,760.00
9.216 Mbps	\$6,912.00
10.752 Mbps	\$8,064.00
15.360 Mbps	\$11,520.00
Non-Recurring Installation Charge	
Installation charge, per PVC	\$100.00

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SECTION 4 – RATES AND CHARGES, Continued

4.3. THRESHOLD DATA SERVICES, Continued

4.3.5. Volume and Term Discounts

Discounts for specified dollar volumes of traffic to a specific location or aggregate dollar volumes may apply, as specified below, to customers who subscribe to substantial volumes of Company's Data Services. Customers will also be eligible for discounts for executing agreements for services for 1 to 3 years. Volume and term percentage discounts apply exclusively to Customer's combined Port and Permanent Virtual Circuit charges.

Discount	Month to 12	24	36	
	Month	Months	Months	Months
\$0-\$1,000	0%	6%	8%	10%
\$1,000-\$2,500	4%	7%	11%	15%
\$2,500-\$5,000	8%	12%	16%	20%
\$5,000-\$7,500	12%	17%	21%	25%
\$7,500-\$10,000	15%	22%	26%	30%
\$10,000 +	18%	27%	31%	35%

4.4 DIRECTORY ASSISTANCE

Per Call

\$0.75

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SECTION 4 – RATES AND CHARGES, Continued

4.5. INDIVIDUAL CASE BASIS (ICB) ARRANGEMENTS

4.5.1. Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a Service not offered under this Tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis. ICB contracts will be filed with the Commission.

4.5.2. Extraordinary Charges

From time to time, customers may request special services not addressed specifically by rate elements in this Tariff, or services to locations that may cause Carrier to incur extraordinary expenses not contemplated in the provision of standard service offerings. These costs include, but are not limited to:

- A. Additional construction costs
- B. Building space rental or rights-of-way costs
- C. Additional equipment
- D. Special facilities routing

In these cases, the Customer will be billed additional charges computed on an ICB.

4.5.3. Charges for Changes to Pending Orders, Service Rearrangements and Expedite Charges

From time to time, customers may request changes to pending orders, rearrangements to existing service, and order completion to standard intervals. In these cases, the Customer will be required to reimburse Carrier for the increased expenses incurred on an ICB.

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THRESHOLD COMMUNICATIONS, INC

**RATES, RULES AND ADMINISTRATIVE REGULATIONS,
AS FILED WITH THE ARIZONA CORPORATION COMMISSION,
FOR FURNISHING INTRASTATE INTEREXCHANGE
TELECOMMUNICATIONS SERVICE
TO BUSINESS END USERS WITHIN THE STATE OF ARIZONA**

Issued:

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CHECK LIST

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

<u>PAGE</u>	<u>Revision</u>	<u>PAGE</u>	<u>Revision</u>
1	Original	31	Original
2	Original	32	Original
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15	Original	45	Original
16	Original	46	Original
17	Original	47	Original
18	Original	48	Original
19	Original	49	Original
20	Original	50	Original
21	Original	51	Original
22	Original	52	Original
23	Original	53	Original
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29	Original		
30	Original		

*Denotes new or revised page

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CONCURRING CARRIERS

None

CONNECTING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

EXPLANATION OF SYMBOLS

- (C) To signify **changed** condition or regulation
- (D) To signify **deleted or discontinued** rate, regulation or condition
- (I) To signify a change resulting in an **increase** to a Customer's bill
- (M) To signify that material has been **moved from** another Tariff location
- (N) To signify a **new** rate, regulation condition or sheet
- (R) To signify a change resulting in a **reduction** to a Customer's bill
- (T) To signify a change in **text** but no change to rate or charge

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TARIFF FORMAT

- A. **Sheet Numbering** - Sheet numbers appear in the heading of each sheet. Sheets are numbered sequentially. However, occasionally, when a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.
- B. **Sheet Revision Numbers** - Revision numbers also appear in the upper right corner of each sheet. These numbers are used to determine the most current sheet version on file with the Commission. For example, the 4th revised Sheet 14 cancels the 3rd Revised Sheet 14. Because of various suspension periods, deferrals, etc. the Commission follows in its Tariff approval process, the most current sheet number on file with the Commission is not always the sheet in effect. Consult the Check Sheet for the sheet currently in effect.
- C. **Paragraph Numbering Sequence** - There are nine levels of paragraph coding. Each level of code is subservient to its next higher level:
- 2.
 - 2.1.
 - 2.1.1.
 - 2.1.1.A.
 - 2.1.1.A.1.
 - 2.1.1.A.1.(a).
 - 2.1.1.A.1.(a).I.
 - 2.1.1.A.1.(a).I.(i).
 - 2.1.1.A.1.(a).I.(i).(1).
- D. **Check Sheets** - When a Tariff filing is made with the Commission, an updated Check Sheet accompanies the Tariff filing. The Check Sheet lists 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 (*). There will be no other symbols used on this sheet if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some sheets). The Tariff user should refer to the latest Check Sheet to find if a particular sheet is the most current on file with the Commission.

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APPLICATION OF TARIFF

This Tariff applies to intrastate interexchange offered by Threshold Communications, Inc. ("Company") between various locations within the State of Arizona.

All services are interstate offerings. Intrastate service is an add-on service available only if the Customer subscribes to the Company's interstate offerings.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS

Account Code:

A numerical code, one or more of which are available to a Customer to enable identification of individual users or groups of users on an account and to allocate costs of service accordingly.

Authorized User:

A person, firm, corporation or other entity that either is authorized by the Customer to use local exchange service or is placed in a position by the Customer, either through acts or omissions, to use the Company's services.

Called Station:

The terminating point of a call (i.e., the called number).

Calling Card:

A card issued by Company containing such account numbers assigned to its Customer which enables the charges for calls made to be properly billed on a pre-arranged basis.

Commission:

Arizona Corporation Commission ("Commission")

Company:

Threshold Communications, Inc. ("Threshold")

Credit Card:

A valid bank or financial organization card, representing an account to which the costs of products and services purchased by the card holder may be charged for future payment. Such cards include those issued by VISA or MasterCard.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued

Customer:

The person, firm, corporation or other entity, which orders or uses service and is responsible for payment of charges and compliance with Tariff regulation.

Dedicated Access:

Non-switched access between a Customer's premises and the point of presence of the Company's underlying carrier.

Disconnect or Disconnection:

The termination of a circuit connection between the originating station and the called station or the Company's operator.

Gbps

Gigabits or 1,000 Mbps bits per second. Used in reference to data transmission speed.

Internet Gateway

A switching device which connects the public switched network to dedicated Internet facilities

Kbps

Kilobits or 1,000 bits per second. Used in reference to data transmission speed.

Loop

A private physical transmission path between a switch and a customer's premises. Usually a T1 portion of a DS3 facility.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued

Mbps

Megabits or 1,000,000 bits per second. Used in reference to data transmission speed.

Measured Service:

The provision of long distance measured time communications telephone service to customers who access the Company's service at its contracted interexchange carriers' switching and call processing equipment by means of access facilities obtained from local exchange common carrier(s). Company contacted interexchange carrier is responsible for arranging the access lines.

Message Telecommunications Service

Ordinary, switched, long-distance service charged on a usage sensitive basis.

Packet

A group of unstructured data transmissions that have been disassembled and formatted in preparation to be transmitted over some medium to be reassembled once received at the destination location.

Point of Presence:

The point of physical interconnection between the local exchange company's local network and the interexchange carrier's network ("POP").

Port

A physical interface connection point between a network facility and a switch.

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SECTION 1 - TECHNICAL TERMS AND ABBREVIATIONS, Continued

Private Line

A non-switched telecommunications path between a Customer's premises and Company's switch.

Private Virtual Circuit

A shared portion of a high-capacity network facility which provides the Customer with the equivalent functionality of the facility, without requiring that the Customer lease the entire facility.

Subscriber:

See "Customer" definition.

Tariff

This document, which sets forth the Company's rates, services, terms and conditions of service in Arizona.

Travel Card

See definition of "Calling Card."

User:

Any person or entity that obtains the Company's services provided under this Document, regardless of whether such person or entity is so authorized by the Customer.

"800" or "Toll Free" Number:

An interexchange service offered pursuant to this Document for which the called party is assigned a unique 800-NXX-XXXX, 888-NXX-XXXX, 877-NXX-XXXX number, 866-NXX-XXXX or 855-NXX-XXX, or any other NPA, and is billed for calls terminating at that number.

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SECTION 2 - RULES AND REGULATIONS

2.1. UNDERTAKING OF THE COMPANY

- 2.1.1. Company's Services are furnished for telecommunications originating and/or terminating in any area within the State of Arizona.
- 2.1.2. Company offers resold, non-facilities-based telecommunications services to Customers for the direct transmission and reception of voice, data, and other types of communications.
- 2.1.3. The Company's services are provided on a monthly basis and are available twenty-four (24) hours per day, seven (7) days per week.
- 2.1.4. Provision of the Company's services is dependent upon the availability of suitable facilities for services. The facilities used to provide a particular service are chosen by the Company and are not represented to be suitable for any one service.
- 2.1.5. The Company's Services are provided on a monthly basis unless otherwise provided, and are available twenty-four (24) hours per day, seven (7) days per week.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.2. LIMITATIONS OF SERVICE

- 2.2.1. Service is offered subject to availability of the necessary facilities and/or equipment and subject to the provisions of this Tariff.
- 2.2.2. Company reserves the right to discontinue furnishing Service, when necessitated by conditions beyond its control, when Customer is using Service in violation of the law or in violation of the provisions of this Tariff, or for non-payment of billed charges by Customer.
- 2.2.3. The Company does not undertake to transmit messages, but offers the use of its facilities when available, and will not be liable for errors in transmission or for failure to establish connections.
- 2.2.4. The Customer obtains no property right or interest in the use of any specific type of facility, service, equipment, telephone number, process or code. All rights, titles and interests remain, at all times, solely with the Company.
- 2.2.5. Prior written permission from the Company is required before any assignment or transfer. All regulations and conditions contained in this Tariff shall apply to all such permitted assignees or transferees, as well as all conditions of service.
- 2.2.6. The Company may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the terms and conditions of this Tariff are being complied with in the installation, operation or maintenance of the Customer's or the Company's facilities or equipment.
- 2.2.7. The Company reserves the right to refuse an application for service made by a present or former Customer who is indebted to the Company for service previously rendered pursuant to this Tariff until the indebtedness is satisfied.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.3 CUSTOMER RESPONSIBILITIES

- 2.3.1. The Customer is responsible for the payment of all charges for Services furnished to the Customer and for all additional charges for calls the Customer elects to continue making.
- 2.3.2. The Customer is responsible for compliance with applicable regulations set forth in this Tariff.
- 2.3.3. The Customer is responsible for establishing its identity as often as necessary during the course of the call or when seeking credits from the Company.
- 2.3.4. Customer shall provide and maintain at its own expense terminal equipment on the Customer's premise and the electric power consumed by such equipment. The Customer is responsible for the provision of wiring or cable to connect its terminal equipment to the Company's Point of Connection.
- 2.3.5. The Customer is responsible for ensuring that Customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltage and currents impressed on Company-provided equipment and wiring by the connection, operations, or maintenance of such equipment and wiring shall be such as not to cause damage to Company-provided equipment and wiring or injury to Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by Company at the Customer's expense.
- 2.3.6. In the event Company incurs fees or expenses, including attorney's fees, to collect; or attempt to collect, any charges owed Company by customer, including charges alleged to have resulted from fraud or abuse of customer's service, the Company shall charge customer all such fees and expenses, including Company's reasonable attorney's fees, incurred to collect or to attempt to collect its charges, and Company shall be entitled to recover such fees or expenses irrespective of whether it prevails in any legal action brought to collect its charges, all in accordance with and subject to the following additional legal requirements.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.3 CUSTOMER RESPONSIBILITIES, Continued

- 2.3.7. In accordance with the "filed tariff doctrine," as established by judicial and regulatory decisions and precedents, customer shall pay all charges due and owing irrespective of any claims of loss, liability, set off, damages, or other claims against Company to which customer may claim to be entitled, the duty to pay such charges shall arise upon the demand for payment by Company and shall not be delayed or deferred by the commencement of any legal or equitable action by either customer or Company in connection with such charges incurred under this Tariff.
- 2.3.8. The Customer is responsible for damage to or loss of the Company's facilities or equipment caused by the acts or omissions of the Customer or of any User; or by the noncompliance by the Customer or any User, with these regulations; or by fire or theft or other casualty on the Customer Premises or the premises of any User, unless caused by the negligence or willful misconduct of the employees or agents of the Company.
- 2.3.9. The Customer is responsible for providing, at no charge, as specified from time to time by the Company, any needed equipment, space and power to operate Company facilities and equipment installed on the premises of the Customer, and the level of heating and air conditioning necessary to maintain the proper operating environment on such premises.
- 2.3.10. The Customer is responsible for obtaining, maintaining, and otherwise having full responsibility for all rights-of-way and conduit necessary for installation of transmission facilities and associated equipment used to provide Services to the Customer from the cable building entrance or property line to the location of the building equipment space. Any and all costs associated with the obtaining and maintaining rights-of-way described herein, including the costs of altering the structure to permit installation of the Company provided facilities, shall be borne entirely by, or may be charged by the Company, to the Customer. The Company may require the Customer to demonstrate its compliance with this Section prior to accepting an order for service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.3 CUSTOMER RESPONSIBILITIES, Continued

