

Decision 89 06 013

JUN - 7 1989

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of)
of Local Area Telecommunications,)
Inc. for a Certificate of Public)
Convenience and Necessity to Provide)
IntraLATA Private Line High-Speed)
Data Transmission Services at Data)
Speeds of 1.544 Mbps or Higher)
Within all LATAs in California.)
(U-5151-C))

ORIGINAL

Application 89-02-020
(Filed February 10, 1989)

OPINION

Summary

This decision grants applicant, Local Area Telecommunications, Inc. (LOCATE), a certificate of public convenience and necessity (CPCN) to provide intraLATA 1.544 megabits per second (Mbps) high speed digital private line service in accordance with the rates and charges and special conditions set forth in its proposed tariff in Appendix A hereto. These tariff provisions are to become effective five days after filing.

Background

On February 10, 1989, LOCATE (U-5151-C) filed Application (A.) 89-02-020, in which it seeks a CPCN to provide intraLATA high speed digital private line service at 1.544 Mbps or higher within all LATAs in California in accordance with the modified settlement adopted by this Commission in Decision (D.) 88-09-059, dated September 28, 1988, which approved with certain modifications a settlement reached by many of the parties in Phase I of Investigation (I.) 87-11-033.¹

¹ I.87-11-033 is the Commission's investigation of alternative regulatory frameworks for local exchange telephone companies.

Appendix A of D.88-09-059 prescribes the following conditions for competition for intraLATA high speed digital private line services:

"Competitive providers in high speed digital markets may hold out the availability of and provide multiplexing equipment or services, including voice services, as part of such high speed digital services.

"For purposes of this document, digital private line services at 1.544 megabits per second (Mbps) or above are considered to be 'high speed digital private line' service. As used herein, 'intraLATA high speed digital private line' service is defined as the dedicated connection of two or more end user premises within a LATA for the purpose of providing intraLATA high speed digital nonswitched services. Competitive carriers may provide multiplexing service for voice and/or data at the end user's premises such that the transmission speed from or to the end user's premises is at 1.544 Mbps or above.

"This document does not permit the transport from or to the end user's premises for intraLATA service of either analog or digital transmissions at speeds less than 1.544 Mbps." (D.88-09-059, Appendix A, mimeo. p. 8.)

In D.88-09-059 we also concluded that authorizations granted for provision of competitive intraLATA high speed digital private line services should be coincident with the effectiveness of local exchange carrier pricing flexibility for such services (D.88-09-059, mimeo. p. 8). Since that time, Pacific Bell (Pacific) and GTE California, Incorporated (GTEC) have requested pricing flexibility for these services in A.88-10-012 and A.88-10-017, respectively. Workshops were held in those matters and Pacific and GTEC were directed by D.89-02-023 and D.89-02-024, respectively, dated February 8, 1989 to file revised tariff schedules providing flexibility for the offering of 1.544 Mbps

intraLATA high speed digital private line service with an effective date of February 15, 1989.

On February 8, 1989 the Commission also granted CPCN's to six interexchange carriers thereby authorizing them to provide competitive intraLATA high speed digital private line services on or after February 15, 1989. Since that time several other carriers have been granted similar authority.

Description of Applicant

LOCATE (U-5151-C) is currently certificated as a reseller of telephone services and also is a non-dominant interLATA interexchange carrier. LOCATE was granted its CPCN as a reseller of telephone services by D.88-05-054 dated May 25, 1988.

LOCATE is a New York corporation which is also certified by the Secretary of State to do business in California. LOCATE's home office is located at 12 Battery Place, Suite 1200, New York, New York 10004-1256.

LOCATE currently conducts its California business from its home office in New York, but plans to open a California office to conduct its business here as its California business develops.

The application as filed did not include a substantive financial commitment to carry out this utility operation. The application also failed to include specific tariff rates and charges for the proposed service.

These deficiencies were called to the attention of the attorneys for the applicant, via telephone, by the assigned administrative law judge (ALJ).

The lack of a specific proposed tariff was also the subject of a protest by Pacific and that deficiency was resolved by LOCATE's response to Pacific's protest dated April 4, 1989 which included a complete copy of LOCATE's draft tariff schedules for the proposed service.

Subsequently, on April 20, 1989 applicant responded by a letter to the ALJ which contained:

1. LOCATE's balance sheet for calendar years ending December 31, 1987 and 1988, and,
2. A statement from LOCATE's president and chief executive officer confirming LOCATE's commitment of up to \$500,000 to fund its first year of service proposed for California.

LOCATE's balance sheet sets forth cash, short-term investments, accounts receivable, and inventory totaling \$5,587,389 and net property and other assets of \$12,642,814. However, under liabilities and shareholders equity LOCATE lists \$1 million of long-term debt due on or before December 31, 1989 and a revolving line of credit of \$2.5 million and other long-term debt of \$11,250,000 due after December 31, 1989.

LOCATE's present operations have generated an accumulated deficit of \$8,751,734 as of December 31, 1988, of which \$5,185,005 was sustained prior to December 31, 1987.

Description of Proposed Services

IntraLATA 1.544 Mbps intraLATA high speed digital private line service² is a dedicated full period data communications service.

Initially, LOCATE proposes to use existing digital terrestrial microwave facilities to provide these intraLATA high speed digital private line services. All services furnished by LOCATE will be provided by dedicated, nonswitched facilities. LOCATE anticipates that facilities constructed in the future will also be digital terrestrial microwave facilities and only plans to carry out such construction in order to meet the needs of its customers.

² LOCATE refers to this service as DS-1 Service in its tariff schedules.

LOCATE is not seeking authority for construction of facilities in this application, therefore, granting this application would not likely have a significant adverse impact on the environment.

LOCATE estimates the potential numbers of customers it is likely to serve during the first and fifth full year of operation of this competitive service will be 10 and 25, respectively. LOCATE plans to serve customers in the San Diego, San Francisco, and Los Angeles metropolitan areas initially, and may provide service in other metropolitan areas later.

LOCATE believes that its proposed service will benefit customers by giving them a greater variety of services and service offerings designed to meet their specific needs. LOCATE contends that its provision of intraLATA high speed digital private line services will increase competition and will contribute to the development of an advanced telecommunications infrastructure to better meet the needs of business and industry in California. LOCATE also believes that its service will improve the quality and reliability of services offered to the public by providing alternates to existing carriers offering this service.

Notice of Application and Comments Received

LOCATE is likely to compete with existing carriers and prospectively with other telecommunications providers when it offers this new service. Therefore, in accordance with Rule 18(b) of the Commission's Rules of Practice and Procedure, it served copies of this application on known potential competitors.

