

## SCHEDULE NO. AC

## RULES

## LIST OF EFFECTIVE SHEETS

Sheets 1 through 53 of this schedule are effective as of the date shown on each sheet.

<u>Sheet</u>	<u>Number of Revision</u>	<u>Sheet</u>	<u>Number of Revision</u>
1	<b>10<sup>th</sup> Revised</b>	29	Original
2	<b>1<sup>st</sup> Revised</b>	30	2 <sup>nd</sup> Revised
3	Original	31	1 <sup>st</sup> Revised
4	1 <sup>st</sup> Revised	32	Original
5	Original	33	Original
6	Original	34	Original
7	1 <sup>st</sup> Revised	35	Original
8	Original	36	Original
9	Original	37	Original
10	1 <sup>st</sup> Revised	38	1 <sup>st</sup> Revised
11	Original	39	1 <sup>st</sup> Revised
12	Original	40	1 <sup>st</sup> Revised
13	Original	41	Original
14	Original	42	Original
15	Original	43	Original
16	Original	44	Original
17	Original	45	Original
18	Original	46	Original
19	2 <sup>nd</sup> Revised	47	Original
20	Original	48	Original
21	Original	49	Original
22	Original	50	Original
23	Original	51	Original
24	Original	52	Original
25	2 <sup>nd</sup> Revised	53	Original
26	Original	<b>54</b>	<b>Original</b>
27	Original	<b>55</b>	<b>Original</b>
28	Original	<b>56</b>	<b>Original</b>
		<b>57</b>	<b>Original</b>
		<b>58</b>	<b>Original</b>
		<b>59</b>	<b>Original</b>

SCHEDULE NO. AC

RULES (continued)

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SCHEDULE NO. AC

RULE NO. 13

CUSTOMER INCENTIVE PROGRAM

A1 Residence Customer Incentive Program

(N)

B1 Description

The Customer Incentive Program is an offering for potential new residence local exchange customers and existing residence local exchange customers to encourage the retention or continuation of existing services by those existing customers.

B2 Terms and Conditions

C1 This Customer Incentive Program may be offered to potential new residence local exchange customers. In addition, the Company may provide a retention benefit to any existing residence customer who has retained a service for some period of time.

C2 For a potential new residence customer, the Company may provide an incentive offer no more often than once in any one-year period. In retention situations, the Company may provide an incentive no more often than once in any one-year period with respect to any particular service or feature.

C3 To qualify for these offers, a residence customer is required to have a satisfactory credit rating with the Company.

C4 For a potential new residence local exchange customer, the Company may condition its offers upon the customer remaining with the Company for up to one year. Any minimum period of time shall be identified to the residence customer as part of the offer. In such cases, if the customer terminates service early, the customer may be billed all of the nonrecurring charge(s) and monthly rate(s) waived under this program. The customer is not considered to be opting out if the customer moves to another Company service of equal or greater value.

C5 The recipients of the Customer Incentive offer and the amount of the customer incentive offer shall be in the sole discretion of the Company, but the total value of the offer may not exceed the sum set out in B3.C1, following.

(N)

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SCHEDULE NO. AC

RULE NO. 13

CUSTOMER INCENTIVE PROGRAM

- A1 Residence Customer Incentive Program (Continued) (N)
- B2 Terms and Conditions (Continued)
- C6 The Company shall determine the particular details, including but not limited to periods and duration, class of customers, services, amounts, and geographic area, so long as each such offer to a particular local exchange residence customer is not inconsistent with the provisions of this Tariff and the amount does not exceed the maximum amount set forth in B3.C1 following. The Company may prohibit use of this program in conjunction with another being marketed by the Company and/or a Company affiliate.
- C7 Offers may differ based on reasonable criteria, including the following criteria or combinations of criteria below:
  - D1 The sales channel through which the products are sold.
  - D2 A specific geographic area.
  - D3 Existing customers who request to have one or more products disconnected.
  - D4 Customers who identify a better competitive offer are available to them. Company representatives may present to these customers multiple offers up to the maximum value under B3.C1, following.
  - D5 Such other facts, criteria, and circumstances as the Company believes is a reasonable basis upon which to distinguish among groups of customers.
- C8 The Company reserves the right to discontinue this offer. (N)