2.3.10., Continued

- 2.3.10. The Customer is responsible for providing a safe place to work and complying with all laws and regulations regarding the working conditions on the premises at which Company employees and agents shall be installing or maintaining the Company's facilities and equipment. The Customer may be required to install and maintain Company facilities and equipment within a hazardous area if, in the Company's opinion, injury or damage to the Company employees or property might result from installation or maintenance by the Company. The Customer shall be responsible for identifying, monitoring, removing and disposing of any hazardous material (e.g., friable asbestos) prior to any construction or installation work.
- 2.3.11. The Customer is responsible for complying with all laws and regulations applicable to, and obtaining all consents, approvals, licenses and permits as may be required with respect to, the locations of Company facilities and equipment in any Customer premises or the rights-of-way for which Customer is responsible under other provisions of this Tariff.
- 2.3.12. The Customer is responsible for not creating, or allowing to be placed, any liens or other encumbrances on the Company's equipment or facilities.
- 2.3.13. The Customer is responsible for making Company facilities and equipment available periodically for maintenance purposes at a time agreeable to both the Company and the Customer. No allowance will be made for the period during which service is interrupted for such purposes.
- 2.3.14. The Customer shall be responsible for making arrangements or obtaining permission for safe and reasonable access for Company employees or agents of the Company, at times mutually acceptable to Company and Customer, to enter the premises of the Customer or any joint user or Customer of the Customer at any reasonable hour for the purpose of inspecting, repairing, testing or removing any part of the Company's facilities, without charge to the Company.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.3 CUSTOMER RESPONSIBILITIES, Continued

- 2.3.15. The Customer is responsible for notifying Company of any interruptions of service.
- 2.3.16. The Customer is responsible for placing any necessary orders; for complying with Tariff regulations; for the placement of any stickers or tent cards provided by the Company or as required by law; and for assuring that Users comply with Tariff regulations. The Customer shall ensure compliance with any applicable laws, regulations, orders or other requirements (as they exist from time to time) of any governmental entity relating to Services provided or made available by the Customer to Users. The Customer is also responsible for the payment of all charges for calls originated at the Customer's numbers.
- 2.3.17. The Customer is responsible for charges incurred for special construction and/or special facilities which the Customer requests and which are ordered by the Company on the Customer's behalf.
- 2.3.18. The Customer shall ensure that the equipment and/or system is properly interfaced with Company facilities or Services, that the signals emitted into the Company's Network are of the proper mode, bandwidth, power, and signal level for the intended use of the Customer and in compliance with the criteria set forth in this Tariff, and that the signals do not damage equipment, injure personnel, or degrade Service to other Customers. If the Federal Communications Commission or some other appropriate certifying body certifies terminal equipment as being technically acceptable for direct electrical connection with interstate communications service, the Company will permit such equipment to be connected with its channels without use of protective interface devices.

If the Customer fails to maintain the equipment and/or the system properly, with resulting imminent harm to Company equipment, personnel, or the quality of Service to other Customers, the Company may, upon written notice, require the use of protective equipment at the Customer's expense. If this fails to produce satisfactory quality and safety, the Company may, upon written notice, terminate the Customer's Service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.3 CUSTOMER RESPONSIBILITIES, Continued

- 2.3.19. The Customer is responsible for returning any Company-owned equipment to the Company, in good working condition, within five (5) days after Service is discontinued.
- 2.3.20. The Customer is responsible for paying for the loss through theft of any Company equipment installed at Customer's premises.

2.4. CUSTOMER'S USE OF SERVICE

- 2.4.1. Service may be used for the transmission of communications by the Customer for any lawful purpose for which the service is technically suited.
- 2.4.2. Customers may transmit or receive information or signals via the Company's facilities. Company's services are designed primarily for the transmission of voice-grade telephonic signals, except as otherwise stated in this Tariff. A Customer may transmit any form of signal that is compatible with Company's equipment, but Company does not guarantee that its services will be suitable for purposes other than voice-grade telephonic communication except as specifically stated in this Tariff.
- 2.4.3. Service may not be used for any unlawful purpose or for any purpose for which any payment or other compensation is received by the Customer, except when the Customer is a duly authorized and regulated common carrier. This provision does not prohibit an arrangement between the Customer, authorized user or joint user to share the cost of service.
- 2.4.4. Application for Service may be made verbally or in writing. The name(s) of the Customer(s) desiring to use the service must be set forth in the application for Service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.4. CUSTOMER'S USE OF SERVICE, Continued

- 2.4.5. The Company strictly prohibits use of the Company's Services without payment or an avoidance of payment by the Customer by fraudulent means or devices including providing falsified calling card numbers or invalid calling card numbers to the Company, providing falsified or invalid credit card numbers to the Company or in any way misrepresenting the identity of the Customer.
- 2.4.6. Recording of telephone conversations of service provided by the Company under this Tariff is prohibited except as authorized by applicable federal, state and local laws.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY

2.5.1 The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities and not caused by the negligence of the Customer, commences upon activation of service and in no event exceeds an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistakes, omissions, interruptions, delays, errors, or defects in transmission occur. No other liability shall in any case attach to the Company. The above described remedies in favor of Customer are exclusive and in no event shall Company, its employees, officers, agents and employees' agents be liable for or responsible to Customer or any other person or entity with respect to any other liability, loss or damage, arising out of, caused or alleged to be caused, directly or indirectly, by Company, including but not limited to any death, bodily injury, or interruption of service, loss of business or profits or any indirect, incidental, special or consequential damages.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

2.5.2. Company shall not be liable for, and the Company shall be indemnified, defended and held harmless from any and all loss claims, demands, suits, or other action or liability whatsoever, whether suffered, made instituted or asserted by the Customer or by any other party or person, for:

- A. Acts, omissions, or negligence of other companies when their facilities are used in connection with Company's facilities to provide service, or for the unavailability or any delays in the furnishing of any services or facilities, which are provided by other companies;
- B. Any defacement or damage to the customer's premises or equipment resulting from the existence of Company's instruments, apparatus and associated wire on such premises, or from the installation or removal thereof, when such defacement or damage is not the result of the negligence of Company, or its employees;
- C. Failure of performance hereunder due to causes beyond its control, including but not limited to fire, flood, or other catastrophes; Acts of God; atmospheric conditions or other phenomena of nature, such as radiation; any law, order, regulation, directive, order by request of the United States Government, or any other government including state and local governments having any jurisdiction over Company or the services provided hereunder; national emergencies, civil disorder, insurrections, riots, wars, strikes, lockouts, work stoppages, or other labor problems or regulations established or actions taken by any court or government agency having jurisdiction over Company;
- D. Act or omission of any other entity furnishing to the Customer facilities or equipment used with the Service furnished hereunder; nor shall Company be liable for any damages or losses due in whole or in part to the fault or negligence of the Customer or due in whole or in part to the failure of Customer-provided equipment or facilities;

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

2.5.2., Continued

- E. Liability for failure to provide service or any delays in the furnishing of any services or facilities;
- F. Any charges or costs incurred by Customer for use of another carrier's services whether caused by failure of Company's equipment or service or otherwise;
- G. Providing listing information to any Local Exchange Carrier ("LEC") for inclusion in LEC directories. Company is not responsible for publication of any directories. No liability for damages arising from errors and/or omissions of directory listings, or listings obtained from the directory assistance operator shall attach to Company;
- H. Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising directly or indirectly from the material, data, information or other content transmitted over Company facilities or the use thereof, claims for infringement of patents arising from combining facilities furnished by Company with, or using the facilities in connection with, apparatus and systems of the Customer and all other claims arising out of any act or omission of the Customer in connection with facilities provided by Company.
- I. Any personal injury to or death of any person or persons, and for any loss, damage or destruction of any property, including environmental contamination, whether owned by the Customer or by any other party, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, presence, condition, location, use or removal of any Company or Customer equipment or facilities or Service provided by the Company;

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

2.5.2., Continued

- J. Any loss, damage, defacement or destruction of the premises of the Customer or any other property, whether owned by the Customer or by others, caused or claimed to have been caused directly or indirectly by the installation, delayed installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of equipment or wiring provided by Company where such installation, operation, failure to operate, maintenance, condition, location or use is not the direct result of Company's negligence;
- K. For any personal injury to or death of any person or persons;
- L. Any act or omission of: (1) the Customer, (2) any other entity furnishing Service, equipment or facilities for use in conjunction with Services or facilities provided by the Company, or (3) common carriers or warehousemen;
- M. any errors omissions, whether arising through negligence or otherwise, in the information furnished to Directory Assistance;
- N. Any unlawful or unauthorized use of the Company's facilities and Services;
- O. Breach in the privacy or security of communications transmitted over the Company's facilities;
- P. Defacement of or damage to Customer premises resulting from the furnishing of Services or equipment on such premises or the installation or removal thereof, when such defacement or damage is not the result of the result of the Company's negligence;

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

2.5.2., Continued

- Q. Injury to property or injury or death to persons, including claims for payments made under Workers' Compensation law or under any plan for employee disability or death benefits, arising out of, or caused by, any act or omission of the Customer, or the construction, installation, maintenance, presence, use or removal of the Customer's facilities or equipment connected, or to be connected to the Company's facilities;
- R. Any intentional, wrongful act of a Company employee when such act is not within the scope of the employee's responsibilities for the Company and/or is not authorized by the Company;
- S. Any representations made by Company employees that do not comport, or that are inconsistent, with the provisions of this Tariff;
- T. Any non-completion of calls due to network busy conditions;
- U. Any calls not actually attempted to be completed during any period that service is unavailable;
- V. Service, facilities, or equipment, which the Company does not furnish;
- W. Any and all other claims arising out of any act or omission of the Customer in connection with any service provided by Company.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

- 2.5.3. No agents or employees of connecting, concurring or other participating carriers or companies shall be deemed to be agents or employees of the Company without written authorization.
- 2.5.4. The Company is not liable for any failure of performance hereunder due to causes beyond its control, including, but not limited to, unavoidable interruption in the working of its circuits or those of another common carrier; acts of nature, storms, fire, floods, or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or any other governmental entity having jurisdiction over the Company or of any department, agency, commission, bureau, corporation, or other instrumentality or any one or more of such instrumentality or any one of more of such governmental entities, or of any civil or military authority; national emergencies, insurrections, riots, rebellions, wars, strikes, lockouts, work stoppages, or other labor difficulties; or notwithstanding anything in this Tariff to the contrary, the unlawful acts of the Company's agents and employees, if committed beyond the scope of their employment.
- 2.5.5. The Company shall not be liable for damages or adjustments, refunds, or cancellation of charges unless the Customer has notified the Company, in writing, of any dispute concerning charges, or the basis of any claim for damages, after the invoice is rendered by the Company for the call giving rise to such dispute or claim, unless ordered by the Commission pursuant to Minnesota law. Any such notice must set forth sufficient facts to provide the Company with a reasonable basis upon which to evaluate the Customer's claim or demands.
- 2.5.6. The Company shall not be liable for any damages, including usage charges, that the Customer may incur as a result of the unauthorized use of its communications equipment. The unauthorized use of the Customer's communications equipment includes, but is not limited to, the placement of calls from the Customer's premises and the placement of calls through Customer-controlled or Customer-provisioned equipment that are transmitted or carried over the Company's network services without the authorization of the Customer. The Customer shall be fully liable for all such charges.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

- 2.5.7. In the absence of gross negligence or willful misconduct, and except for the allowances stated below, no liability for damages arising from errors or mistakes in or omissions of directory listings, or errors or mistakes in or omissions of listings obtainable from the directory assistance operator, including errors in the reporting thereof, shall attach to the Company.
- 2.5.8. Any claim of whatever nature against the Company shall be deemed conclusively to have been waived unless presented in writing to the Company within thirty (30) days after the date of the occurrence that gave rise to the claim.
- 2.5.9. The Company does not guarantee nor make any warranty with respect to installations it provides for use in an explosive atmosphere. The Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by any other party or person(s), and for any loss, damage, or destruction of any property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location, or use of any installation so provided.
- 2.5.10. The Company shall not be liable for any damages resulting from delays in meeting any service dates due to delays resulting from normal construction procedures. Such delays shall include, but not be limited to, delays in obtaining necessary regulatory approvals for construction, delays in obtaining right-of-way approvals and delays in actual construction work.
- 2.5.11. THE COMPANY MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH HEREIN.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.5. LIABILITIES OF THE COMPANY, Continued

2.5.12. IN NO EVENT WILL THE COMPANY OR ITS SUPPLIERS BE LIABLE FOR ANY LOST REVENUE, PROFIT, OR DATA, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY ARISING OUT OF THE USE OF OR INABILITY TO USE PRODUCT OR EQUIPMENT EVEN IF THE COMPANY OR ITS SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. In no event shall the Company's or its suppliers' liability to the Customer, whether in contract, tort (including negligence), or otherwise, exceed the price of the equipment paid by the Customer. The foregoing limitations shall apply even if the standard of the Company's warranty or its suppliers fails of its essential purpose.

