

A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.6 RULE 6 - ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT

A. Establishment of Credit for Business Services

Each applicant for business telephone service will be required to establish credit, which will be deemed established upon qualifying under any one of the following:

1. Applicant is a customer of the Utility or any other telephone utility in California, for a similar class of service and has paid all bills for service without having been temporarily or permanently discontinued for nonpayment thereof, for a period of twelve consecutive months immediately prior to the date of the present application.
2. Applicant has been a customer of the Utility or any other telephone utility in California, for a similar class of service in the last two years and during the last twelve consecutive months that service was provided has paid all bills for such service, without having been temporarily or permanently discontinued for nonpayment thereof.
3. Applicant is the owner of the premises upon which the Utility is requested to furnish service, or is the owner of other local business real estate.
4. Applicant furnishes a guarantor satisfactory to the Utility to secure payment of bills of applicant for telephone service requested in the application.
5. Applicant's credit is otherwise established to the satisfaction of the Utility.
6. Applicant makes the deposit prescribed in 2.1.7, Rule 7, Deposits.

(Continued)

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.6 RULE 6 - ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT - Continued

B. Establishment of Credit for Residence Service

Each applicant will be required to furnish a complete application as specified in 2.1.3, Rule 3, Application For Service, and establish credit in one of the following ways:

1. Applicant is a customer of the Utility or any other telephone utility in California, for a similar class of service and has paid all bills for service without having been temporarily or permanently disconnected for nonpayment thereof, for a period of twelve consecutive months prior to the date of the present application. The applicant will provide the Utility with the verifiable telephone number of the other service.
2. Applicant has been a customer of the Utility or any other telephone utility in California in the last two years, and during the last twelve months that service was provided, had paid all bills for such service without having been temporarily or permanently disconnected for nonpayment thereof. The applicant will provide the Utility with the verifiable telephone number and disconnection date of the previous service.
3. Applicant is the owner of the premises upon which the Utility is requested to furnish service, or is the owner of other local real estate.
4. Applicant has been continuously employed by present employer (including military) for a period of one year or more, or is retired on pension.
5. Applicant's credit is otherwise established to the satisfaction of the Utility.
6. Applicant furnishes a guarantor satisfactory to the Utility to secure payment of bills for the telephone service requested in the application.
7. Applicant pays the deposit prescribed in 2.1.7, Rule 7, Deposits.

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2.1 RULES - Continued

2.1.6 RULE 6 - ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT - Continued

C. Re-Establishment of Credit

1. A customer whose service has been discontinued for nonpayment of bills will be required to pay any unpaid balance for deniable local nonrecurring and recurring charges, including mandated surcharges and taxes, due the Utility for the premises for which service is to be restored and may be required to pay a reconnection charge as prescribed in 2.1.11, Rule 11, Discontinuance and Restoration of Service, under "Restoration - Reconnection Charge" and to re-establish credit by making the deposit prescribed in 2.1.7, Rule 7, Deposits, before service is restored.
2. An applicant who previously has been a customer of the Utility and during the last twelve months of that prior service has had service temporarily or permanently discontinued for nonpayment of bills will be required to re-establish credit by making the deposit prescribed in 2.1.7, Rule 7, Deposits.
3. If service is disconnected for nonpayment and payment is made for only the outstanding unpaid balance due for basic single line local exchange service nonrecurring and recurring charges, as defined in California Public Utilities Commission Decision 96-10-066, Appendix B, page 5, including mandated surcharges and taxes, only basic local telephone service will be restored at the premises.

Long distance/toll service and/or optional services will be restored when the outstanding unpaid balance due for long distance/toll service and/or optional services, including mandated surcharges and taxes, the applicable service charge(s) associated with the long distance/toll service and/or optional services, and a deposit (if required) is paid.

