

ACCESS SERVICE

RATES, RULES AND CHARGES

Title Page and Pages 1 to 22-45, inclusive of this tariff are effective as of the date shown. Original and revised pages as named below and Supplement No. 6 contains all changes from the original tariff that are in effect on the date hereof.

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President, Industry Markets
Nevada Bell Telephone Company
One SBC Plaza, Dallas, Texas 75202

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RATES, RULES AND CHARGES
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(N)

23. Pricing Flexibility Contract Offerings23.3 Contract Offer No. 3 - Broadband Plan - Service Offer23.3.1 General Description

(N)

(Nx)

Contract Offer No. 3 - the Broadband Plan is a special access discount pricing plan requiring subscription from the Customer under the following Access Tariffs: Ameritech Operating Companies (Ameritech) Tariff F.C.C. No 2, Nevada Bell Telephone Company (NBTC) Tariff F.C.C. No. 1, Pacific Bell Telephone Company (PBTC) Tariff F.C.C. No. 1, Southwestern Bell Telephone Company (SWBT) Tariff F.C.C. No. 73, and The Southern New England Telephone Company (SNET) Tariff F.C.C. No. 39. The Broadband Plan provides discounted rates (Level II as described below) subject to volume commitments as described in Section 23.3.4 (G).

(Nx)

Services covered under this Contract Offer will be grouped into Levels:

(N)

- (1) Level I - Qualified existing access services that are already in service prior to the commencement of the Term Period are "Level I" circuits. Level I circuits will be counted toward the Customer's Portability Volume Commitment, as provided in Section 23.3.4 (G) of this Contract Offer, but are not eligible for the discounts provided under this Contract Offer.
- (2) Level II - Qualified access services that are installed during the Term Period, or qualified access services that migrate from Level I to Level II as described in section 23.3.5, are "Level II" circuits. Level II circuits will be counted toward the Customer's Portability Volume Commitment and also will be eligible for the discounts provided under this Contract Offer.

Qualified services under this Contract Offer are available only in the Pricing Flexibility Metropolitan Statistical Areas (hereafter referred to as MSA) as described in Section 23.3.3 (A). Contract Offer No. 3 is available for subscription from July 1, 2005 through August 1, 2005. This Contract Offer is not renewable.

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.2 Subject Services

This Contract Offer applies to access services that qualify for pricing flexibility (hereafter referred to as Subject Services), as provided in the following tariff sections:

- (1) High Capacity Service (DS3), NBTC Tariff F.C.C. No. 1, Section 7.11.5 for Phase 1 MSAs and Section 22.5.2.5 for Phase 2 MSAs;
- (2) OCN Point to Point (OC-3, OC-12), NBTC Tariff F.C.C. No. 1, Section 21.3 for Phase 1 MSAs and Section 22.5.2.10 for Phase 2 MSAs;

All terms and conditions for the Subject Services provided under this Contract Offer are governed by their respective tariff sections, except as noted herein.

23.3.3 Eligibility Criteria

The following eligibility criteria must be met for Subject Services to be provided under this Contract Offer.

- (A) Subject Services must be located in the following Pricing Flexibility MSAs:

Reno, NV

If the Telephone Company receives end-user channel termination pricing flexibility relief in additional MSAs, those MSAs will be added the Broadband Plan, as outlined in Section 23.3.4 (E) of this Contract Offer.

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.3 Eligibility Criteria (Cont'd)

(B) Subject Services must be configured as follows:

- (1) Subject Services must be a non-channelized point-to-point service; and
- (2) Both end points of the circuit must be served by the Telephone Company and be located in an MSA listed in Section 23.3.3 (A) of this Contract Offer; and
- (3) Subject Services must be at capacity levels of DS3, OC-3 or OC-12; and
- (4) The 'Z' location for each circuit must be an end-user premise that is not a wireless cell site.

(C) The Customer must have a minimum of 1,200 existing Subject Service circuits meeting the configuration requirements described in Section 23.3.3 (B) of this Contract Offer.