On March 15, 1989, Pacific protested this application raising concerns that: (1) LOCATE's application does not state that it expressly adopts the terms set forth in Section IV of Appendix A of D.88-09-059, and (2) that LOCATE plans to price this proposed service on a "case by case contractual basis" rather than an approved tariff.

However, Pacific noted that it agreed to withdraw the protest if LOCATE would amend its application to include a proposed tariff for this offering and provide its written assurances that it would provide this service consistent with the terms of Section IV.A.1.(a) of Appendix A of D.88-09-059.

On April 6, 1989, LOCATE responded to Pacific's protest and stipulated to provide this proposed service consistent with Appendix A, Section IV.A.1.(a) of D.88-09-059 and included with its response a complete proposed tariff schedule for this service.

On April 7, 1989, Pacific wrote a letter to the ALJ requesting the withdrawal of its protest to the application based on LOCATE's written assurances of compliance with D.88-09-059 and its submission of proposed tariffs.

Discussion

On February 8, 1989 by D.89-02-023 in A.88-10-012 (Pacific) and D.89-02-024 in A.88-10-017 (GTEC) we directed these two largest California local exchange telephone companies to revise their respective tariff schedules effective February 15, 1989 to allow the expansion of competition in the intraLATA high speed, 1.544 Mbps and above, digital private line services.

On February 8, 1989 we also authorized six interexchange carriers to more effectively compete with Pacific, GTEC, and other local exchange telephone companies in the offering of intraLATA high speed, 1.544 Mbps and above, digital private line services, effective on or after February 15, 1989.

LOCATE is currently authorized to provide interLATA high speed digital private line service in California. The additional authorization sought would allow LOCATE to compete in the intraLATA market throughout California as well. LOCATE will use existing facilities to provide these services. All services furnished by LOCATE under this proposal will be provided via full period, dedicated, nonswitched facilities, as contrasted to time sharing of

a private line service using switched satellite facilities, or traditional switched message toll telephone services.

In D.88-09-059 we concluded that competition to provide intraLATA high speed digital private line services according to the conditions in the adopted modified settlement is in the public interest, and accordingly we allowed potential competitors to request authorization and have recently granted such authority to numerous other non-dominant competing utilities.

We concur with the comments received from Pacific that LOCATE's proposed service must be provided in compliance with the requirements of D.88-09-059 (Appendix A, Section IV. A.1.a.) and will limit the authority granted herein accordingly.

In similar decisions authorizing intraLATA high speed digital private line services to non-local exchange telephone companies we have set forth modest reporting requirements³ during the early development stages of this competitive intraLATA service. Accordingly, we will require similar reporting by LOCATE as follows:

1. LOCATE will be required to submit semiannual reports for a two-year period beginning with the effective date of LOCATE's rates and charges. The reports will be filed with the CACD with copies to the DRA - Telecommunications Rate Design Branch and will contain the following recorded data for LOCATE's intraLATA 1.544 Mbps high speed digital private line service:
 - a. Monthly in-service volumes.

³ These same reporting requirements have been established for the numerous other non-dominant competing carriers which have been authorized to implement this service effective on or after February 15, 1989 (e.g. see D.89-02-028, Cable & Wireless Management Services, Inc., dated February 8, 1989).

- b. Monthly inward movement volumes.
 - c. Monthly recurring billings by tariff rate item.
 - d. Monthly nonrecurring billings by tariff rate item.
2. The format of these semiannual reports should be determined in consultation with CACD.

This reporting requirement will sunset with the submission of the report for the semiannual period ending June 30, 1991.

In D.88-09-059, we agreed to take action on all conforming requests for authority to provide competitive intraLATA high speed digital private line services which were filed no later than October 31, 1988, with any resulting authorizations to be effective coincident with the effectiveness of local exchange carrier pricing flexibility for these services. All such conforming applications were granted authority to begin rendering service under their respective revised tariffs on or after February 15, 1989. Therefore, we should not unreasonably delay the entry of other qualified applicants such as LOCATE.

We conclude that the authority which LOCATE requests should be granted as provided by this order.

Since there is a need to make the tariffs for this service effective as soon as practicable, and Pacific's timely protest to this application has been withdrawn, we will make this order effective today.

Findings of Fact

1. LOCATE is a non-dominant carrier (telephone corporation) qualified to do business in California and a regulated utility as defined under PU Code § 234.

2. LOCATE is requesting a CPCN to provide 1.544 Mbps high speed digital private line service on an intraLATA basis in

California as a complement to its current interLATA service offerings.

3. All timely protests filed relative to this application have been withdrawn; therefore no hearing is deemed necessary for processing this application.

4. LOCATE will initially offer these services to customers within the San Francisco, Los Angeles, and San Diego metropolitan areas and may later extend these services to customers in other California LATAs consistent with demand for such service and its business interests. LOCATE will be required to file an advice letter with appropriate tariff revisions, prior to any expansion from its initial service areas.

5. LOCATE forecasts that it will have 10 and 25 customers to this service at the end of the first and fifth full year of operation, respectively.

6. LOCATE has the technical resources and ability to provide this proposed service on a safe, effective, reliable, and continuous basis.

7. LOCATE asserts that it will provide the financial backing to effectively implement the proposed service and sustain it during the first full year of operation.

8. Since LOCATE intends to use existing digital terrestrial microwave facilities to provide the proposed service it can be seen with reasonable certainty that granting this application will not have a significant adverse impact on the environment.

9. In D.88-09-059, we concluded that competition to provide intraLATA high speed digital private line services as provided in the adopted modified settlement in Phase I of I.87-11-033 is in the public interest and should be authorized.

10. LOCATE has agreed that it will not multiplex its services below 1.544 Mbps.

11. LOCATE has also agreed not to switch intraLATA voice or data traffic pursuant to this application.

12. We have granted numerous similar CPCN's for identical or similar services on a competitive basis with tariffs effective on or after February 15, 1989. Therefore, LOCATE's request should be processed on a timely basis to allow it to enter this competitive market without undue delay.

13. There is no reason to treat LOCATE differently than other telecommunications utilities regarding the granting of authority to provide intraLATA high speed digital private line services.

14. Public convenience and necessity require the granting of A.89-02-020 to the extent set forth in the ordering paragraphs which follow.

Conclusions of Law

1. LOCATE's request for authority to provide intraLATA 1.544 Mbps and above high speed digital private line service is consistent with the provisions of D.88-09-059 and should be granted to the extent set forth in the ordering paragraphs hereof.

