

INTRASTATE TELECOMMUNICATIONS SERVICES

REGULATIONS AND SCHEDULE OF CHARGES APPLICABLE
TO INTRASTATE TELECOMMUNICATIONS SERVICES
TO CUSTOMERS WITHIN THE OPERATING TERRITORY OF

NTS COMMUNICATIONS, INC.

SERVICE IS PROVIDED BETWEEN POINTS WITHIN THE
STATE OF ARIZONA AS
SPECIFIED HEREIN BY MEANS OF RESELLING WIRE, RADIO
TERRESTRIAL OR SATELLITE FACILITIES OR ANY
COMBINATION THEREOF OF OTHER CARRIERS

Issued by: President
NTS Communications, Inc.
1220 Broadway, Suite 600
Lubbock, Texas 79401

INTRASTATE TELECOMMUNICATIONS SERVICES

CHECK SHEET

<u>Page</u>	<u>Revision</u>	<u>Date Issued</u>	<u>Page</u>	<u>Revision</u>	<u>Date Issued</u>
1	1 st Revised	10/19/2001	20	1 st Revised	10/19/2001
1.1	Original	10/19/2001	21	Original	10/19/2001
2	Original		22	Original	10/19/2001
3	Original		23	Original	10/19/2001
4	Original		24	Original	10/19/2001
5	Original		24	Original	10/19/2001
6	Original		25	Original	10/19/2001
7	Original		26	Original	10/19/2001
8	Original		27	Original	10/19/2001
9	Original				
10	Original				
11	Original				
12	Original				
13	Original				
14	Original				
15	Original				
16	Original				
17	1 st Revised	10/19/2001			
18	1 st Revised	10/19/2001			
18.1	Original	10/19/2001			
19	1 st Revised	10/19/2001			
19.1	Original	10/19/2001			
19.2	Original	10/19/2001			
19.3	Original	10/19/2001			
19.4	Original	10/19/2001			

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INTRASTATE TELECOMMUNICATIONS SERVICES

CONCURRING CARRIERS

None

OTHER PARTICIPATING CARRIERS

None

EXPLANATION OF SYMBOLS

- C - Changed Regulation
- D - Discontinued Rate or Regulation
- I - Rate Increase
- M - Matter Relocated Without Change
- N - New Rate or Regulation
- R - Rate Reduction
- S - Reissued Matter
- T - A Change in Text but No Change in Rate or Regulation
- Z - A Correction

REFERENCES TO OTHER TARIFFS

Whenever reference, if any, is made to other tariffs, the reference is to the tariffs in force as of the effective date of this tariff, and to amendments thereto and reissues thereof.

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INTRASTATE TELECOMMUNICATIONS SERVICES

1. APPLICATION OF TARIFF

This tariff contains the rates and regulations applicable to the provision of intrastate telecommunications service of NTS Communications, Inc. (hereinafter referred to as "NTS" or "the Company") between points within the state of Arizona. Service is furnished subject to transmission, atmospheric and like conditions, by wire, radio, terrestrial or satellite facilities or any combination thereof.

2. REGULATIONS

2.1 Undertaking of the Company2.1.1 Scope

The Company undertakes to provide intrastate telecommunications service in accordance with the terms and conditions set forth in this tariff. The terms, conditions and/or rates provided herein may be altered, amended, repealed, or otherwise changed pursuant to written contracts between the Company and any of its Customers which contracts shall be filed with the Arizona Corporation Commission.

2.1.2 Shortage of Facilities

All service is subject to the availability of suitable facilities. The Company reserves the right to limit the length of communications or to discontinue furnishing services when necessary because of the lack of satellite or other transmission medium capacity or because of any causes beyond its control.

2.1.3 Resale of Services

The services provided by the Company are not available for resale.

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INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company

- (A) The Company shall be defended (by counsel of its choosing), indemnified and held harmless by the Customer against:
- (1) Claims for libel, slander, infringement of copyright or unauthorized use of any trademark, trade name or service mark arising out of the material, data, information, or other content transmitted over the Company's facilities; and
 - (2) Claims for patent infringement arising from combining or connecting the Company's facilities with apparatus and systems of the Customer; and
 - (3) All other claims arising out of any act or omission of the Customer in connection with any service provided by the Company.
- (B) The Company shall not be liable for and the Customer indemnifies and holds the Company harmless from any and all loss, claims, demands, suits, or other action, or any liability whatsoever, whether suffered, made, instituted, or asserted by the Customer or by any other party or persons, for any personal injury to, or death of, any person or persons, and for any loss, damage, defacement or destruction of the premises of the Customer or any other property, whether owned by the Customer or others, caused or claimed to have been caused directly or indirectly by the installation, operation, failure to operate, maintenance, removal, presence, condition, location or use of the Company's service or equipment that is not the direct result of the Company's gross negligence. No agents or employees of other carriers or other entities shall be deemed to be agents or employees of the Company.

