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**2. GENERAL REGULATIONS**

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## **2. GENERAL REGULATIONS**

### **2.1 UNDERTAKING OF THE COMPANY**

#### **2.1.1 SCOPE**

- A. The Company provides Advanced Communications Services to meet customer communication needs between specified locations. Services are furnished seven days per week, twenty-four hours per day for a minimum billing period of one month or as defined in 2.4.3, following.
- B. The Company shall be responsible only for the installation, operation and maintenance of the services which it provides under this Catalog, as defined in 2.1.4 and 2.1.5, following.
- C. The Company does not warrant that its facilities and services meet standards other than those set forth in this Catalog, applicable Washington Administrative Codes Service Rule and the associated technical publications listed in this Catalog under Reference to Technical Publications.
- D. The Company will, for maintenance purposes, test its services only to the extent necessary to detect and/or clear trouble.

#### **2.1.2 LIMITATIONS**

- A. The installation and restoration of services shall be subject to the regulations set forth in Access Service Tariff, 13.3.2, concerning the Telecommunications Service Priority System.
- B. Subject to compliance with the rules mentioned in A. preceding, where a shortage of facilities exists at any time, either for temporary or protracted periods, the services offered herein will be provided to customers on a first come, first served basis.
- C. The furnishing of service under this Catalog will require certain physical arrangements of the facilities of the Company and is subject to the availability of such facilities.

**2. GENERAL REGULATIONS**

**2.1 UNDERTAKING OF THE COMPANY (CONT'D)**

**2.1.3 LIABILITY**

- A. The Company's liability, if any, for its willful misconduct is not limited by this Catalog. With respect to any other claim or suit, by a customer or by any others, for damages associated with the installation, provision, preemption, termination, maintenance, repair or restoration of service and subject to the provisions of B. through G., following, the Company's liability, if any, shall not exceed an amount equal to the proportionate charge for the service for the period during which the service was affected. This liability shall be in addition to any amounts that may otherwise be due the customer under this Catalog as a Credit Allowance for a Service Interruption, as set forth in 2.4.4, following.
- B. The Company shall be indemnified, defended and held harmless by the customer against any claim, loss, or damage arising from use of services offered under this Catalog involving:
  - 1. Claims for libel, slander, invasion of privacy and infringement of copyright arising from the material transmitted over the facilities or the customer's own communications;
  - 2. Claims for infringement of patents arising from combining with, or using in connection with, facilities by the Company, facilities or equipment furnished by the customer;
  - 3. All other claims arising out of any act or omission of the customer in connection with the facilities provided by the Company.
- C. The Company shall not be liable for any act or omission of any customer providing a portion of a service, nor shall the Company for its own act or omission hold liable any customer providing a portion of a service.
- D. The Company does not guarantee or make any warranty with respect to its services when used in an explosive atmosphere. The Company shall be indemnified, defended and held harmless by the customer from any and all claims by any person relating to such customer's use of services so provided.

**2. GENERAL REGULATIONS**

**2.1 UNDERTAKING OF THE COMPANY**

**2.1.3 LIABILITY (CONT'D)**

- E. The Company is not liable for any defacement of or damage to the premises of a customer resulting from the furnishing of any facilities by the Company on the premises or by the installation or removal when defacement or damage is not the result of negligence of the agents or employees of the Company.
- F. No license under patents (other than the limited license to use) is granted by the Company or shall be implied or arise by estoppel, with respect to any service offered under this Catalog. The Company will defend the customer against claims of patent infringement arising solely from the use by the customer of services offered under this Catalog and will indemnify such customer for any damages awarded based solely on such claims.
- G. The Company's failure to provide or maintain services under this Catalog shall be excused by labor difficulties, governmental orders, civil commotions, criminal actions taken against the Company, acts of God and other circumstances beyond the Company's reasonable control, subject to the Credit Allowance for a Service Interruption as set forth in 2.4.4, following.
- H. Customer Service Guarantee

The Customer Service Guarantee is designed to grant customers a credit if the Company fails to keep a Guaranteed Appointment or Guaranteed Commitment. The Customer Service Guarantee is administered as set forth in 2.2.2 of the Exchange and Network Services Catalog.