2. LOCATE should be prohibited from holding out the availability of other intraLATA services it is not authorized to provide and should be required to advise its customers that intraLATA communications it is not authorized to provide should be placed over the facilities of an authorized carrier.

3. The effective date of LOCATE's initial offering of intraLATA high speed digital private line service authority should be five days after its filing of tariff schedules identical to those set forth in Appendix A to this order.

4. In order to allow LOCATE to make these services available on or after June 20, 1989 this order should be effective today.

5. Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify the monopoly feature of these rights at any time.

ORDER

IT IS ORDERED that:

1. A certificate of public convenience and necessity is granted to applicant, Local Area Telecommunications, Inc.

(LOCATE), to provide intraLATA high speed digital private line services at 1.544 Mbps or higher within all LATAs in California subject to the following conditions:

- a. LOCATE may hold out the availability of and provide multiplexing equipment or services, including voice services, as part of such high speed digital services.
- b. Digital private line services at 1.544 megabits per second (Mbps) or above are considered to be "high speed digital private line service." "IntraLATA high speed digital private line" service is defined as the dedicated connection of two or more end user premises within a LATA for the purpose of providing intraLATA high speed digital nonswitched services.
- c. LOCATE may provide multiplexing service for voice and/or data at the end user's premises such that the transmission speed from or to the end user's premises is at 1.544 Mbps or above.
- d. This authority does not permit the transport from or to the end user's premises for intraLATA service of either analog or digital transmissions at speeds less than 1.544 Mbps.
- e. LOCATE must establish rates and charges for its intraLATA high speed digital private line service above its cost of providing such service.
- f. LOCATE shall refrain from holding out to the public the provision of any intraLATA services it is not authorized to provide.

2. LOCATE shall prepare a "New Customer Notice" to be included with its initial and on-going tariff schedules, advising its customers, among other things, that:

LOCATE is only authorized to provide intralATA high speed digital private line services at speeds of 1.544 Mbps, or higher and only offers these services on a full-period, 24-hour, round-the-clock, dedicated (non-switched) basis.

All other telecommunications services needed by the customer should be placed over the facilities of an authorized carrier.

3. LOCATE is authorized to file an advice letter with associated tariff sheets identical to those set forth in Appendix A to this order, but amended to also include the "New Customer Notice" set forth in Ordering Paragraph 2 above, for its initial offering of high speed 1.544 Mbps digital private line service.

4. The advice letter and associated tariff sheets described in Ordering Paragraph 3 above shall be filed in compliance with the provisions of General Order (GO) 96-A after the effective date of this order. These tariff schedules shall apply only to service rendered after their effective date which shall be at least five days after filing.

5. The requirements of GO 96-A relative to the effectiveness of tariffs after filing are waived in order that future tariff revisions for this competitive service may become effective on five days' notice after filing.

6. Within 30 days after this order is effective, applicant shall file a written acceptance of the certificate granted in this proceeding; absent such filing, the authority granted by this certificate may be revoked.

7. Applicant shall notify the CACD director in writing of the date service is first rendered to the public within 5 days after service begins.

8. Applicant shall monitor the implementation of its intraLATA 1.544 Mbps high speed digital private line service and shall submit semiannual reports for a two-year period beginning with the effective date of the rates and charges for this service. These reports shall be filed with the CACD with copies to the DRA-Telecommunications Rate Design Branch and shall include the following recorded data for applicant's intraLATA 1.544 Mbps high speed digital service:

- a. Monthly in-service volumes.
- b. Monthly inward movement volumes.
- c. Monthly recurring billings by tariff rate item.
- d. Monthly nonrecurring billings by tariff rate item.

The format of these semiannual reports shall be determined in consultation with the CACD staff.

9. The reporting requirement of Ordering Paragraph 8 shall commence within 45 days after December 31, 1989 and shall terminate upon submission of the report for the semiannual period ending June 30, 1991, to be submitted on or before August 14, 1991.

10. Within 60 days after the effective date of this order, LOCATE shall prepare and issue to every employee who, in the course of his or her employment, has occasion to enter the premises of customers or subscribers of the corporation an identification card in a distinctive format having a photograph of the employee. LOCATE shall require every employee to present the card upon requesting entry into any building or structure on the premises of a customer or subscriber, as set forth in PU Code § 708.

11. The certificate granted and the authority to render service under the rates, charges, and rules authorized herein will expire if not exercised within 12 months after the effective date of this order.

12. High speed digital private line service is subject to a one-half percent (1/2%) monthly surcharge to fund Telecommunications Devices for the Deaf as outlined in Resolution T-13005 dated July 22, 1988 pursuant to PU Code § 2881.

13. Applicant is also subject to the user fee as a percentage of gross intrastate revenue under PU Code §§ 431 through 435.

14. The corporate identification number assigned to Local Area Telecommunications, Inc. is U-5151-C, which should be included in the caption of all original filings with this Commission and in the title of other pleadings filed in existing cases.

15. This proceeding is closed.

This order is effective today.

Dated JUN 7 1989, at San Francisco, California.

G. MITCHELL WILK
President
STANLEY W. HULETT
JOHN B. OHANIAN
PATRICIA M. ECKERT
Commissioners

Commissioner Frederick R. Duda,
being necessarily absent, did
not participate.

I CERTIFY THAT THIS DECISION
WAS APPROVED BY THE ABOVE
COMMISSIONERS TODAY.

Victor Weiss

Victor Weiss, Executive Director

Cancelling _____ Cal. P.U.C. Sheet No. _____
Cal. P.U.C. Sheet No. _____

DRAFT 3/31/89

TARIFF SCHEDULE
Applicable to
PRIVATE LINE HIGH SPEED DATA TRANSMISSION SERVICES
Offered by
LOCAL AREA TELECOMMUNICATIONS, INC.

(To be completed by ALJ)

Advice Letter No. _____

Decision No. _____

Issued by

NAME

TITLE

(To be completed by Cal. P.U.C.)

Date Filed _____

Effective _____

Resolution No. _____

Canceling _____

Cal P.U.C. Sheet No. _____

Cal P.U.C. Sheet No. _____

DRAFT

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(To be inserted by agency)

Issued by _____

(To be inserted by Cal. P.U.C.)

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U 18
701102-10,000

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(To be approved by utility)

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(To be approved by Cal. P.U.C.)