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INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.4 Liability of the Company (Cont'd)

(C) The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission occurring in the course of furnishing service or other facilities shall in no event exceed an amount equivalent to the proportionate charge to the Customer for the period of service during which such mistake, omission, interruption, delay, error or defect in transmission occurs. No other liability shall in any case attach to the Company and in no event shall the Company be liable for any consequential, special, or incidental damages whatsoever.

(D) The Company shall not be liable to the Customer for any failure of performance due to causes beyond its control including fire, flood, epidemic, earthquake, other acts of God, explosion, strike or other labor disputes, riot or civil disturbance, war (whether declared or undeclared) or armed conflict, failure of common carrier or "carrier's carrier" or municipal ordinance, any state or federal law, governmental order or regulation or order of any court of competent jurisdiction, or any other similar thing or occurrence not within the control of the Company.

2.1.5 Provision of Equipment and Facilities

(A) Except as otherwise indicated, Customer provided station equipment at the Customer's premises for use in connection with this service, shall be so constructed, maintained and operated as to work satisfactorily with the facilities of the Company.

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INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.1 Undertaking of the Company (Cont'd)

2.1.5 Provision of Equipment and Facilities (Cont'd)

(B) The Company shall not be responsible for the installation, operation or maintenance of any customer provided communications equipment. Where such equipment is connected to service furnished pursuant to this tariff, the responsibility of the Company shall be limited to the furnishing of services under this tariff and to the maintenance and operation of such service in the proper manner; subject to this responsibility, the Company shall not be responsible for:

- (1) the through transmission of signals generated by Customer-provided equipment or for the quality of, or defects in, such transmission; or
- (2) the reception of signals by Customer-provided equipment; or
- (3) network control signaling where such signaling is performed by Customer-provided network control signaling equipment.

2.1.6 Restoration of Service

The use and restoration of service shall be in accordance with Part 64, Subpart D of the Federal Communications Commission's Rules and Regulations, which specify the priority system for such activities.

2.2 Prohibited Uses

Intrastate telecommunications service shall not be used for any unlawful purpose.

INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.3 Obligations of the Customer2.3.1 Customer Premises Provisions

- (A) The Customer shall provide the personnel, power and space required to operate all facilities and associated equipment installed by the Customer on the premises of the Customer.
- (B) If facilities and/or equipment are provided by the Company, the Customer shall be responsible for providing Company personnel access to the premises of the Customer at any reasonable hour for the purpose of testing the facilities or equipment of the Company, or upon termination of service, for the purpose of removing such equipment. Unless a written agreement between the Company and Customer provides to the contrary, all equipment provided by the Company and placed on a Customer's premises or elsewhere to facilitate Customer's use of the Company's services shall at all times remain the sole and exclusive property of the Company and upon disconnection of said service for whatever reason Customer shall allow (or cause others over whom Customer exercises authority to allow) representatives of the Company access to the equipment so that the same may be removed from the premises in question.

2.3.2 Liability of the Customer

- (A) The Customer will be liable for any damage to the facilities of the Company or any injury to the personnel of the Company caused by the negligence or willful acts of the officers, employees, agents or contractors of the Customer.
- (B) The Customer is required to reimburse the Company for any loss through theft or otherwise of the Company's equipment or apparatus on the Customer's premises.

2.4 Use of Service

Intrastate telecommunications service may only be used to transmit communications of the customer and authorized users in a manner consistent with the terms of this tariff and the policies and regulations of the Arizona Corporation Commission (ACC) and other local authorities having jurisdiction over the service.

INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.5 Customer Equipment and Channels2.5.1 Interconnection of Facilities

- (A) Interconnection between Customer-provided service must be made by the Customer at the operating offices of the Company, or at such other location as the Company shall require.
- (B) In order to protect the Company's facilities and personnel and the services furnished to other customers by the Company from potentially harmful effects, the signals applied to the Company's services shall be such as not to cause damage to the facilities of the Company. Any special interface equipment necessary to achieve compatibility between facilities of the Company and the channels or facilities of others shall be provided at the Customer's expense.

2.5.2 Inspections

- (A) The Company may, upon reasonable notice, make such tests and inspections as may be necessary to determine whether the requirements of this tariff are being complied with in the installation, operation or maintenance of the Customer's or the Company's equipment. The Company may interrupt the service at any time, without penalty to itself, because of the Customer's departure from any of these requirements.
- (B) Upon reasonable notice, the facilities provided by the Company shall be made available to the Company for such tests and adjustments as may be necessary for their maintenance in a condition satisfactory to the Company.
- (C) In the event of service interruption, the Customer shall cooperate in good faith to the extent necessary to reinstate service, including the provision of immediate access to the Customer's premises.

INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.6 Payment Arrangements2.6.1 Payment and Billing

- (A) All service which is not private line service is billed on a monthly (30 day) basis. Bills are due and payable within fifteen (15) days of invoice date and any bill which is not paid within this period shall be considered delinquent. A late payment charge of 1-1/2% will accrue each month upon any amount unpaid thirty (30) days after invoice date.
- (B) All private line service is billed in advance on a monthly thirty (30) day basis. Bills for this service are due and payable on receipt of invoice. Bills not paid within fifteen (15) days of invoice date shall be considered delinquent. A late payment charge of 1-1/2% will accrue each month upon any amount unpaid thirty (30) days after invoice date.
- (C) The Customer is responsible for payment of all charges for services furnished to the Customer. The security of the Customer's authorization codes is the responsibility of the Customer. All calls placed using these authorization codes will be billed to and paid by Customer. Specifically, irrespective of the nature of usage of the Company's services, that is to say regardless of whether or not such usage is authorized by Customer, restitution in full shall be made to the Company for all usage which is billed to Customer's account pursuant to the terms of this tariff. In no instance shall the risk of loss arising from any unauthorized or fraudulent procurement or consumption of the services provided by the Company be placed on the Company, but rather, Customer shall at all times bear said risk and make payment in full to the Company for all such services properly charged to Customer's account.
- (D) In the event a Customer should remit payment to the Company by check which is returned for reasons of "Insufficient Funds," "Account Closed," or the like, then the Company reserves the right to assess a returned check fee of \$20.00 against Customer for each check so returned.
- (E) Unless Customer has supplied the Company with effective evidence of Customer's tax exempt status for one or more specific taxes, Customer will be billed for any and all applicable local, state, and federal taxes. Customer shall be responsible for all taxes which are billed to Customer hereunder.

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INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.6 Payment Arrangements (Cont'd)

2.6.1 Payment and Billing (Cont'd)

- (E) The Company reserves the right to examine the credit record of all applicants and customers:
- (1) Applicants or customers whose financial condition is unknown or is unacceptable to the Company or is not a matter of general knowledge may be required to make a security deposit. The Company reserves the right in all instances to refuse to provide service to any applicant or customer whose financial condition is unknown or unacceptable to the Company.
 - (2) A Customer whose service has been discontinued for non-payment of any bill will be required to pay any unpaid balance due to the Company before service is restored. In addition, the Company may require a security deposit from the discontinued Customer wishing to reestablish service. If traffic has increased since the account was canceled, the Company may require a security deposit based on the newly estimated minutes.

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INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.6 Payment Arrangements (Cont'd)2.6.1 Payment and Billing (Cont'd)

- (3) The amount of the security deposit may, in the Company's sole discretion, be calculated by multiplying the number of the Customer's estimated minutes of usage times \$.35 times 3 months or by multiplying the Customer's estimated monthly billing times 3 months. With regard to new Customers, the amount of Customer's usage with its present long distance carrier may be used to arrive at Customer's estimated minutes of usage. In the event the Customer does not have an existing long distance carrier at the time a request for service is made, or if Customer refuses to reveal said carrier, the amount of Customer's monthly billings with that carrier, and provide the Company with adequate proof of the same, then the Company may require a security deposit from Customer in such amount as the Company, in the exercise of its sole discretion, should deem appropriate to adequately protect itself from non-payment. The Customer shall be apprised that after 180 days of service the account will again be reviewed, and in the event all amounts due have been paid within the terms of this tariff, the deposit may be refunded in full until such time as a refund is made of Customer's security deposit the Customer shall, within 10 days notice from the Company, replenish the amount of such deposit which is used by the Company as payment for Customer's billing. Simple interest at the annual rate periodically established by the Arizona Corporation Commission will be paid on all sums retained on deposit.

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INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.6 Payment Arrangements (Cont'd)2.6.1 Payment and Billing (Cont'd)

- (F) The Company shall recognize such name(s) and customer(s) that appear on the most recent service authorization form, service agreement, or invoice as the sole person(s) or entity(s) authorized to accept, utilize, manage, modify or terminate services provided by the Company. Such name(s) shall be deemed to identify the person(s) or entity(s) liable and accountable for all charges incurred for service(s) described in the relevant document identifying such name(s). In the event the name(s) identified in such document describes the Customer as being an entity which is not readily identifiable as an individual, partnership, limited partnership, corporation, limited liability company, or other similar legal entity duly recognized by applicable state or federal law, then the Company shall recognize the individual that actually placed the order for service with the Company as the Customer. Such individual shall be responsible for all charges accruing under the account established pursuant to said order. Nothing contained herein shall preclude the Company from proceeding to collect charges, by appropriate legal action or otherwise, from an individual who is a partner, member, equity or interest-holder of a recognizable legal entity that does not, under applicable law, provide for the limited liability of partners, members, or the like.
- (G) The name(s) of the customer(s) desiring to use the service should be set forth in the application for service, service agreement, invoice, or other documentation.

INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.6 Payment Arrangements (Cont'd)2.6.1 Payment and Billing (Cont'd)

- (H) In the case of a billing dispute between the Customer and the Company for service furnished to the Customer which cannot be settled to mutual satisfaction, the Customer is limited to taking the following action with respect to the Company:
- (1) The Customer may request, and the Company will comply with the request, an in-depth review of the disputed amount. The undisputed portion and subsequent bills must be paid on a timely basis or the service may be disconnected.
 - (2) Customer must bring billing inquiries and disputes to the Company's attention within ten (10) days of the invoice date. Failure to do so within this period shall be deemed an admission of the accuracy of the entire contents of the bill, and shall foreclose any opportunity to challenge the accuracy of any portion of that bill at a later date.
- (I) Customer will be liable to the Company for any and all costs and/or expenses incurred directly or indirectly, including without limitation, court costs, costs of collection, attorney's fees, costs of investigation, and all other similar costs, incurred by the Company in the collection or attempted collection of any delinquent charges, fees, tolls or other billed items. In the event the Company should utilize in-house counsel in the collection or attempted collection of any delinquent charges, fees, tolls or other billed items, and should such utilization result in the filing of a lawsuit against a Customer, then the Company shall be entitled to recover reasonable attorney's fees as part of any judgment or settlement in which the Company is the prevailing party. With regard to in-house counsel, reasonable attorney's fees is defined as those fees which are usually and customarily charged by attorneys for similar work in the general geographic area in which the lawsuit is brought.

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INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.6 Payment Arrangements (Cont'd)2.6.2 Discontinuance of Service(A) Cancellation of Service by Customer

The Customer may cancel service subject to this tariff upon written notice of not less than thirty (30) days; unless the Customer has in writing agreed to a different term of service.

(B) Cancellation of Customer's Service by the Company

Without incurring liability, the Company may immediately discontinue, suspend for such period of time as the Company may deem appropriate, or cancel any service or application for service upon written notice to the Customer:

- (1) For non-payment of any sum due to the Company for more than thirty (30) days after the Company issues the bill for the amount due.
- (2) For any violation of any of the provisions governing the furnishing of this service under this tariff.
- (3) For any violation of any law, rule, regulation or policy of any government authority having jurisdiction over the service.
- (4) By reason of any order or decision of a court or other government authority having jurisdiction which prohibits the Company from furnishing such service.
- (5) Upon notification to the Company from the Customer's bank that the Customer's payment check is being returned for reasons of "Insufficient Funds," "Account Closed," or the like.
- (6) Any intentional or de facto transfer or assignment of services supplied by the Company without the express written authorization of the Company.
- (7) In circumstances when the Customer's use of the service has materially increased and a deposit has been requested by the Company, and the deposit is not forthcoming.

INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.6 Payment Arrangements (Cont'd)

2.6.2 Discontinuance of Service (Cont'd)

(B) Cancellation of Customer's Service by the Company (Cont'd)

- (8) If a Customer becomes the subject of a bankruptcy or an insolvency proceeding or upon commencement of any other action against the customer with respect to creditors in the nature of bankruptcy or insolvency.
- (9) If the company deems such action is necessary to protect against fraud or to otherwise protect its personnel, agents, facilities or services.

2.7 Definitions

Applicant: A person, firm, corporation, or other entity which has requested any service from the Company.

Channel: The term "Channel" denotes the communications path established between Company operating centers and points of communication via satellite in space, microwave or cable, which channel may be used for the transmission and reception of communications signals.

Company: The term "Company" denotes NTS Communications, Inc.

Customer: The person, firm, corporation, or other entity which orders service and is responsible for the payment of charges and compliance with tariff regulations.

Responsible Organization (RESPORG): The entity identified by the SMS/800 as responsible for managing and controlling records within the SMS/800.

SMS/800: The computer system, interface, and data base managed by the Number Administration and Service Center (NASC) which allows for the centralized management of 800 and 888 records and makes possible 800 and 888 number portability through appropriate RESPORG designation or instruction.

Arizona: Designates the entire state of Arizona.

INTRASTATE TELECOMMUNICATIONS SERVICES

2. REGULATIONS (Cont'd)

2.8 Additional Regulations for 800 Service and RESPORG Functions

In addition to the terms of any contracts between the Company and its Customers and in addition to other regulations contained herein which may be applicable to 800/888 Service and/or RESPORG functions provided by the Company, said items shall be subject to the following specific regulations: Use of the Company's 800/888 Service and 800 or 888 telephone numbers is expressly subject to any 800/888 policies the Company may from time to time implement or be required to implement. Customer shall not sell, broker, barter, assign, transfer or release for a fee (or otherwise) any 800 or 888 number. Customer shall have no ownership interest or proprietary interest in any 800 or 888 number. With respect to 800 and 888 numbers assigned by the Company, the Company shall be deemed the RESPORG. In addition to any other limitations on liabilities contained herein, customer indemnifies and holds the Company harmless from all liabilities associated with Customer's use of any 800 or 888 number including, without limitation, the premature or incorrect publication or advertisement of any 800 or 888 number. Customer shall be fully liable to the Company for all calls placed to its 800 or 888 number including, without limitation, calls which are identified as local, misdialed, or intended for a party other than Customer. If at the time of cancellation of any 800 or 888 service for which the Company is RESPORG the Customer owes an outstanding balance (defined as charges which have been outstanding for thirty (30) days or more) to the Company, then Customer's 800 or 888 number shall not be transferable to another long distance carrier or RESPORG until all such charges have been paid.

