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Rochester, NY 14618-3979

Director - Regulatory Affairs and Contract Management
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2007 OCT 11 AM 10:24
IDAHO PUBLIC
UTILITIES COMMISSION

October 11, 2007
Via Overnight Courier

AFS-T-07-01

Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, ID 83702
(208) 334-0300

RE: Application for Transfer of Certificate of Public Convenience and Necessity

Dear Secretary Jewell:

Enclosed for filing please find one (1) original and two (2) copies of an *Application for Transfer of Certificate of Public Convenience and Necessity* filed by American Fiber Systems, Inc. ("AFS")

As stated in the Application, AFS acquired Idacomm, Inc. in February of this year and now seeks to merge that company into itself with AFS to be the surviving entity. To effectuate this merger AFS will require that the Idaho Certificate currently held by Idacomm be transferred to AFS and re-issued in AFS' name effective January 1, 2008, the planned date for consummation of the merger.

Please contact me at the above address should you have any questions concerning this application.

Sincerely,

Handwritten signature of Michael J. Nighan in cursive.
Michael J. Nighan
Director - Regulatory Affairs

Enclosures

Before the
IDAHO PUBLIC UTILITIES COMMISSION

RECEIVED
2007 OCT 11 AM 10: 24
IDAHO PUBLIC
UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
)
American Fiber Systems, Inc.)
)
For Transfer of Certificate of Public Convenience)
and Necessity Held by Idacomm, Inc.)

Case No. AES-T-07-01

**APPLICATION FOR TRANSFER OF CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY**

Application is hereby made to the Idaho Public Utilities Commission ("Commission") for the transfer of the Certificate of Public Convenience and Necessity held by Idacomm, Inc. ("Idacomm") to American Fiber Systems, Inc. ("AFS"), the said transfer to be effective January 1, 2008. The following general information and Exhibits are furnished in support thereof.

Idacomm. Inc.

On March 10, 2004 Idacomm filed an *Application for a Certificate of Public Convenience and Necessity to Provide Basic Local Exchange Services in the State of Idaho* with the Commission (Case No. IZ2-T-04-1). That application is incorporated herein by reference. The application was approved by the Commission on May 11, 2004 with Certificate No. 427 being issued to Idacomm on May 17, 2004. A copy of the Certificate is appended hereto as Exhibit A.

On December 19, 2006 Idacomm notified the Commission of its intention to be acquired by AFS via the purchase from Idacorp, Idacomm's then-current owner, of 100% of Idacomm's

capital stock. A copy of the notification letter is appended hereto as Exhibit B. The acquisition was completed on February 23, 2007.

American Fiber Systems, Inc.

AFS is a privately-owned corporation incorporated under the laws of the State of Delaware, and operates as a fiber-based telecommunications provider operating metropolitan fiber optic networks and offering "last mile" metro and wide area fiber connectivity for data, internet access and voice services to wire line carriers, internet service providers and large enterprise customers.

AFS currently owns and operates networks in Kansas, Ohio, Minnesota, Missouri, Tennessee and Utah. AFS through an affiliate, American Fiber Systems of Georgia, Inc., provides facilities-based and resold local telecommunications services to enterprise and small business customers. A copy of AFS' Certificate of Existence issued by the Office of the Secretary of State confirming AFS' right to operate in the State of Idaho is appended hereto as Exhibit C.

AFS' legal name and address of its principal offices is:

American Fiber Systems, Inc.
100 Meridian Centre, Suite 250
Rochester, NY 14618

AFS' primary legal and regulatory contact for this application and for all future Commission correspondence will be:

American Fiber Systems, Inc.
Attention: Bruce T. Frankiewich
Vice President, Legal and Regulatory Affairs
100 Meridian Centre, Suite 250
Rochester, NY 14618
Telephone: (585) 785-5821
Facsimile: (585) 785-5822

AFS' registered agent for service in Idaho will be:

CT Corporation Systems
300 N. 6th. Street
Boise, ID 83702

Description and Public Interest of the Proposed Transfer

As part of a corporate reorganization designed to improve operation efficiencies by eliminating unnecessary corporate entities AFS intends to merge its wholly-owned subsidiary Idacomm into itself with AFS to be the surviving entity. This merger is planned to take effect on January 1, 2008 with the transfer of the Idacomm's Certificate being a necessary component thereof. The merger will permit AFS to operate on a more consolidated and economical basis resulting in additional investments in infrastructure and new services to the benefit of its customers.

Impact of the Proposed Transfer

The proposed transfer of Idacomm's Certificate to AFS is procedural in nature and will have no impact on the services, rates, conditions of service provided to customers. To that end AFS is re-issuing in its own name Idacomm's *Schedule of General Regulations for Exchange Services Applying to the Local Exchange Services and Facilities of this Company in the State of Idaho* with no changes. A copy of the Schedule is appended herein as Exhibit D. An informational notice will be sent to all customers prior to the January 1, 2008 effective date

Compliance with Commission Rules

AFS is cognizant of its obligation to comply with all rules of the Commission governing local exchange services in Idaho, has reviewed those rules, and will request a waiver of those rules believed to be inapplicable.

Conclusion

In light of the foregoing facts and public interest considerations, the Commission is respectfully requested to authorize the transfer of Idacomm, Inc.'s Certificate of Public Convenience and Necessity to American Fiber Systems, Inc. effective January 1, 2008.

Respectfully submitted,

American Fiber Systems, Inc.