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Effective _____

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Cal. P.U.C. Sheet No. _____

Cancelling _____

Cal. P.U.C. Sheet No. _____

DRAFT

CHECK SHEET

This tariff contains the following sheets which are effective as of the dates shown.

| <u>Page Number</u> | <u>Number of Revisions</u> |
|--------------------|----------------------------|
| Title | ORIGINAL |
| 1 | ORIGINAL |
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| 4 | ORIGINAL |
| 5 | ORIGINAL |
| 6 | ORIGINAL |
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| 19 | ORIGINAL |
| 20 | ORIGINAL |
| 21 | ORIGINAL |
| 22 | ORIGINAL |

(To be entered by ALJ)

Issued by _____

(To be entered by Cal. P.U.C.)

Advice Letter No. _____

Date Filed _____

Decision No. _____

NAME _____

Effective _____

TITLE _____

Resolution No. _____

Canceling _____ Cal. P.U.C. Sheet No. _____
Cal. P.U.C. Sheet No. _____**DRAFT**

PRELIMINARY STATEMENT

This tariff sets forth the regulations and rates applicable to private line high-speed digital service for the purpose of intrastate, intraLATA transmissions at speeds of 1.544 mbps or higher provided by Local Area Telecommunications, Inc. (the "Company"). Service will originate from nonresidential user points and will connect end user premises to other end user premises in certain metropolitan areas throughout the State of California. The Company will initially originate its service in the San Diego, San Francisco, and Los Angeles metropolitan areas and may originate services from other intrastate points at a later date.

(To be completed by user)

Issued by

(To be entered by Cal. P.U.C.)

Advice Letter No. _____

Date Filed _____

Decision No. _____

NAME

Effective _____

TITLE

Resolution No. _____

U.S. 701102-10.000

Cal P.U.C. Sheet No. _____

Cancelling _____ Cal P.U.C. Sheet No. _____

DRAFT

EXPLANATION OF SYMBOLS

The following symbols shall be used in this tariff for the purpose indicated below:

- (C) - To signify changed regulation.
- (D) - To signify discontinued rate or regulation.
- (I) - To signify increased rate.
- (L) - To signify a move in the location of text.
- (N) - To signify new rate or regulation.
- (R) - To signify reduction.
- (T) - To signify a change in text but no change in rate or regulation.

(To be signed by ALJ)

Issued by

(To be signed by Cal. P.U.C.)

Advice Letter No. _____

Date Filed _____

Decision No. _____

NAME

Effective _____

TITLE

Resolution No. _____

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SERVICE AREA MAP



* - Service to be initially provided in the San Diego, San Francisco, and Los Angeles metropolitan areas.

(To be inserted by county)

Issued by

(To be inserted by Cal. P.U.C.)

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Decision No. _____

NAME

Effective _____

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Resolution No. _____

Canceling _____ Cal P.U.C. Sheet No. _____
 _____ Cal P.U.C. Sheet No. _____

DRAFT

RATES

DS-1

Month-To-Month T-1 Pricing SheetLine-Of-Sight

| <u>No. T-1's</u> | <u>Redundant</u> | | <u>Non-Redundant</u> | |
|------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | <u>Price/Month</u> (Each) | <u>Installation</u> (Each) | <u>Price/Month</u> (Each) | <u>Installation</u> (Each) |
| 1 | \$2,250 | \$4,000 (a) | \$995 | \$3,500 (a) |
| 2-3 | 1,200 | 2,250 (a) | 875 | 1,750 (a) |
| 4-5 | 900 | 1,750 (b) | 750 | 1,250 (b) |
| 6-8 | 750 | 1,500 (b) | 695 | 1,250 (b) |
| 9-10 | 700 | 1,500 (b) | 650 | 1,250 (b) |
| 11-14 | 650 | 1,500 (b) | 600 | 1,250 (b) |
| 15-17 | 625 | 1,500 (b) | 575 | 1,250 (b) |
| 18-20 | 600 | 1,500 (b) | 550 | 1,250 (b) |
| 21-23 | 550 | 1,500 (b) | 500 | 1,250 (b) |
| 24-29 | 500 | 1,500 (b) | 450 | 1,250 (b) |
| 30+ | 450 | 1,500 (b) | 425 | 1,250 (b) |

One Repeater (Active)

| <u>No. T-1's</u> | <u>Redundant</u> | | <u>Non-Redundant</u> | |
|------------------|------------------------------|-------------------------------|------------------------------|-------------------------------|
| | <u>Price/Month</u> (Each) | <u>Installation</u> (Each) | <u>Price/Month</u> (Each) | <u>Installation</u> (Each) |
| 1 | \$4,500 | \$6,000 (a) | \$2,500 | \$5,500 (a) |
| 2-3 | 2,250 | 2,750 (a) | 1,500 | 2,750 (a) |
| 4-5 | 1,500 | 2,250 (a) | 900 | 1,750 (b) |
| 6-8 | 1,100 | 1,750 (b) | 850 | 1,500 (b) |
| 9-10 | 1,000 | 1,500 (b) | 800 | 1,250 (b) |
| 11-14 | 900 | 1,500 (b) | 750 | 1,250 (b) |
| 15-17 | 750 | 1,500 (b) | 650 | 1,250 (b) |
| 18-20 | 650 | 1,500 (b) | 600 | 1,250 (b) |
| 21-23 | 600 | 1,500 (b) | 550 | 1,250 (b) |
| 24-29 | 575 | 1,500 (b) | 525 | 1,250 (b) |
| 30+ | 500 | 1,500 (b) | 500 | 1,250 (b) |

(To be inserted by carrier)

Issued by

(To be inserted by Cal. P.U.C.)

Advice Letter No. _____

Date Filed _____

Decision No. _____

Effective _____

Resolution No. _____

U 28
701102-10,000

Cal P.U.C. Sheet No. _____

Cancelling _____

Cal P.U.C. Sheet No. _____

DRAFTRATES (cont'd)

- (a) Plus internal cabling (inside wiring), and antenna rental (if necessary) at end locations only.
- (b) Plus extraordinary charges only (if any).

Notes:

1. Six months' cancellation notice applies on all circuits.
2. Passive repeater - Surcharge: 10% on monthly; 10% on installation. Add \$600 per link per month if less than four (4) T-1's.
3. Inter-Wire Center Service - Surcharge: 10% on monthly (line-of-sight only).
4. Demarcation: DSX-1 (T-1).
5. V.35 interface available; surcharge of 40% on monthly, 25% on installation.
6. No. T-1's is per link.
7. Not to be used for two or more repeaters.

Individual Case Basis Arrangements

Where the Company furnishes a facility or service for which a rate or charge is not specified in the Company's tariffs, charges will be determined on an Individual Case Basis ("ICB").