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**2. GENERAL REGULATIONS**

**2.1 UNDERTAKING OF THE COMPANY (CONT'D)**

**2.1.4 INSTALLATION AND TERMINATION OF SERVICES**

The services provided under this Catalog will include any Company facilities to that point where provision is made for termination of the Company's network facilities at a suitable location at a customer designated premises. Any customer requested work on the customer side of the network interface will be furnished on a time and material basis.

**2.1.5 PROVISION OF SERVICES**

- A. The services in this Catalog provided to the network interface shall be maintained by the Company. The customer may not rearrange, disconnect, remove or attempt to repair or permit others to rearrange, disconnect, remove or attempt to repair any facilities installed by the Company to the network interface, except upon the written consent of the Company.
- B. Facilities on the premises of a customer furnished by the Company to the network interface are the property of the Company, whose agents and employees shall have the right to enter said premises at any reasonable hour for the purpose of installing, inspecting or repairing the facilities, or, upon termination of the service, for the purpose of removing Company facilities.
- C. The access component of a customer's Advanced Communications Service first enters the Advanced Communications Services (ACS) Network at a service point.
  - The Company designates the location of the service point for each customer according to the type of Advanced Communications Services involved.
  - Service points will generally be where ACS Network equipment for a given service is either located or planned to be located.
  - Different Advanced Communications Services may either have the same or different service points, according to local circumstances.
- D. When, as determined by the Company, it becomes necessary to establish a new service point which results in a change in the location of a service point for an Advanced Communications Service, the service will be rerated and redesigned to the new service point.

**2. GENERAL REGULATIONS**

**2.1 UNDERTAKING OF THE COMPANY (CONT'D)**

**2.1.6 CHANGES AND SUBSTITUTIONS**

The Company may, where such action is reasonably required in the operation of its business, (A) substitute, change or rearrange any facilities used in providing service under this Catalog, including but not limited to, (1) substitution of different metallic facilities, (2) substitution of carrier or derived facilities for metallic facilities used to provide other than metallic facilities and (3) substitution of metallic facilities for carrier or derived facilities used to provide other than metallic facilities, (B) change minimum protection criteria, (C) change operating or maintenance characteristics of facilities or (D) change operations or procedures of the Company.

In case of any such substitution, change or rearrangement, the performance characteristics will be within the range as set forth in this Catalog. The Company shall not be responsible if any such substitution, change or rearrangement renders any customer-furnished services obsolete or requires modification or alteration thereof or otherwise affects their use or performance. If such substitution, change or rearrangement materially affects the operating characteristics of the facility, the Company will provide reasonable notification to the customer in writing. Reasonable time will be allowed for any redesign and implementation required by the change in operating characteristics. The Company will work cooperatively with the customer to determine reasonable notification requirements.

**2.1.7 REFUSAL AND DISCONTINUANCE OF SERVICE**

The refusal and discontinuance of service will be administered as set forth in Chapter 480-120 of the Washington Administrative Code (WAC).

**2.1.8 NOTIFICATION OF SERVICE-AFFECTING ACTIVITIES**

The notification of service-affecting activities will be administered as set forth in Chapter 480-120 of the WAC.

**2. GENERAL REGULATIONS**

**2.1 UNDERTAKING OF THE COMPANY (CONT'D)**

**2.1.9 COORDINATION WITH RESPECT TO NETWORK CONTINGENCIES**

The Company intends to work cooperatively with the customer to develop network contingency plans in order to maintain maximum network capability following natural or man-made disasters which affect communications services.