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RULE NO. 13

CUSTOMER INCENTIVE PROGRAM

- A1 Residence Customer Incentive Program (Continued) (N)
- B3 Rates and Charges
- C1 The Customer may be offered one of the following, or the equivalent monetary value, on selected products as determined by the Company:
  - D1 A waiver of an amount up to 100% of the current residence nonrecurring rate(s) or charge(s), or
  - D2 A waiver of up to three months of the recurring rate(s) or charge(s), or
  - D3 A waiver of an amount up to 100% of the current residence nonrecurring rate(s) or charge(s) and up to three months of the recurring rate(s) or charge(s), or
  - D4 A benefit or consideration offered or provided that is not associated with a service or product offered by the Company such as CPE, merchandise, or discounts on merchandise offered by others, gift certificates, gift cards or otherwise, in the discretion of the Company. In determining the value of non-cash offers or benefits, the actual cost incurred by the Company, not to exceed the sum of C1.D3 above, shall be used.
- C2 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.
- C3 Waiver amounts are calculated on the first month's nonrecurring charge(s) and monthly rate(s). The total waived amount will not exceed the value of the total nonrecurring rate(s) or charge(s) plus three months service of the monthly rate(s) or charge(s). (N)

SCHEDULE NO. AC

RULE NO. 13

CUSTOMER INCENTIVE PROGRAM

A2 Business Customer Incentive Program

(N)

B1 Description

The Customer Incentive Program is an offering for potential new business local exchange customers and to existing business local exchange customers to encourage the retention or continuation of existing services by those existing customers.

B2 Terms and Conditions

C1 This Custom Incentive Program may be offered to potential new business local exchange customers. In addition, the Company may provide a retention benefit to any existing business customer who has retained a service for some period of time.

C2 For a potential new business customer, the Company may provide an incentive offer no more often than once in any one-year period. In retention situations, the Company may provide an incentive no more often than once in any one-year period with respect to any particular service or feature.

C3 To qualify for these offers, a business customer is required to have a satisfactory credit rating with the Company.

C4 For a potential new business local exchange customer, the Company may condition its offers upon the customer remaining with the Company for a minimum of one year. Any minimum period of time shall be identified to the business customer as part of the offer. In such cases, if the customer terminates service early, the customer may be billed all of the nonrecurring charge(s) and monthly rate(s) waived under this program. The customer is not considered to be opting out if the customer moves to another Company service of equal or greater value.

C5 The recipients of the Customer Incentive offer and the amount of the customer incentive offer shall be in the sole discretion of the Company, but the total value of the offer may not exceed the sum set out in B3.C1, following.

(N)

**SCHEDULE NO. AC**

**RULE NO. 13**

**CUSTOMER INCENTIVE PROGRAM**

- A2 Business Customer Incentive Program (Continued) (N)
- B2 Terms and Conditions (Continued)
- C6 The Company shall determine the particular details, including but not limited to periods and duration, class of customers, services, amounts, and geographic area, so long as each such offer to a particular local exchange business customer is not inconsistent with the provisions of this Tariff and the amount does not exceed the maximum amount set forth in B3.C1, following. The Company may prohibit use of this program in conjunction with another being marketed by the Company and/or a Company affiliate.
- C7 Offers may differ based on reasonable criteria, including the following criteria or combinations of criteria below:
  - D1 The sales channel through which the products are sold.
  - D2 A specific geographic area.
  - D3 Existing customers who request to have one or more products disconnected.
  - D4 Customers who identify a better competitive offer are available to them. Company representatives may present to these customers multiple offers up to the maximum value under B3.C1, following.
  - D5 Such other facts, criteria, and circumstances as the Company believes is a reasonable basis upon which to distinguish among groups of customers.
- C8 The Company reserves the right to discontinue this offer. (N)

SCHEDULE NO. AC

RULE NO. 13

CUSTOMER INCENTIVE PROGRAM

A2 Business Customer Incentive Program (Continued) (N)

B3 Rates and Charges

C1 The Customer may be offered one of the following, or the equivalent monetary value, on selected products as determined by the Company:

D1 A waiver of an amount up to 100% of the current business nonrecurring rate(s) or charge(s), or

D2 A waiver of up to three months of the recurring rate(s) or charge(s), or

D3 A waiver of an amount up to 100% of the current business nonrecurring rate(s) or charge(s) and up to three months of the recurring rate(s) or charge(s), or

D4 A benefit or consideration offered or provided that is not associated with a service or product offered by the Company such as CPE, merchandise, or discounts on merchandise offered by others, gift certificates, gift cards or otherwise, in the discretion of the Company. In determining the value of non-cash offers or benefits, the actual cost incurred by the Company, not to exceed the sum of C1.D3 above, shall be used.

C2 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.

C3 Waiver amounts are calculated on the first month's nonrecurring charge(s) and monthly rate(s). The total waived amount will not exceed the value of the total nonrecurring rate(s) or charge(s) plus three months service of the monthly rate(s) or charge(s). (N)