(To be initialed by company)

Issued by _____

(To be initialed by Cal. P.U.C.)

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DRAFT

LISTS OF CONTRACTS AND DEVIATIONS

(None in effect)

(To be entered by GAAJY)

issued by

(To be entered by Cal. P.U.C.)

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RULES

Rule 1 Definitions

Advance Payment: Part or all of a payment required before the start of service.

Authorized User: A person, firm or corporation which is authorized by the customer or joint user to be connected to the service of the customer or joint user, respectively. Since the Company intends to offer service only to nonresidential customers, the term "Authorized User" does not include residential users. An authorized user must be specifically named in the application for service.

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

Company: Local Area Telecommunications, Inc., the issuer of this tariff, which is a New York corporation.

Customer: The person, firm or corporation which orders service and is responsible for the payment of charges and compliance with tariff regulations. Since the Company intends to offer service only to nonresidential users, the term "Customer" does not include residential users.

Dedicated: A facility or equipment system or subsystem set aside for the sole use of a specific customer.

DS-1 Service: This service consists of two DS-1 channel terminations. DS-1 Service provides for the transmission of digital signals at a speed of 1.544 Mbps.

Duplex Service: Service which provides for simultaneous transmission in both directions.

(To be entered by user)

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DRAFTRule 1 Definitions (Cont'd)

Fiber Optic Cable: A thin filament of glass with a protective outer coating through which a light beam carrying communications signals may be transmitted by means of multiple internal reflections to a receiver, which translates the message.

High Capacity Channels: These services over the Company's Network are furnished for full-duplex transmission of digital signals at operating speeds of 1.544 mbps (DS-1) or higher.

Individual Case Basis or ICB: A service arrangement in which the regulation, rates and charges are developed based on the specific circumstances of the case.

Joint User: A person, firm or corporation which is designated by the customer as a user of the Network Services, as defined below, furnished to the customer and to whom a portion of the charges for the service will be billed under a joint user arrangement as specified herein. A Joint User shall not include residential users.

Kbps: Kilobits, denotes thousands of bits per second.

Mbps: Megabits, denotes millions of bits per second.

Network: The Company's digital fiber optic-based network located in California.

Node: The Company office where all customer facilities are terminated for purposes of interconnection to trunks and/or cross-connection to distant ends.

Premises: The space occupied by a customer or authorized user in a building or buildings or contiguous property (except railroad rights-of-way, etc.) not separated by a highway.

(To be inserted by staff)

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DRAFT**Rule -1 Definitions (Cont'd)**

Shared: A facility or equipment system or subsystem which can be used simultaneously by several customers.

Rule 2 Description of Service

Network Services consist of furnishing dedicated private line high-speed digital service for the purpose of intraLATA transmissions at speeds of 1.544 mbps or higher. Service will originate from nonresidential user points and will connect end users to other end users in certain metropolitan areas throughout the State of California.

Rule 3 Application for Service

Customer wishing to obtain service must complete Company's Service Order form.

Rule 4 Contracts

Customer and the Company will enter into a Master Agreement for Telecommunications Services.

Rule 5 Special Information Required on Forms

(None if effect)

Rule 6 Establishment and Re-establishment of Credit

6.1 The Company will conduct a credit investigation of each new Customer. A Customer whose service has been discontinued for nonpayment of bills will be required to re-establish credit before service is restored.

6.2 The Company may require a customer to make an advance payment before services and facilities are furnished. The advance payment will not exceed an amount equal to the non-recurring charge(s) (i.e., installation charges) and one

(To be marked by company)

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(To be marked by Cal P.U.C.)

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DRAFT**Rule 6 Establishment and Re-establishment of Credit****6.2 (Cont'd)**

month's charges for the service or facility. In addition, where special construction is involved, the advance payment may also include an amount equal to the estimated non-recurring charges for the special construction and recurring charges (if any) for a period to be set between the Company and the customer. The advance payment will be credited to the customer's initial bill. An advance payment may be required in addition to a deposit.

Rule 7 Deposits

7.1 Before a service or facility is furnished to a customer whose credit has not been duly established to the sole and exclusive satisfaction of the Company, the Company may require a customer to make a deposit to be held as a guarantee for the payment of charges. A deposit does not relieve the customer of the responsibility for the prompt payment of bills on presentation. The deposit will not exceed an amount equal to:

Rule 7 Deposits**7.1 (Cont'd)**

- (a) two month's charges for a service or facility which has a minimum payment period of one month; or
- (b) the charges that would apply for the minimum payment period for a service or facility which has a minimum payment period of more than one month;

except that the deposit may include an additional amount in the event that a termination charge is applicable.

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Cal P.U.C. Sheet No. _____**DRAFT**

- 7.2 When a service or facility is discontinued, the amount of a deposit, if any, will be applied to the customer's account and any credit balance remaining will be refunded. A deposit will be refunded with interest after a period of twelve months provided the customer has made all requisite payments during such twelve month period.

- 7.3 Deposits held will accrue interest at a rate of 7% per annum.

Rule 8 Notices

All notices shall be in writing addressed to the parties and shall be considered as delivered on the third business day after the date of mailing if sent certified mail or when received in all other cases, including telecopy or other printed electronic medium or personal delivery.

Rule 9 Rendering and Payment of Bills

The customer is responsible for payment of all charges incurred by the customer or users for services and facilities furnished to the customer by the Company.

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DRAFT**Rule 9 Rendering and Payment of Bills (Cont'd)**

- 9.1 Non-recurring installation charges are due and payable upon presentment of an invoice to the customer.
- 9.2 Recurring monthly charges are due and payable upon presentment of an invoice to the customer for the service or facility furnished. A service or facility may be discontinued for nonpayment of a bill.
- 9.3 Billing starts on the day after the Company notifies the customer the service or facility is available for use. Billing accrues through and includes the day that the service, circuit, arrangement or component is discontinued. Monthly charges will be billed one month in advance, except where prohibited by law or as otherwise provided in this tariff. Taxes will be separately stated on customer's bill.
- 9.4 If any portion of the payment is received by the Company after the payment date set forth above, or if any portion of the payment is received by the Company in funds which are not immediately available to the Company, then a late payment penalty shall be due the Company. The late payment penalty shall be the portion of the payment not received by the payment date times a late factor. The late factor shall be the lesser of:
- (a) the highest interest rate (in decimal value) which may be levied by law for commercial transactions, compounded daily for the number of days from the payment date to and including the date that the customer actually makes the payment to the Company; or

(To be completed by GAAJ)

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DRAFT**Rule 9 Rendering and Payment of Bills****9.4 (Cont'd)**

- (b) 0.000493 per day (18% per annum), compounded daily for the number of days from the payment date to and including the date that the customer actually makes the payment to the Company.