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2.1 RULES - Continued

2.1.6 RULE 6 - ESTABLISHMENT AND RE-ESTABLISHMENT OF CREDIT – Continued

D. Guarantor

The Utility will accept a guaranty of payment in lieu of a deposit for residence accounts under the following conditions:

1. The guarantor must be an individual (not a business) and must be a concurrent customer of the Utility for residence service in good standing.
2. The guarantor, other than a parent or guardian, may guarantee only one account.
3. The Utility must receive the appropriate form completed and signed by the guarantor.
4. The guaranteed amount will be equal to the amount of the deposit requested from the applicant and will remain in force and effect for one year from the installation date of the service or until the applicant's credit is otherwise established.
5. When the Utility is unable to collect a bill on a guaranteed account, the amount unpaid (not to exceed the guaranteed amount) shall be transferred to the account of the guarantor. The amount transferred to the guarantor's account shall be subject to 2.1.9, Rule 9, Rendering and Payment of Bills, and 2.1.11, Rule 11, Discontinuation and Restoration of Service, as well as any other applicable Rule or tariff schedule.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.7 RULE 7 - DEPOSITS

A. Application of Deposit

The Utility may require a deposit to establish or re-establish service if and only if an applicant for service is unable to demonstrate acceptable credit to the satisfaction of the Utility. Failure to provide a social security number shall not be cause for requiring a deposit.

B. Amount of Deposit

1. A deposit to establish or re-establish basic telephone service may not exceed twice the estimated or typical monthly bill for recurring and usage charges for basic service.\*

A Utility may require an additional deposit for services it provides other than basic service.\*

The deposit will be waived for Universal Lifeline Telephone Service (ULTS) applicants providing the applicant does not have any outstanding bill to any telephone utility within California or provided that the applicant elects to take toll blocking/toll restriction.

Whenever a deposit is taken, normal service connection charges and one month's advance payment may be collected at the time of application.

2. The amount of deposit required to establish credit for business telephone service is twice the estimated average monthly bill, but not less than \$25.00.\*

\*Charges for 900 Services will not be included in any deposit calculations in accordance with Cal. P.U.C. Decision No. 91-03-021.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.7 RULE 7 - DEPOSITS - Continued

C. Return of Deposits

The Utility will refund the deposit in accordance with the following:

1. When an application for telephone service has been cancelled prior to the establishment of service, the deposit will be applied to any charges applicable in accordance with the tariff schedules and the excess portion of the deposit will be returned, and the applicant will be so advised.
2. When the customer's credit may be otherwise established in accordance with 2.1.6, Rule 6, Establishment and Re-Establishment of Service, and upon the customer's request for return of the deposit with interest.
3. Upon discontinuance of telephone service, the Utility will refund, with interest, the customer's deposit or the balance in excess of unpaid bills for that service and the customer will be so advised. The deposit will be applied first to basic service non-recurring and recurring charges, including mandated surcharges and taxes, and then to long distance/toll service and other charges at the Utility's discretion.
4. After the customer has paid bills for telephone service for twelve (12) consecutive months without having had this service temporarily or permanently discontinued for non-payment of bills, the Utility will refund the deposit with interest.

D. Interest on Deposits

1. The Utility will compute simple interest on deposits at the rate of 7/12 percent per month for each full month deposits are held, except as mentioned in 2.1.7.D.2., following. Such interest will be paid at the time the deposit is returned.
2. No interest will be paid if service is temporarily or permanently discontinued for non-payment of bills, nor for a fraction of a full month in excess of the number of full months deposits are held.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.8 RULE 8 - NOTICES

A. Notices to Customers

1. Notices from the Utility to a customer shall be in writing by one or a combination of bill inserts, notices printed on bills, or separate notices sent by first class mail. In each case, an electronic notice may be substituted where the customer has agreed to receive notice in that manner. Notice by first class mail is complete when the document is deposited in the mail; and electronic notice is complete upon successful transmission (as defined in Cal. Civil Code § 1633.15(b)). Every notice in whatever form shall be legible and printed in the equivalent of 10-point or larger type.

In emergencies, where delay may result in impaired service or in hazards to the customer, the public, or the Utility's facilities, the Utility may resort to verbal notices given by telephone or by personal contact.

2. The Utility shall notify all affected customers at least 25 days in advance of every proposed change in its customers' tariffed service or non-term contracts that may result in higher rates or charges or more restrictive terms or conditions excluding taxes or surcharges for which the Utility has no discretion over the amount to charge. The customer notice shall describe the current and proposed rates, terms, or conditions, as appropriate. Where required by General Order 96-B the notice must also describe the reason for the proposed change to a rate or charge and state the impact of the change in dollar and percentage terms.