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.4 Term and Conditions(A) Term Period

The Term Period for this Contract Offer shall be five (5) years commencing on the first day of the month after the Telephone Company receives a completed Letter of Subscription (LOS).

If the Customer elects to continue service upon the expiration of the Term Period, the Customer may; by written notification to the Telephone Company sixty (60) days prior to the expiration of the Term Period:

- (1) Extend rates, terms and conditions of this Contract Offer for one (1) additional two (2) year term; or
- (2) Select from the applicable payment options in NBTC Tariff F.C.C. No. 1.

If, at the expiration of the Term Period, the Customer does not elect an option as described above, the Subject Services provided under this Contract Offer will be subsequently be provided under the prevailing applicable monthly extension rates found in NBTC Tariff F.C.C. No. 1.

(B) Subscription

(N)

(Nx)

- (1) Contract Offer No. 3 is available only from June 1, 2005 through August 1, 2005.
- (2) To subscribe to this Contract Offer the Customer must submit a Letter of Subscription (LOS) to the Telephone Company.
- (3) To subscribe to this Contract Offer the Customer must meet all eligibility criteria as outlined in 23.3.3.
- (4) The Customer must also concurrently subscribe to the following contract offers pursuant to the following tariffs:
 - (a) SWBT Tariff F.C.C. No. 73, Section 41, Contract Offer No. 47;
 - (b) PBTC Tariff F.C.C. No. 1, Section 33, Contract Offer No. 54;
 - (c) SNET Tariff F.C.C. No. 39, Section 25, Contract Offer No. 15;
 - (d) Ameritech Tariff F.C.C. No. 2, Section 22, Contract Offer No. 61.

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(Nx)

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23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.4 Term and Conditions (Cont'd)(C) General

- (1) The Customer must subscribe to the services available under this Contract Offer according to the regulations set forth in NBTC Tariff F.C.C. No. 1, Section 5-Ordering Options for Switched and Special Access Services.
- (2) Subject Services provided under this Contract Offer shall also be subject to certain rates, charges and general terms and conditions set forth in NBTC Tariff F.C.C. No. 1, Sections: 2-General Regulations, 5-Ordering Options for Switched and Special Access Service, and 13-Additional Engineering, Additional Labor and Miscellaneous Services. Such terms and conditions may be modified through the filing of tariff revisions at any time during the Term Period, however such tariff modifications will not change the terms and conditions described in this Contract Offer.
- (3) If the Customer discontinues service under this Contract Offer during the Term Period, termination liability charges will apply in accordance with Section 23.3.10 of this Contract Offer.

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.4 Term and Conditions (Cont'd)(D) New Subject Services

- (1) All of the Customer's new Subject Services that are purchased from the Telephone Company and are eligible for inclusion in this Contract Offer must be provided under this Contract Offer.
- (2) The Customer may not include new Subject Services that are provided under this Contract Offer in any other promotional tariff, contract offer, or other discount plan concurrently with this Contract Offer.
- (3) The Customer must subscribe to all new Subject Services according to the otherwise applicable one (1) year term payment plan.
- (4) The Customer must pay all Special Construction charges associated with the provisioning of new Subject Services.
- (5) New Subject Services must remain in service under this Contract Offer for at least one (1) year.
- (6) New Subject Services installed in the final year of the Term Period of this Contract Offer must remain in service for at least one (1) year. Such Subject Services will continue to be subject to the Rates and Charges outlined in this Contract Offer for the remainder of the one (1) year minimum period. If any such Subject Services do not remain in service for at least one (1) year, they will be subject to Termination Liability as described in Section 23.3.10 of this Contract Offer.

(N)

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(N)

23. Pricing Flexibility Contract Offerings (Cont'd)23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.4 Term and Conditions (Cont'd)(E) Additional MSA Relief

- (1) Upon FCC approval of additional MSAs for pricing flexibility relief for end-user channel terminations, those MSAs will be added to the Broadband Plan in TSA₃.
- (2) Subject Services that were installed in such additional MSAs prior to the commencement of the Term Period will be included in this Contract Offer as Level I services; subject to existing terms for Migration to Level II as provided in Section 23.3.5.
- (3) Subject Services installed, in such additional MSAs, during the Term Period will be included in this Contract Offer as Level II services.
- (4) As Subject Services in such additional MSAs are provided under this Contract Offer, the then-current Portability Volume Commitment will be increased to reflect the added Subject Services, based on the in service volumes for qualified Subject Services that are reflected in the recurring billing records from the Telephone Company during the month prior to the MSA being granted pricing flexibility relief.