Rule 10 Disputed Bills

Customer may dispute a bill only by written notice to the Company delivered within 30 days after the statement date. Unless disputed the statement shall be deemed to be correct and payable in full by Customer.

Rule 11 Discontinuance and Restoration of Service

- 11.1 Upon nonpayment of any charges or deposits owing to the Company, the Company, after complying with the procedures described in Rule 9, may, by giving ten days' prior written notice to the customer, discontinue or suspend service under this tariff without incurring any liability.
- 11.2 Upon violation of any of the other terms or conditions for furnishing service under this tariff, the Company may, by giving 30 days' prior notice in writing to the customer, discontinue or suspend service under this tariff without incurring any liability.
- 11.3 Upon condemnation of all or any material portion of the facilities used by the Company to provide service to a customer or in the event a casualty renders all or any material portion of such facilities inoperable and beyond feasible repair, the Company, by notice to the customer, may discontinue or suspend service under this tariff without incurring any liability.

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DRAFT**Rule 11 Discontinuance and Restoration of Service (Cont'd)**

11.4 Upon the customer's filing for bankruptcy or reorganization, or failing to discharge an involuntary petition therefore within the time permitted by law, the Company may immediately discontinue or suspend service under this tariff without incurring any liability.

11.5 Upon the Company's discontinuance of service to the customer, the Company, in addition to all other remedies that may be available to it at law or in equity or under any other provision of this tariff, may declare all future monthly and other charges which would have been payable by the customer during the remainder of the minimum term for which such services would have otherwise been provided to the customer to be immediately due and payable (discounted to present value at six percent).

Rule 12 Optional Rates and Information to be Provided the Public

The Company shall promptly advise affected customers of new, revised or optional rates applicable to their service.

This tariff and any advice letters will be available at the Company's office during normal business hours for inspection.

Rule 13 Temporary Service

(None in effect)

Rule 14 Continuity of Service

The Company will provide the customer reasonable notification of service-affecting activities that may occur in normal operation of its business. Such activities may include, but are not limited to, equipment or facilities additions, removals or rearrangements and routine preventative maintenance.

(To be submitted by utility)

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DRAFTRule 14 Continuity of Service (Cont'd)

Generally, such activities are not individual customer service specific, and they affect many customer services. No specific advance notification period is applicable to all service activities. The Company will work cooperatively with the customer to determine the reasonable notification requirements. With some emergency or unplanned service-affecting conditions, such as an outage resulting from cable damage, notification to the customer may not be possible.

Rule 15 Extensions

(Not Applicable)

Rule 16 Service Connections and Facilities on Customers' Premises

- 16.1 Customer shall allow Company continuous access and right-of-way to customer's premises to the extent reasonably determined by Company to be appropriate to the provision and maintenance of services, equipment, facilities and systems relating to this tariff. Customer shall furnish Company, at no charge, such equipment space and electrical power as is reasonably determined by Company to be required and suitable to render these services.
- 16.2 Equipment the Company provides or installs at the customer's premises for use in connection with the services the Company offers shall not be used for any purpose other than that for which the Company provided it.
- 16.3 Title to all facilities provided in accordance with this tariff remains in the Company, its agents or contractors.
- 16.4 Customer provided terminal equipment, the operating personnel, and the electric power consumed by such equipment on the premises of the customer, authorized user, or joint user,

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DRAFTRule 16 Service Connections and Facilities on Customers'
Premises (Cont'd)

16.4 (Cont'd)

shall be provided by and maintained at the expense of the customer, authorized user, or joint user.

- 16.5 The customer, authorized user, or joint user is responsible for ensuring that customer-provided equipment connected to Company equipment and facilities is compatible with such equipment and facilities. The magnitude and character of the voltages and currents impressed on Company-provided equipment and wiring by the connection, operation, or maintenance of such equipment and wiring shall be such as not to cause damage to the Company-provided equipment and wiring or injury to the Company's employees or to other persons. Any additional protective equipment required to prevent such damage or injury shall be provided by the Company at the customer's expense.

Rule 17 Measurement of Service

(Not applicable)

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Concerning _____ Cal P.U.C. Sheet No. _____

DRAFT**Rule 18 Meter Tests and Adjustments of Bills for Meter Error**

(Not applicable)

Rule 19 Supply to Separate Premises and Resale

The Company may require applicants for service who intend to use the Company's offerings for resale and/or for shared use to file a letter with the Company confirming that their use of the Company's offerings complies with relevant laws and PUC regulations, policies, orders, and decisions.

Rule 20 Liability of the Company

20.1 Because the customer has exclusive control of its communications over the services furnished by the Company, and because interruptions and errors incident to these services are unavoidable, the services the Company furnishes are subject to the terms, conditions, and limitations specified in this tariff and to such particular terms, conditions, and limitations as set forth in the special regulations applicable to the particular services and facilities furnished under this tariff.

20.2 The liability of the Company for damages arising out of the furnishing of Network Services, including but not limited to mistakes, omissions, interruptions, delays, or errors, or other defects, representations, or use of these services or arising out of the failure to furnish the service, whether caused by acts of commission or omission, shall be limited to the extension of allowances for interruption as set forth in Rule 14. The extension of such allowances for interruption shall be the sole remedy of the customer, authorized user, or joint user and the sole liability of the Company. The Company will not be liable for any special, consequential, exemplary or punitive damages a

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DRAFTRule 20 Liability of the Company

20.2 (cont'd)

customer may suffer, whether or not caused by the intentional acts or omissions or negligence of the Company's employees or agents.

- 20.3 The Company shall not be liable for any failure of performance or equipment due to causes beyond its control, including but not limited to: acts of God, fire, flood or other catastrophes; any law, order, regulation, direction, action, or request of the United States Government, or of any other government, including state and local governments having or claiming jurisdiction over the Company, or of any department, agency, commission, bureau, corporation, or other instrumentality of any one or more of the federal, state, or local governments, or of any civil or military authority; national emergencies; insurrections; riots, wars; unavailability of rights-of-way or materials; or strikes, lock-outs, work stoppages, or other labor difficulties.
- 20.4 The Company shall not be liable for any act or omission of any entity furnishing to the Company or to the Company's customers facilities or equipment used for or with Network Services the Company offers.
- 20.5 The Company shall not be liable for any damages or losses due to the fault or negligence of the customer or due to the failure or malfunction of customer-provided equipment or facilities.
- 20.6 The Company shall not be liable for the claims of vendors supplying equipment to customers of the Company which may be installed at premises of the Company; nor shall the Company be liable for the performance of said vendor or vendor's equipment.