INTRASTATE TELECOMMUNICATIONS SERVICES

3. SERVICE CLASSIFICATIONS

3.1 Intrastate Telecommunications Services3.1.1 Description of Services

Intrastate telecommunications service consists of the furnishing of switched message telecommunications and/or private line service. Such service is available twenty-four (24) hours a day, seven (7) days a week. The Company maintains operating centers at Lubbock, Texas; Dallas, Texas; Amarillo, Texas, Midland, Texas, Wichita Falls, Texas and Phoenix, Arizona, and such other locations as the Company shall from time to time deem appropriate. (T)

(A) Message Telecommunications Service

Intrastate switched long distance or message toll voice, video and/or data service which is routed via one or more of the Company's switching centers from a point within Arizona to another point within Arizona.

(B) Private Line Service

A dedicated, nonswitchable link from one or more customer-specific locations to one or more customer-specific locations.

(C) 800/888 Service

NTS Intrastate 800/888 Service consists of intrastate message telecommunications services which permit inward calling between a station associated with an access line in one location and stations in diverse geographical service areas served by the NTS 800/888 Intrastate Service. The distinctive feature of these services is that the called party, rather than the calling party, is the Customer and is charged for the service.

(D) Travel Card Service

NTS Intrastate Travel Card Service consists of intrastate message telecommunications service whereby a Customer may, by utilizing a particular access number and a Customer specific authorization code issued by the Company place calls from a point different from the Customer's regular station to stations in diverse geographical regions.

INTRASTATE TELECOMMUNICATIONS SERVICES

3. SERVICE CLASSIFICATIONS (Cont'd)

3.2 Rates for Intrastate Message Telecommunications Service

(T)

The rates for intrastate message telecommunications service will depend on the time period in which the call is placed and the location to which the call is terminated. Calls which overlap rate periods will be charged according to the rates applicable for the duration of the call. The charges in Section 4 (following) are specified in U.S. dollars and cents.

Chargeable time begins when connection is established between the calling station and the called station. Chargeable time ends when the connection is terminated.

3.2.1 Residential and Business Customer Service

NTS provides intrastate message telecommunications service to residential and business customers at the rates specified in Section 4.1 following.

3.2.2 800/888 Service

NTS provides intrastate 800/888 services to Customers at the rates specified in Section 4.2 following.

3.2.3 Travel Card Service

NTS provides intrastate travel card services to Customers at the rates specified in Section 4.3 following.

3.3 Private Line Service

The rates for intrastate private line services are calculated on a flat rate monthly basis pursuant to specific contracts or service arrangements between the Company and its Customers. Additional charges, in the nature of installation, disconnection, or other charges, may also apply and are calculated pursuant to specific contracts or arrangements between the Company and its Customers. The rates for intrastate private line service shall be no higher than the Company's cost to acquire such service from underlying carriers plus a mark-up of no more than 40 percent of said cost.

INTRASTATE TELECOMMUNICATIONS SERVICES

3.4 Promotional Offerings | (N)

The Company from time to time may engage in promotional offerings of limited duration, not to exceed ninety (90) days designed to test new services, attract new subscribers or to increase subscriber awareness of a particular service offering. Such promotional offerings will be limited to specific dates, times, and locations. Except for the rates charged under such promotions, all other terms and conditions of service contained in this document will apply to the Company's promotional service offerings. If required for approval, the Company will notify any Federal or State agencies specifying the services offered, terms of the promotion, location and dates of each promotional period.

INTRASTATE TELECOMMUNICATIONS SERVICES

4. RATES

4.1 Standard Residential Rates | (R)

All calls are billed in 3 second increments with a 30 second minimum.

4.1.1 Standard Domestic Rates for the 48 Contiguous United States |

(A) Intrastate |

	<u>Day</u>	<u>Evening</u>	<u>Night & Weekend</u>
	\$0.16	\$0.14	\$0.12
	<u>Time Periods</u>		
Day		Mon - Fri	8:00 AM- 5:00 PM*
Evening		Mon - Sun	5:00 PM-11:00 PM*
Night & Weekend		Fri. - Sun	11:00 PM-8:00 AM*

*Up to but not including

(B) Interstate |

	<u>Day</u>	<u>Evening</u>	<u>Night & Weekend</u>
	\$0.16	\$0.13	\$0.11
	<u>Time Periods</u>		
Day		Mon - Fri	8:00 AM-5:00 PM*
Evening		Mon - Sun	5:00 PM-1:00 PM*
Night & Weekend		Fri. - Sun	11:00 PM-8:00 AM*