2.5.13. Company shall not be liable for any errors or omissions, whether arising through negligence or otherwise, in the information furnished to Directory Assistance; and the customer shall indemnify and save Company harmless against all claims and reasonable attorney's fees that may arise from the use of such information.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.6. LIABILITY OF THE CUSTOMER

2.6.1. General Liabilities of the Customer

- A. The Customer will be liable for damages to the facilities of the Company and for all incidental and consequential damages caused by the negligent or intentional acts or omissions of the Customer, its officers, employees, agents, invites, or contractors where such acts or omissions are not the direct result of the Company's negligence or intentional misconduct.
- B. To the extent caused by any negligent or intentional act of the Customer as described in (A) preceding, the Customer shall indemnify, defend and hold harmless the Company from and against all claims, actions, damages, liabilities, costs and expenses, including reasonable attorney's fees, for (1) any loss, destruction or damage to property of any third party, and (2) any liability incurred by the Company to any third party pursuant to this or any other Tariff of the Company, or otherwise, for any interruption of, interference to, or other defect in any service provided by the Company to such third party.
- C. The Customer shall not assert any claim against any other Customer or user of the Company's Services for damages resulting in whole or in part from or arising in connection with the furnishing of service under this Tariff including but not limited to mistakes, omissions, interruptions, delays, errors or other defects or misrepresentations, whether or not such other Customer or user contributed in any way to the occurrence of the damages, unless such damages were caused solely by the negligent or intentional act or omission of the other Customer or user and not by any act or omission of the Company. Nothing in this Tariff is intended either to limit or to expand Customer's right to assert any claims against third parties for damages of any nature other than those described in the preceding sentence.
- D. The Customer must pay the Company for replacement or repair of damage to the equipment or facilities of the Company caused by the negligent or willful acts of the Customer, Users, or others, by improper use of the Services, or by use of equipment provided by the Customer, Users, or others.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.6. LIABILITY OF THE CUSTOMER, Continued

2.6.1. General Liabilities of the Customer, Continued

- E. The Customer must pay for the loss through theft of any Company equipment installed at Customer's premises.

2.6.2 Liability of the Customer for Unauthorized Use of Company's Services

A. Unauthorized Use of Company's Services

1. Unauthorized use occurs when: (1) a person or entity that does not have actual, apparent, or implied authority to use the Company's Services, obtains the Company's Services provided under this Tariff; or (2) a person or entity that otherwise has actual, apparent, or implied authority to use the Company's Services, makes fraudulent use of the Services provided under this Tariff, or uses specific Services that are not authorized.
2. The following activities constitute fraudulent use:
 - a. Using the Company's Services to transmit a message, locate a person, or otherwise give or obtain information, without payment for the service;
 - b. Using or attempting to use the Company's Services with the intent to avoid payment, either in whole or in part, of any of the Company's Tariffed charges by either rearranging, tampering with, or making connections not authorized by this Tariff to any service components used to furnish the Company's Services or using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices;

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SECTION 2 - RULES AND REGULATIONS, Continued

2.6. LIABILITY OF THE CUSTOMER, Continued

2.6.2 Liability of the Customer for Unauthorized Use of Company's Services, Continued

A. Unauthorized Use of Company's Services

2., Continued

- c. Toll free callers using the Company's Services with the intent of gaining access to a Customer's outbound calling capabilities on an unauthorized basis; and
 - d. Using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices or electronic devices to defraud or mislead callers.
3. Customers are advised that use of Services provided under this Tariff carries a risk of various forms of telecommunications fraud (including, but not limited to, toll, PBX, and Centrex "clip-on" fraud perpetrated by Users who gain access to a Customer's facilities, account numbers, security or authorization codes, etc.). Customers should take all necessary steps to restrict access to their facilities, including equipment and Services provided hereunder, and to detect and prevent unauthorized use of equipment and Services provided by the Company under this Tariff. Furthermore, Customers must notify the Company in writing of unauthorized use or charges appearing on the Customer's bill. All charges shall be deemed correct and authorized if such notice is not received by the Company within thirty (30) days from the date of issuance of the Customer's bill.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.6. LIABILITY OF THE CUSTOMER, Continued

2.6.2 Liability of the Customer for Unauthorized Use of Company's Services, Continued

B. Liability for Unauthorized Use

1. The Customer is responsible for payment of all charges for Services provided under this Tariff. This responsibility is not changed due to any use, misuse, or abuse of the Customer's service or Customer-provided equipment by Users or other third parties, the Customer's employees, or the public.
2. The Customer is responsible for payment of all outbound call charges arising from calls placed to a Customer's 800 service number, whether or not such calls are authorized or fraudulent, where the User gains access to the Customer's outbound calling equipment and services.
3. The Customer is liable for all costs incurred as a result of unauthorized use of Company's Services, including Service charges and any direct, indirect, special, incidental, reliance, consequential, exemplary or punitive damages. The Company will take reasonable steps, upon verbal or written notification that fraud has occurred, or is believed to have occurred, to assist the Customer in identifying the nature and/or source of the fraud, and in terminating the fraudulent use of the Customer's service. The Company will also assist the Customer in facilitating changes in phone number, and assist the Customer in identifying perpetrator(s) of the fraud for purposes of pursuing civil remedies.
4. The Customer is responsible for payment of any charges related to the suspension and/or termination of Service, and any charges for reconnection of Service, incurred as a result of unauthorized use..

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SECTION 2 - RULES AND REGULATIONS, Continued

2.6. LIABILITY OF THE CUSTOMER, Continued

2.6.2 Liability of the Customer for Unauthorized Use of Company's Services, Continued

C. Liability for Credit Card Fraud

The Customer is liable for the unauthorized use of the Services obtained through the fraudulent use of a Credit Card. The liability of the Customer for unauthorized use of the Services by Credit Card fraud may be limited by state or federal law, and the Customer shall seek indemnification from the organization or company issuing such card for unauthorized use thereof.

2.7. FULL FORCE AND EFFECT

Should any provision or portion of this Tariff be held by a court or administrative agency of competent jurisdiction to be illegal, invalid or unenforceable, the remaining provisions of this Tariff will remain in full force and effect.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.8. ALLOWANCES FOR INTERRUPTION OF SERVICE

- 2.8.1. The Company will follow the Commission's rules in the case of major outage and/or service interruption.
- 2.8.2. It is the obligation of the Customer to notify the Company of any interruptions in service. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer, not within the Customer's control, or is not in wiring or equipment connected to the terminal of the Company.
- 2.8.3. For the purpose of applying this provision 2.9, the word "interruption" will mean the inability to complete calls either incoming or outgoing or both due to equipment malfunction or human errors. "Interruption" does not include, and no allowance will be given for, service difficulties such as slow dial tone, circuits busy or other network and/or switching capacity shortages.
- 2.8.4. All reported interruptions of service will be restored within two working days, excluding Sundays and holidays, except those caused by emergency situations, unavoidable catastrophes and force majeure.
- 2.8.5. Interruptions in service, which are not due to the negligence of, or non-compliance with the provisions of this price sheet by, the Customer or of an authorized or joint user, or to the operation or malfunction of the facilities, power or equipment provided by the Customer or authorized or joint user, will be credited to the Customer for the part of the service that the interruption affects.
- 2.8.6. It shall be the obligation of the Customer to notify Company of any interruptions of service. Before giving such notice, the Customer shall ascertain that the trouble is not being caused by any action or omission of the Customer, not within the Customer's control.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.8. INTERRUPTION OF SERVICE, Continued

2.8.7. Credit allowances are given on a per line basis for any period during which any line subscribed to by the Customer hereunder and/or, if applicable, company-provided station equipment attached thereto is out of service, except as specified below. Out of service conditions are defined as complete loss of call origination and/or receipt capability. Credit allowances, if any, shall be deducted from the charges payable by the Customer hereunder and shall be expressly indicated on the next bill to the Customer. An interruption period begins when the Customer reports a malfunction in service to the company. The malfunction period ends when the affected line and/or associated station equipment is fully operative.

2.8.8. Credit Allowances do not apply to interruptions:

- A. Caused by the Customer; or
- B. Due to failure of power or equipment provided by the Customer or others; or
- C. During any period in which the Company is not given access to the service premises; or
- D. Due to scheduled maintenance and repair.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.8. INTERRUPTION OF SERVICE, Continued

2.8.9. Interruptions of 24 Hours or less are credited a portion of daily per line charge according to the following schedule:

<u>Length of Service Interruption</u>	<u>Credit</u>
Less than 4 hours	None
4 hours up to but not including 8 hours	1/3 of day
8 hours up to but not including 12 hours	1/2 of day
12 hours up to but not including 16 hours	2/3 of day
16 hours up to but not including 24 hours	One day

Two or more service interruptions of the same type to the same line/equipment of 2 hours or more during any one twenty-four hour period shall be considered as one interruption. In no event shall such interruption credits for any one line/equipment exceed one day's fixed recurring charges for such line/equipment in any 24 hour period.

Service interruptions over 24 hours will be credited 4 hours for each 4 -- hour period or fraction thereof. No more than one full day's credit will be allowed for any period of 24 hours.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.8. INTERRUPTION OF SERVICE, Continued

2.8.10. No credit allowance will be made for:

- A. Interruptions due to the negligence of, or non-compliance with the provisions of this price sheet by, the Customer, authorized user, joint user, or other common carrier providing service connected to the service of the Company; or
- B. Interruptions of service due to the failure or malfunction of facilities, power or equipment provided by the Customer, authorized user, joint user, or other common carrier providing service connected to the service offered by the Company; or
- C. Interruptions of service during any period in which the Company is not given access to the premises at which the Company provided service is interrupted or terminated; or
- D. Interruptions of service that occur or continue due to the Customer's failure to authorize replacement of any element of special construction; or

2.8.11. Interruptions of service during any period when the Customer, authorized user, or joint user has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.9. RESTORATION OF SERVICE

2.9.1. When a Customer's service has been disconnected in accordance with this Tariff and the service has been terminated through the completion of a Company service order, service will be restored only upon the basis of application for new service.

2.10. MINIMUM SERVICE PERIOD

2.10.1 Month-to-Month Service

- A. The minimum service period for month-to-month service is (30 days). Customers subscribing to the Company's services on a month-to-month basis pay the regular Tariffed rates for the service they subscribe to for the minimum period of service.
- B. If a Customer disconnects service before the end of the minimum service period, that Customer is responsible for paying the Tariffed rates for the remainder of the minimum service period.
- C. When the service is moved within the same building, to another building on the same premises, or to a different premises entirely, the period of service at each location is accumulated to calculate if the Customer has met the minimum period of service obligation.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.10. MINIMUM SERVICE PERIOD, Continued

2.10.2 Service Terms of One Year or More

- A. The minimum service period for Customers subscribing to the Company's service for terms of one or more years is the length of the term ("Commitment Period").
- B. In the event the Customer terminates service with the Company prior to the end of the Commitment Period or in the event that the Company terminates service based upon Customer's default, Customer will pay to the Company a Termination Fee consisting of 1) a one time handling fee of five hundred dollars (\$500.00), 2) any installation charges previously waived by Company, and 3) a termination penalty equivalent to monthly minimum charges for the remainder of the Commitment Period. The Termination Fee will be due immediately upon termination of service.