By:

Name: Michael J. Nighan

Title: Director - Regulatory Affairs

Date: October 11, 2007

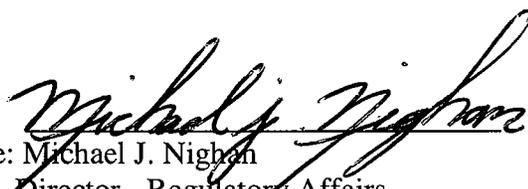


EXHIBIT A

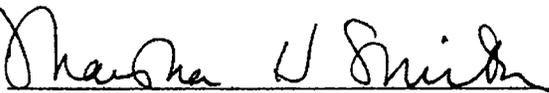
BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
IDACOMM, INC. FOR A CERTIFICATE OF) CASE NO. IZ2-T-04-1
PUBLIC CONVENIENCE AND NECESSITY)
TO PROVIDE LOCAL EXCHANGE) CERTIFICATE NO. 427
TELECOMMUNICATIONS SERVICES.)

IT IS HEREBY CERTIFIED that this Certificate of Public Convenience and Necessity, Certificate No. 427, is issued to IDACOMM, Inc. This Certificate authorizes IDACOMM to provide resold and facilities-based local exchange and emerging telecommunications services within the State of Idaho. The Commission approved IDACOMM's Certificate by Order No. 29494 issued May 11, 2004, and authorized IDACOMM to provide telecommunications services in the State of Idaho. This Certificate is predicated upon and is issued pursuant to the findings of the Commission in Order No. 29494.

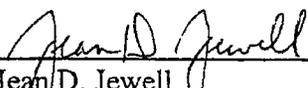
DATED at Boise, Idaho this 17th day of May 2004.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

bls/O:IZ2T0401_Cert 427



December 19, 2006

Wayne Hart
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

**RE: Notice of intent to Transfer of Control of CPCN Holder
IDACOMM, Inc. (CPCN 427 Holder)
IDACORP, Inc. (Transferor)
American Fiber Systems, Inc. (Transferee)**

Dear Mr. Hart,

IDACOMM, Inc. currently engages in telecommunication network operations in the State of Idaho under CPCN 427 and hereby submits this Notice of its intent to enter a transaction whereby 100% of its stock ownership would transfer from its parent company, IDACORP, Inc. to a new parent company, American Fiber Systems, Inc. After the transaction, IDACOMM expects to continue to perform the same telecommunications services in the State of Idaho.

The proposed transaction is expected to close in January, after obtaining all applicable regulatory approvals and consents.

IDACOMM files this Notice to satisfy administrative notice requirements, and also provides the following additional information that may be helpful in understanding the transaction for your general consideration:

1. Joint Application filed October 26, 2006 with the Public Utilities Commission of Nevada (PUCN) for approval for the change in control.
2. PUCN Final Order, dated December 5, 2006 approving such change in control.

Please do not hesitate to direct any questions about this notice to me at the number or email address below.

Sincerely,

Bruce E. MacMahon
President, CEO and CFO
IDACOMM, Inc.
(208) 514-3402
bmacmahon@idacomm.com

Enclosures

EXHIBIT C

State of Idaho

Office of the Secretary of State

CERTIFICATE OF EXISTENCE
OF
AMERICAN FIBER SYSTEMS, INC.

File Number C-169577

I, BEN YSURSA, Secretary of State of the State of Idaho, hereby certify that I am the custodian of the corporation records of this State.

I FURTHER CERTIFY That the records of this office show that the above-named corporation was incorporated under the laws of DELAWARE and filed to transact business in Idaho on 10/25/2006.

I FURTHER CERTIFY That the corporation is in goodstanding on the records of this office.

Dated: 9/28/2007 8:53 AM



Ben Yursa
SECRETARY OF STATE

Authentic Access Idaho Document (<http://www.accessidaho.org/public/portal/authenticate.html>)
Tag: b5ae5f5ff8d740875bbf42d18868490b43bc008c211a1fb5f5a27c0d2d86e80f928c89f217f4849c

EXHIBIT D

Idaho Public Utilities Commission
Office of the Secretary
ACCEPTED FOR FILING
October 11, 2007
Boise, Idaho

AMERICAN FIBER SYSTEMS, INC.
Schedule of
General Regulations for Exchange Services
Applying to Local Exchange Services and Facilities of this
Company
in the State of Idaho

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AMERICAN FIBER SYSTEMS, Inc.
Boise, Idaho
Local Exchange Services Tariff
Release: 1

APPLICATION OF PRICE LIST

AMERICAN FIBER SYSTEMS, Inc. (hereinafter "The Company") has been authorized by the Idaho Public Utilities Commission (Idaho PUC) to provide competitive local exchange and interexchange services.

This price list sets forth the service offerings, rates, terms and conditions applicable to the furnishing of local exchange services to residential and small business customers within the State of Idaho. The rates and rules contained herein are subject to change pursuant to the rules and regulations of the Idaho PUC.

SYMBOLS

Explanation of Symbols, Reference Marks, and Abbreviations of Technical Terms Used in this Price List

The following symbols shall be used as set out below to describe specific changes made to the original price list.

- C Indicates a changed listing, rule, or condition, which may affect rates or charges
- D Indicates discontinued material, including a listing, rate, rule or condition
- I Indicates an increase
- M Indicates that the material has been relocated to another part of price list schedules with no change in text, rate, rule or condition
- N Indicates new material including listing, rate, rule or condition
- R Indicates a reduction
- S Indicates reissued matter
- T Indicates a change in wording of text, but not a change in rate, rule or condition.

Issued: October 11, 2007
Effective: January 1, 2008

AMERICAN FIBER SYSTEMS, Inc.
Boise, Idaho
Local Exchange Services Tariff
Release: 1

CONTACT INFORMATION

AMERICAN FIBER SYSTEMS, INC.
100 Meridian Centre
Rochester, NY 14618

Customer Contact: For establishment of service, complaints and inquires regarding service and billing, or reporting or inquiring about network outages or service problems.