**2.1.10 PROVISION AND OWNERSHIP OF NUMBER DESIGNATIONS**

The Company reserves the right to assign, designate or change number designations associated with Advanced Communications Services, when necessary in the conduct of its business. Should it become necessary to make a change in such number(s), the Company will notify the customer of the effective date and provide an explanation of the reason(s) for such change(s).

**2.1.11 SPECIAL TAXES, FEES AND CHARGES**

Insofar as practicable, any sales, use, privilege, excise, franchise or occupation tax, costs of furnishing service without charge or similar taxes or impositions now or hereinafter levied by the Federal, State, or Local government or any political subdivision or taxing authority thereof may be billed by the Company to its customers on a pro rata basis in the areas wherein such taxes, impositions or other charges shall be levied against the Company.

**2. GENERAL REGULATIONS**

**2.2 USE**

**2.2.1 INTERFERENCE OR IMPAIRMENT**

- A. The characteristics and methods of operation of any services, facilities or equipment provided by other than the Company and associated with the facilities utilized to provide services under this Catalog shall not interfere with or impair service over any facilities of the Company, its affiliated companies, or its connecting and concurring carriers involved in its services, cause damage to their plant, impair the privacy of any communications carried over their facilities or create hazards to the employees of any of them or the public.
- B. If such characteristics or methods of operation are not in accordance with A. preceding, the Company will, where practicable, notify the customer that temporary discontinuance of the use of a service may be required; however, where prior notice is not practicable, nothing contained herein shall be deemed to preclude the Company's right to temporarily discontinue forthwith the use of a service if such action is reasonable under the circumstances. In case of such temporary discontinuance, the customer will be promptly notified and afforded the opportunity to correct the condition which gave rise to the temporary discontinuance. During such period of temporary discontinuance, Credit Allowance for Service Interruptions as set forth in 2.4.4, following, is not applicable.

**2.2.2 UNLAWFUL USE**

Advanced Communications Services shall not be used for any unlawful purpose.

## **2. GENERAL REGULATIONS**

### **2.3 OBLIGATIONS OF THE CUSTOMER**

#### **2.3.1 ORDERING, PAYMENT AND COMPLIANCE WITH TERMS AND CONDITIONS**

The customer shall be responsible for placing all orders for service, payment of all charges offered herein and compliance with Company terms and conditions.

#### **2.3.2 DAMAGES**

The customer shall reimburse the Company for damages to Company facilities utilized to provide services under this Catalog caused by the negligence or willful act of the customer, or resulting from the customer's improper use of the Company facilities, or due to malfunction of any facilities or equipment provided by other than the Company. Nothing in the foregoing provision shall be interpreted to hold one customer liable for another customer's actions. The Company will, upon reimbursement for damages, cooperate with the customer in prosecuting a claim against the person causing such damage and the customer shall be subrogated to the right of recovery by the Company for the damages to the extent of such payment.

#### **2.3.3 OWNERSHIP OF FACILITIES**

Facilities utilized by the Company to provide service under the provisions of this Catalog shall remain the property of the Company. Such facilities shall be returned to the Company by the customer, whenever requested, within a reasonable period following the request in as good a condition as reasonable wear will permit.

#### **2.3.4 EQUIPMENT SPACE AND POWER**

The customer shall furnish or arrange to have furnished to the Company, at no charge, equipment space and electrical power required by the Company to provide services under this Catalog at the network interface for such services. The selection of ac or dc power shall be mutually agreed to by the customer and the Company. The customer shall also make necessary arrangements in order that the Company will have access to the premises at any reasonable hour for installing, testing, repairing or removing the facilities of the Company.

