

2. GENERAL REGULATIONS

2.4 PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (CONT'D)

2.4.4 CREDIT ALLOWANCE FOR SERVICE INTERRUPTIONS

A. General

A service is interrupted when it becomes unusable to the customer because of a failure of facilities used to furnish service under this Price List. An interruption period starts when an inoperative service is found by the Company or reported to the Company and ends when the service is operative.

B. When A Credit Allowance Applies

1. In case of an interruption to an Advanced Communications Service, allowance for the period of interruption, if not due to the negligence of the customer, shall be as follows:

a. For each service interruption of one hour or subsequent fraction thereof that the interruption continues, the customer shall be credited at the rate of 1/30 (1 day) of the monthly charges for the interrupted service or the affected portion thereof.

b. MOE Exceptions:

- When Quality of Service is purchased by the customer then the following applies:
 - The Service Level Availability (SLA) commitment for Quality of Service is that 99.999% of the packets will conform to the bandwidth profile delivered across the core network, without being dropped or lost as a result of a fault within the Virtual Ethernet Network. This equates to a Quality of Service Packet loss ratio of no more that 0.001%. Thus, over any calendar month the MOE network will successfully deliver at least 99.999% of a customer's packets from core to core.
 - When the SLA is not met, the SLA credit will apply to the monthly recurring charge (MRC) for every increment of 5 megabits of Priority 1 traffic.
 - The credit will equal 1/30th of the MRC for every 5 Megabits of affected Priority 1 Traffic.
 - The Maximum amount of credit provided in a given month will not exceed the total MRC for the affected service.

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2. GENERAL REGULATIONS

2.4 PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES

2.4.4 CREDIT ALLOWANCE FOR SERVICE INTERRUPTIONS

B.1 When A Credit Allowance Applies

b. MOE Exceptions:

- When Protect Routing is purchased by the customer then the following applies: (N)
 - The service guarantee will be for a 99.99% circuit availability over a 30 day period which equates to 4 minutes 20 seconds of downtime.
 - No credit shall be allowed for an interruption of less than 4 minutes 20 seconds, multiple outages of each less than 4 minutes 20 seconds will not be added together.
 - A credit of 1/30 of the monthly recurring charge (MRC) will be paid out for any outage occurrence that exceeds 4 minutes 20 seconds. Credit shall be limited to one credit for each 24 hour period in which an outage(s) occur. Credit will be comprised of all affected MRC elements.
 - The Maximum amount of credit provided in a given month will not exceed the total MRC for the affected service. (N)
- 2. The credit allowance(s) for an interruption or for a series of interruptions shall not exceed the monthly rate for the service interrupted in any one monthly billing period. For the purpose of determining the allowance, every month is considered to have 30 days. (M)

C. When A Credit Allowance Does Not Apply

No credit allowance will be made for:

1. Interruptions caused by the negligence of the customer.
2. Interruptions of a service due to the failure of equipment or systems provided by the customer or others.
3. Interruptions of a service during any period in which the Company is not afforded access to the premises where the service is terminated.
4. Interruptions of a service when the customer has released that service to the Company for maintenance purposes, to make rearrangements, or for the implementation of an order for a change in the service during the time that was negotiated with the customer prior to the release of that service. Thereafter, a credit allowance, as set forth in B., preceding, applies. (M)

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2. GENERAL REGULATIONS

2.4 PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES

2.4.4 CREDIT ALLOWANCE FOR SERVICE INTERRUPTIONS

C. When A Credit Allowance Does Not Apply (Cont'd)

5. Interruptions of a service which continue because of the failure of the customer to authorize replacement of any element of Special Construction, as set forth in 3.6, following. The period for which no credit allowance is made begins on the seventh day after the customer receives the Company's written notification of the need for such replacement and ends on the day after receipt by the Company of the customer's written authorization for such replacement.
6. Periods when the customer elects not to release the service for testing and/or repair and continues to use it on an impaired basis.

D. Use of an Alternative Service Provided by the Company

Should the customer elect to use an alternative service provided by the Company during the period that a service is interrupted, the customer must pay the appropriate rates and charges for the alternative service used.

E. Temporary Surrender of A Service

In certain instances, the customer may be requested by the Company to surrender a service for purposes other than maintenance, testing or activity relating to a service order. If the customer consents, a credit allowance will be granted. The credit allowance will be 1/1440 of the monthly rate for each period of 30 minutes or fraction thereof that the service is surrendered. In no case will the credit allowance in any one monthly billing period exceed the monthly rate for the service surrendered.

2. GENERAL REGULATIONS

2.4 PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (CONT'D)

2.4.5 VARIABLE TERM PRICING PLANS

Advanced Communications Services may be ordered on a month-to-month basis or for fixed periods of one, two, three, four, five, six or seven years, unless otherwise specified.