(F) Access Service Ratio

The Customer and its affiliates must maintain an Access Service Ratio of 95 percent or greater. The ratio will be based cumulative billing for DS1 and DS3 services in the MSAs described in Section 23.3.3 (A) of this Contract Offer for the prior six-month period. The Access Service Ratio will be calculated upon the completion of each six-month period beginning upon the commencement of the Term Period as follows:

$$\frac{\text{Access Billing} - \text{Wholesale Billing}}{\text{Access Billing}}$$

Where:

- (1) Access Billing consists of the Customer's and its affiliates' interstate recurring billing for DS1 and DS3 rate elements, as defined in NBTC Tariff F.C.C. No. 1, Sections 7.11 and 22.5.2; and
- (2) Wholesale Billing consists of the Customer's and its affiliates' recurring billing for DS1 and DS3 bandwidth equivalent rate elements, as provided in Table A, not included in the interstate tariff(s).

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.4 Term and Conditions (Cont'd)(F) Access Service Ratio (Cont'd)Table A:

Service Level	Associated Rate Elements Not Included in Interstate Tariff
DS1/LT1	4-wire Digital Loop DS1 Entrance Facilities DS1 Interoffice Transport DS1 Cross Connects DS1 Multiplexing All DS1 Non-tariffed Committed Information Rate Broadband Services Unbundled Dedicated Transport
DS3/LT3	DS3 Loop DS3 Entrance Facilities DS3 Interoffice Transport DS3 Cross Connects DS1/DS3 Multiplexing All DS3 Non-tariffed Committed Information Rate Broadband Services Unbundled Dedicated Transport

- (3) If new wholesale rate elements are introduced which are comparable to those set forth in Table A, all recurring billing associated with those new rate elements will also be included in the Customer's Wholesale Billing, as defined in this Section 23.3.4 (F), for purposes of calculating the Customer's Access Service Ratio.
- (4) If the Customer does not meet the Access Service Ratio, then the Customer must pay the Telephone Company an amount sufficient to result in the Customer's resulting total Access Billing being equivalent to the amount that would have been billed, had the Customer maintained an Access Service Ratio of 95 percent. If the Customer fails to pay that amount, the Customer shall be deemed to have terminated this Contract Offer.

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23. Pricing Flexibility Contract Offerings (Cont'd)23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.4 Term and Conditions (Cont'd)(G) Portability Volume Commitment (PVC)

Portability is provided under this Contract Offer through the Portability Volume Commitment (PVC). For purposes of determining the Customer's PVC, the Telephone Company shall aggregate volumes for the various Subject Services included in this Contract Offer by converting counts of Telephone Company assigned unique Circuit ID's, by Circuit Type, into PVC Units, as shown below in Table B.

Table B:

Qty	Circuit Type		PVC Units
1	DS3	=	1
1	OC-3	=	2.5
1	OC-12	=	5

(1) PVC Level

- (a) The initial PVC Level shall be established at the commencement of the Term Period and is based on the in service volumes for Level I Subject Services that are reflected in the recurring billing records of the Telephone Company during the month prior to the commencement of the Term Period.
- (b) The PVC Level will be reset after each PVC Attainment Review, as described below in Section 23.3.4 (G) (2) (c).
- (c) The PVC Level can not be reduced, except as provided by the PVC Reduction Option described in Section 23.3.4 (G) (5) of this Contract Offer.

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23. Pricing Flexibility Contract Offerings (Cont'd)23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.4 Term and Conditions (Cont'd)(G) Portability Volume Commitment (PVC) (Cont'd)

(2) PVC Attainment Review

Upon the completion of each six-month period, beginning upon the commencement of the Term Period, the Telephone Company will perform a review (the PVC Attainment Review), to compare the Customer's then-current PVC Measurement to the PVC Floor.