B. Notices from Customer

Notices from a customer to the Utility may be given verbally by him or his authorized agent at the Utility's office or by written communications mailed thereto.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.8 RULE 8 - NOTICES - Continued

C. Disconnect Notice

The Utility shall provide notices in writing to customers whose payments are overdue not less than seven (7) calendar days prior to terminating service for non-payment. Each termination notice shall include all of the following:

1. The Utility's name,
2. The name and address of the customer, and the telephone number(s) associated with the delinquent account.
3. Information sufficient for the customer to identify what service(s) are to be terminated, and the delinquent amount(s). If basic service is to be disconnected, the notice shall state the minimum amount that must be paid to retain basic service.
4. The time or date by which payment, or arrangement for payment, must be made to avoid termination.
5. A toll-free telephone number to reach a Utility service representative who can provide customer assistance.
6. The telephone number of the Commission's Consumer Affairs Branch where the customer may direct inquiries.

If the notice is sent via text message to the device to be terminated, the terminating Utility will be deemed to have complied with this Rule if it provides the information above.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.9 RULE 9 - RENDERING AND PAYMENT OF BILLS

A. Rendering of Bills

1. Billing Period

a. Regular Billing Period

Regular bills for exchange and toll service will be rendered as nearly as practicable at regular intervals.

b. Minimum Billing Period

When the period for which service is taken is less than one month in the case of service normally furnished on a monthly basis, and less than one year in the case of service normally furnished on a yearly basis, the total fixed charges will not be less than the minimum fixed charge for the particular service involved.

2. Regular Bills

a. Flat Rate Exchange Service

Bills for flat rate exchange service for the period specified in the tariff schedules may be rendered in advance and are payable in advance.

b. Message Rate Exchange Service

(1) Business and Residence Local Service

Bills for business and residence message rate local service will be rendered in arrears for the period specified in the tariff schedules and are due and payable on date of presentation.

(2) Business and Residence Extended Service

Bills for message rate extended service, except charges for additional messages, may be rendered in advance for the period specified in the tariff schedules. Charges for additional messages will be rendered in arrears. Bills are due and payable on date of presentation.

c. Public Access Line (PAL) Service

Bills for PAL service, except charges for toll messages, will be rendered in advance for the period specified in the tariff schedules. Bills for message toll will be rendered in arrears. All bills are due and payable on date of presentation.

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2.1 RULES - Continued

2.1.9 RULE 9 - RENDERING AND PAYMENT OF BILLS - Continued

2. Regular Bills - Continued

d. Toll Service

Bills for toll service will be rendered in arrears and in general will be presented with the bills for exchange service. Where it appears necessary or advisable, toll bills may be rendered at more frequent intervals.

3. Special Bills

The Utility may render a special bill for accumulated exchange and toll service charges at such time as the amount of the unpaid charges, billed and unbilled, materially exceeds the amount of any prepaid charges or any deposits made in connection with the particular service. The Utility may also render special bills for exchange and toll service on a weekly or other periodic basis, in lieu of a requirement for a cash deposit for re-establishment of credit, as set forth in 2.1.6, Rule 6, Establishment and Re-Establishment of Credit.

4. Computation of Bills

- a. Opening and closing bills, except those involving the minimum billing period, and bills for telephone service normally furnished on a monthly basis rendered for periods in excess of or less than a billing month, will be prorated in the proportion of the number of days in the period involved to the number of calendar days in the billing month. Carriers shall prorate charges for basic service for partial months. A 30-day month may be used for prorating in lieu of calendar days.
- b. Bills for telephone service normally furnished on an annual basis, except those involving the minimum billing period, rendered for periods of less than one year will be prorated on the basis of one-twelfth of the annual rate for each full month of service or fraction thereof.
- c. Bills must be based on the rates in effect at the time the service was used. Any delays or lags in billing must not result in a higher total charge (other than for taxes, and surcharges and fees that are based on a percentage of the bill) than if the usage had been posted to the account in the same billing cycle in which the service was used.

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2.1 RULES - Continued

2.1.9 RULE 9 - RENDERING AND PAYMENT OF BILLS - Continued

A. Rendering of Bills - Continued

5. Rates Applicable During Temporary Disconnection of Service for Non-Payment

Service temporarily disconnected will be charged in accordance with the regular rates for a period not to exceed 15 days subsequent to the date of temporary disconnection.

6. Customers have the option of receiving their telephone bill electronically via the Utility's website at [www.sierratelephone.com](http://www.sierratelephone.com), which links the customer to a secure, password-protected site. The bill includes the bill face (front and back), mandated messages and bill inserts, call detail, summary of current charges, and a section for service summary and amount due. The bill also includes details regarding additions and/or changes made to services and features associated with the account during the billing period.

