

ACCESS SERVICE

2. General Regulations (Cont'd)

2.4 Payment Arrangements and Credit Allowances

2.4.1 Payment of Rates, Charges and Deposits

(A) Deposits

In order to safeguard its interests, the Telephone Company reserves the right to require the customer to secure its account prior to the establishment of service and/or at any time after the provision of service in the form of a cash deposit, as described below.

A security deposit may be required prior to the installation of new service or the transfer of existing service, when the customer has a proven history of late payments to the Telephone Company or does not have established credit. Such security deposit will not exceed an amount equal to the estimated total rates and charges for the services(s) ordered for a two-month period.

A security deposit or an additional security deposit may be required from an existing customer at any time following installation of service when: 1) the customer has established a history of late payments to the Telephone Company; 2) the customer's gross monthly billing has increased beyond the amount initially used to estimate a security deposit, if applicable; and/or 3) the Telephone Company becomes aware that the customer's credit worthiness has fallen below commercially acceptable levels as determined by an independent credit rating or reporting service. Such security deposit will not exceed an amount equal to the total rates and charges for two months of the customer's actual billing for the service(s). In the event an existing customer fails to remit a deposit required under this section, service(s) to that customer may be discontinued in accordance with the terms specified in Section 2.1.8(A), preceding.

If pursuant to this section, the Telephone Company requests a security deposit from an existing customer that has any term plan commitment in place on or before July 18, 2002 under either an Optional Rate Plan(s), and/or DSL Access Services Discount Pricing Arrangement(s) (for example, some plans are described in Sections 7.2.8 and 8.3 following), and such existing customer accepts the condition that continuation of its service(s) is contingent upon its provision to the Telephone Company of the requested security deposit, then the regulations specified in this section will apply to the customer for the remainder of the term plan commitment for all existing and/or any new Optional Rate Plan(s), and/or DSL Access Services Discount Pricing Arrangements to which the customer subscribes.

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2. General Regulations (Cont'd)

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2.4.1 Payment of Rates, Charges and Deposits (Cont'd)

(A) Deposits (Cont'd)

If pursuant to this section, the Telephone Company requests a security deposit from an existing customer that has any term plan commitment in place on or before July 18, 2002 under either an Optional Rate Plan(s), and/or DSL Access Services Discount Pricing Arrangement(s) (for example, some plans are described in Sections 7.2.8, and 8.3 following), and such existing customer rejects the condition that continuation of its service(s) is contingent upon its provision to the Telephone Company of the requested security deposit, then upon discontinuance of the customer's service(s) and the resulting termination of the associated term plan commitment(s), the Telephone Company will waive the applicable termination liability charge(s) for each such term plan commitment terminated.

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The fact that a deposit has been made in no way relieves the customer from complying with the Telephone Company's regulations as to the prompt payment of bills. At such time as the provision of the service to the customer is terminated, the amount of the deposit will be credited to the customer's account and any credit balance which may remain will be refunded.

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Such a deposit will be refunded or credited to the account when the customer has established commercially acceptable credit as defined above and has established a one-year prompt payment record. For the period the deposit is held by the Telephone Company, the customer will receive interest at the same percentage rate as that set forth in (C)(2)(a) or in (C)(2)(b) following, whichever is lower.

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(C)

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The rate will be compounded daily for the number of days from the date the customer deposit is received by the Telephone Company to and including the date such deposit is credited to the customer's account or the date the deposit is refunded by the Telephone Company. Should a deposit be credited to the customer's account, as indicated above, no interest will accrue on the deposit from the date such deposit is credited to the customer's account.

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