The initial order for Metro Optical Ethernet (MOE) must be for one of the fixed service periods; however, at the completion of the initial fixed period, the customer may elect the month-to-month option or any of the fixed service periods.

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A. Fixed-Period Service Pricing Plans

Fixed-period service pricing plans allow the customer to order service with the assurance that during the period of the service pricing plan monthly rates for the purchased service will not exceed the levels in effect at the time the service is ordered, except as may be ordered by the Minnesota Public Utilities Commission. The customer must specify the length of the fixed-period service at the time the service is ordered.

At the end of the fixed-service period, the customer may establish a new fixed-period service pricing plan, convert to month-to-month service or may terminate service. The monthly rates will be those rates in effect at the time the new service period begins. Should the customer not make a choice by the end of a fixed-service pricing plan, service rates will automatically revert to those in effect for the month-to-month option. If service is continued under any of the pricing plans, including month-to-month, nonrecurring charges will not apply.

2. GENERAL REGULATIONS

2.4 PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES

2.4.5 VARIABLE TERM PRICING PLANS

A. Fixed-Period Service Pricing Plans (Cont'd)

If a rate decrease in monthly rates occurs during a customer's fixed-service period, the reduced rates will automatically be applied to the remaining term of the service pricing plan in effect at that time, unless specified elsewhere.

Customer-initiated changes to Advanced Communications Services provided under month-to-month service plans or fixed-period service pricing plans may affect the monthly rates and minimum service periods for the services or for related service elements, as set forth in B., following and in 3.2, following, Service Rearrangements.

Should the customer choose to discontinue fixed-period service prior to the completion of the fixed-period service pricing plan, discontinuance charges will apply, as set forth in 3.4, following.

B. Changes In Pricing Plans

1. Services provided under the month-to-month plan may be changed to fixed-period plans at any time without the customer incurring any nonrecurring or discontinuance charges. The monthly rates will be those in effect at the time the new fixed-period service begins. New minimum service periods, as set forth in 2.4.3, preceding, apply to changes in pricing plans.
2. If a customer chooses to change an existing service offered under a fixed-period service pricing plan to a month-to-month plan, the change will be treated as a discontinuance of the existing service and an establishment of new service, and appropriate discontinuance charges, as set forth in 3.4, following, a new minimum period and the new monthly rate(s) for the service will apply.

C. Phased-In Installation

Phased-In Installation will apply to all customers whose fixed-period service pricing plan began after December 1, 1994.

Under Phased-In Installation, monthly rates and nonrecurring charges for all Frame Relay service elements installed during the first twenty-four months of a multi-year, fixed-period service plan, or installed at anytime during a one-year, fixed-period service plan, will be those rates and charges which were in effect on the date the first element of the service configuration was installed; unless a decrease in a rate or charge occurs, in which case the lower rate or charge applies.

2. GENERAL REGULATIONS

2.4 PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (CONT'D)

2.4.6 SPREAD OF NONRECURRING CHARGES

Nonrecurring charges for services provided under a fixed-period service pricing plan may, at the customer's option, be spread over the term of the plan and paid monthly as part of the customer's monthly billing. The additional charge will be calculated by the Company, using a composite annuity factor which is based on the Company's cost of money, income tax and the depreciation factors. If the customer discontinues or converts service provided under a spread of nonrecurring charges, the nonrecurring charges become due immediately.

2.5 CONNECTIONS

2.5.1 GENERAL

Equipment and systems; i.e., terminal equipment and communications systems, may be connected with Advanced Communications Services furnished by the Company where such connection is made in accordance with the provisions of this Price List and the provisions set forth in the technical publications listed in this Price List under Reference to Technical Publications.

Customer terminal equipment and systems must conform to industry standards set forth in technical publications listed in this Price List under Reference to Technical Publications.

2. GENERAL REGULATIONS

2.6 DEFINITIONS

Certain terms used herein are defined as follows:

ACS Network

The commonly-shared, geographically-distributed arrangement of interoperating advanced communications components. Together, these components provide advanced communications services and/or functionalities of a specified type to multiple customers.

Bit

The smallest unit of information in the binary system of notation.

Carrier Sense Multiple Access with Collision Detection (CSMA/CD)

A method of controlling access to a shared transmission path, particularly in local area networks.

Committed Information Rate (CIR)

The number of bits transmitted per second, under normal conditions, over a Permanent Virtual Connection (PVC).

Communication System

Communication links and other facilities which are capable of communications between terminal equipment provided by other than the Company.

Customer

Any individual, partnership, association, joint-stock company, trust, corporation, governmental entity or any other entity which subscribes to the services offered herein.