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DRAFTRule 21 Credits for Interruptions in Service

- 21.1 Interruptions in service, which are not due to the negligence of, or noncompliance with the provisions of this tariff by, the customer or of an authorized or joint user, or the operation or malfunction of the facilities, power or equipment provided by the customer or authorized or joint user, will be credited to the customer as set forth below for the part of the service that the interruption affects.
- 21.2 A credit allowance will be made when an interruption occurs because of a failure of any component furnished under this tariff. An interruption period begins when the customer reports a service, facility or circuit to be interrupted and releases it for testing and repair. An interruption period ends when the service, facility or circuit is operative. If the customer reports a service, facility or circuit to be inoperative but declines to release it for testing and repair, it is considered to be impaired, but not interrupted.
- 21.3 For calculating credit allowances, every month is considered to have 30 days. A credit allowance is applied on a pro rata basis against the rates specified hereunder and is dependent upon the length of the interruption. Only those facilities on the interrupted portion of the circuit will receive a credit.
- 21.4 A credit allowance will be given for interruptions of 60 minutes or more. Credit allowances shall be credited in 15 minute increments.

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LOCATELocal Area Telecommunications, Inc.
17 Battery Place, Suite 1200
New York, N.Y. 10004 (212) 509-5115**SERVICE AGREEMENT**

INTERNAL USE ONLY:

ORDER # _____ **7642**

CUSTOMER ID. # _____

A. TYPE OF ACTION: ☐ New Service ☐ Change Order

Change Order must indicate effective date and circuit number if applicable (Section G)

B. CUSTOMER INFORMATION: Form Of Business Entity (Check Only One Box):

☐ Corporation ☐ Partnership ☐ Proprietorship ☐ Non Profit/Charity ☐ State/Local Government ☐ Other (Specify) _____

Customer Legal Name ("Customer") Address _____

City, State _____

Zip _____

Billing Address Street and Number (If Different From Above) _____

City, State _____

Zip _____

Contact (Communications Manager) _____

Telephone
() _____

C. SALESPERSON INFORMATION:

Salesperson's Name _____

Telephone
() _____

State _____

D. SERVICE TYPE (Check Box)

(1) ☐ OTS (2) ☐ T-1 (3) ☐ T-3 (4) ☐ DS-3
(5) ☐ Voice (6) ☐ Video (7) ☐ Hybrid (8) ☐ Site Survey

E. SERVICE TERMS (Check Box)

(1) ☐ Contract _____ (2) ☐ Other _____
Term _____

F. GENERAL Other Information:

☐ Line of Sight ☐ Passive Repeater ☐ One Active Repeater ☐ Redundant ☐ Non-redundant ☐ Other _____

| TYPE OF CIRCUIT | NUMBER OF CIRCUITS | ORIGINATING POINT (ADDRESS) | TERMINATING POINT (ADDRESS) | AMOUNT (UNIT PRICE) | |
|-----------------|--------------------|-----------------------------|-----------------------------|---------------------|--------------|
| | | | | RECURRING MONTHLY | INSTALLATION |
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |
| 5. | | | | | |
| 6. | | | | | |
| 7. | | | | | |
| TOTAL | | | | | |

G. INSTALLATION DATE: _____

EFFECTIVE DATE: _____
Circuit Number(s) _____

H. AUTHORIZATION/REMARKS

1. Subject to final engineering, corporate approval and availability.
2. Root rentals, not included. Passed through at cost.
3. Extraordinary charges excluded — Customer agrees to pay any extraordinary charges for third party charges, conduit, or cabling up to \$6,000 per installation upon submission of invoice. Charges in excess of \$6,000 shall be subject to customer approval.
4. Service terms less than one year are only cancellable upon 6 months prior written notice to company.
5. _____

IMPORTANT NOTE: See additional contract terms and conditions and payment information on reverse side.

Customer's Name _____

Authorized Customer

Representative's Signature _____ Date _____

Title _____ Telephone No. () _____

I. INTERNAL AUTHORIZATION:

| SALES/DATE | LEGAL/DATE | NETWORK SERVICES/DATE | CONTROLLER/DATE |
|------------|------------|-----------------------|-----------------|
| | | | |

1/89

WHITE: CUSTOMERS — YELLOW: NETWORK SERVICES — PINK: SALES — GOLDENROD: CONTROLLERS — GREEN: FILE

(To be signed by USER)

Issued by _____

(To be signed by Cal P.U.C.)