Customer Service: (800) 219-9996

Maintenance: (888) 275-2643

Commission Contact: For complaints, inquiries and matters concerning rates and price lists.

Matters concerning customer service:

Holly Bailey, Customer Service Manager

Phone: (208) 514-3307

Fax: (208) 381-0011

Email: hbailey@afsnetworks.com

Matters concerning tariffs and regulatory affairs:

Michael J. Nighan, Dir. - Regulatory Affairs

Phone: 585-785-5837

Fax: 585-785-5838

Email: mnighan@afsnetworks.com

Issued: October 11, 2007
Effective: January 1, 2008

10 DEFINITIONS

The following words and terms when used in this price list shall have the meaning set out by this section.

Access Lines: Telephone facilities which permits access to and from the Customer's premises and the telephone exchange or serving central office.

Advance Payment: A payment required before the start of service. Advanced payment may consist of any required construction cost, all appropriate non-recurring charges, and an estimate of the first month's recurring charges. Advance Payments will be applied to the first bill rendered by Company following implementation of services.

Agent: A business representative authorized by the Company to bring about, modify, affect, accept performance of, or terminate contractual obligations between the Company and its applicants or Customers.

Applicant: A person who applies for telecommunications service. Includes persons seeking reconnection of service after Company-initiated termination.

Application: A request made in writing for telephone service.

Authorized User: A person, firm or corporation that is authorized by the Company to be connected to the service of the Customer or joint user.

Automatic Number Identification (ANI): The automatic transmission of a calling party's billing account telephone number to a local exchange Company, interexchange carrier or a third party subscriber. The primary purpose of ANI is for billing of toll calls.

Basic Rate Area: A specific geographic area, within which the schedule rates for local exchange service apply without exchange line mileage and without special rates in lieu of mileage.

Central Office: Company facilities where subscriber lines are connected to each other through switching equipment for placing local and long distance telephone calls.

Company or Name of Company: AMERICAN FIBER SYSTEMS, Inc,

Customer or Subscriber: The person, firm or corporation that orders service and is responsible for the payment of charges for that service and for compliance with the Company's regulations related to that service.

Nonlisted Service: A directory listing service wherein a Customer is not listed in the published directory, but is listed in the directory assistance database.

Nonpublished Service: A directory listing service wherein a Customer is not listed in the published directory or in the directory assistance database,

Recurring Charges: The charges to a Customer for services, facilities and equipment, which recur monthly for the agreed upon duration of the service.

Residential Service: Telephone Service provided to customers when the actual or obvious use is for domestic purposes.

Service Commencement Date: The first day following the date on which the Company notifies the Customer that the requested service or facility is available for use, unless the Customer refuses to accept service because it does not conform to the standards set forth in the Service Order or in this price list, in

which case the Service Commencement Date is the date on which the Customer accepts service. The Company and the Customer may agree on a substitute Service Commencement Date.

Service Order: The written order for Services executed by the Customer and the Company in the format devised by the Company. The signing of a Service Order by the Customer and acceptance by the Company initiates the obligations of the respective parties as set forth therein and pursuant to this price list; except that the duration of the service is calculated from the Service Commencement Date.

Shared: A facility or equipment system or subsystem that can be used simultaneously by several Customers.

Small Business Service: Telephone service provided to businesses with five (5) or fewer lines.

20 REGULATIONS

21 Undertaking of the Company

2.1.1 Scope

2.1.1.1 The Company undertakes to furnish local exchange communications service pursuant to the terms of this price list.

2.1.1.2 The services offered herein may be used for any lawful purpose. There are no restrictions on sharing or resale of the Company's services. However, the Customer remains liable for all obligations under this price list even if such sharing or resale arrangements exist regardless of the Company's knowledge of these arrangements. If service is jointly ordered by more than one Customer, each is jointly and severally liable for all obligations.

2.1.1.3 The services the Company offers shall not be used for any unlawful purposes or for any use for which the Customer has not obtained all required governmental approvals, authorizations, licenses, consents and permits.

2.1.1.4 Company services may be connected to the services or facilities of other communications carriers only when authorized by and in accordance with the terms and conditions of any price lists of such other communications carriers.

2.1.1.5 The services of the Company are furnished for the transmission of voice communications but may also be used for data, facsimile, signaling, metering, or other similar communications, subject to the transmission capabilities of the technologies or combination of technologies available. Service is available twenty-four hours a day, seven days a week.

2.2 Shortage of Equipment or Facilities

The furnishing of service under this price list is subject to the availability on a continuing basis of all facilities necessary to provide the service. Services will be provided using AMERICAN FIBER SYSTEMS, Inc. provided services and LEC or other CLEC resale services.

2.3 Selection of Transmission

The Company selects and/or arranges for the channels and/or service components and underlying network facilities used to provide service. The Company may modify or change the channels, service components and underlying Company facilities or the underlying carrier at any time subject to Part 68 of the FCC's Rules and Regulations and this price list.

24 Notification of Service-Affecting Activities

The Company will provide the Customer with reasonable notification of service-affecting activities that may occur during the normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventive maintenance. Generally, such activities are not specific to an individual Customer but affect many Customers' services. No specific advance notification period is applicable to all service-affecting activities. The Company will work cooperatively with the Customer to determine reasonable notification requirements. Notification to the Customer may not be possible with some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage.

2.5 Provision of Equipment and Facilities

- 2.5.1 The Company shall make a reasonable effort to provide service to a Customer on or before a particular date, subject to the provisions of and compliance by the Customer with the regulations contained in this price list.
- 2.5.2 The Company shall make a reasonable effort to maintain facilities that it furnishes to the Customer. The Customer shall not, and the Customer shall not permit others to, rearrange, disconnect, remove, attempt to repair or otherwise interfere with any of the facilities installed by the Company, except upon the written consent of the Company.