Discard Eligibility (DE)

A bit in the Frame Relay header that enables the network to manage congestion.

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2. GENERAL REGULATIONS

2.6 DEFINITIONS (CONT'D)

Ethernet

A local area network design employing CSMA/CD as its access control mechanism.

Ethernet Virtual Circuit (EVC)

The term "Ethernet Virtual Circuit" (EVC) denotes an association of two or more Network Interfaces (NI). The EVC connects two or more subscriber sites (NIs) enabling private and secure transfer of Ethernet frames between them. An internal identifier is transparently assigned by the Company to customer traffic and prevents data transfer between subscriber sites not part of the same customer EVC. The EVC also provides customer traffic segmentation over the shared Metro Optical Ethernet (MOE) Network.

Facilities

Data switches, wires, cables, circuits, conduit, poles or space thereon, service entrances, network interfaces and all other Company-provided equipment.

First Come, First Served

A procedure followed when the first order or transmission received will be the first processed.

Flag Sequence

The sequence of bits employed to delimit the beginning and ending of a frame.

Frame

A sequence of contiguous bits delimited by beginning and ending flag sequences.

Hot Back-Up

When a customer has purchased Interface Redundancy, hot back-up is the electronic redundancy of a Data Link interface which becomes active if a Data Link interface fails.

Individual Case Basis (ICB)

Service arrangements and pricing will be developed on an individual, case by case basis in response to a bona fide request from a customer or prospective customer for a competitive bid for service(s). ICB pricing will be offered to the customer in writing, on a non-discriminatory basis.

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2. GENERAL REGULATIONS

2.6 DEFINITIONS (CONT'D)

Local Area Network (LAN)

A network permitting the interconnection and intercommunication of a group of computers, primarily for the sharing of resources such as data storage devices and printers.

Logical Channel

A communications channel through the network that allows transmission of sequenced data packets through the network. No circuit capacity is preassigned to a logical channel; capacity is made available as data is transmitted.

Network Interface (NI)

The point of interconnection between Company communications facilities and terminal equipment, protective apparatus or other customer-provided facilities. The network interface serving the customer's premises is also referred to as the demarcation point.

Network-To-Network Interface (NNI)

A frame relay industry-standard interface between two frame relay networks, used to connect private or public frame relay networks.

Open System Interconnection (OSI)

A seven-layer, generic network architecture model, used to standardize network protocol. Its purpose is to facilitate interoperability, enabling any OSI compliant computer or device to communicate with any other OSI compliant computer or device for an exchange of information.

Overhead

Cell Relay overhead is the five byte header of a 53 byte cell.

Polling

Status inquiry message sent on a data communications facility to give the receiving end of the inquiry an opportunity to transmit and/or receive information.

2. GENERAL REGULATIONS

2.6 DEFINITIONS (CONT'D)

Premises

A building, or a portion of a building in a multi-tenant building, or buildings on continuous property (except railroad rights of way, etc.) not separated by a public highway. This term is not limited to one building, but applies as well to a complex, or campus-type configuration of buildings.

Private Frame Relay Network

Typically a single-owner, single-user network, which may be interconnected with a public frame relay service network.

Protocol

A set of conditions for conducting interactions between two or more terminals, hosts or peripherals. These conditions consist of syntax (header structure), semantics (actions and reactions that are supposed to occur) and timing (relative ordering and duration of states and events).

Public Frame Relay Network

Typically a multi-user, shared network, used by a frame relay service provider to provide frame relay service to its customers.

Service Point

The geographic location designated by the company at which the access component of a customer's Advanced Communications Service is considered to first enter the ACS Network.

Statistical Multiplexing

A multiplexing technique in which timeslots are dynamically allocated on the basis of need rather than being predefined. The data is typically transmitted on a first come, first served basis.

2. GENERAL REGULATIONS

2.6 DEFINITIONS (CONT'D)

Sustained Information Rate (SIR)

Denotes the average bit rate or speed at which user information can be transferred into and out of the ACS Network. It represents the maximum information transfer speed that can be sustained.

Transparent

In communications systems, that property which allows transmission of signals without changing their electrical characteristics or coding beyond the specified limits of the system design.

Uniform Service Order Code (USOC)

A three or five character alphabetic, numeric, or an alphanumeric code that identifies a specific item of service or equipment. Uniform Service Order Codes are used in the Company billing system to generate recurring rates and nonrecurring charges.

User-To-Network Interface (UNI)

A frame relay industry-standard interface between an end user customer and a frame relay network.

Virtual Circuit

A logical transmission channel established to a network address. The logical channel exists for a period of time until either end of the channel terminates the transmission.