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

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

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SECTION 2 - RULES AND REGULATIONS, Continued

2.11. PAYMENTS AND BILLING

2.11.1. General Payment Regulations

- A. Charges for service are applied on a recurring basis. Service is provided and billed on a monthly (30 day) basis. The billing date is dependent on the billing cycle assigned to the Customer. Service continues to be provided until cancelled by the Customer pursuant to Section 2.13.
- B. The Customer is responsible for the payment of all charges for services furnished to the Customer or to authorized or joint users once service is activated. Upon nonpayment of any sum due or upon a violation of any of the conditions governing the furnishing of service, Company may discontinue furnishing said service as provided for in Arizona Administrative Code ("AAC") Title 14, Article 5, Section R14-2-509 without incurring any liability.
- C. Charges for long distance service are based on actual usage, and are billed monthly in arrears. Billing for recurring services will be rendered monthly in advance.
- D. Customer will be billed and is responsible for payment of applicable local, state and federal taxes assessed in connection with the services used.
- E. Billing is payable upon receipt and past due twenty (20) days after issuance and posting of invoice.
- F. In the event that Company must employ the services of attorneys for collection of charges due under this Tariff, Company shall be permitted to recover the costs of collection, including reasonable attorney's fees.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.11. PAYMENTS AND BILLING, Continued

2.11.2. Late Payment Fee

- A. Customer will be liable for late fees of 1.5% on payments received after due date or maximum allowed by law, whichever is lower.
- B. The late payment charge will be applied to all undisputed amounts previously billed under this Tariff, except taxes Company is required by law to levy on a Customer, including arrears and unpaid late payment charges.
- C. Late payment charges do not apply to those portions (and only those portions) of unpaid balances that are associated with disputed amounts. Undisputed amounts on the same bill are subject to late payment charges if unpaid and carried forward to the next bill.
- D. Late payment charges do not apply to final accounts.

2.11.3. Checks

When a check which has been presented to the Company by a Customer in payment for charges is returned by the bank, the Customer shall be responsible for the payment of a returned check charge of \$25.00.

- 2.11.4.** A Customer or prospective customer may initiate a complaint with the Company on any relevant matter by telephone at 888.820.7833, in person or in writing directed to Customer Service, Threshold Communications, Inc., 16451 Redmond Way, #254C, Redmond, WA 98052-4482. Company's response to the complaint will generally be in the same form used by the Customer.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.11. PAYMENTS AND BILLING, Continued

2.11.5. Company shall promptly investigate all disputed charges and shall report its findings and disposition to Customer, pursuant to AAC Title 14, Article 5, Section R14-2-510. Nothing in this Section limits Customer's rights as provided by statute to contest charges.

2.11.6. The Customer may dispute a bill only by written notice to the carrier delivered within 180 days after the statement date. Unless such notice is received in the timely fashion indicated above, the bill statement shall be deemed to be correct and payable in full by the Customer. If the Customer is unable to resolve any dispute with the Company, then Customer may request information or assistance from the Commission.

The address and telephone numbers of the Commission are:

Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

Telephone: 602.542.4251
Toll Free: 800.222.7000

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SECTION 2 - RULES AND REGULATIONS, Continued

2.12. CANCELLATION BY CUSTOMER

- 2.12.1. Customers subscribing to month-to-month services may cancel service by giving oral or written notice to the Company or by subscribing to another presubscribed interexchange carrier. Customers subscribing to service terms of one year or more must cancel service according to the terms of the service contract.
- 2.12.2. Customer is responsible for payment of all charges while still connected to the Company's service.
- 2.12.3. A charge equal to the unrecoverable costs incurred prior to a request for cancellation and the costs of removal, restoration and disposal, if any, shall be borne by the Customer if:
- A. The Customer orders service requiring special facilities dedicated to the Customer's use and then cancels the order before such service begins, before completion of the minimum period or before completion of some the period mutually agreed with the Customer for the non-recoverable portions of expenditures; or
 - B. Liabilities are incurred expressly on behalf of the Customer by Company and not fully reimbursed by installation and monthly charges; and
 - C. If based on an order for service and construction has either begun or has been completed, but no service provided.

These costs include, but are not limited to, engineering, labor and non-recoverable material and equipment expense.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY

2.13.1 The Company may not disconnect service for any of the reasons stated below:

1. Delinquency in payment for services rendered to a prior customer to the premises where service is being provided, except in the instance where the prior customer continues to reside on the premises.
2. Failure of the customer to pay for services or equipment which are not regulated by the Commission.
3. Nonpayment of a bill related to another class of service.
4. Failure to pay for a bill to correct a previous underbilling due to a billing error if the customer agrees to pay over a reasonable period of time.

2.13.2. The Company may disconnect service for any of the following reasons provided the Company has met the notice requirements established by the Commission:

1. Customer violation of any of the Commission's rules.
2. Failure of the customer to pay a delinquent bill for service.
3. Failure to meet or maintain the Company's credit and deposit requirements.
4. Failure of the customer to provide the Company reasonable access to its equipment and property.
5. Customer breach of a written contract for service between the Company and customer.
6. When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.

The Company shall maintain a record of all terminations of service with notice. This record shall be maintained for one year and be available for Commission inspection.

2.13.3. Termination Notice Requirements

1. The Company shall not terminate service to any of its customers without providing advance written notice to the customer of the Company's intent to disconnect service, except under those conditions specified where advance written notice is not required.
2. Such advance notice shall contain, at a minimum, the following information:

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY, Continued

2.13.3. Termination Notice Requirements, Continued

- a. The name of the person or company whose service is to be terminated and the address where service is being rendered.
- b. The Commission rule or regulation that was violated and explanation thereof or the amount of the bill which the customer has failed to pay in accordance with the payment policy of the Company, if applicable.
- c. The date on or after which service may be terminated.
- d. A statement advising the customer that the Company's stated reason for the termination of service may be disputed by contacting the Company at a specific address or telephone number, advising the Company of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the Company in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and the utility shall retain the option to terminate service after affording this opportunity for a meeting and concluding that the reason for termination is just and advising the customer of the his right to file a complaint with the Commission.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY, Continued

2.13.4 Timing of terminations with notice

1. The Company shall be required to give at least five days' advance written notice prior to the termination date.
2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.
3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for the payment thereof or in the case of a violation of the Company's rules the customer has not satisfied the Company that such violation has ceased, the Company may then terminate on or after the day specified in the notice without giving further notice.

2.13.5 Landlord/Tenant rule

1. In situations where service is rendered at an address different from the mailing address of the bill or where the company knows that a landlord/tenant relationship exists and that the landlord is the customer of the Company, and where the landlord as a customer would otherwise be subject to disconnection of service, the Company may not disconnect service until the following actions have been taken:
2. Where it is feasible to so provide service, the Company, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the Company may disconnect service pursuant to the rules.
3. The Company shall not attempt to recover from a tenant or condition service to a tenant with the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY, Continued

- 2.13.6. Before service is disconnected, the Company will make a good faith effort, by two attempts during reasonable hours, to reach the Customer by telephone to advise the Customer of the pending disconnection and the reasons therefore. The Company will maintain a log or record of the attempts, showing the telephone number called and the time of call.
- 2.13.7. Telephone or personal contact need not be attempted when the Company has attempted such contact in any two billing periods during a consecutive twelve-month period and the Company has notified the Customer in writing that telephone or personal contact will not be attempted in the future before disconnecting service.
- 2.13.8. All notices of delinquency or pending disconnection will include details pertinent to the situation and describe how the Customer can make contact with the Company to resolve any differences. All notices must accurately state amounts owing for service(s) which are subject to disconnection. A new notice will be required in cases where information is incorrect.
- 2.13.9. Except in case of danger to life or property, no disconnection shall be made on Saturdays, Sundays, legal holidays, or on any other day on which the Company cannot reestablish service on the same or following day.
- 2.13.10. When the Company has reason to believe service is to other than the Customer of record, the Company shall undertake reasonable efforts to inform occupants of the service address of the impending disconnection. In this case, at the request of the service users, a minimum period of five business days will be allowed to permit the service users to arrange for continued service.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.13. CANCELLATION BY COMPANY, Continued

2.13.11. Termination of service without notice

1. Service may be disconnected without advance written notice under the following conditions:
 - a. The existence of an obvious hazard to the safety or health of the consumer or the general population.
 - b. The Company has evidence of fraud.
2. The Company shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the Company.
3. The Company shall maintain a record of all terminations of service without notice. This record shall be maintained for a minimum of one year and shall be available for inspection by the Commission.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.14. PROVISION OF EQUIPMENT AND FACILITIES

2.14.1. The Company will not be responsible for the installation, operation or maintenance of any Customer-provided communications equipment. Where Customer-provisioned equipment is connected to the facilities furnished under this Tariff, the responsibility of the Company will be limited to the furnishing of facilities offered pursuant to this Tariff. Beyond this responsibility, the Company will not be responsible for:

- A. the transmission of signals to Customer-provided equipment or for the quality of, or defects in, such transmission; or
- B. the reception of signals by Customer-provided equipment; or
- C. network control signaling when performed by Customer-provided network control signaling equipment.

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

2.14.3. Company shall not be responsible to the Customer or any other person or entity if changes in the criteria or in any of Company's facilities, operations or procedures render Customer provided facilities obsolete or cause Customer provided facilities to require modification or alteration, or otherwise affect the use or performance of Customer provided facilities. Where it is reasonably foreseeable to Company that such changes may affect Customer-provided facilities, Company shall provide reasonable notice.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.14. PROVISION OF EQUIPMENT AND FACILITIES, Continued

- 2.14.4. Company shall use reasonable efforts to make available services to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with, the regulations contained in this Tariff. Company does not guarantee availability by any such date and shall not be liable for any delays in commencing service to any Customer except as provided by contract.
- 2.14.5. Company may substitute, change or rearrange any equipment or facility at any time and from time to time, but shall not thereby alter the technical parameters of the service provided to the Customer.
- 2.14.6. At the request of the Customer, installation or maintenance may be performed outside of 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 by the Company will apply. If installation or maintenance 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.
- 2.14.7. Facilities furnished by Company remain the property of Company until transferred or abandoned.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.15. INTERCONNECTION

- 2.15.1. The Customer must secure all licenses, permits, rights-of-way and other arrangements necessary for interconnection with Company. In addition, the Customer must ensure that its equipment and/or system or that of its Authorized User or agent(s) is properly interfaced with Company's Service and the signals emitted into Company's network are of the proper mode, band-width, power, data speed and signal level for the intended use of the Customer. If the Customer or its Authorized User or agent(s) fails to properly maintain and operate its equipment and/or system, Company may, upon written request, require the use of protective equipment at the Customer's expense.
- 2.15.2. Service furnished by Company may be interconnected with services or facilities of other authorized carriers and with private systems, subject to the technical limitations established by Company. Any special interface of equipment or facilities necessary to achieve compatibility between the facilities of Company and other participating carriers must be provided at the Customer's expense.
- 2.15.3. Interconnection of the Customer's facilities with the facilities or services of other carriers is governed by the applicable terms and conditions of the other carriers' tariffs or Tariffs.

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SECTION 2 - RULES AND REGULATIONS, Continued

2.16. DEPOSITS AND ADVANCE PAYMENTS

At this time, the Company does not collect deposits or advance payments. Should the Company collect deposits or advance payments in the future, the deposit or advance payment shall be collected and maintained pursuant to AAC Title 14, Article 5, Section 3B.

2.17. CREDIT LIMIT

The Company may, at any time and at its sole discretion, set a credit limit for any Customer's consumption of Services for any monthly period.

2.18. TAXES AND SURCHARGES

In addition to the charges specifically pertaining to the Services, certain federal, state, and local surcharges, taxes, gross receipts, and fees will be applied to these Services. Examples of such programs include but are not limited to the Arizona Universal Service Fund and the Telecommunications Infrastructure Fund. These taxes, surcharges, and fees are calculated based upon the amount billed to the End User for Service(s).

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SECTION 3 – THRESHOLD COMMUNICATIONS SERVICES

3.1. DESCRIPTION OF SERVICE – VOICE SERVICES

- 3.1.1. Company offers a variety of switched and dedicated access, inbound and outbound, voice telecommunications services, which establish a communications path between two stations by using uniform dialing plans.
- 3.1.2. Company makes its voice service offerings exclusively to high-volume calling customers who agree to exceed specific monthly minimum charges. Customers that do not exceed the monthly minimum charges in any given month agree to be billed the monthly minimum charge. In determining whether the Customer has exceeded the monthly minimum charges, the Company will credit the customer for charges for all of the Company's services utilized during the month, including intrastate, domestic interstate, international, private line and data service calling charges.
- 3.1.3. **Threshold "Best Rate" Service** is a switched or dedicated access service providing both outbound "1 plus" and inbound toll free long distance telecommunications calling features. Threshold "Best Rate" Service is offered to commercial Customers subscribing to the "Best Rate" Service agree to meet a minimum of \$15.00 in monthly long distance calling volumes.
- 3.1.4. **Threshold "Best Advantage" Service** is a switched and dedicated access service, providing both outbound "1 plus" and inbound toll free long distance telecommunications calling features. Threshold's "Best Advantage" Service is available exclusively to commercial Customers. Customers subscribing to the "Best Advantage" Service agree to meet a minimum of \$100.00 in monthly long distance calling charges.
- 3.1.5. **Threshold Calling Card Services** permit the caller to charge the principal presubscribed location for a call while the caller is away from the principal location. The Customer may place calls from any touch tone phone in the United States by dialing a toll free number and entering a personal identification code, followed by the desired telephone number. Calling Card calls appear on the Customer's monthly long-distance bill.