(a) The Telephone Company shall calculate the Customer's PVC Level and PVC Floor as follows:

- (i) The PVC Measurement shall be the sum of all Level I and Level II PVC Units that are reflected in the recurring billing records of the Telephone Company for the last month of the period under review.
- (ii) The PVC Floor shall be equal to the Customer's then-current PVC Level, multiplied by the PVC Attainment Factor, as provided in Table C:

Table C:

Current PVC Level	PVC Attainment Factor
1,200 - 1,800	95%
1,801 - 2,100	92%
2,101 +	90%

(b) The Customer's PVC Measurement, at the time of each six-month review, must equal or exceed the current PVC Floor.

- (i) If the PVC Measurement is greater than or equal to the PVC Floor, the Customer shall be deemed to have met the PVC requirement for the six-month period under review.
- (ii) If PVC Measurement is lower than the PVC Floor, then the Customer must pay the PVC Attainment Shortfall as described in Section 23.3.4 (G) (3).

(c) Upon completion of the PVC Attainment Review, the PVC Level shall be reset to the PVC Measurement calculated for the period under review, or the existing PVC Level, whichever is greater.

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23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.4 Term and Conditions (Cont'd)(G) Portability Volume Commitment (PVC) (Cont'd)

(3) PVC Attainment Shortfall Payment

The PVC Attainment Shortfall Payment shall be calculated as follows:

- (a) The PVC Unit Shortfall shall be calculated according to the following equation: (PVC Level x 95%) - PVC Measurement = PVC Unit Shortfall.
- (b) The PVC Attainment Shortfall Payment shall be calculated by multiplying the PVC Unit Shortfall by \$9,600.

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.4 Term and Conditions (Cont'd)(G) Portability Volume Commitment (PVC) (Cont'd)

(4) PVC Attainment Review Example

At month 6:

PVC Level = 1,500. PVC Measurement = 1,800. PVC Measurement exceeds PVC Floor of 1,425, thus commitment is met and new PVC Level is reset to 1,800.

At month 12:

PVC Level = 1,800. PVC Measurement = 1,750. PVC Measurement exceeds PVC Floor of 1,710, thus commitment is met and PVC Level remains 1,800.

At month 18:

PVC Level = 1,800. PVC Measurement 18 = 1,700. PVC Measurement is below PVC Floor of 1,710, thus commitment is not met. Customer must pay PVC Attainment Shortfall and PVC Level remains = 1,800.

Month 18 PVC Attainment Shortfall calculation:

Step 1 - (PVC Level x 95%) - PVC Measurement = PVC Unit Shortfall

$[(1,800 \times 95\%) - 1,700] = 10$

Step 2 - PVC Unit Shortfall x \$9,600 = PVC

Attainment Shortfall Payment

$10 \times \$9,600 = \$96,000$

Table D: PVC Attainment Review Example

Completed Contract Month	PVC Level	PVC Floor	PVC Measurement	PVC Attainment Review	PVC Unit Shortfall	PVC Attainment Shortfall
6	1,500	1,425	1,800	met	0	n/a
12	1,800	1,710	1,750	met	0	n/a
18	1,800	1,710	1,700		10	\$96,000

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.4 Term and Conditions (Cont'd)(G) Portability Volume Commitment (PVC) (Cont'd)

(5) PVC Reduction Option

Annually, upon each anniversary of the commencement of the Term Period, the Customer shall be permitted to reduce its PVC Level, as outlined herein:

- (a) The PVC Reduction Option is available only if the Customer has met the PVC requirements of this Contract Offer during the previous six-month period, as provided in Section 23.3.4 (G) (2) (b) of this Contract Offer, either by meeting the PVC Attainment Review criteria or by making the PVC Attainment Shortfall Payment.
- (b) The PVC Reduction Option lowers Customer's PVC Level; however, the Customer's PVC Level remains subject to increase through the PVC Attainment Review process as provided in Section 23.3.4 (G) (2) of this Contract Offer.
- (c) The Customer must notify the Telephone Company, in writing, within sixty (60) days following the anniversary of the commencement of the Term Period, of its decision to reduce the PVC Level, to be effective during the year of the Term Period in which notice is provided. The Customer shall include in its notice a PVC Reduction Amount, which shall be the amount of the reduction the customer has chosen, expressed in PVC Units.
- (d) A PVC Reduction Charge shall be calculated by multiplying the PVC Reduction Amount by \$1,600, then multiplying that amount by the PVC Term Factor, as provided in Table E:

Table E:

	PVC Term Factor
Completion of Year 1	24
Completion of Year 2	18
Completion of Year 3	12
Completion of Year 4	6

Example: PVC Reduction

Customer requests a PVC Reduction of 10 PVC Units upon the completion of Year 2. PVC Reduction Charge is calculated as follows:

Requested PVC Reduction x \$1,600 x PVC Term Factor =
PVC Reduction Charge
10 x \$1,600 x 18 = \$288,000

(N)

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(N)

23. Pricing Flexibility Contract Offerings (Cont'd)23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.5 Migration of Subject Services from Level I to Level II

Eligible Level I circuits may migrate to Level II of this Contract Offer. Migration from Level I to Level II may occur either automatically under defined circumstances (Type I Migration) or at the option of the Customer (Type II Migration), as further provided below. Upon migration, migrated circuits shall be subject to TSA₃ Rates and Charges, as provided in Section 23.3.7 of this Contract Offer.

(A) Migration Eligibility

Level I circuits must meet the following qualifications to be deemed eligible to migrate to Level II.

- (1) Level I circuits eligible for migration cannot be included in a promotional tariff or contract offering of any kind.
- (2) Level I circuits shall continue to be subject to the rates, terms and conditions of the otherwise applicable tariffs, including any otherwise applicable term payment plans. Upon expiration of existing term payment plans for Level I circuits the Customer must select one of the following options for the circuits to remain eligible for Level II status:
 - (a) Circuits may be provided according to Monthly Extension Rates; or
 - (b) Circuits may be renewed for terms equal to the existing terms; or
 - (c) Circuits may be renewed for terms shorter than the existing terms.

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.5 Migration of Subject Services from Level I to Level II
(Cont'd)(B) Rank Ordered Migration List

- (1) Upon completion of each PVC Attainment Review, the Telephone Company will provide the Customer a Rank Ordered Migration List of eligible Level I circuits. Type I and Type II Migration to Level II will be based on this list. To be included on the Rank Ordered Migration List, circuits must remain eligible for migration, as provided Section 23.3.5 (A) of this Contract Offer.
- (2) Level I circuits eligible for migration will be included in the Rank Ordered Migration List. The first criterion for the rank ordering shall be the service term applicable to each circuit (Expired Plans, 1 yr, 2 yr, 3yr, 4 yr and 5 yr respectively). The second criterion for the rank ordering shall be oldest Service Establishment Date. Both the service term and Service Establishment Date shall be determined according to the end-user termination rate element in the Telephone Company's billing records.

(C) Type I Migration

Type I Migration shall occur automatically if, upon any PVC Attainment Review, the PVC Measurement exceeds the PVC Level. For each PVC Unit by which the PVC Measurement exceeds the PVC Level, one PVC Unit shall be migrated from Level I to Level II. The order of migration shall be determined according to the Rank Ordered Migration List. TSA₃ pricing shall apply to all circuits subject to Type I Migration, effective on the first day of the subsequent PVC Attainment Review Period.