*Up to but not including

4.1.2 Standard Rates for Alaska, Hawaii, Puerto Rico, and Virgin Islands |

(A) Alaska and Hawaii |

	<u>Day</u>	<u>Evening</u>	<u>Night & Weekend</u>
	\$0.20	\$0.1825	\$0.175
	<u>Time Periods</u>		
Day		Mon - Fri	8:00 AM-5:00 PM*
Evening		Mon - Sun	5:00 PM-11:00 PM*
Night & Weekend		Fri. - Sun	11:00 PM-8:00 AM*

*Up to but not including

INTRASTATE TELECOMMUNICATIONS SERVICES

4. RATES (Cont'd) | (R)

4.1 Standard Residential Rates (Cont'd) |

4.1.2 Alaska, Hawaii, Puerto Rico, and Virgin Islands (Cont'd) |

(B) Puerto Rico and Virgin Islands |

<u>Day</u>	<u>Evening</u>	<u>Night & Weekend</u>
\$0.28	\$0.17	\$0.15
<u>Time Periods</u>		
Day	Mon - Fri	8:00 AM-5:00 PM*
Evening	Mon - Sun	5:00 PM-11:00 PM*
Night & Weekend	Fri. - Sun	11:00 PM-8:00 AM*

*Up to but not including

4.2 Usage Based Residential Domestic Rates |

Customer's usage is determined solely based upon Customer's representation of anticipated usage as documented during establishment of the Customer's account. |

All calls are billed in 3 second increments with a 30 second minimum. |

4.2.1 Arizona |

Long Distance Only Customers |

<u>Billing Levels</u>	<u>Interstate</u>	<u>Intrastate</u>
\$10 to \$19.99 per month	\$0.095	\$0.095
\$20 to \$49.99 per month	\$0.0794	\$0.0794
\$50 per month or more	\$0.065	\$0.095

INTRASTATE TELECOMMUNICATIONS SERVICES

4. RATES (Cont'd) | (R)

4.3 Standard Business Rates |

All calls are billed in 3 second increments with a 30 second minimum. |

4.3.1 Standard Rates for the 48 Contiguous United States |

(A) Intrastate |

	<u>Day</u>	<u>Evening</u>	<u>Night & Weekend</u>
	\$0.16	\$0.14	\$0.12
	<u>Time Periods</u>		
Day		Mon - Fri	8:00 AM-5:00 PM*
Evening		Mon - Sun	5:00 PM-11:00 PM*
Night & Weekend		Fri. - Sun	11:00 PM-8:00 AM*
		*Up to but not including	

(B) Interstate |

	<u>Day</u>	<u>Evening</u>	<u>Night & Weekend</u>
	\$0.16	\$0.13	\$0.11
	<u>Time Periods</u>		
Day		Mon - Fri	8:00 AM-5:00 PM*
Evening		Mon - Sun	5:00 PM-11:00 PM*
Night & Weekend		Fri. - Sun	11:00 PM-8:00 AM*
		*Up to but not including	

INTRASTATE TELECOMMUNICATIONS SERVICES

4. RATES (Cont'd) | (R)

4.3.2 Standard Rates for Alaska, Hawaii, Puerto Rico, and Virgin Islands |

(A) Alaska and Hawaii |

<u>Day</u>	<u>Evening</u>	<u>Night & Weekend</u>
\$0.20	\$0.1825	\$0.175
<u>Time Periods</u>		
Day	Mon - Fri	8:00 AM-5:00 PM*
Evening	Mon - Sun	5:00 PM-11:00 PM*
Night & Weekend	Fri. - Sun	11:00 PM-8:00 AM*

*Up to but not including

(B) Puerto Rico and Virgin Islands |

<u>Day</u>	<u>Evening</u>	<u>Night & Weekend</u>
\$0.28	\$0.17	\$0.15
<u>Time Periods</u>		
Day	Mon - Fri	8:00 AM-5:00 PM*
Evening	Mon - Sun	5:00 PM-11:00 PM*
Night & Weekend	Fri. - Sun	11:00 PM-8:00 AM*

*Up to but not including

4.4 Usage Based Business Rates |

Customer's usage is determined solely based upon Customer's representation of anticipated usage as documented during establishment of the Customer's account. |

All calls are billed in 3 second increments with a 30 second minimum. |

4.4.1 Arizona |

Long Distance Only Customers |

<u>Billing Levels</u>	<u>Interstate</u>	<u>Intrastate</u>
\$10 to \$19.99 per month	\$0.095	\$0.095
\$20 to \$49.99 per month	\$0.0794	\$0.0794
\$50 per month or more	\$0.065	\$0.095

Issued by: General Counsel
NTS Communications, Inc
5307 W. Loop 289
Lubbock, Texas 79414

INTRASTATE TELECOMMUNICATIONS SERVICES

4. RATES (Cont'd)

4.5 800/888 Service Rates | (R)

All calls are billed in 3 second increments with a minimum of 30 seconds.