The customer will continue to receive a paper copy of their telephone bill. If the customer chooses to stop receiving paper copies of their telephone bills, the Utility will archive the customer's bill statements from the date of the customer's request.

B. Payment of Bills

1. Payment of bills for telephone service should be made at the office of the Utility or to a duly authorized collector of the Utility, or by means of Alternate Methods of Payments described in Section 2.1.9.E. following. Regular business hours are Monday through Friday, 8:00 a.m. to 5:00 p.m. All charges are payable in lawful money of the United States only.

2. When a customer is offered and agrees to an alternative payment plan, the Utility must provide confirmation of the terms in writing if the customer so requests.

3. Regular bills, closing bills, special bills, bills rendered on vacation of premises, bills rendered to persons discontinuing exchange service, and bills for miscellaneous services are payable upon presentation. Service connection, installation and line extension charges, deposits, advance payments for the establishment or re-establishment of credit, or in conjunction with temporary service or service to speculative projects, and other advance payments are payable before service is installed or restored. Charges for moves and changes are payable upon completion of the work.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.9 RULE 9 - RENDERING AND PAYMENT OF BILLS - Continued

B. Payment of Bills - Continued

4. Any payment received from all classes, types, and grades of exchange service customers will be applied first to the balance due on deniable local service non-recurring and recurring charges, including mandated surcharges and taxes, and then to long distance/toll service and other charges at the Utility's discretion, unless the customer directs otherwise.
5. A Utility shall credit payments effective the business day payments are received by the carrier or its agent. Payments made by an alternate method of payment, as described in Section 2.1.9.E. following, will be credited as applicable under Sections 2.1.9.E.1.d., 2.1.9.E.2., or 2.1.9.E.3. according to the specific method of payment. The date after which a bill is considered overdue and delinquent shall not be earlier than 22 days after the date the bill was mailed.

C. Returned Checks

When a payment of any bill or deposit is made by check or electronic check (eCheck) and the payment is returned unpaid or refused for any reason, a charge of \$10.00 will apply for each returned check or eCheck.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.9 RULE 9 - RENDERING AND PAYMENT OF BILLS - Continued

D. Under and Over Charges

1. a. A bill shall not include any previously unbilled charge for exchange service furnished prior to three months immediately preceding the date of the bill. This limitation on backbilling does not apply in cases involving subscriber fraud.  
b. A detailed statement showing each item comprising a total charge on a monthly bill will be furnished to business customers upon request.
2. A bill shall not include any charges for service, equipment, or facilities not ordered by the customer or furnished after the effective date of a customer's service discontinuance.
3. When discrepancies exist between customer's service and Utility's billing for exchange service, such discrepancies shall be adjusted in accordance with the following:
  - a. Each item of over charge (except those covered in 2.1.9.D.2., preceding) and each item of under charge shall be determined separately during the period of time the discrepancy occurred.
  - b. If the over charges exceed the under charges as determined in a., preceding, the total net over charge shall be credited to the customer's bill.
  - c. If the under charges exceed the over charges as determined in 2.1.9.D.3.a., preceding, the customer will be billed the lesser of (1) the total net under charge or (2) monthly net under charge for a period of three months preceding the date of the bill.
  - d. Separate adjustments shall be made for each class of service separately served and billed.
4. The correctness of message toll billing shall be determined separately for each toll message. Each over charged message shall be credited to a customer's bill. A bill shall not include any charges for service furnished prior to three months preceding the date of the bill; except, a bill may include charges for collect, credit card, and third number calls placed within a period of five months preceding the date of the bill. This limitation on backbilling does not apply in cases involving subscriber fraud.