2.6 Terms and Conditions

- 2.6.1 Service is provided on a minimum term basis of at least one month, using 24-hours per day for each day of the month. For purposes of this price list, a month is considered to have thirty days. All calculations of dates set forth in this price list shall be based on calendar days, unless otherwise specified herein.
- 2.6.2 This price list shall be interpreted and governed by the laws of the State of Idaho and the Rules issued by the Idaho Public Utilities Commission.

27 Non-routine Installation and Special Construction

- 2.7.1 Non-Routine Installation
At the Customer's request, installation and/or maintenance may be performed outside the Company's regular business hours or in hazardous locations. In such cases, charges based on cost of the actual labor, material, or other costs incurred by or charged to the Company will apply.
- 2.7.2 Special Construction
Subject to the agreement of the Company, special construction of facilities may be undertaken on a reasonable effort basis at the request of the Customer. Special construction may include that construction undertaken:
- (a) where facilities are not presently available;
 - (b) of a type other than that which the Company would normally utilize in the furnishing of its service;
 - (c) over a route other than that which the Company would normally utilize in the furnishing of its services;
 - (d) in a quantity greater than that which the Company would normally utilize in the furnishing of its services;
 - (e) on an expedited basis;
 - (f) on a temporary basis until permanent facilities are available;
 - (g) involving abnormal costs; or
 - (h) in advance of normal construction.

Special construction will be undertaken at the discretion of the Company consistent with budgetary responsibilities and consideration for the effect on Company's other Customers and contractual responsibilities.

2.7.3 Advance Payment

If required by the Company, the Customer shall make an advance payment before services are furnished and such advance payment will be credited to the Customer's initial bill. The Company may require such an advance payment, in addition to a deposit, when additional costs are incurred to perform special or extraordinary construction to provide services required by the customer.

2.8 Ownership of Facilities

Title to all facilities and equipment, and related plans and proposals, provided by the Company in furnishing service remains with the Company, its agents or contractors. Such facilities and equipment, plans and proposals shall be returned to the Company by the Customer whenever requested, within a reasonable period following the request and in as good condition as reasonable wear will permit.

2.9 Rights-of-Way

Provisioning of the Company's services is subject to and contingent upon the Company's ability to obtain and maintain rights-of-way and access to public and private property necessary for installation of the facilities used to provide the Company's services to the Customer's service point as agreed to by the Company.

2.10 Liability

NO LIABILITY SHALL ATTACH TO THE COMPANY FOR DAMAGES ARISING FROM ERRORS, MISTAKES, OMISSIONS, INTERRUPTIONS, OR DELAYS OF THE COMPANY, ITS AGENTS, SERVANTS OR EMPLOYEES, IN THE COURSE OF ESTABLISHING, FURNISHING, REARRANGING, MOVING, TERMINATING, OR CHANGING THE SERVICE OR FACILITIES (INCLUDING THE OBTAINING OR FURNISHING OF INFORMATION IN RESPECT THEREOF OR WITH RESPECT TO THE CUSTOMERS OR USERS OF THE SERVICE OR FACILITIES) IN THE ABSENCE OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

2.10.1 Exculpatory Clause

THE INCLUDED EXCULPATORY LANGUAGE DOES NOT CONSTITUTE A DETERMINATION BY THE COMMISSION THAT A LIMITATION OF LIABILITY IMPOSED BY THE COMPANY SHOULD BE UPHELD IN A COURT OF LAW. ACCEPTANCE FOR FILING BY THE COMMISSION RECOGNIZES THAT IT IS A COURT'S RESPONSIBILITY TO ADJUDICATE NEGLIGENCE AND CONSEQUENTIAL DAMAGE CLAIMS. IT IS ALSO THE COURT'S RESPONSIBILITY TO DETERMINE THE VALIDITY OF THE EXCULPATORY CLAUSE.

2.11 Indemnification

The Customer shall at all times indemnify, defend, and save the Company harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the Company's performance of its obligations under this Tariff on behalf of the Customer, except in cases of gross negligence or intentional wrongdoing by the Company.

2.12 Conflicts Between Price List and Commission Rules

If this Price List contains provisions that deny or restrict a Customer's rights otherwise protected by Commission rules, Commission rules supersede any conflicting tariff or price list provisions that deny or restrict any of those rights, unless otherwise ordered by the Commission, court order, or statute.

2.13 Allowances for Interruptions in Service

A credit allowance will be given for interruptions of service, subject to the provisions of this section.

2.13.1 Credit for Service Interruptions

A credit allowance will be made when an interruption in service occurs. An interruption in service is considered to exist when the local service quality deteriorates to such an extent that the customer cannot make local calls or cannot receive local calls or cannot use the service for voice grade communications because of cross talk, static or other transmission problem. An interruption period begins when the Customer reports a circuit, service or facility to be interrupted and releases it for testing.

2.13.1.1 The Company must restore service: within sixteen (16) hours after the report of the outage if the customer notifies the telephone company that the service outage creates an emergency; or

2.13.1.2 within 24 hours after the report of the outage if no emergency exists.

2.13.1.3 Outages reported between noon on Saturday and 6:00 p.m. on the following Sunday must be restored within forty-eight (48) hours or by 6:00 p.m. on the following Monday, whichever is sooner.

2.13.1.4 If the Company does not restore service within the times required by this paragraph, the Company will credit the customer's account for an amount equal to the monthly rate for one (1) month of basic local exchange service.