4.5.1 Standard Residential Rates in 48 Contiguous United States |

(A) Toll Free Service Only Customers |

Contract Term	Per Minute	Monthly Charge	Installation
NA	\$.095	\$1.00	\$5.00
NA	\$.0794	\$1.00	\$5.00

(B) Local Dial Tone or UNE-P Customers |

Contract Term	Per Minute	Monthly Charge	Installation
NA	\$.049	\$1.00	\$5.00

(C) Local Dial Tone Resale Customers |

Same as long distance only customers

4.5.2 Standard Business Rates in 48 Contiguous United States |

(A) Toll Free Service Only Customers |

Contract Term	Per Minute	Monthly Charge	Installation
NA	\$.095	\$1.00	\$5.00
NA	\$.0794	\$1.00	\$5.00

(B) Local Dial Tone or UNE-P Customers |

Contract Term	Per Minute	Monthly Charge	Installation
1 year	\$.079	\$1.00	\$5.00
2 year	\$.075	\$1.00	\$5.00
3 year	\$.049	\$1.00	\$5.00

(C) Local Dial Tone Resale Customers |

Same as long distance only customers

4.5.3 Standard Business Rates in Alaska, Hawaii, Puerto Rico and Virgin Islands |

Contract Term	Per Minute	Monthly Charge	Installation
NA	\$.19	NA	NA

4.5.4 Standard Business Rates in Canada |

Contract Term	Per Minute	Monthly Charge	Installation
NA	\$.029	NA	NA

INTRASTATE TELECOMMUNICATIONS SERVICES

4. RATES (Cont'd)

4.6 Travel Card Service Rates | (R)

All calls are billed in 3 second increments with a 30 second minimum. |

4.6.1 Standard Residential Rates |

<u>Interstate</u>	<u>Intrastate</u>	
\$.25	\$.25	

4.6.2 Standard Business Rates |

<u>Interstate</u>	<u>Intrastate</u>	
\$.25	\$.25	

4.6.3 Origination Surcharge | (N)

All calls with originating access from the 1-800-658-2121 Access Number will be assessed a surcharge of \$.80 per call. |

No surcharges are assessed if the call is completed on the 1-950-0687 access number or the 1-800-658-2100 access number. |

INTRASTATE TELECOMMUNICATIONS SERVICES

5. MISCELLANEOUS CHARGES & TAXES | (N)

5.1 Universal Service Charge |

Services provided under this document and/or via contract between the Company and Customer are subject to an undiscountable Universal Service Charge, which is equal to 4.75% of the Customer's total charges.

5.1.1 The Company will waive the Universal Service Charge with respect to specifically identified Company charges to the extent that the Customer demonstrates to the Company's reasonable satisfaction that:

- (A) the Customer has filed a Universal Service Worksheet with the Universal Service Administrator covering the twelfth month prior to the month in question (i.e., to be able to avoid the charge in June 1998, the Customer must have filed a Universal Service Worksheet with the Universal Service Administrator covering June 1997);
- (B) the services in question are purchased by Customer for resale; and
- (C) the Customer will file a Universal Service Worksheet with the Universal Service Administrator in which the reported billed revenues will include all billed revenues associated with the Customer's resale of services purchased from the Company to end users.

5.1.2 The Universal Service Charge will not be waived with respect to:

- (A) charges for services purchased by Customer for its own use as an end user; or
- (B) charges for which the bill date is on, prior to, or within fifteen days after, the date on which the Customer applies for a waiver with respect to those charges

INTRASTATE TELECOMMUNICATIONS SERVICES

5. MISCELLANEOUS CHARGES & TAXES (Cont'd) | (N)

5.2 State Universal Service Fund (USF) Fees |

Services provided under this document and/or via contract between the Company and Customer are subject to an undiscountable Universal Service Fund Fee. |

5.2.1 Arizona Universal Service Fund (AUSF) |

(A) The AUSF funds affordable service to high cost rural customers. |

(B) The AUSF will be set at the rate approved by the Arizona Corporation Commission. |

5.3 Primary Interexchange Carrier Charge (PICC) |

Customers who purchase equal access outbound services from the Company may be assessed, and shall pay to the Company in accordance with the terms of these Generally Available Terms & Conditions, an undiscountable Primary Interexchange Carrier Charge (PICC) which is a per line (local exchange carrier provided switched access line) monthly charge. These are charges which are billed to the Company by the following local service providers: GTE, Sprint, US West, and Valor. These charges are typically incurred for the following services: multi-line business, Centrex, ISDN and BRI. |

INTRASTATE TELECOMMUNICATIONS SERVICES

5. MISCELLANEOUS CHARGES & TAXES (Cont'd)

5.4 Public Payphone Surcharge | (N)

5.4.1 A Public Payphone Surcharge (PSC) of \$0.35 per call applies to all completed long distance calls placed from a public/semi-public payphone which are not paid on a sent paid basis. The public payphone services to which the surcharge applies include, but they are not limited to, the following:

(A) travel card service;

(B) collect calls;

(C) calls billed to a third number;

(D) Toll Free (e.g., 800 and 888) calls;

(E) directory assistance calls;

(F) calls accessing the Company's services via a "950" number.

