

**5. CUSTOMER INCENTIVE PROGRAMS**

A. Long Distance Competitive Response

1. Residence Customer Incentive Program

a. Description

The Residence Customer Incentive Program is an offering for potential new residence long distance customers and to existing residence long distance customers to induce the retention or continuation of intrastate long distance services by such customers.

b. Rates and Charges

- (1) Customers may be offered one of the following on selected products, or the equivalent monetary value, as determined by the Company.
  - (a) A waiver of an amount up to 100% of the current residence recurring charge(s), and the current per minute intrastate long distance rate or,
  - (b) A waiver of up to 12 months of the recurring rates or,
  - (c) A waiver of an amount up to 100% of the current per minute intrastate long distance rate or,
  - (d) A benefit or consideration offered or provided that is not associated with a service or product offered by the Company such as merchandise, discounts on merchandise offer by others, gift certificates, gift cards or otherwise at the discretion of the Company. The actual cost incurred by the Company will be used in determining the value of non-cash offers or benefits, not to exceed the sum of c.(1)(a) above.
- (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 monthly rate(s). The total waived amount will not exceed the value of the total per minute charge(s) plus twelve months of the monthly rates.
- (4) An early termination charge not to exceed \$50.00 per line may be charged to customers who terminate their service prior to the completion of their initial term.

**5. CUSTOMER INCENTIVE PROGRAMS**

A. Long Distance Competitive Response (Cont'd)

2. Business Customer Incentive Program

a. Description

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

b. Rates and Charges

- (1) Customers may be offered one of the following on selected products, or the equivalent monetary value, as determined by the Company.
  - (a) A waiver of an amount up to 100% of the current business recurring charge(s), and the current per minute intrastate long distance rate or,
  - (b) A waiver of up to twelve months of the recurring rates or,
  - (c) A waiver of an amount up to 100% of the current per minute intrastate long distance rate or,
  - (d) A benefit or consideration offered or provided that is not associated with a service or product offered by the Company such as merchandise, discounts on merchandise offer by others, gift certificates, gift cards or otherwise at the discretion of the Company. The actual cost incurred by the Company will be used in determining the value of non-cash offers or benefits, not to exceed the sum of c.(1)(a), above.
- (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 monthly rate(s). The total waived amount will not exceed the value of the total per minute charge(s) plus twelve months of the monthly rates.
- (4) An early termination charge not to exceed \$100.00 per line may be charged to customers who terminate their service prior to the completion of their initial term.