## **2. GENERAL REGULATIONS**

### **2.3 OBLIGATIONS OF THE CUSTOMER (CONT'D)**

#### **2.3.5 HAZARDOUS AND EXPLOSIVE ENVIRONMENTS**

The customer shall be responsible for the provision, installation and maintenance of sealed conduit with explosive-proof fittings between facilities furnished by the Company in an explosive atmosphere and points outside the hazardous area where connection may be made with regular facilities of the Company. The customer may also be required to install and maintain Company facilities within the hazardous area if, in the opinion of the Company, injury or damage to Company employees or property might result from installation or maintenance by the Company. The applicable standards are found in National Electric Safety Code articles 500 - 503.

#### **2.3.6 AVAILABILITY FOR TESTING**

The services provided under this Catalog shall be available to the Company at times mutually agreed upon in order to permit the Company to make tests and adjustments appropriate for maintaining the services in satisfactory operating condition. Such tests and adjustments shall be completed within a reasonable time. No credit will be allowed for any interruptions involved during such tests and adjustment.

#### **2.3.7 REFERENCES TO THE COMPANY**

The customer may advise their end users that certain services are provided by the Company in connection with the service the customer furnishes to their end users; however, the customer shall not represent that the Company jointly participates in these services.

**2. GENERAL REGULATIONS**

**2.3 OBLIGATIONS OF THE CUSTOMER (CONT'D)**

**2.3.8 CLAIMS AND DEMANDS FOR DAMAGES**

- A. With respect to claims of patent infringement made by third persons, the customer shall defend, indemnify, protect and save harmless the Company from and against all claims arising out of the combining with, or use in connection with, the services provided under this Catalog, any circuit, apparatus, system or method provided by the customer.
- B. The customer shall defend, indemnify and save harmless the Company from and against any suits, claims, losses or damages including punitive damages, attorney fees and court costs by third persons arising out of the construction, installation, operation, maintenance, or removal of the customer's circuits, facilities, or equipment connected to the Company's services provided under this Catalog, including, without limitation, Worker's Compensation claims, actions for infringement of copyright and/or unauthorized use of program material, libel and slander actions based on the content of communications transmitted over the customer's circuits, facilities or equipment, and proceedings to recover taxes, fines, or penalties for failure of the customer to obtain or maintain in effect any necessary certificates, permits, licenses, or other authority to acquire or operate the services provided under this Catalog; provided, however, the foregoing indemnification shall not apply to suits, claims, and demands to recover damages for damages to property, death, or personal injury unless such suits, claims or demands are based on the tortious conduct of the customer, its officers, agents or employees.
- C. The customer shall defend, indemnify and save harmless the Company from and against any suits, claims, losses or damages, including punitive damages, attorney fees and court costs by the customer or third parties arising out of any act or omission of the customer in the course of using services provided under this Catalog.

**2.3.9 COORDINATION WITH RESPECT TO NETWORK CONTINGENCIES**

The customer shall, in cooperation with the Company, coordinate in planning the actions to be taken to maintain maximum network capability following natural or man-made disasters which affect communications services.

## **2. GENERAL REGULATIONS**

### **2.3 OBLIGATIONS OF THE CUSTOMER (CONT'D)**

#### **2.3.10 TRANSFER OF SERVICE**

- A. Where there is no interruption of use or relocation of services, the customer may assign or transfer the use of services provided under this Catalog. Such assignment or transfer may be made to:
  - 1. Another customer, whether an individual, partnership, association or corporation, provided the assignee or transferee assumes all outstanding indebtedness for such services, and the unexpired portion of the minimum period and the termination liability applicable to such services, if any, or;
  - 2. A court-appointed receiver, trustee or other person acting pursuant to law in bankruptcy, receivership, reorganization, insolvency, liquidation or other similar proceedings, provided the assignee or transferee assumes the unexpired portion of the minimum period and the termination liability applicable to such services, if any.
- B. In all cases of assignment or transfer, the written acknowledgment of the Company is required prior to such assignment or transfer which acknowledgement shall be made within fifteen days from the receipt of notification. All regulations and conditions contained in this Catalog shall apply to such assignee or transferee.
- C. The assignment or transfer of services does not relieve or discharge the assignor or transferor from remaining jointly or severally liable with the assignee or transferee for any obligations existing at the time of the assignment or transfer.