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23. Pricing Flexibility Contract Offerings (Cont'd)23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.5 Migration of Subject Services from Level I to Level II
(Cont'd)(D) Type II Migration

Type II Migration shall be permitted at the Customer's option, as provided in this Section 23.3.5 (D)

- (1) The Customer must submit a written request to the Telephone Company meeting the following requirements:
 - (a) The Customer's request must be received by the Telephone Company within sixty (60) days after the completion of the last day of the six-month PVC Attainment Review Period; and
 - (b) The request must include the specific number of PVC Units to be migrated.
- (2) The order of migration shall be determined according to the Rank Ordered Migration List.
- (3) TSA₃ pricing will apply to all circuits subject to Type II Migration, effective on the date the Telephone Company receives the Customer's written request.
- (4) A one-time migration charge will apply, as provided in Table F:

Table F: One-Time Migration Charge per PVC Unit

	Migration Charge (per PVC Attainment Review Period)							
Cumulative Net Adds	12	18	24	30	36	42	48	54
0 - 75	\$10,595							
76 - 125	\$8,965							
126 - 200	\$7,335							
201 - 300	\$5,705							
301 - 425	\$4,075							
426 - 575	\$2,445							
576 - 725	\$815							
726 +	\$0							
Less than 400			Not Eligible for Type II					
Greater than 400			\$2,445		\$1,630		\$815	

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23. Pricing Flexibility Contract Offerings (Cont'd)23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.6 Termination Liability Credits for Renewed Level I Circuits

If the customer renews a Level I circuit as provided in Section 23.3.5 (A) (2) and that circuit is subsequently disconnected before the completion of its renewal term, the Telephone Company will credit the Customer 50% of the otherwise applicable Termination Liability charges billed to the Customer if the following requirements are met:

- (A) The original term plan for the disconnected circuit must expire after the commencement of the Term Period of this Contract Offer; and
- (B) The Customer must renew the Level I circuit as provided in Section 23.3.5 (A); and
- (C) The renewed Level I circuit must be disconnected before the completion of the first year of the Term Period of this Contract Offer; and
- (D) The Customer must pay all billed Termination Liability charges by their applicable due date.

Upon validation of compliance with the eligibility criteria, the Telephone Company will process a billing credit each quarter to the Customer.

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23. Pricing Flexibility Contract Offerings (Cont'd)23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.7 Rates and Charges(A) Target Service Areas (TSA)

Eligible MSAs have been grouped into TSA₁, TSA₂ or TSA₃ for purpose of applying the Rates and Charges as described in this section of the Contract Offer.

TSA₃
Reno, NV

(N)

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)

(N)

23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.7 Rates and Charges (Cont'd)(B) Monthly Recurring Charge (MRC)

The Customer must pay the applicable MRC for each rate element listed below. Any rate elements not described below will continue to be billed at the applicable tariff rates as described in NBTC Tariff F.C.C. No. 1.

Rate Element	Applicable USOC	TSA ₁	TSA ₂	TSA ₃
DS3 Service				
Channel Termination	Z3MAC	n/a	n/a	\$900.00
Channel Termination	Z3MAP	n/a	n/a	\$900.00
Channel Mileage Termination	1L5XX	n/a	n/a	\$332.50
Channel Mileage Termination	1L5XX	n/a	n/a	\$35.00
OCN (OC-3/OC-3c)				
Local Distribution Channel	TMECS	n/a	n/a	\$1,300.00
Mileage - Fixed	1L5XX	n/a	n/a	\$886.00
Mileage - per mile	1L5XX	n/a	n/a	\$220.00
OCN (OC-12/OC-12c)				
Local Distribution Channel	TMECS	n/a	n/a	\$3,000.00
Mileage - Fixed	1L5XX	n/a	n/a	\$2,250.00
Mileage - per mile	1L5XX	n/a	n/a	\$220.00

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.7 Rates and Charges (Cont'd)(C) Nonrecurring Charges (NRC)

The Customer must pay the applicable NRC for installation and rearrangement as listed below. Any NRC not listed below will continue to be billed at the applicable tariff rates as described in NBTC Tariff F.C.C. No. 1.