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CANCELLING _____

Cal P.U.C. Sheet No. _____

CONDITIONS

1. **TERM:** This Service Agreement shall commence, effective on the date that Customer executes this Agreement and shall continue until the completion of the Term of Service set forth in Section 5.
2. **SERVICE TERM:** The Service Term shall commence upon acceptance as set forth in paragraph 4 above and shall continue until the completion of the Term of Service set forth in Section 5. The duration of the Service Term, including any extension, shall be continuous for a minimum term of 12 months, cancellable by 60 days prior written notice to the other party.
3. **INSTALLATION:** The installation date for the Service is an estimated date on which service will be operational, in no event shall the Company be liable for failure to complete installation by that date. Customer may, at its option, cancel this Agreement, prior to installation subject to the conditions set forth in the Cancellation/Refund Provision in paragraph 9, below.
4. **SPECIFICATIONS:** The Company's serviceable specifications are 99.5% non-redundant and 99.5% non-redundant availability at a maximum rate of 1 x 10⁻⁶ (6). During normal atmospheric conditions, the specifications will include 99.9% employee seconds.
5. **ACCEPTANCE:** After installation of the equipment necessary for the Company to provide service, the Company shall test the equipment for 24 hours. If the test indicates that the equipment meets the specifications set forth in paragraph 4 above, the service shall be accepted by the Customer and the Service Term shall commence. The Customer shall notify the Company within 48 hours of the completion of testing of any failure to meet service specifications. If no such notification is given, it shall be conclusively presumed that service specifications are being met and that service shall commence.
6. **PAYMENT:** The Customer is responsible for payment of all charges for services furnished to the Customer. Charges for installation, physical or administrative changes, expenses, or the cancellation of orders are payable upon completion. If, because of any such activity a non-Customer carrier or supplier incurs additional charges, these charges shall be determined on a case-by-case basis. Minimum charges are billed in advance. Billing will be payable upon receipt, interest at the rate of 1% per month unless prescribed by law, in which event at the highest rate allowed by law will accrue upon any unpaid amount. Customers shall have 30 days after date of billing. Applicants or Customers whose financial condition is not acceptable to the Company, or is not a matter of general knowledge, may be required at any time to make a deposit up to three (3) months actual or estimated charges for the service if provided. In the case of a cash deposit, interest at the rate paid in that locality for escrow accounts will be paid for the period during which the deposit is held by the Company. At the Company's option, such deposit may be refunded or credited to the Customer at any time prior to termination of service. If notice of a dispute as to charges is not received, in writing, by the Company within two (2) months after an invoice is rendered, such invoice shall be deemed to be correct and binding upon the Customer. Outages in excess of thirty (30) minutes will be credited on a pro rata basis, based on a thirty-day month.
7. **TAXES:** The taxes quoted do not include taxes and all taxes are made subject to any applicable laws imposed by Federal or State governments or by any other Government authority.
8. **RETURN OF EQUIPMENT:** During the Service Term and any renewal thereof, title to the equipment shall remain with the Company. Upon expiration or termination of this Agreement, unless the Term is extended, the Company shall have access to its equipment upon reshipment notice to the Customer for the purpose of removing its equipment. Customer shall have no right to remove the equipment.
9. **CANCELLATION:** This Agreement is non-cancellable except as set forth herein. Upon completion of testing, the Customer's obligation to pay the monthly recurring charges for the entire Service Term and any other amounts due shall be absolute and unconditional.
If the Company fails to meet the service specifications set forth above, Customer may cancel this Agreement on 30 days written notice to Company. The Customer will not be liable for charges incurred after the effective date of termination, but will remain liable for all amounts incurred prior to that date.
The Customer may cancel this Agreement prior to installation of the equipment under the condition that it immediately pay to the Company any out of pocket expenses incurred by the Company plus a cancellation fee of two times the monthly service charge set forth in Section 8.
10. **DEFAULT/REMEDIES:** Customer shall be in default under this Agreement upon (a) Customer's failure to pay all charges when due, (b) loss, damage or destruction of the Company's equipment caused by the Customer's negligent or intentional acts or the insolvency of the Customer.
Upon default, the Company shall have the right to take any one or more of the following actions, none of which shall be exclusive, but shall be in addition to all other remedies in its favor existing at law or in equity, (i) terminate service on 30 days written notice to Customer, and/or (ii) collect all obligations due and payable, including interest, by appropriate court action to specifically enforce performance by the Customer or to collect damages for breach of this Agreement.
11. **LIMITATION OF LIABILITY:** The Customer's sole remedy, in the event that the Company fails to meet the service specifications set forth in Section 4 or any other obligation hereunder, is cancellation of this Agreement as set forth in paragraph 9, above. IN NO EVENT SHALL THE COMPANY BE LIABLE FOR INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOST PROFITS.
12. **MAINTENANCE:** The Company will maintain the equipment in proper working condition so that service specifications are satisfied during the term of this Agreement. Trouble calls will be accepted if three (3) or more employee seconds occur within a 24-hour period for two (2) years within two (2) hours, during normal atmospheric conditions. The Company will provide the Customer with Trouble Reporting and Escalation Procedures.
The Customer shall provide the Company with access to its equipment so that the Company may perform maintenance. In the event that any delay in performing maintenance or repair work is due to the actions or inactions of the Customer, the Customer shall have no right to an outage or the right to cancel this Agreement if service specifications are not met. Customer shall not perform any maintenance on the Company's equipment and the Customer shall be liable for any damage to the Company's equipment caused by the Customer, its employees or agents.
13. **INDEMNIFICATION:** The Customer and the Company shall indemnify and save harmless each other from all claims, actions, damages and liability arising in connection with the provision of service by the Company or in connection with this Service Agreement when caused by the negligent or intentional acts of their respective employees or agents in the scope of their employment, and the Customer and the Company shall protect and defend each other from any and all claims, actions or suits alleging such liability and shall pay all expenses (including reasonable attorney fees) and satisfy all judgments incurred by or rendered against the other in connection therewith. The Customer shall notify the Company and the Company shall notify the Customer of any suit, claim or actions in connection with this Service Agreement or the provision of service by the Company.
14. **FORCE MAJEURE:** If the installation, operation or maintenance of the service provided by the Company to the Customer is interrupted or delayed by an act of God, war, riot, fire, explosion, accident, flood, sabotage, governmental laws or regulations, labor difficulties, or any cause beyond the reasonable control of the Company, the Customer shall not have the right to cancel the Agreement as set forth in paragraph 9 above. The right to an outage shall not be a breach of this Agreement provided that the Company shall give prompt notice to the Customer and provided that the Company uses its best effort to avoid or remove such causes of interruption or delay.
15. **CONFIDENTIALITY:** The Customer and the Company agree not to disclose, without prior written authorization, any proprietary information acquired from the other in connection with this Service Agreement.
16. **ENTIRE AGREEMENT:** This Agreement is the entire agreement between the Company and the Customer and may not be modified except by a written instrument signed by a duly authorized official of the Company and the Customer.

(To be inserted by user)

Issued by _____

(To be inserted by Cal P.U.C.)

Advice Letter No. _____

Date Filed _____

Decision No. _____

Effective _____

Resolution No. _____

DRAFT

Cancelling _____

Cal. P.U.C. Sheet No. _____

Cal. P.U.C. Sheet No. _____

**LOCAL AREA
TELECOMMUNICATIONS, INC.**17 Battery Place, Suite 1935
New York, N.Y. 10004
Tel: (212) 509-5111**INVOICE**
2274

| INVOICE DATE | | CUSTOMER ORDER NO. | INVOICE NO. | TERMS | SAGE SALESPERSON | OUR ORDER NO. |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------|-------------|-------------------------------------|---------------------|------------------|
| | | | 2274 | NET CASH UPON RECEIPT OF INVOICE | | |
| CIRCUIT NO. | DESCRIPTION | | | UNIT PRICE | AMOUNT | |
| | | | | | | |
| INVOICE IS DUE AND PAYABLE IN ADVANCE FOR ONE MONTHS RECURRING CHARGE. IMPORTANT: PLEASE RETURN REMITTANCE COPY WITH YOUR PAYMENT | | | | | | PAY THIS AMOUNT |

(To be completed by company)

Issued by _____

(To be completed by Cal. P.U.C.)

Advice Letter No. _____

Date Filed _____

Decision No. _____

NAME _____

Effective _____

TITLE _____

Resolution No. _____

U 28
301102-10.000

(END OF APPENDIX A)