#### **2.3.11 CUSTOMER PROVIDED EQUIPMENT AND CUSTOMER SERVICES**

Subject to the provisions of 2.1.6, preceding, and compliance with the standards set forth in this Catalog under Reference to Technical Publications, the customer shall be solely responsible, at its own expense, for customer provided equipment and services. Technical Publications are available for review upon request. The customer shall be solely responsible for the overall design of its services and for any redesigning or rearrangement of its equipment or services which may be required because of changes in Company services, operations, or procedures, or changes in the minimum protection criteria or operating or maintenance characteristics of the customer's equipment or services. The Company will provide reasonable notification to the customer of any Company-initiated change that may require a change in customer provided equipment and services.

## **2. GENERAL REGULATIONS**

### **2.4 PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES**

#### **2.4.1 TYPES OF RATES AND CHARGES**

##### **A. Monthly Rates**

Monthly rates are recurring rates that apply each month or fraction thereof that Advanced Communications Services are provided. For billing purposes, each month is considered to have thirty days.

1. When the minimum billing period, as set forth in 2.4.3, 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.
2. 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

##### **B. Nonrecurring Charges**

Nonrecurring charges are onetime charges that apply for specific work activities.

#### **2.4.2 PAYMENT OF RATES, CHARGES AND DEPOSITS**

The payment of rates, charges and deposits will be administered as set forth in Chapter 480-120 of the Washington Administrative Code (WAC).

**2. GENERAL REGULATIONS**

**2.4 PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES (CONT'D)**

**2.4.3 MINIMUM PERIODS**

- A. When service is provided on a month-to-month basis, the minimum period for which rates and charges are applicable is one month.

When a service is discontinued prior to the expiration of the one month minimum period, a one month charge will apply at the rates in effect at the time service is discontinued.

- B. When a service is provided under a fixed-period service pricing plan, as set forth in 2.4.5, the minimum period is six months for Frame Relay Service and twelve months for LAN Switching Service (LSS) and Metro Optical Ethernet (MOE).
- C. When a service provided under a fixed-period service pricing plan is discontinued prior to the completion of the minimum period, a discontinuance charge will apply, as set forth in 3.4.

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 Catalog. 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 (one day) of the monthly charges for the interrupted service or the affected portion thereof. (T)

b. MOE Exceptions: (M)  
(N)

- 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. (N)

(M) Material moved to Page 14.1.

**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(Cont'd)**

**b. MOE Exceptions:**

- When Protect Routing is purchased by the customer then the following applies:
  - 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)

(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 thirty 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)

(M) Material moved from Page 14.

**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. 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 of each period of thirty 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. (C)

##### **A. Fixed-Period Service Pricing Plans**

The 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 Washington Utilities and Transportation 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 negotiate 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 non-stabilized 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 decrease in a monthly rate occurs during a customer's fixed-service period, the reduced rate will automatically be applied to the remaining term of the service pricing plan in effect at that time.

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, 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.

##### **B. Changes To 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, 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, a new minimum period and the new monthly rates 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 any time 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 PREPAYMENT DISCOUNT**

Recurring rates for services provided under a fixed-period service pricing plan may, at the customer's option, be prepaid in whole or in part. The prepaid amount shall be subject to a prepayment discount, which will be calculated by the Company, using an annuity factor which is based on the after-tax basis of the Company's incremental cost of capital rate at the time of the prepayment and the term for which the prepayment is being made.

#### **2.4.7 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 depreciation factors. If the customer discontinues or converts service provided under the spread of nonrecurring charges, 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 Catalog and the provisions set forth in the technical publications listed in this Catalog under Reference to Technical Publications.

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

Technical Publications are available for review upon request.

## 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 therein.

## 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.

#### 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.

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