5.4.2 The Public Payphone Surcharge is applied in addition to any other applicable rates, charges and/or surcharges specified in this tariff.

5.4.3 The Public Payphone Surcharge does not apply to the following:

(A) Calls paid for by inserting coins at the public/semi-public payphone.

(B) Calls placed from stations other than public/semi-public payphones.

INTRASTATE TELECOMMUNICATIONS SERVICES

5. MISCELLANEOUS CHARGES & TAXES (Cont'd)

5.5 Other Taxes & Assessments | (N)

5.5.1 All of the Company's services are quoted and contracted for at pricing which is exclusive of all applicable taxes and governmental and/or quasi-governmental assessments.

5.5.2 Customer shall pay the Company, in addition to all applicable service charges, all charges assessed by the Company to recover all applicable governmental and/or quasi-governmental assessments arising from the provision of the services in question. Such charges may include, without limitation, sales taxes, excise taxes, 911 charges, poison control fees, city or state franchise fees, State Infrastructure charges, and like charges and assessments which are levied to the Company.

5.6 Operator Services | (N)

5.6.1 Directory Assistance |

A Customer may obtain Directory Assistance in determining telephone numbers within its local calling area by calling the Directory Assistance operator.

(A) Each call to Directory Assistance thereafter will be charged \$1.10 per call.

(B) The Customer may request a maximum of two telephone numbers per call to Directory Assistance service.

5.6.2 Directory Assistance Call Completion |

(A) DACC is a service that provides customers the option of having their local calls automatically completed when they request a telephone listing from the directory assistance operator. The call may be completed automatically or by the Directory Assistance Operator.

(B) Fully-Automated DACC – The customer receives the requested directory number from an automated voice system. The customer accepts DACC by depressing “1” from a touch-tone telephone when prompted by the DACC announcement.

INTRASTATE TELECOMMUNICATIONS SERVICES

5. MISCELLANEOUS CHARGES & TAXES (Cont'd)

5.6 Operator Services (Cont'd) | (N)

5.6.2 Directory Assistance Call Completion |

(C) Semi-Automated DACC – The customer receives the requested directory number and then requests the operator to provide call completion to the requested number. |

(D) Person-to-Person DACC – The customer receives the requested directory number and then requests the operator to complete the call to a specified person. |

(E) Rates for Directory Assistance |

DACC Rates – Per Call
Basis |

Fully-Automated DACC

Sent Paid	\$0.35
Calling Card	\$0.35
Collect	\$1.00
Billed to Third Number	\$1.00

Semi-Automated DACC

Sent Paid	\$0.60
Calling Card	\$0.60
Collect	\$1.20
Billed to Third Number	\$1.20

Person-to-Person DACC	\$2.60
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INTRASTATE TELECOMMUNICATIONS SERVICES

5. MISCELLANEOUS CHARGES & TAXES (Cont'd)

5.6 Operator Services (Cont'd) | (N)

5.6.3 Operator Assistance |

(A) A Customer may obtain the assistance of a local operator to complete local exchange telephone calls in the following manner:

1. Third Number Billing: Provides the Customer with the capability to charge a local call to a third number which is different from the called or calling party.
2. Collect Calls: Provides the Customer with the capability to charge a call to the called party. On the operator announcement of a collect call, the called party has the option to refuse acceptance of charges in advance or when queried by the operator.
3. Sent Paid Description: When the operator services call is paid for by the calling party it is considered sent paid.
4. Person to Person: Calls completed with the assistance of an operator to a particular station and person specified by the caller. The call may be billed to the called party.
5. Station to Station: Calls completed with the assistance of an operator to a particular station. The call may be billed to the called party.

INTRASTATE TELECOMMUNICATIONS SERVICES

5. MISCELLANEOUS CHARGES & TAXES (Cont'd)

5.6 Operator Services | (N)

5.6.3 Operator Assistance (Cont'd) |

6 General Assistance: The Customer has the option to request general information from the operator, such as dialing instruction, country or city codes, area code information and Customer Service 800 telephone numbers, but does not request the operator to complete the call. |

(B) Operator Assisted Surcharges |

The following surcharges will be applied: |

Station to Station

Service

Collect

Non-Automated	\$1.30
Semi-Automated	\$1.30
Fully Automated	\$1.30

Billed to a Third

Number

Non-Automated	\$1.30
Semi-Automated	\$1.30
Full Automated	\$1.30

Sent Paid

Non-Automated	\$1.30
Semi-Automated	\$1.30

Person-to-Person

Service

Non-Automated	\$3.15
Semi-Automated	\$3.15