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SECTION 3 – THRESHOLD COMMUNICATIONS SERVICES

3.2. DIRECTORY ASSISTANCE SERVICE

The Company provides Directory Assistance as an ancillary service exclusively to its customers. Directory Assistance is accessible by dialing “1”, the area code of the desired number and “555-1212”.

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SECTION 4 – RATES AND CHARGES

4.1. THRESHOLD VOICE SERVICES

4.1.1 Threshold “Best Rate” Service Rates

A. Switched Access Service Rates

1. One Plus Long Distance Service Rates

Rate Per Minute: \$0.1075

2. Switched Access “800” Long Distance Service

Rate Per Minute: \$0.1075

B. Dedicated Access Service Rates

1. Dedicated Access One Plus Long Distance Service Rates

Rate Per Minute: \$0.0731

2. Dedicated Access “800” Long Distance Service Rates

Rate Per Minute: \$0.0731

C. Calling Card Service Rates

Per Minute: \$0.1599

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SECTION 4 – RATES AND CHARGES, Continued

4.1. THRESHOLD VOICE SERVICES, Continued

4.1.2. Threshold “Best Advantage” Service Rates

A. Switched Access Service Rates

1. Switched Access One Plus Long Distance Service Rates

Rate Per Minute: \$ 0.0874

2. Switched “800” Long Distance Service Rates

Rate Per Minute: \$ 0.0874

B. Dedicated Access Rates

1. “Best Advantage” Dedicated One Plus Long Distance Service

Rate Per Minute: \$ 0.0644

2. “Best Advantage” Dedicated “800” Long Distance Service

Rate Per Minute: \$ 0.0644

C. Calling Card Service

Per Minute \$ 0.1299

4.1.3. Intrastate Long Distance Service

Per Minute \$0.11

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SECTION 4 – RATES AND CHARGES, Continued

4.2 DIRECTORY ASSISTANCE

Per Call

\$0.75

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SECTION 4 – RATES AND CHARGES, Continued

4.3. INDIVIDUAL CASE BASIS (ICB) ARRANGEMENTS

4.3.1. Arrangements will be developed on a case-by-case basis in response to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a Service not offered under this Tariff. ICB rates will be offered to the Customer in writing and on a non-discriminatory basis. ICB contracts will be filed with the Commission.

4.3.2. Extraordinary Charges

From time to time, customers may request special services not addressed specifically by rate elements in this Tariff, or services to locations that may cause Carrier to incur extraordinary expenses not contemplated in the provision of standard service offerings. These costs include, but are not limited to:

- A. Additional construction costs
- B. Building space rental or rights-of-way costs
- C. Additional equipment
- D. Special facilities routing

In these cases, the Customer will be billed additional charges computed on an ICB.

4.3.3. Charges for Changes to Pending Orders, Service Rearrangements and Expedite Charges

From time to time, customers may request changes to pending orders, rearrangements to existing service, and order completion to standard intervals. In these cases, the Customer will be required to reimburse Carrier for the increased expenses incurred on an ICB.

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ATTACHMENT B
BY COMPETITOR

Business Maximum Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Applicant's Arizona Tariff			Competitor #1 Arizona Tariff CenturyLink		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services Basic Local Service Service Connect Fee Dispatch Call & Trouble isolated on cust. equip. Feature Change Order Toll Restriction Fee Order Transfer of Service (move order) Restoration of Service Directory Assistance Miscellaneous Services & Rates Returned Check Charge (NSF)	N/A			38	5.2.4.A.3	5-15
	N/A			85	5.2.4.A.3	5-15
	0			60/70/80 per hr(2hr min)	13.2.D.2.a	13-8
	N/A			27.50 NRC/5.00 MRC	10.4.4.4.B	10-4
	0			85	5.2.4.A.4.b	5-14
	0.75		62	55	2.2.9.B.2	2-18
				1.99	6.2.4.A.3.a	6-15
	\$25		39	12.5	2.3.2.E	2-30
	N/A			7.5	5.7.1.J	5-145
	N/A			4.6	5.7.1.J	5-148
Listings Directory Listing Service - Primary Listing Directory Listing Service - Non-Published Primary Rate Interface (DS0) Service	N/A			2400	14.3.1.D.5.	14-40
	N/A			NA		
	N/A			NA		
	N/A			1580.7	14.3.1.D.10/14.3.1.D.12	14-46&47
Long Distance Direct Dialed Station-to-Station (include all relevant billing elements used to make the comparison)	0.11			0.78	6.2.1.F.2	9-6
	N/A					

Business Maximum Rate Comparison of Telecommunications Services provided by Competitor's in Arizona	Competitor #2 Arizona Tariff			Competitor #3 Arizona Tariff		
	Charges & Rates (\$)	Section Number	Page Number	Charges & Rates (\$)	Section Number	Page Number
Product/Services Basic Local Service Service Connect Fee Dispatch Call & Trouble isolated on cust. equip. Feature Change Order Toll Restriction Fee Order Transfer of Service (move order) Restoration of Service Directory Assistance Miscellaneous Services & Rates Returned Check Charge (NSF)	49.95	3.1	39	ICB	4.2.2.A	56
	72.8	3.1	39	ICB	4.2.2.A	56
	NA			150/30 min-100/30 after	2.17.2	32
	29.95/200	3.10.1	73.1	ICB	4.2.2.A	56
	15	3.4.4	58	ICB	4.2.2.A	56
	75/250	3.10.1	73.1	ICB	4.2.2.A	56
	25	3.10.1	73.1	67.5	2.19.2	35
	2.5	3.9.2.	72	0.9	5.8.3	93
	variable	2.6.1.C	15	25	2.7.6.	23
	0	3.8.2	71	0	5.3.5.A	86
Listings Directory Listing Service - Primary Listing Directory Listing Service - Non-Published Primary Rate Interface (DS0) Service	2.95	3.8.2	71	2.7	5.4.5	89
	NA			ICB	4.5.2	61
	560+30/trunk	3.6.2	62	765	4.5.2	61
	485+30/trunk	3.6.2	62	702	4.5.2	61
Long Distance Direct Dialed Station-to-Station (include all relevant billing elements used to make the comparison)	415+30/trunk	3.6.2	62	638	4.5.2	61
	0.12	4.2.1	79	0.078	7.2.4.A	113

QWEST CORPORATION

Issued: 3-18-13

Effective: 3-19-13

2. GENERAL REGULATIONS - CONDITIONS OF OFFERING

2.2 ESTABLISHING AND FURNISHING SERVICE

2.2.9 TERMINATION OF SERVICE - COMPANY INITIATED (Cont'd)

B. Nonrecurring Charge for Restoral of Service

1. A nonrecurring charge will be applied to reestablish service if service is interrupted due to nonpayment of exchange service, toll service or other regulated charges, but an order providing for complete disconnection has not been completed. The following charge will be applied unless a charge for restoral of service is included in a specific service's section of the Tariff. Additionally, all charges up to the date of the suspension are due prior to restoral of service.
2. Once a disconnection order has been completed, service will be reestablished only upon the basis of a new application for service in addition to any charges for regulated services due up to the date of suspension.

**NONRECURRING CHARGE
CURRENT
CHARGE**

- Each line restored
 - Residence \$25.00
 - Business 55.00

3. Where Full Toll Denial (see 2.2.9.A.9., preceding) has been applied to a customer's account, and the customer's primary exchange access line service remains connected, MTS will be reestablished only upon the payment of all outstanding MTS charges. The following MTS Restoration Charge will apply:

**NONRECURRING CHARGE
CURRENT
CHARGE**

- | | USOC | |
|---------------|-------------|---------|
| • Per line[1] | NPAPL | \$16.00 |

[1] Pursuant to Decision No. 73354, for a period of three years following the 8/21/12 effective date of this decision, maximum rates for this service (when established) may not be greater than 25% of the actual rates which were in effect on 8/21/12.

Issued: 3-18-13

Effective: 3-19-13

2. GENERAL REGULATIONS - CONDITIONS OF OFFERING

2.3 PAYMENT FOR SERVICE

2.3.2 PAYMENT OF BILLS (Cont'd)

- E. Payment of bills for telephone service may be made by any means mutually acceptable to the customer and the Company. Payment which is not honored or paid by the customer's designated financial institution will be considered as nonpayment. A charge will apply whenever a payment for service on an active account is not accepted by the customer's designated financial institution.

	NONRECURRING MAXIMUM CHARGE	CURRENT CHARGE
--	-----------------------------------	-------------------

- | | | |
|--------------------------------------------|---------|---------|
| • Returned Payment Charge, per occasion[1] | \$12.50 | \$10.00 |
|--------------------------------------------|---------|---------|

- F. The customer bill is due upon receipt. Customers have the following options as to the method of paying bills for telephone service:

- At any Company payment depository location.
- At the office of any authorized payment agent of the Company.
- By U.S. Mail, by check or money order.
- Through an agent of the customer.
- By electronic funds transfer.

- G. In order to avoid collection procedures which could result in a temporary disconnection of service, payment must be received no later than the due and payable date shown on the customer's bill.

- H. Payments received by the Company on or before the due and payable date on the customer's bill will prevent collection procedures which could result in a disconnect of service, provided the following billing information is remitted with payment. The following items are all contained on the customer's bill:

- Customer's name
- Customer's telephone number
- Customer's customer code
- Customer's account type
- Amount of payment

[1] Pursuant to Decision No. 73354, actual rates may increase by no more than 10% annually for residence services and 15% annually for small and medium business services during the three years following the 8/21/12 effective date of the decision.

Issued: 6-25-13

Effective: 7-1-13

5. EXCHANGE SERVICES

5.2 LOCAL EXCHANGE SERVICE

5.2.2 LOW USE OPTION SERVICE

A. Description

1. Residential service for which message unit charges are based on the number of local calls placed. The Low Use Option includes an individual exchange access line with touch-tone capabilities. The following optional features are allowed at the rates found elsewhere in this Tariff:

- Caller ID Line Blocking,
- Wire Maintenance
- Toll Restriction

Features other than the above will not be allowed.

2. Calls to directory assistance, 911 and telephone repair service are not subject to message unit charges.

B. Rates and Charges

1. Low Use Option Service[1]

	USOC	NONRECURRING CHARGE MAXIMUM	CURRENT
• Residence			
- Each additional individual line	RMN	\$55.00	\$27.50
	AFN	55.00	27.50
		MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
• Residence			
- Each additional individual line	RMN	\$10.62	\$9.35 (I)
	AFN	10.62	9.35 (I)

2. The following message unit charge applies for calls placed within exchanges in the same local calling area.

	MAXIMUM	CURRENT
• Residence	\$0.25	\$0.22 (I)

[1] Pursuant to Decision No. 73354, actual rates may increase by no more than 10% annually for residence services during the three years following the 8/21/12 effective date of the decision.

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Effective: 7-1-13

5. EXCHANGE SERVICES

5.2 LOCAL EXCHANGE SERVICE (Cont'd)

5.2.4 FLAT RATE SERVICE[1]

This service entitles customers to an unlimited number of calls within the local calling area. Incremental charges, as shown in 5.1.6.A., apply to service outside the exchange base rate area.

A. Rates and Charges

1. The nonrecurring charge associated with the provision of flat rate service applies:

- To install each access line;
- For connecting an access line when changing a grade of service from PBX service.

2. Residence Flat Rate Service

	USOC	NONRECURRING CHARGE	
		MAXIMUM	CURRENT
• Individual line, each	1FR	\$55.00	\$27.50
• Additional individual line each	AFH	55.00	27.50

3. Business Flat Rate Service

• Individual line, each	1FB	85.00	42.50
• Additional individual line each	AFK	85.00	42.50

	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
2. Residence Flat Rate Service			
• Individual line, each	1FR	\$16.47	\$14.49 (1)
• Additional individual line, each	AFH	30.00	11.44 (1)
3. Business Flat Rate Service			
• Individual line, each	1FB	38.00	31.60 (1)
• Additional individual line, each	AFK	91.20	31.60 (1)

4. Nonrecurring Change Charge

See 5.2.A.4.b. for applicable nonrecurring change charges.