2.13.2 Limitations on Allowances

No credit allowance will be made for:

2.13.2.1 interruptions due to the negligence of the Customer, or noncompliance with, or acts of omission regarding the provisions of this price list by the Customer, authorized user or joint user;

2.13.2.2 interruptions of service during any period in which the Company is not given full and free access to its facilities and equipment for the purpose of investigating and correcting interruptions;

2.13.2.3 interruptions of service during a period when the Customer has released service to the Company for maintenance purposes or for implementation of a Customer order for a change in service arrangements; or

2.13.2.4 interruption of service due to circumstances or causes beyond the control of the Company and affecting large groups of customers.

2.14 Obligations of the Customer

2.14.1 The Customer shall provide at no charge, as specified by the Company, any personnel, equipment, space, power, heating and air conditioning needed to operate, and maintain a proper operating environment for the Company's facilities and equipment installed on the Customer's premises

2.14.2 Upon suitable notification to the Customer, and at a reasonable time, the Company may make such tests and inspections as may be necessary to determine that the Customer is complying with the requirements set forth herein for the installation, operation, and maintenance of Customer-provided facilities, equipment, and wiring in the connection of Customer-provided facilities and equipment to Company-owned facilities and equipment.

2.14.3 If the protective requirements for Customer-provided equipment are not being complied with, the Company may take such action as it deems necessary to protect its facilities, equipment, and personnel. The Company will notify the Customer promptly if there is any need for further corrective action. Within ten days of receiving this notice, the Customer must take this corrective action and notify the Company of the action taken. If the Customer fails to do this, the Company may take whatever additional action is deemed necessary, including the suspension of service, to protect its facilities, equipment and personnel from harm.

2.15 Prohibited Uses

The Customer shall not use or allow the use of the Company's facilities or equipment installed at the Customer's premises for any purpose other than that for which the Company provides it, without the prior written consent of the Company.

2.15.1 Abuse

The abuse of Company Services is prohibited. Abuse includes, but is not limited to, the following activities:

- (a) Using service to make calls that might reasonably be expected to frighten, torment, or harass another.
- (b) Using service in such a way that it interferes unreasonably with the use of Company services by others.

2.15.2 Fraudulent Use

The fraudulent use or the intended or attempted fraudulent use of service is prohibited and can result in the discontinuance of services as set out by this price list. Fraudulent use consists of using or attempting to use service with the intent to avoid the payment, either in whole or in part, of the price listed charges for the service including but not limited to:

- (a) Rearranging, tampering with, or making connections not authorized by this price list to any network components used to furnish service; or
- (b) Using fraudulent means or devices, tricks, schemes, false or invalid numbers, false credit devices, or electronic devices.

2.16 Payments

2.16.1 Customer Obligations

2.16.1.1 The Customer shall pay outstanding charges in full within 15 days of the invoice date. Charges normally will be invoiced IN ADVANCE, with monthly recurring charges invoiced on or about the first of the month for which the charges apply. Amounts not paid within 15 days after the date of the invoice are considered delinquent. A late payment fee of 1.5% of the outstanding balance of the invoice or \$10.00; whichever is greater, will be assessed for past due accounts.

2.16.1.2 The Customer shall pay all charges for use of the service by any persons whether or not authorized by the Customer, except in those instances where it has been determined that the Customer's present and former employees, agents and authorized users were not responsible for calls billed to the Customer via third party billing and the Company did not verify that the charges for the call would be accepted. The Customer is not responsible for unauthorized use of service to the extent such use is proximately caused by the Company's willful or negligent act.

2.16.2 Disputed Bills

2.16.2.1 Any Customer who disputes a portion of a bill rendered for Company services shall pay the undisputed portion of the bill and notify the Company that such unpaid amount is in dispute within thirty (30) days of receipt of the bill. If such notice is not received by the Company within thirty (30) days as indicated above, the Company shall consider the bill statement to be due and payable in full by the Customer. Payment of the amount due by the Customer does not constitute a waiver of the Customer's rights under the provisions of IDAPA 31.41.01.204 to challenge any billing amount due or paid to the Company.

2.16.2.2 In the event a Customer and the Company cannot resolve a billing dispute to their mutual satisfaction, the Customer may contact the Idaho PUC and proceed in accordance with the Idaho PUC's Rules. The address and telephone numbers for the Idaho PUC are:

Idaho Public Utilities Commission
P.O. Box 83720
Boise Idaho 83720-0074
334-0300 (within the local calling area)
1-800-432-0369 (from outside the local calling area)

2.16.3 Payment Arrangements

2.16.3.1 When a Customer cannot pay a bill in full, the Company may continue to serve the Customer if the Customer and the Company agree on a reasonable portion of the outstanding bill to be paid immediately, and the manner in which the balance of the outstanding bill will be paid.

2.16.3.2 In deciding on the reasonableness of a particular agreement, the Company will take into account the Customer's ability to pay, the size of the unpaid balance, the Customer's payment history and length of service, and the amount of time and reasons why the debt is outstanding.

2.16.3.3 Payments are to be applied to the undisputed balance owed by the Customer. A Customer may designate how a payment insufficient to pay the total balance due shall be applied. If applicable, and in the absence of instructions from the Customer, a partial payment shall be allocated first to local exchange services. [See IDAPA.31.41.01 Rule 306.06.] Such payments shall be applied first to the oldest undisputed balances.

2.16.3.4 If a Customer fails to make the payment agreed upon by the date that it is due, the Company may, but is not obligated to, enter into a second payment arrangement.

2.16.3.5 A Customer's failure to pay for undisputed MTS charges billed by the Company may result in loss of 0+, 0- and 1+ dialing access to MTS services until such time as the customer pays the undisputed charges and applicable reconnection charges, if any.

2.16.3.6 Customer failure to pay undisputed charges for other services may result in discontinuance of those services.

2.17 Taxes, Charges, Fees

In addition to the rates and charges described in this price list, the Customer may be responsible for payment of taxes, charges or fees ordered by the Idaho PUC, the Idaho State Legislature, or local and county governments. When the Company is authorized to collect such taxes, charges or fees from the Customer, these taxes, charges and fees will be itemized separately on the Customer's bill.