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2.1 RULES - Continued

2.1.9 RULE 9 - RENDERING AND PAYMENT OF BILLS - Continued

E. Alternate Methods of Payment

1. Automatic Payment (AutoPay)

- a. The AutoPay payment option is available to all customers. AutoPay allows customers to have their monthly bill statement from Sierra Telephone paid in full each month via an automatic electronic debit transaction from the customer's pre-selected bank or credit union checking, debit card, or credit card account. This method of payment is without additional charge to the customer from the Utility; however the customer's bank, credit union, debit card vendor, or credit card vendor may charge a fee.
- b. To enroll in AutoPay the customer must complete and submit an Authorization Agreement Form to the Business Office. For AutoPay utilizing a bank or credit union checking account, the customer must provide a checking account number, a voided check from their checking account, and an authorized signature.
- c. The enrolled AutoPay customer will continue to receive a monthly bill statement from Sierra Telephone.
- d. The amount specified as "TOTAL DUE" will be debited from the customer's specified bank or credit union checking, debit card, or credit card account on the 10<sup>th</sup> day following the bill date, with the following exceptions:
  - (1) If the 10<sup>th</sup> day falls on a Saturday, or Sunday, the debit transaction will occur on the following Monday, or
  - (2) If the 10<sup>th</sup> day falls on a Holiday (Monday through Friday), the debit transaction will occur on the following business day.
- e. The AutoPay customer may cancel a scheduled automatic payment by notifying Sierra Telephone and their financial institution at least three (3) business days prior to the scheduled debit transaction date, as described in 2.1.9.E.1.d., preceding.
- f. The AutoPay customer may also elect to withdraw completely from the AutoPay option at any time by contacting Sierra Telephone and their financial institution at least three (3) business days prior to the scheduled debit transaction date, as described in 2.1.9.E.1.d., preceding. In all cases, the customer remains responsible for payment of charges by the due date as indicated on their monthly statement, regardless of payment options.

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2.1 RULES - Continued

2.1.9 RULE 9 - RENDERING AND PAYMENT OF BILLS - Continued

E. Alternate Methods of Payment - Continued

1. Automatic Payment (AutoPay) - Continued

g. AutoPay, when authorized, remains in full force and effect until revoked by the customer, the customer's financial institution, or by the Utility. The Utility may revoke the customer from AutoPay for any of the following conditions:

- (1) Notification from the customer's financial institution that the account associated with the customer's AutoPay is closed, involved in fraudulent activity, has unauthorized access, or has an incorrect account number;
- (2) Notification from the customer's financial institution of their inability to participate in AutoPay;
- (3) Notification of the enrolled customer's assets being frozen;
- (4) The customer enrolls into and withdraws from AutoPay three times within a six-month period or stops a scheduled automatic payment three times within a six-month period;
- (5) Notification from the customer's financial institution that the account associated with the customer's AutoPay is refused due to Non-Sufficient Funds twice within a six-month period.

2. Debit Card or Credit Card

Customers have the option of paying their monthly telephone bill, deposit, or an advance payment required by the Utility using an authorized debit card or credit card that is accepted by the Utility without being enrolled in AutoPay. This method of payment is without additional charge to the customer from the Utility; however, the customer's bank, credit union, debit card vendor, or credit card vendor may charge a fee.

Debit card or credit card payments made during the Utility's regular business hours and through a Utility Customer Service Representative will be applied to the customer's telephone bill that same day.

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2.1 RULES - Continued

2.1.9 RULE 9 - RENDERING AND PAYMENT OF BILLS - Continued

E. Alternate Methods of Payment - Continued

3. Electronic Check (eCheck) Bill Payments

An eCheck is the electronic version or representation of a paper check and works the same way a paper check does. An eCheck has the same characteristics of paper checks, but in an all-electronic form. eChecks contain the same information as paper checks and are based on the same legal framework as paper checks.

One-time eCheck payments made at or before 8:59 p.m. (Pacific Time Zone) will be credited to the customer's telephone bill on the next business day of the Utility. One-time eCheck payments made after 8:59 p.m. (Pacific Time Zone) will be credited to the customer's telephone bill within two business days. The customer is responsible for paying their telephone bill in accordance with the rules and regulations contained in this tariff.

There are two options for making eCheck bill payments:

a. Online Payments:

Customers have the option of paying their telephone bill via the Sierra Telephone website [www.sierratelephone.com](http://www.sierratelephone.com), which links the customer to a secure, password-protected site. This method of payment is provided at no cost to the customer from the Utility; however the customer's bank or credit union may charge a fee. Customers may view their telephone bills online and/or make online payments toward their telephone bill by using their checking account information to create an eCheck.