[1] Pursuant to Decision No. 73354, actual rates may increase by no more than 10% annually for residence services and 15% annually for small and medium business services during the three years following the 8/21/12 effective date of the decision.

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5. EXCHANGE SERVICES

5.7 DIRECTORY SERVICES

5.7.1 LISTING SERVICES

J. Rates and Charges (Cont'd)

	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
• Additional Listings, each			
- Business[1]	CLT	\$7.50	\$4.75
- Residence[1]	RLT	3.75	2.03 (I)
• Alpha Listing, each			
- Business	RNCAF	7.50	4.75
- Residence	RNCAF	3.75	2.03 (I)
• Client Main Listing, each			
- Business	LBS	7.50	4.75
- Residence	LRS	3.75	2.03 (I)
• E-Mail Address Listing, each			
- Residence	EM6	3.75	2.03 (I)
• URL Address Listing, each			
- Residence	NL1	3.75	2.03 (I)
• Listing Packages			
E-Mail/URL Address Listing, each			
- Residence	L9GEU	6.75	2.80
• Foreign Listings, each			
- Business[2]	FAL	—	[2]
- Residence[2]	FAL	—	[2]
• Informational Listings, each			
- Residence	XLL	\$3.75	2.03 (I)

[1] For customers located in Area Code 520 who are experiencing problems with incoming call completion due to the Area Code 602/520 split, the monthly rate and nonrecurring charge for a Foreign Listing (USOCs: FAL,CLT,RLT) will be waived for customers in Area Code 520 who subscribe to *MARKET EXPANSION LINE* Service, as specified in 5.4.4.B.7.c., preceding.

[2] The Foreign Listing (FAL) in this State takes the appropriate Additional Listing (CLT or RLT) rate as shown above. Should the FAL be in another State, then that State's CLT or RLT rate apply.

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5. EXCHANGE SERVICES

5.7 DIRECTORY SERVICES

5.7.1 LISTING SERVICES

J. Rates and Charges (Cont'd)

	USOC	MAXIMUM MONTHLY RATE	CURRENT MONTHLY RATE
• Each Listing changed to Nonpublished Service			
- Residence	NPU	\$1.12	\$0.99 (1)
- Business	NPU	4.65	2.59 (1)
• Each Listing changed to Nonlisted Service			
- Residence	NLT	0.68	0.60 (1)
- Business	NLT	3.60	2.04 (1)
• WATS Listings, each			
- Business	SZS	7.50	4.75
• Telephone Answering Service Bureau Patron Line Listing, each	9FK	18.60	6.20
• "No Solicitation" Listing			
- Residence	NSW	0.75	0.25
• Change in Primary Listing			
- Business	N/A		-
- Residence	N/A		-

[1] Pursuant to Decision No. 73354, actual rates may increase by no more than 10% annually for residence services and 15% annually for small and medium business services during the three years following the 8/21/12 effective date of the decision.

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Effective: 8-8-13

6. MESSAGE TELECOMMUNICATION SERVICE

6.2 STANDARD SERVICE OFFERINGS

6.2.4 DIRECTORY ASSISTANCE SERVICE

A. Directory Assistance (Cont'd)

2. Allowances

- a. A customer is allowed one directly dialed Directory Assistance call per month at no charge for each central office line or trunk, excluding PALs.
- b. Centrex customers receive one directly dialed Directory Assistance call per month at no charge for each eight Centrex main station lines or fraction thereof if the total number of stations is not divisible by eight.
- c. For School Centrex service, the Centrex allowance applies for administrative main station lines. The regular central office line allowance applies to each dormitory station line or special student billing number.
- d. The call allowance is not transferable between separate accounts of the same customer.

3. Charges

- a. In locations, including Public Access Lines, where the customer has the capability to direct dial Directory Assistance but chooses to place the call as a mechanized or operator-assisted customer-dialed calling card call or operator-assisted station-to-station call, the appropriate charge, specified in 6.2.1, preceding, applies in addition to the Directory Assistance charge.

	CHARGE		
	MAXIMUM	CURRENT	
• Each call dialed directly by customer	\$1.99 (I)	\$1.85 (I)	
• Each call placed from Public Access Lines[1]			(T)
- Direct Dial	0.60	0.60	
- Alternately Billed	1.99 (I)	1.85 (I)	

(D)

[1] See 6.2.1, preceding, for additional charge applications.

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6. MESSAGE TELECOMMUNICATION SERVICE

6.2 STANDARD SERVICE OFFERINGS

6.2.1 TWO-POINT MESSAGE TELECOMMUNICATION SERVICE (Cont'd)

E. Hearing or Speech Impaired Persons Discount

A 50% rate reduction will apply to all direct dialed long distance calls, within the same LATA in the state of Arizona, that originate from a teletypewriter or similar device from a residential line of a certified hearing or speech impaired customer or his or her immediate family.

F. Charge Determination

1. The charge for residence, business or miscellaneous MTS is determined by the:

- Time of day and day of week
- Duration of call
- Class of call

2. MTS charges apply to calls placed to ScoopLine (SLS) on an MTS basis, in addition to the SLS call charges. The schedule is as follows:

- **RESIDENCE** - Applies to customer-dialed station-to-station calls

DAY RATE PER MINUTE		EVENING/NIGHT/WEEKEND RATE PER MINUTE	
MAXIMUM	CURRENT	MAXIMUM	CURRENT
\$0.72	\$0.40	\$0.45	\$0.40

- **BUSINESS** - Applies to customer-dialed station-to-station calls

DAY RATE PER MINUTE		EVENING/NIGHT/WEEKEND RATE PER MINUTE	
MAXIMUM	CURRENT	MAXIMUM	CURRENT
\$0.78	\$0.42	\$0.78	\$0.42

d/b/a CenturyLink QC
 COMPETITIVE EXCHANGE
 AND NETWORK SERVICES

Qwest Corporation
 Tariff No. 3
 Arizona

SECTION 6
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6. MESSAGE TELECOMMUNICATION SERVICE

6.2 STANDARD SERVICE OFFERINGS

6.2.1 TWO-POINT MESSAGE TELECOMMUNICATION SERVICE

F.2. (Cont'd)

- **MISCELLANEOUS** - Applies to operator-assisted calls (including mechanized calling card) and all alternately billed calls including calls placed from Public Access Lines. This charge also applies where billing capabilities do not exist to separately identify residence and business customer-dialed station-to-station calls.

DAY RATE PER MINUTE		EVENING/NIGHT/WEEKEND RATE PER MINUTE	
MAXIMUM	CURRENT	MAXIMUM	CURRENT
\$0.75	\$0.25	\$0.75	\$0.25

The Company may reduce the rates on the following four routes by discounting the rates shown, preceding, for the appropriate time of day and class of call, upon concurrent notice to the Arizona Corporation Commission.

ROUTE BETWEEN

- Phoenix Metro Area and Flagstaff
- Phoenix Metro Area and Prescott
- Phoenix Metro Area and Yuma
- Tucson Metro Area and Sierra Vista

3. Payphone - Dial Station-to-Station Rate Schedule

	RATE PERIOD			
	INITIAL (4 MINUTES)		ADDITIONAL (1 MINUTE)	
	MAXIMUM	CURRENT	MAXIMUM	CURRENT
• Per call	\$3.00	\$1.00	\$0.75	\$0.25

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10. MISCELLANEOUS SERVICE OFFERINGS

10.4 TOLL RESTRICTION SERVICE (Cont'd)

10.4.4 TOLL RESTRICTION

A. Description

1. Toll Restriction provides for exchange access lines or trunks to be restricted from dialing billable toll calls. Local directory assistance calls are allowed. Attempted violation of the restrictions are routed to an announcement.
2. This service is offered, subject to the availability of existing CO facilities, to individual line residence, individual line businesses and dial switching type customers.
3. Provision of toll restriction does not alleviate customer responsibility for completed toll calls.
4. Toll Restriction may include Billed Number Screening (BNS) for residential customers. BNS prohibits collect and/or third number billed calls from being charged to BNS equipped numbers. Some calls, originating from locations that do not have screening capabilities, may not be capable of being intercepted and denied. These calls, e.g., International calls and calls that do not go through the Billing Validation Authority data base, will be billed to the customer if completed.

B. Rates and Charges

	USOC	NONRECURRING CHARGE[1]	MONTHLY RATE[1]
• Business, per line or trunk arranged	RTY	\$27.50	\$5.00
• Residence, per line[2]	RTY	6.00	-

[1] Pursuant to Decision No. 73354, for a period of three years following the 8/21/12 effective date of this decision, maximum rates for this service (when established) may not be greater than 25% of the actual rates which were in effect on 8/21/12.

[2] Nonrecurring charge does not apply to Telephone Assistance Program customers.

Qwest Corporation d/b/a CenturyLink QC
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13. CUSTOMER PREMISES WIRE AND MAINTENANCE PLANS

(N)

13.2 PREMISES WORK CHARGES

D. Charges (Cont'd)

2. Business

a. Time and Material Charges
(Maintenance/Repair and
complex wire installation)

	USOC	NONRECURRING CHARGE
• Schedule I		
Applicable to work performed during regularly scheduled business hours.		
- Initial 30 minute increment or fraction thereof	HRD11	\$60.00
- Additional 15 minute increment or fraction thereof	HRDA1	30.00
• Schedule II[1]		
Applicable to work performed at hours other than Schedule I, excluding Sundays and holidays.		
- Initial 30 minute increment or fraction thereof	HRD12	70.00
- Additional 15 minute increment or fraction thereof	HRDA2	35.00

[1] Subject to a minimum charge of two hours.

NOTICE
THE INFORMATION CONTAINED IN THIS DOCUMENT IS SUBJECT TO CHANGE.

Qwest Corporation d/b/a CenturyLink QC
Services Catalog
Arizona

**EXCHANGE AND
 NETWORK SERVICES**
 Effective: 3-19-13

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13. CUSTOMER PREMISES WIRE AND MAINTENANCE PLANS

(N)

13.2 PREMISES WORK CHARGES
 D.2.a. (Cont'd)

	USOC	NONRECURRING CHARGE
• Schedule III[1]		
Applicable to work performed on Sundays and holidays.		
- Initial 30 minute increment or fraction thereof	HRD13	\$80.00
- Additional 15 minute increment or fraction thereof	HRDA3	40.00
b. Premises Visit Charge[2]		
• Per visit	NRTCY	25.00
c. Flat Installation Charge		
Applies for the installation of noncomplex wire and jacks.		
Included within the Flat Installation Charge is the Premises Visit Charge (travel time) and simple material e.g. staples, screws, nails, tape, 2 to 6 pr inside wire, faceplates and noncomplex jacks. Additional material charges may apply, if applicable.		
	USOC	NONRECURRING CHARGE
• Per order, per premises		
- First Jack	HRDJ1	\$110.00
- Each Additional	HRDS1	70.00

[1] Subject to a minimum charge of two hours.

[2] A Premises Visit Charge applies to all Time and Material Charge Schedules except as specified elsewhere.

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14. INTEGRATED SERVICES DIGITAL NETWORK

14.3 PRIMARY RATE SERVICE OFFERINGS

14.3.1 PRIMARY RATE SERVICE

D. Rates and Charges (Cont'd)

3. ISDN Trunk Connections are billed on a per B-channel basis. In-only and two-way trunk connections packaged with *DID* trunk terminations, and out-only trunk terminations are available on a rate stabilized basis at the following rates and charges[1]:

	USOC	NONRECURRING CHARGE MAXIMUM	CURRENT
• Call-By-Call[2]	PT31C	\$ 78.00	\$ 40.00
• Dedicated			
- Inward[2]	PT311	78.00	40.00
- Outward	PT310	78.00	40.00
- 2-Way[2]	PT312	78.00	40.00
4. Circuit-Switched Data Connection, per T1 facility			
• 23B data only channels	PT3TA	2,530.00	1,300.00
• 24B data only channels	PT3TB	2,680.00	1,350.00
5. UAS Network Connections, per T1 facility			
• UAS Network Connection	NWO	2,400.00	1,200.00
• Two-Way Network Connection	NWO2X	2,400.00	1,200.00
• In-Only Network Connection	NWO1X	2,400.00	1,200.00
6. Optional Features, per T1 facility			
• 2B Channel Transfer	ZPTMX	200.00	100.00
• ISDN Calling Name Delivery	NM1PP	350.00	175.00
• ISDN Redirecting Name Delivery	RN4PP	110.00	55.00

[1] ISDN TC charges do not apply to B-channels on Circuit-Switched Data PRS or UAS.

[2] Requires a digital *DID* trunk circuit termination. See 5.3.4, preceding, for terms, conditions, rates and charges applicable to *DID* Service.