2.18 Deposits

2.18.1 If the Company determines that the Customer is likely to be a credit risk or to damage property of the Company, the Customer shall make a deposit before a service is furnished or continued. [SEE IDAPA 31.41.01, RULE 101.] Such deposit shall be held as a guarantee for the payment of charges. The Company may require such a deposit if the Company considers this action necessary to safeguard its interests. The deposit shall not exceed two (2) months' charges for local exchange service.

2.18.1.1 Interest on deposits held shall be payable and accrued at a rate set by the Idaho PUC under the provisions of IDAPA 31.41.01.106

2.18.1.2 When a service is discontinued the amount of any deposit held by the Company, plus accrued interest, will be applied to the Customer's account and any credit balance remaining will be refunded.

2.18.1.3 Customer's deposit will be returned, with accrued interest, when the customer has maintained good credit by making payments for all undisputed amounts due the Company before temporary or permanent disconnection for twelve (12) months. Any deposit, plus accrued interest, may be applied to the Customer's telephone account following completion of twelve months' satisfactory payment.

2.19 Refusal or Termination of Services

If the Company intends to deny an available service to an applicant, the Company will provide the applicant with a written explanation of its refusal to serve. The written explanation shall include:

- a) the reasons for denial of the service;
- b) actions the applicant may take in order to receive the denied service; and
- c) a statement that the Customer may file an informal or formal complaint concerning denial of the service with the Company or with the Idaho PUC.

2.19.1 Grounds for Refusal to Establish Service

The Company may refuse to establish service if any of the following conditions exist:

2.19.1.1 the applicant has an outstanding amount due to the Company for similar utility services and the applicant is unwilling to make acceptable arrangements with the Company for payment;

2.19.1.2 a condition exists that, in the Company's judgment, is unsafe or hazardous to the applicant, the general population, or the Company's personnel, agents or facilities;

2.19.1.3 the applicant refuses to provide the Company with a deposit after having failed to meet the credit criteria for waiver of deposit requirements;

2.19.1.4 the applicant is known to be in violation of the Company's price lists filed with the Commission;

2.19.1.5 the applicant fails to furnish such funds, suitable facilities, and/or rights-of-way which have been specified by the Company as necessary to and a condition for providing service to the applicant; or

2.19.1.6 the applicant has falsified his/her identity for the purpose of obtaining service.

2.19.2 Grounds for Termination with Written Prior Notice

Except as otherwise specified in this price list or Idaho PUC rules, the Company may, upon reasonable written notice to the Customer, discontinue services for any of the following reasons:

2.19.2.1 for nonpayment of any undisputed amounts owing to the Company;

2.19.2.2 for services provided to premises that have been vacated by the Customer;

2.19.2.3 for tampering with the Company's property;

2.19.2.4 for violation of rules, service agreements, or filed price lists;

2.19.2.5 for use of Customer equipment which adversely affects the Company's property, facilities, or service to its other Customers, or upon condemnation of any material portion of the facilities used by the Company to provide service to a Customer, or if a casualty renders all or any material portion of such facilities inoperable beyond feasible repair; or

2.19.2.6 for fraudulent obtaining or use of service, including, but not limited to:

- (a) providing false information to carrier the Company regarding the Customer's identity, address, creditworthiness, or current or planned use of common communications;
- (b) using or attempting to use service by rearranging, tampering with, or making connection to the Company's service where not authorized by this price list;
- (c) using tricks, schemes, false or invalid numbers, false credit devices, electronic devices; or
- (d) any other fraudulent means or device.

2.19.3 Without Written Notice to the Customer

The Company may deny or discontinue the furnishing of any and/or all service(s) to a Customer immediately and without prior notice to the Customer and without the Customer's permission for one or more of the following reasons:

2.19.3.1 Dangerous Condition. A condition immediately dangerous or hazardous to the life, physical safety, or property exists, or it is necessary to prevent a violation of federal, state or local safety or health codes.

2.19.3.2 Ordered to Terminate Service. The Company is ordered to terminate service by any court, the Idaho PUC, or any other duly authorized public authority.

2.19.3.3 Services Obtained Illegally. The services(s) was (were) obtained, diverted or used without the authorization or knowledge of the Company,

2.19.3.4 **Customer Unable to be Contacted.** The Company has tried diligently to provide reasonable notice to the Customer, but has been unsuccessful in its attempt to contact the Customer.

2.19.3.5 **Misrepresentation of Identity.** The Customer has misrepresented the Customer's identity for purposes of obtaining telephone service and either does not have or has an inadequate security deposit on file with the Company.

2.19.3.6 for any governmental prohibition, or required alteration of the services provided, or any violation of any applicable law or regulation, or unlawful use of service or use of service for unlawful purposes, the Company may immediately discontinue or suspend service.

2.19.4 Notice of Disconnection

2.19.4.1 Seven-Day Notice

Except as otherwise provided under the provisions of IDAPA 31.41.01.303.04 and 31.41.01.305, the Company will mail to the Customer written notice of termination at least seven (7) calendar days before the proposed date of termination. The written notice will contain the information required by IDAPA 31.41.01.306.

2.19.4.2 Twenty-Four-Hour Notice

At least twenty-four (24) hours before actual termination, the Company will diligently attempt to contact the Customer affected to apprise the Customer of the proposed action and the steps to take to avoid or delay termination. Oral Notice will contain the same information as required by IDAPA 31.41.01.306.