The customer can use the Online Bill Payment site to:

- (1) make full, partial, or multiple payments toward their telephone bill online,
- (2) establish or discontinue Online AutoPay monthly recurring online payments that automatically draw funds from the customer's bank or credit union checking account, and
- (3) establish a limit for the amount of the Online AutoPay monthly online recurring payment.

b. Telephone Payments:

Payment by eCheck may be made by contacting a Utility Customer Service Representative over the telephone, during normal business hours. A payment receipt will be delivered to the customer via e-mail or, if the customer does not have an e-mail address, via the postal service.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.10 RULE 10 - DISPUTED BILLS

A. Disputed Bills

1. All disputed charges for any telecommunications service are subject to a rebuttable presumption that charges are unauthorized unless there is:
  - a. A record of affirmative customer authorization;
  - b. A demonstrated pattern of knowledgeable past use; or
  - c. Other persuasive evidence of authorization.
2. In the case of a billing dispute between the customer and the Utility, the Utility shall investigate the charge(s) the customer has informed the Utility are in question, and shall reach a determination and communicate it to the customer within 30 days. During the time the investigation is pending, no late charges or penalties may be collected, the charge may not be sent to collection, and no adverse credit report may be made based on non-payment of the charge. If the customer prevails, then no late charge or penalty may be imposed on the amount in dispute.

(Continued)

(To be inserted by utility)

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.10 RULE 10 - DISPUTED BILLS - Continued

A. Disputed Bills - Continued

3. When a customer and the Utility fail to agree on a bill for telephone service and the disputed bill is not paid within 22 days after presentation, the Utility will notify the customer in writing:
  - a. That in lieu of paying the disputed bill he may deposit with the California Public Utilities Commission, Consumer Affairs Branch, 505 Van Ness Avenue, San Francisco, California, 94102-3298 the amount claimed by the Utility to be due.
  - b. That checks or other forms of remittance used for this purpose should be made payable to the California Public Utilities Commission.
  - c. That upon receipt of the deposit the Commission will notify the Utility, will review the basis of the billed amount, and will advise both parties of its findings and disburse the deposit in accordance therewith.
  - d. That service will not be discontinued for non-payment of the disputed bill when deposit has been made with the Commission pending the outcome of the Commission's review.
  - e. That failure of the customer to make such deposit within 15 days after the date upon which notice was given will warrant discontinuance of his service without further notice.
  - f. That, if before completion of the Commission's review, additional bills become due which the customer wishes to dispute, he shall also deposit with the Commission the additional amounts claimed by the Utility to be due for such additional bills before they become past due and that failure to do so will warrant discontinuance of his service in accordance with 2.1.11, Rule 11, Discontinuance and Restoration of Service.
4. The Utility may not disconnect service to a customer before seven calendar days after the date the Utility notifies the customer in writing of the results of its investigation. In no event shall the Utility disconnect service prior to the due date shown on the bill.

(Continued)

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A2. GENERAL REGULATIONS

2.1 RULES – Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE

A. Reasons for Discontinuance of Service

1. Customer's Request for Service Discontinuance

A customer may have his telephone service discontinued by giving notice of his desire not less than two days before its effective date. The Utility will hold the customer responsible for payment of all bills for service furnished until the date specified by the customer.

The Utility will hold a customer about to vacate premises responsible for all service rendered up to and including the date service is to be discontinued, or the date the Utility discovered the removal.

Customers may cancel without termination fees or penalties any new tariffed service or any new contract for service within thirty days after the new service is initiated. This Rule does not relieve the customer from payment for per use and normal recurring charges applicable to the service incurred before canceling, or for the reasonable cost of work done on the customer's premises (such as wiring or equipment installation) before the customer canceled.

(Continued)

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

A. Reasons for Discontinuance of Service - Continued

2. Non-Payment of Bills

Monthly bills shall be considered past due if they are not paid within twenty-two days after date of presentation.

a. All Classes, Types, and Grades of Exchange Service

Service to a particular premises, separately served and billed, may be temporarily or permanently discontinued for non-payment of the deniable portion of the bill, which includes basic residential and single line business local exchange service recurring and non-recurring charges, as defined in California Public Utilities Commission Decision 96-10-066, Appendix B, page 5, including mandated surcharges and taxes, provided the bill therefore has not been paid within the period specified below and the Utility informs the customer with a written seven day notice:

Thirty calendar days after presentation when bills are rendered yearly;

Five calendar days after presentation of special bills; or

Twenty-two calendar days after presentation of all other bills.

Basic residential and single line business exchange telephone service, as defined in California Public Utilities Commission Decision 96-10-066, Appendix B, page 5, will be discontinued for non-payment of deniable charges which include local exchange service recurring and non-recurring charges, including mandated surcharges and taxes.