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14. INTEGRATED SERVICES DIGITAL NETWORK

14.3 PRIMARY RATE SERVICE OFFERINGS

14.3.1 PRIMARY RATE SERVICE

D. Rates and Charges (Cont'd)

10. Transport

	USOC	NONRECURRING CHARGE	
		MAXIMUM	CURRENT
• T1 facility			
- 3 Years	ZPT13	\$1,800.00	\$900.00
- 5 Years	ZPT15	1,800.00	900.00
- 7 Years	ZPT17	1,800.00	900.00
- 10 Years	ZPT10	1,800.00	900.00
• Discounted T1 facility			
- 3 Years	ZPTG3	900.00	450.00
- 5 Years	ZPTG5	-	-
• Discounted T1 facility, provisioned on a T3, per T1 facility activated[1,2,3]			
- 3 Years	ZP3H3	900.00	450.00
- 5 Years	ZP3H5	-	-
		MAXIMUM	CURRENT
	USOC	MONTHLY	MONTHLY
		RATE	RATE
• T1 facility			
- 3 Years	ZPT13	\$380.70	\$126.90
- 5 Years	ZPT15	329.94	109.98
- 7 Years	ZPT17	325.71	108.57
- 10 Years	ZPT10	317.25	105.75
• Discounted T1 facility			
- 3 Years	ZPTG3	380.70	126.90
- 5 Years	ZPTG5	329.94	109.98
• Discounted T1 facility, provisioned on a T3, per T1 facility activated[1,2,3]			
- 3 Years	ZP3H3	-	-
- 5 Years	ZP3H5	-	-

[1] Requires a 3- or 5-year contract for ISDN Trunk Connections in addition to this rate.

[2] One Service Configuration is required for each T1 facility.

[3] Also requires a T3 facility and multiplexing specified elsewhere.

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14. INTEGRATED SERVICES DIGITAL NETWORK

14.3 PRIMARY RATE SERVICE OFFERINGS

14.3.1 PRIMARY RATE SERVICE

D. Rates and Charges (Cont'd)

11. ISDN Trunk Connection, per B-channel

	USOC	STABILIZED NONRECURRING CHARGE	
		MAXIMUM	CURRENT
• 3-Year Plan			
- Call-By-Call			
- 2-Way[1]	PT332	\$ 103.00	\$ 51.50
- Dedicated			
- Inward[1]	PT331	103.00	51.50
- Outward	PT330	39.00	19.50
- 2-Way[1]	PT332	103.00	51.50
• 5-Year Plan			
- Call-By-Call			
- 2-Way[1]	PT352	-	-
- Dedicated			
- Inward[1]	PT351	-	-
- Outward	PT350	-	-
- 2-Way[1]	PT352	-	-

**12. UAS Network Connections,
 per T1 facility**

• 3-Year Plan			
- Two-Way	NWO23	1,200.00	600.00
- In-Only	NWO13	1,200.00	600.00
• 5-Year Plan			
- Two-Way	NWO25	-	-
- In-Only	NWO15	-	-

[1] Separate DID Trunk Termination charges do not apply.

ESCHELON TELECOM

2.0 RULES AND REGULATIONS, Continued

2.6 Payment and Service Cancellation

2.6.1 Billing and Payment of Charges

- A. Unless otherwise indicated in this Tariff, Service is billed on a monthly basis. The Customer is responsible for the payment of all charges for Service furnished by the Company. Customer shall pay the amounts as specified in the Tariff for the Services. Toll charges and one-time charges are billed in arrears, and fixed monthly and recurring charges are billed one month in advance.
- B. Unless otherwise indicated in this Tariff, bills are due and payable seventeen (17) days from the date of mailing by Company, or later if required by law. Balances that remain unpaid after the due date will be charged a late fee of one and one-half (1.5) percent per month of the unpaid balance, or the maximum fee allowed by law, whichever is less.
- C. A charge in an amount to be determined by Company (which shall be equal to or less than the maximum lawful rate) will apply whenever a check or draft presented for payment of Services is not accepted by the institution on which it is written.

Issued: April 28, 2003
Issued by:

Catherine Murray, Manager, Regulatory Affairs
ESCHELON TELECOM OF ARIZONA, INC.
730 Second Avenue South, Suite 1200, Minneapolis, MN 55402
(612) 436-1632

Effective: June 1, 2003

ADMINISTRATIVELY
APPROVED FOR FILING

3.0 ESCHELON LOCAL SERVICE OFFERINGS

3.1 Eschelon Advantage Line Service

The Eschelon Advantage Line is a flat rate, business service based upon the unbundled network element platform (UNE-P) of Eschelon's wholesale providers. By default, 900, 976, third party and collect calling are blocked on the line. One White and Yellow Page directory listing (per customer) is also provided. New telephone numbers are not guaranteed until the line has been installed.

3.1.1 Eschelon Advantage Line Rates

SERVICE	Maximum MONTHLY RECURRING CHARGE	Maximum NON-RECURRING CHARGE (INSTALL)
Eschelon Advantage Line [1]	\$49.95	\$72.80
Out-of-Area Advantage Line w/ Features [1, 2]	\$59.95	\$72.80

[1] Line rate only; monthly recurring charge does not include taxes and surcharges, Interstate Access Charge (IAC). PACC charges may be applicable to those customers who use Eschelon's long distance services. (D)

[2] Subject to availability and Marketing approval.

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**ADMINISTRATIVELY
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3.0 ESCHELON LOCAL SERVICE OFFERINGS, Continued

3.4 Advantage, Premium and Precision Line Features, Continued

3.4.4 Advantage, Premium and Precision Line Feature Rates, Continued

<u>SERVICE</u>	<u>Maximum MONTHLY RECURRING CHARGE</u>	<u>Maximum NON-RECURRING CHARGE (INSTALL)</u>	
<i>Blocking Options:</i>			
Third Party Blocking	\$0.95	\$15.00	
900/976 Blocking	\$0.00	\$15.00	(I)
Call Block Per-Use	\$3.00	\$15.00	
Call Trace Blocking	\$3.00	\$15.00	
Caller ID Blocking	\$0.95	\$15.00	
Carrier Access Blocking	\$0.95	\$15.00	
Collect Call Blocking	\$0.95	\$15.00	
Continuous Redial Blocking	\$0.00	\$15.00	
Directory Assistance Blocking	\$3.00	\$15.00	(I)
International Call Blocking	\$0.95	\$15.00	
Last Call Return Blocking	\$3.00	\$15.00	
Toll Denial	\$3.00	\$15.00	(I)

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 DECISION #: Lele038

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 730 Second Avenue South, Suite 1200, Minneapolis, MN 55402
 (612) 436-1632

ORIGINAL

Eschelon Telecom of Arizona, Inc.

Arizona Tariff No. 3
3rd Revised Sheet No. 62
Replacing 2nd Revised Sheet No. 62

3.0 ESCHELON LOCAL SERVICE OFFERINGS, Continued

3.6 On-Network Local Voice T1 and Voice T1/PRI Services, Continued

3.6.2 On-Network Local Voice T1 and Voice T1/PRI Rates

<u>SERVICE OR SERVICE ELEMENT</u>	<u>Maximum MONTHLY RECURRING CHARGE [1]</u>	<u>Maximum NON-RECURRING CHARGE (INSTALL)</u>
Circuit - 1 Year Commitment	\$560.00	\$2800.00
Circuit - 2 Year Commitment	\$485.00	\$1500.00
Circuit - 3 Year Commitment	\$415.00	\$1500.00
Voice Trunk [2] (Minimum of 12 trunks)	\$30.00	
Extended Loop Fee	\$150.00	
Non-Standard Configuration	\$450.00	(N)

[1] The monthly recurring charges do not include taxes or surcharges, Extended Area Service, or Interstate Access Charge (IAC).

[2] Local calling to the applicable local calling area as defined by the Arizona Corporation Commission.

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730 Second Avenue South, Suite 900, Minneapolis, MN 55402

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3.0 ESCHELON LOCAL SERVICE OFFERINGS, Continued

3.8 Directory Listings, Continued

3.8.2 Directory Listings Rates

<u>SERVICE</u>	<u>MAXIMUM MONTHLY RECURRING CHARGE</u>	<u>MAXIMUM NON-RECURRING CHARGE (INSTALL)</u>
Primary Listing	\$0.00	\$0.00
Additional Listing	\$3.95	\$28.60
Cross Reference Listing	\$3.95	\$28.60
Extra Line Listing	\$3.95	\$28.60
Foreign Directory Listing	\$3.95	\$28.60
Non-Listed Number	\$2.95	\$28.60
Non-Published Number	\$2.95	\$28.60

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Issued by:

Catherine Murray, Manager, Regulatory Affairs

ESCHELON TELECOM OF ARIZONA, INC.

730 Second Avenue South, Suite 1200, Minneapolis, MN 55402 ADMINISTRATIVELY

(612) 436-1632

APPROVED FOR FILING

3.0 ESCHELON LOCAL SERVICE OFFERINGS, Continued

3.9 Directory Assistance

ORIGINAL

3.9.1 Descriptions

A. Directory assistance provides the calling party with:

- i. Telephone numbers available from the Directory Assistance Operator; with a maximum of two requests per call.
- ii. Information that the subscriber has requested that the telephone number not be released to the public.
- iii. Information that the name requested does not appear in the listing records.
- iv. Information regarding the address and/or zip code associated with the telephone number requested.

B. Directory Assistance services also include:

- i. Business Complete-A-Call: allows the Customer to have its customers request the number and be connected to the Customer without charge to the requesting party.
- ii. Directory Assistance Complete-A-Call: this service completes calls to the requested telephone numbers.

3.9.2 Directory Assistance Rates

SERVICE	MAXIMUM PER USE CHARGE	MAXIMUM NON-RECURRING CHARGE	
Local Directory Assistance (411)	\$2.50	\$0.00	(T)
National Directory Assistance (XXX-555-1212)	\$2.50	\$0.00	(T)
Business Complete-A-Call	\$0.95	\$0.00	
Directory Assistance Complete-A-Call	\$0.95	\$0.00	

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 ESCHELON TELECOM OF ARIZONA, INC.
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 (612) 436-1632

ORIGINAL

Eschelon Telecom of Arizona, Inc.

Arizona Tariff No. 3
3rd Revised Sheet No. 73.1
Replacing 2nd Revised Sheet No. 73.1

3.0 ESCHELON LOCAL SERVICE OFFERINGS, Continued

3.10 Non-Recurring Service Charges, Continued

H. **Service Disconnection Charge**
Whenever the Services, or any portion of the Services being provided by the Company are disconnected, a per-order Service Disconnection Charge will be applied to the Customer's account.

G. **Historic Invoices and Account Research**
Charges will apply when the Customer requests that the Company provide invoices which the Company originally issued more than six months prior to the Customer's request or the Customer requests copies of invoices that are available on line, but the Customer does not wish to retrieve on his own. A Service Order Charge will apply per request in addition to charges for the production of the requested materials. Requests for invoices more than 24 months old, if available, will be subject to individual case-based pricing and prepayment.

(N)
|
(N)

3.10.1 Non-Recurring Charge Rates

<u>SERVICE</u>	<u>Maximum NON-RECURRING CHARGE</u>
Service Order Charge -- Analog Services	\$29.95
Service Order Charge -- T1 Based, Digital Services	\$200.00
Move or Delay Charge -- Analog Services	\$75.00
Move or Delay Charge -- T1 Based, Digital Services	\$450.00
T1 Trunk/Channel Add (per order)	\$100.00
Reconnection Fee	\$25.00
Change of Ownership Charge	\$75.00
After-Hours Conversions	\$200.00
Cancellation Charge - after circuit is delivered to Customer premise	\$700.00
Cancellation Charge -- after commencement of order processing	\$300.00
Service Disconnection Charge	\$50.00
Historic Invoice -- Electronic Copy (per month requested)	\$20.00
Historic Invoice -- Mail or Fax Copy (per month requested)	\$20.00
Plus: \$0.50 per page	
Historic Invoices -- more than 24-months old	ICB

(N)
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(N)

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4.0 ESCHELON LONG DISTANCE SERVICES, Continued

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4.2 Business Select 6, 7, 8 and Business Select Flat

Eschelon Business Select services provide stepped rate plans based on Customer usage and term commitments. Monthly service charges may apply if the customer fails to meet minimum volume commitments. Toll free service, basic operator services, calling cards and international services are also available through these programs.