2.19.4.3 Additional Notice

If the Company does not terminate service within seven (7) days after a proposed termination date, and the matter is not the subject of a pending complaint before the Idaho PUC, or if other arrangements have not been made with the Customer, the Company will again make a diligent effort to contact the Customer to advise the Customer of the proposed action. If the Company has not terminated service within twenty-eight (28) days of mailing a written notice of termination, but still intends to terminate, the Company will again issue a written notice as set out by subsection 2.19.4.1 of this price list, related to Seven-Day Notice.

2.19.5 Customer Cancellation of Service

If the Customer cancels a service order or terminates service before the completion of the term of service specified in the service order for any reason, the Customer agrees to pay to the Company all costs, fees, and expenses reasonably incurred in connection with special construction and with the term of service. In addition, the Customer may be liable for termination charges up to a maximum amount equal to the total charges applicable for the remaining term specified in the service order.

2.20 Restoration of Service

2.20.1 A reconnection charge shall be imposed on any Customer whose service has been discontinued pursuant to the provisions of Section 2.19 of this price list. The Company reserves the right to refuse to restore service until all amounts due have been paid.

2.20.2 Should the Customer request that service be restored during a period other than regular working hours, such as evenings or weekends, the Customer may be required to pay an after-hour charge for service reconnection.

2.21 Assignment

The Company may, without obtaining any further consent from the Customer, assign any of its rights, privileges or obligations under this price list to any subsidiary, parent, or affiliate of the Company; pursuant to any sale or transfer of substantially all the business of the Company; or pursuant to any financing, merger or reorganization of the Company. The Customer may, upon prior written consent of the Company, which consent shall not be unreasonably withheld, assign its rights, privileges or obligations under this price list to any subsidiary, parent, or affiliate of the Customer; pursuant to any sale or transfer of substantially all the business of the Customer; or pursuant to any financing, merger or reorganization of the Customer.

2.22 Promotions

The Company may provide promotional offerings from time to time. The Company will notify the Idaho PUC ten (10) days in advance of the rates, terms & conditions of any such promotions.

2.23 E911

The Company will provide necessary Customer information to the incumbent local exchange carrier for appropriate routing of E911 calls. The Company's switches will be equipped with E911 trunks and all E911 traffic will be switched by the Company to the incumbent local exchange carrier for routing.

2.24 Public Notice

The Company shall give public notice of all proposed changes in rates. Public notice must be reasonably designed to call the attention of Customers who are affected by the changes to the proposed changes in rates. Legal advertisements alone will not be considered adequate public notice. Individual notice to all Customers affected will always constitute public notice.

3.0 LOCAL EXCHANGE SERVICES

3.1 General

Local Exchange Services provides the Customer with connection to the public switched telecommunications network. In addition, Local Exchange Service provides the Customer with a unique telephone number address on the public switched telecommunications network. Each Local Exchange Service enables the Customer to:

- (a) receive calls from other stations on the public switched telecommunications network;
- (b) access other services offered by the Company as set forth in this price list;
- (c) access certain interstate and international calling services provided by the Company;
- (d) access the Company's operators and business offices for service related assistance;
- (e) access emergency services by dialing 0- or 9-1-1; and
access services provided by other common carriers which purchase the Company's Switched Access Services as provided under the Company's Federal and State price lists or price list, or which maintain other types of traffic exchange arrangements with the Company.

3.2 Service Descriptions

3.2.1 Residential Service

All residential services as may be provided for in the interconnect agreement between ILEC and company and subject to such availability terms and conditions contained therein.

- 3.2.2 Business Service
All business services as may be provided for in the interconnect agreement between ILEC and Company and subject to such availability, terms and conditions contained therein
- 3.2.3 Lines and Trunks
All business services as may be provided for in the interconnect agreement between ILEC and Company subject to such availability, terms and conditions contained therein.
- 3.2.4 Optional and Vertical Features
All business services as may be provided for in the interconnect agreement between ILEC and Company and subject to such availability, terms and conditions contained therein
- 3.2.5 Other
All business services as may be provided for in the interconnect agreement between ILEC and Company and subject to such availability, terms and conditions contained therein

3.2.6 Number Services

3.2.6.1 Nonlisted Number Service Description

Nonlisted Service: A directory listing service wherein a Customer is not listed in the published directory, but is listed in the directory assistance database,

3.2.6.2 Non-published Number Service Description

Non-Published Service: A directory listing service wherein a Customer is not listed in the published directory or in the directory assistance database.

3.3 Charges for Additional and Overtime Labor

3.3.1 Idaho Telecommunications Service Assistance Program (ITSAP)

ITSAP consists of two programs, Lifeline and Linkup, that were developed to provide discounted rates for telephone service to low income customers, thus promoting universal service. The programs are jointly sponsored (federal and state) telephone assistance programs designed to maximize federal contributions to Idaho's low-income customers. The programs provide reductions in monthly rates for single line telephone service and/or reductions in one-time costs for installation of telephone service for qualifying customers. The program is administered by the Department of Health and Welfare in accordance with *Idaho Code, § 56-901*.

3.3.2 Eligibility - To be eligible for ITSAP, the participant must:

- (a) Apply through the Department of Health and Welfare,
- (b) Be head of household,
- (c) Have a total gross income at or below 133% of the Office of Management and Budgets (OMB) Poverty guidelines.

3.3.3 Residents of Tribal Lands may be eligible for additional federal assistance if the individual participates in one of the following federal assistance programs: Bureau of Indian Affairs general assistance;

- (a) Tribally administered Temporary Assistance for Needy Families;
- (b) Head Start (only those meeting its income qualifying standard);
- (c) National School Lunch Program's free lunch program.