Any payment received from all classes, types, and grades of exchange service customers will be applied first to the balance due for deniable local service non-recurring and recurring charges, including mandated surcharges and taxes, and then to long distance/toll service and other charges at the Utility's discretion, unless the customer directs otherwise.

Basic exchange service may not be disconnected on any day Utility Customer Service Representatives are not available to assist customers.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

A. Reasons for Discontinuance of Service - Continued

2. Non-Payment of Bills - Continued

b. Application of Unused Portion of Prepayments or Deposits for Telephone Service

Telephone service will be temporarily or permanently discontinued and the amount of the charges therefore will be charged against the deposits on hand, any amount of unused deposit will be returned to the customer but in no case in less than the above prescribed number of days after the first day of presentation of that bill. The deposit will be applied first to the balance due for deniable basic service non-recurring and recurring charges, including mandated surcharges and taxes, and then to long distance/toll service and other charges at the Utility's discretion.

c. Prior Customer Disconnected for Non-Payment of Bills

(1) Residence Service

The Utility may not discontinue or deny service at a premises where services provided to a prior customer were disconnected for non-payment, except where it is found that the delinquent customer still resides at that same premises.

The Utility may require a written statement from a newly connecting customer stating that the former customer at that address was and is not a member of the household, provided:

- (a) There have been at least two terminations of service at the same premises, within the preceding twelve months, without full payment of delinquent bills, or
- (b) The Utility secures evidence from an external source that a fraudulent pattern of non-payment is probable.

In the event that the statement is falsified, the new customer will be held liable for the entire delinquent bill owed the Utility by the previous customer and shall also be liable for a deposit.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

A. Reasons for Discontinuance of Service - Continued

2. Non-Payment of Bills - Continued

c. Prior Customer Disconnected for Non-Payment of Bills - Continued

(2) Business Service

The Utility may not discontinue or deny service at a premises where services provided to a prior customer were disconnected for non-payment, except where it is found that the delinquent customer still occupies the same premises or is affiliated with the newly connecting customer.

The Utility may require a written statement from a newly connecting customer stating that the former customer at that address was and is not affiliated with their business.

In the event that the statement is falsified the new customer will be held liable for the entire delinquent bill owed the Utility by the previous customer and shall also be liable for a deposit.

d. Former Service

A customer's telephone service may be temporarily or permanently discontinued for non-payment of a bill for the same class of service (residence or business) previously furnished at a location served by the Utility, provided said bill is not paid within twenty-two days after the date of presentation at the location of the new or existing service. The written seven day notice required under 2.1.11.A.2.a., preceding, is applicable prior to discontinuance of a customer's telephone service.

e. Joint-User Service

The Utility may refuse to establish Joint-User Service or it may discontinue an existing Joint-User Service where the joint user, or person, or concern desiring Joint-User Service is indebted to the Utility for business telephone service previously furnished.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

A. Reasons for Discontinuance of Service - Continued

2. Non-Payment of Bills - Continued

- f. Residential service will not be discontinued for non-payment of bills for other classes of service.
- g. Under no circumstances may service be discontinued for non-payment of a bill to correct for previously billed and paid incorrect charges, unless such incorrect charges have resulted from the customer's not abiding by the filed rules.
- h. Universal Lifeline Telephone Service (ULTS)

Any payments received from Universal Lifeline Telephone Service customers must be applied first to the balance due for deniable local service non-recurring and recurring charges, including mandated surcharges and taxes, and then to long distance/toll service and other charges at the Utility's discretion, unless the customer directs otherwise.

Disconnection of Universal Lifeline Telephone Service is prohibited for non-payment of toll charges.

i. Disputed Bills

- (1) In case of a dispute between the customer and the Utility as to the correct amount of a bill rendered by the Utility for service furnished to the customer, which cannot be adjusted with mutual satisfaction, the customer may deposit with the California Public Utilities Commission, Consumer Affairs Branch, 505 Van Ness Avenue, San Francisco, California 94102-3298, the amount claimed by the Utility to be due. Deposit checks, money orders, etc., must be made payable to the "Public Utilities Commission, State of California." Upon receipt of said deposit, the Commission will investigate the complaint and communicate its findings to the parties.
- (2) Failure on the part of the customer to make such deposit with the Public Utilities Commission within fifteen days after notice by the Utility that such deposit must be made or service may be discontinued, shall warrant the Utility in discontinuing the service without further notice.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