Description	Applicable USOC	NRC
DS3 Service		
Channel Termination	Z3MAC	\$0.00
Channel Termination	Z3MAP	\$0.00

(N)

(N)

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(N)

23. Pricing Flexibility Contract Offerings (Cont'd)

23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.8 Assignment/Transfer/Successors

If the Customer wishes to assign or transfer its use of services under this Contract Offer pursuant to NBTC Tariff F.C.C. No. 1, Section 2.1.2 of this Tariff, the Telephone Company will acknowledge such transfer or assignment if the criteria in Section 2.1.2 are met, unless (1) the proposed assignee or transferee demonstrates a lack of credit worthiness under one of the criteria in (A) or (B) below, or (2) if the proposed assignee or transferee or its parent company has commenced a voluntary receivership or bankruptcy proceeding (or had a receivership or bankruptcy proceeding initiated against it).

- (A) Any debt securities of the proposed assignee or transferee or its parent (defined as an entity that owns directly or indirectly, more than 50% of the equity of the proposed assignee or transferee) are rated below investment grade, as defined by the Securities and Exchange Commission or if any debt securities of a proposed assignee or transferee or its parent are rated the lowest investment grade and have been placed on review by the rating organization for a possible downgrade.
- (B) The proposed assignee or transferee does not have any outstanding securities rated by credit rating agencies (e.g. Standard and Poor's), but does have a Dun and Bradstreet rating, and the proposed assignee or transferee is rated "fair" or below in a composite credit appraisal published by Dun and Bradstreet, or "high risk" in a Paydex score as published by Dun and Bradstreet.

23.3.9 Mergers/Acquisitions

The Terms and Conditions of this Contract Offer shall continue in full force and in effect if the Customer, in whole or in part, merges with, acquires, is acquired by, sells all or substantially all its stock or assets to any other entity or purchases all stock or substantially all stock or certain assets of another company (the foregoing generally referred to herein as a merger or acquisition). Upon the Transaction Close Date of the merger or acquisition, if the other company involved in the merger or acquisition also purchases Subject Services from the Telephone Company, the Subject Services as provided for in this Contract Offer will continue to be maintained at the same volume, rates, terms, and conditions as outlined herein. The Transaction Close Date shall be defined as the date that the stock purchase is complete and/or the final date on which the assets of the acquired/merged company have been purchased.

(N)

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23. Pricing Flexibility Contract Offerings (Cont'd)23.3 Contract Offer No. 3 - Broadband Plan - Service Offer (Cont'd)23.3.10 Termination Liability

If Customer terminates this Contract Offer the termination liability language contained below applies in lieu of the termination liability language described in NBTC Tariff F.C.C. No. 1. Customer must pay to the Telephone Company termination liability charges as described below if Customer terminates this Contract Offer before the completion of the term period for any reason, or if Customer is not in compliance with Terms and Conditions in Section 23.3.4. These charges shall become due as of the effective date of the termination and are payable within 30 days of the billing invoice date.

Customer's termination liability charges for termination of this Contract Offer shall be equal to a complete reduction of the Portability Volume Commitment as outlined in 23.3.4 (G) (5). The PVC Term Factor shall be based on the longest fully completed year under this Contract Offer at termination.

Upon termination of this Contract Offer, all Subject Services provided under this Contract Offer will subsequently be provided under the prevailing applicable monthly extension rates found in NBTC Tariff F.C.C. No. 1.

If the Customer disconnects a Subject Service provided under this Contract Offer prior to the completion of the one (1) year minimum in service requirement, then the following termination liability charges will apply:

75% of all recurring charges for the balance of the one (1) year term period plus the current applicable NRC charge for a service installed under a one (1) year term payment plan less the NRC charge paid at installation of Subject Service.

The termination liability charge will be calculated as follows:

(Monthly Recurring Charges) multiplied by (Months remaining in order to achieve one (1) year in service) multiplied by (Termination liability percentage of 75%) plus current applicable NRC minus NRC charges already paid.

Example: Customer has \$20,000 in Monthly Recurring Charges for a Subject Service provided under this Contract Offer. The customer paid an NRC of \$550 at installation and the current applicable NRC equals \$750. If Customer terminates service after six (6) months and has six (6) months remaining in order to meet the one (1) year minimum time in service, the termination liability would be calculated as:

$(\$20,000 \times 6 \text{ months} \times 75\%) + (\$750 - \$550) = \$90,250$

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