- 3.3.4 Eligibility and qualification determinations will be performed according to the telecommunication provider's federal tariff and/or 47 C.F.R. Part 54.
- 3.3.5 Each eligible participating resident of Tribal Lands must provide to its local service provider a signed document certifying under penalty of perjury that the customer receives benefits from at least one of the programs mentioned.
- 3.3.6 **Lifeline Discounts** — applied to tariffed monthly recurring rates and charges for qualifying residential customers.
- Monthly discount (not to exceed the rate charged for the grade of subscribed residential basic local exchange service) \$X.XX
- Additional federal discounts may apply:
- Tier 1 — Monthly service discount equal to the subscriber line charge \$X.XX
- Tier 2 — Monthly service discount for customers of eligible telecommunications carriers who have received non-federal regulatory approvals \$X.XX
- Tier 3 — Monthly service discount equal to one half of the amount of any state support up to a maximum of \$X.XX
- Tier 4 — Eligible residents of Tribal Lands may be eligible for discounts of up to SXX. This discount may not bring the local residential rate to below \$X.00 per month \$XX.00
- 3.3.7 **Linkup Discounts** — applied to installation of new service, including line extensions, construction of facilities, etc., but shall not apply to customer premises facilities or equipment. A service installation cost reduction of 50% up to \$XX.00 for an eligible resident of Tribal Lands, an additional reduction of up to \$XX may be applied to cover 100% of the charges between \$XX and \$XXX assessed for initiating telephone service. \$XX.00.
- 3.3.8 **Rules**
- 3.3.8.1.1 Applies to Telecommunication service at the principal residence of the eligible subscriber/head of household.
- 3.3.8.2 A household is either an individual living alone or a group of individuals living together in common living quarters and facilities under such domestic arrangements and circumstances as to create a single establishment.
- 3.3.8.3 The eligible participant can receive assistance with telephone service installation costs only once at a residential address. However, if the participant moves to a new address, meets the eligibility criteria and is in good standing with the telephone service provider, there is no limit to the number of times the participant may receive assistance with telephone costs.
- 3.3.8.4 Nonrecurring charges to change to or from this program because of change in eligibility status will be waived.
- 3.3.8.5 Lifeline service is not available for foreign exchange service. Only one line per household will qualify for ITSAP discounts.

3.3.8.6 Customers participating in either of these assistance programs must notify the company of any changes that would affect qualification. Verification of eligibility will be established by the Department of Health and Welfare and will be reviewed annually.

3.3.8.7 When the customer is no longer eligible, the discount will be discontinued and regular tariff rates and charges will apply.

3.3.9 Recovery

The cost of providing assistance through ITSAP shall be recovered by imposing a monthly surcharge determined by the Public Utilities Commission and assessed on each line used for providing residential and business access. Participating ITSAP customers are exempted from this surcharge.

\$.05/line/month

3.3.10 Idaho USF Surcharges

A surcharge is assessed on all access lines to contribute towards funding for an Idaho Universal Service Fund. The Surcharge Rate is established by the Commission and will be assessed to each business and residential line.

4.0 RATES AND CHARGES

4.1 Residential Service

	USOC	<u>Non-Recurring Charge</u>	<u>Monthly Recurring Charge</u>
1 st. Line	1FR	x.xx	x.xx
Additional	AKF	x.xx	x.xx

4.2 Business Service

	USOC	<u>Non-Recurring Charge</u>	<u>Monthly Recurring Charge</u>
1st. Line	1FR	x.xx	x.xx
Additional	AKF	x.xx	x.xx

4.3 Lines and Trunks

		<u>Non-Recurring Charge</u>	<u>Monthly Recurring Charge</u>
T-1 Line	1FR	x.xx	x.xx

4.4 Optional Vertical Features

a	Residential	<u>Non-Recurring Charge</u>	<u>Monthly Recurring Charge</u>
	Hunting 1FR	x.xx	x.xx
	Caller ID	x.xx	x.xx
	Call Forwarding	x.xx	x.xx

4.5 Optical Vertical Features Cont.

a.	Residential	<u>Non-Recurring Charge</u>	<u>Monthly Recurring Charge</u>
	Call Waiting	x.xx	x.xx

4.6 Optional Vertical Features Cont.

b. Business

	<u>Non-Recurring Charge</u>	<u>Monthly Recurring Charge</u>
Hunting IFR	x.xx	x.xx
Caller ID	x.xx	x.xx
Call Forwarding	x.xx	x.xx
Call Waiting 3	x.xx	x.xx
Way Calling	x.xx	x.xx
Call Return	x.xx	x.xx
Voice Mail	x.xx	x.xx

4.7 Other

		<u>Non-Recurring Charge</u>	<u>Monthly Recurring Charge</u>
TBD	IFR	x.xx	x.xx

4.8 Number Services

	<u>Non-Recurring Charge</u>	<u>Monthly Recurring Charge</u>
IFR	x.xx	

4.9 Misc. Charges

		<u>Non-Recurring Charge</u>	<u>Monthly Recurring Charge</u>
Misc. Charges	IFR	x.xx	x.xx

4.9.1 Installation Charges

	<u>Non-Recurring Charge</u>
Installation Charges	
IFR	x.xx

4.9.2 Move and Change Charges

	<u>Non-Recurring Charge</u>
Move and Change Charges	
IFR	x.xx

4.9.3 Charges for Additional Overtime Labor

	<u>Non-Recurring Charge</u>
Charges for Additional Overtime Labor	
IFR	x.xx

4.9.4 Integrated Voice and Data TI

<u>Installation Rate</u>	<u>Monthly Rate</u>	<u>One Year Term</u>	<u>Two Year Term</u>	<u>Three Year Term</u>
75.00/hr	\$840.00	\$720.00	\$672.00	\$576.00

The basic integrated voice and data TI consists of 24 channels for a total transmission rate of 1.544 Mbs, Each 64kbs can be purchased incrementally for voice and data and will be priced on an individual case basis.