4.2.1 Business Select 6, 7, 8 and Business Select Flat Rates

<u>DESCRIPTION</u>	<u>MAX. BUSINESS SELECT 6</u>	<u>MAX. BUSINESS SELECT 7</u>	<u>MAX. BUSINESS SELECT 8</u>	<u>MAX. BUSINESS SELECT FLAT</u>
Domestic Inbound/Outbound: Maximum Intrastate Per Minute	\$0.12	\$0.11	\$0.11	\$0.11
Billing Increment	6 Seconds	6 Seconds	6 Seconds	6 Seconds
Billing Minimum (Per Call)	30 Seconds	30 Seconds	30 Seconds	30 Seconds
Minimum Term Commitment	12 Months	12 Months	12 Months	No
Minimum Usage Level	\$0.00	\$10.00	\$50.00	Minimums

(C)

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SECTION 2 - GENERAL REGULATIONS, (CONT'D.)

2.7 Payment and Credit Regulations, (Cont'd.)

2.7.4 Taxes, Surcharges and Fees

The Company reserves the right to bill any and all applicable taxes and fees, including, but not limited to: Federal Excise Tax; State Sales Tax; Municipal Taxes; Gross Receipts Tax; and any taxes, surcharges, fees, charges or other payments, contractual or otherwise, for the use of public streets or rights-of-way, whether designated as franchise fees or otherwise. Such taxes or fees will be itemized separately on the Customer's invoice or billing detail. As permitted by law, the Company will recover from its Customer any such charges assessed directly against the Company.

The Company reserves the right to bill the Arizona Universal Service Fund Surcharge at the rate established by the Commission.

2.7.5 Late Payment Charge and Cost of Collection

A late fee of 1.5% per month will be charged on any Company billed past due balance. In the event that the Company incurs fees or expenses, including attorney's fees, collecting or attempting to collect, any charges owed to the Company, the Company may charge the Customer all such fees and expenses reasonably incurred.

2.7.6 Returned Item Charge

A charge of \$25.00 will be assessed for any check or other form of payment returned by the drawee bank or other financial institution for insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank or financial institution. This charge will be assessed in addition to any charges assessed by any bank or financial institution.

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SECTION 2 - GENERAL REGULATIONS, (CONT'D.)

2.17 Trouble Reporting

2.17.1 Trouble Ticket

If the Customer encounters a problem with any service after the actual completion date, the Customer must obtain a trouble ticket by calling 1-866-654-4630 transport services, or 1-866-654-4624 for switched services. The Company will issue a credit for service interruptions, if applicable, in accordance with this tariff. The duration of the problem is determined solely by the date and time the trouble ticket was opened and subsequently closed out as a resolved issue. Credits will not be issued unless a trouble ticket exists for the circuit in question.

2.17.2 Time and Materials Charges

Time and Materials Charges are charges for work performed on the Customer's side of the demarcation or to isolate trouble to the Customer's side of the demarcation point by a Company employee at the Customer's request that are not covered by other charges. Chargeable time is labor which includes, but is not limited to, work preparation, actual work, trouble isolation and clean-up. Material Charges are the items required to fulfill the job requirements. Any work required to establish or reestablish network access on the network side of the demarcation point is excluded from Time and Materials Charges.

Included in Time and Materials Charges are Initial and Additional Time and Material Charges, the Trouble Isolation Charge, the Optional Testing and Monitoring Charge and the Dispatch Charge.

A. Time and Materials Charge Elements

1. Initial Time and Material Charge (ITM):

The first 30 minute increment or fraction thereof of billable premises work performed on the Customer's premises.

Initial Time and Material Charge	<u>Maximum</u> \$150.00
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2. Additional Time and Material Charge (ATM)

Each 30 minute increment or fraction thereof beyond the first 30 minute increment of billable premises work performed on the Customer's premises.

Additional Time and Material Charge	<u>Maximum</u> \$100.00 per 30 minute increment
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SECTION 2 - GENERAL REGULATIONS, (CONT'D.)

2.18 Connection Charges

2.18.1 Description

The Connection Charge is a nonrecurring charge which applies to the following: (a) the installation of a new service; (b) the transfer of an existing service to a different location; (c) a change from one class of service to another at the same or different location; or (d) restoral of service after suspension or termination for nonpayment. Connection charges are listed with each service to which they apply.

2.18.2 Exceptions to the Charge

- A. No charge applies for a change to a service for which a lower monthly rate applies, made within 90 days after any general rate increase, if a lower grade of service is offered in the Customer's exchange.
- B. No charge applies for one change in the class of residence service, provided that the change is ordered within 90 days of the initial connection of the customer's exchange service.
- C. The Company may from time to time waive or reduce the charge as part of a promotion.

2.19 Restoral Charge

2.19.1 Description

A restoration charge applies to the restoration of service and facilities suspended because of nonpayment as provided by Section 2.7 of this tariff or for any other reason and is payable at the time the restoration of the suspended service and facilities is arranged. The Customer must satisfy its past due balance and correct the deficiency which gave rise to the suspension (if other than nonpayment) prior to the restoration of service. In addition, the Company may require the Customer to pay a deposit prior to the restoration of the suspended service and facilities.

2.19.2. Restoral Charge

Maximum Charge	\$67.50
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SECTION 4 – BUSINESS NETWORK SWITCHED SERVICE, (CONT'D.)**4.2 Basic Business Line Service****4.2.1 Description**

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

4.2.2 Maximum Rates and Charges**A. Maximum Rates and Charges for Non-IBL/VersiPak® Customers**

		12	24	36	60
	<u>Monthly</u>	<u>Months</u>	<u>Months</u>	<u>Months</u>	<u>Months</u>
Monthly Recurring Charge	ICB	\$33.75	\$32.70	\$31.73	\$31.05
Nonrecurring Charge	ICB	\$67.50	\$67.50	\$67.50	\$67.50
Move Charge	ICB	\$67.50	\$67.50	\$67.50	\$67.50
Change Charge	ICB	\$67.50	\$67.50	\$67.50	\$67.50
Restore Charge	ICB	\$67.50	\$67.50	\$67.50	\$67.50

B. Maximum Rates and Charges for Qualified IBL/VersiPak® Customers

		12	24	36	60
		<u>Months</u>	<u>Months</u>	<u>Months</u>	<u>Months</u>
Monthly Recurring Charge		\$55.50	\$50.25	\$45.00	\$40.50
Nonrecurring Charge		\$30.00	\$30.00	\$30.00	\$30.00
Move Charge		\$30.00	\$30.00	\$30.00	\$30.00
Change Charge		\$30.00	\$30.00	\$30.00	\$30.00
Restore Charge		\$30.00	\$30.00	\$30.00	\$30.00

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SECTION 4 – BUSINESS NETWORK SWITCHED SERVICE, (CONT'D.)**4.5 Voice T-1 Service****4.5.1 Description**

Voice T1 Service allows the Customer to connect suitably-equipped Customer Premises Equipment to the Company's switching equipment using a digital transport facility. Each link is configured with 24 DS0s or channels and can be provisioned with either ISDN or non-ISDN digital signaling, depending on the CPE requirements and application needs. Customers can choose inward, outward or two-way directionality.

Customers who select the Company as their long distance provider for both interLATA and intraLATA calling or for intraLATA only will receive a monthly allowance of 5,000 long distance minutes of usage per Voice T1. Usage in excess of 5,000 will be billed at the regular tariffed rate. Customers who do not select the Company as their long distance provider are not eligible to receive the monthly allowance of 5,000 long distance minutes.

Service is available as equipment and facilities permit.

4.5.2 Maximum Rates and Charges

	<u>Monthly</u>	<u>12 Months</u>	<u>24 Months</u>	<u>36 Months</u>	<u>60 Months</u>
Monthly Recurring Charge	ICB	\$ 765.00	\$ 702.00	\$638.00	\$606.00
Nonrecurring Charge	ICB	\$1,500.00	\$1,000.00	\$750.00	\$750.00
Move Charge	ICB	\$1,500.00	\$1,000.00	\$750.00	\$750.00
Change Charge	ICB	\$1,500.00	\$1,000.00	\$750.00	\$750.00
Restore Charge	ICB	\$1,500.00	\$1,000.00	\$750.00	\$750.00

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SECTION 5 - SUPPLEMENTAL SERVICES, (CONT'D.)

5.3 Listings, (Cont'd.)

5.3.3 Types of Listings, (Cont'd.)

B. Premium Listings, (Cont'd.)

7. Suite Listing

A Suite Listing allows the Customer to add its office or suite number to a Main or Additional directory listing. A Suite Listing may not be purchased as a standalone listing.

5.3.4 Free Listing

These listings are free:

One listing for each individual line service, auxiliary line or PBX system will be provided at no charge

5.3.5 Rates and Charges

A. There is a monthly recurring and a onetime nonrecurring charge for premium listings. This charge takes effect as soon as the listing is shown in Directory Assistance Records. The maximum monthly rate for each individual listing is as follows:

<u>Type of Listing</u>	<u>Maximum Rate</u>	
	<u>Recurring</u>	<u>Nonrecurring</u>
Main Standard Listing Local Exchange	\$0.00	\$33.00
Main Standard Listing - Foreign Exchange	\$5.00	\$33.00
Additional Main Listing	\$0.00	\$ 7.50
Additional Listing	\$5.00	\$33.00
Extra Listing Lines	\$5.00	\$33.00
Alternate Call Listing	\$5.00	\$33.00
Alternate User Listing	\$5.00	\$33.00
Cross Reference Listing	\$5.00	\$33.00
Suite Listing	\$5.00	\$33.00

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Arizona C.C. Tariff No. 7
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SECTION 5 - SUPPLEMENTAL SERVICES, (CONT'D.)

5.4 Non-Published Service, (Cont'd.)

5.4.3 Application of Rates

There is a monthly charge for each non-published service. This charges does not apply if the Customer has other listed service at the same location, if the Customer lives in a hotel, boarding house or club with listed service, or if the service is installed for a temporary period.

Other exceptions are:

- Public or semi-public service.
- Special reversed charge service.
- Foreign exchange service where the Customer is also furnished exchange service from the normal central office.
- Where the Customer has other listed service in the alphabetical directory for the territory in which the subscriber is located, provided the service is of the same class and in the same name.

5.4.4 Move and Change Charges

There is a one-time nonrecurring charge for each request to move or change a listing. If the request is received after the directory publisher's deadline for such changes, an additional late charge will apply.

5.4.5 Maximum Rates and Charges

Monthly Recurring Charge	\$ 2.70
Nonrecurring Charge	\$33.00
Move / Change Charge	\$15.00
Late Charge	\$75.00

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SECTION 5 - SUPPLEMENTAL SERVICES, (CONT'D.)**5.8 Directory Assistance Service****5.8.1 General**

A Customer may obtain assistance, for a charge, in determining telephone numbers within or outside the local calling area by dialing Directory Assistance Service. A Customer can also receive assistance by writing the Company with a list of names and addresses for which telephone numbers are desired.

For an additional charge, the operator can complete the call to the desired number. If the Customer elects to have an intraLATA toll call completed by the Local Directory Assistance Operator, the Company's standard intraLATA toll per minute charges will apply.

5.8.2 Regulations

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

- A. Calls from coin telephones, including COCOTs.
- B. Requests for telephone numbers of non-published service.
- C. Requests in which the Directory Assistance operator provides an incorrect number. The Customer must inform the Company of the error in order to receive credit.
- D. Requests from individuals with certified visual or physical handicaps in which the handicap prevents the use of a local directory.

5.8.3 Maximum Rates

<u>Maximum Rate per Request</u>	<u>Maximum Charge per Request</u>
Directory Assistance	\$0.90
National Directory Assistance	\$0.90
Directory Assistance Call Completion	\$0.52

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SECTION 7 - TOLL SERVICES, (CONT'D.)**7.2 Intrastate Calling Service, (Cont'd.)****7.2.4 Maximum Rates and Charges****A. Rates Applicable to Locations Served with Company-Provided Local Service**

<u>Usage Tier</u>	<u>Rate Per Minute Outbound</u>	<u>Rate Per Minute Toll Free</u>
0-10,000	\$0.074	\$0.074
10,001 - 50,000	\$0.068	\$0.068
50,001 - 100,000	\$0.066	\$0.066
100,001 - 150,000	\$0.065	\$0.065
150,001 - 200,000	\$0.065	\$0.065
200,001 - 300,000	\$0.065	\$0.063
300,001 - 500,000	\$0.063	\$0.063
500,001 - 700,000	\$0.063	\$0.063
700,001 - 900,000	\$0.063	\$0.063
900,001 and over	\$0.063	\$0.063

B. Rates Applicable to Locations not Served with Company-Provided Local Service

Rates Per Minute Outbound or Toll Free	\$0.48
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C. Rates Applicable to All Locations for Calling Card Services

Rate Per Minute	\$0.338
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