A. Reasons for Discontinuance of Service - Continued

2. Non-Payment of Bills - Continued

- j. Basic residential and single line business exchange telephone service, as defined in California Public Utilities Commission Decision 96-10-066, Appendix B, page 5, shall not be disconnected for non-payment of interexchange long distance/toll service, which includes all intraLATA, interLATA, interstate, and international inter-exchange services, regardless of carrier class. Basic residential and single line business exchange telephone service, as defined in California Public Utilities Commission Decision 96-10-066, Appendix B, page 5, is otherwise subject to the conditions set forth in this schedule.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

A. Reasons for Discontinuance of Service - Continued

3. Unsafe or Prohibited Facilities, Appliances, or Apparatus

The Utility may refuse to furnish service on the premises of an applicant for telephone service and may disconnect a customer's telephone service on a premises if any of the facilities, appliances, or apparatus on such premises are found to be unsafe, and may refuse to furnish telephone service on such premises until the applicant or customer shall have remedied the unsafe condition.

4. Service Detrimental to Other Customers

The Utility will not establish service which will be detrimental to the service of its other customers, and will discontinue telephone service to any customer utilizing the telephone service in such a manner as to make it dangerous for occupants of the premises after having been directed by the Utility to cease so doing.

5. Fraud

The Utility shall have the right to refuse or to discontinue telephone service without notice if the acts or omissions of the customer or the conditions upon the premises are such to indicate intention to defraud the Utility or threaten the integrity or security of the Utility's operations or facilities.

6. Failure to Establish or Re-Establish Credit

If, for any applicant's convenience, the Utility provides telephone service before credit is established, or continues service to a customer pending re-establishment of credit in accordance with 2.1.6 Rule 6, Establishment and Re-Establishment of Service, and he fails, upon written notice, to establish his credit, the Utility may discontinue service, but not sooner than seven days after giving such notice.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

A. Reasons for Discontinuance of Service - Continued

7. Non-Compliance with the Utility's Rules

The Utility may discontinue service if a customer fails to comply with any of the rules herein, provided such failure is not remedied within a reasonable time, after due written notice has been given, except as otherwise provided in the rules.

Except as provided by these rules, the Utility will not temporarily or permanently discontinue telephone service to any customer for violation of any rule except upon written notice of at least seven days, advising the customer in what particular such rule has been violated for which telephone service will be discontinued if the violation is not remedied. This notice may be waived in cases of an emergency or in the event of the discovery of a dangerous condition of the customer's premises or in the case of the customers utilizing the telephone service in such a manner as to make it dangerous for occupants of the premises, thus rendering the immediate discontinuance of service to the premises imperative.

8. Revocation of Permission to Use Property

If the Utility's service facilities to the customer are installed on property other than the customer's property and the owner of such property revokes his permission to use it, the Utility shall have the right to discontinue service upon ten days written notice, without obligation or liability to the customer. If service is discontinued under these conditions, the customer may have service re-established under the provisions of 2.1.16, Rule 16, Line Extensions, Service Connections, and Facilities on Premises of Customer, or Schedule Cal. P.U.C. No. A33, Line Extension and Service Connection Charges.

9. Service Not to be Immediately Used

The Utility may refuse the installation of service that is not to be used within a reasonable period after installation.

10. Abusive Language by Customers

The Utility may discontinue the telephone service of any customer who uses vile, abusive, or profane language, or impersonates any other individual with fraudulent intent, over any line connected to the Utility's system, after the customer has been advised of that fact.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

A. Reasons for Discontinuance of Service - Continued

11. Directory Advertising Charges

A customer's telephone service will not be temporarily or permanently discontinued for failure of that customer to pay charges for advertising in the telephone directory.

12. Impairment of Service

- a. If a customer uses his service or equipment in connection with a plan which causes an unusually large volume of calls to be made to such customer at or about the same time with the result that the service to others is interfered with, the Utility will notify in writing said customer of the problem and the customer shall then take action to modify such plan so that the problem will be eliminated, or the customer may subscribe to such additional service and equipment as necessary to handle the unusual volume of calls. Such notice shall indicate the customer's right to submit the matter to the California Public Utilities Commission for review. Should the customer not take remedial action within five days, and a second impaired service condition arises, the Utility may discontinue the service without further notice.
- b. The Utility has the right to refuse telephone service to any premises and at any time to discontinue telephone service, if it finds it necessary to do so to protect itself against abuse. Abuse of service includes, without limiting the generality of the foregoing, the use of service or facilities of the Utility to transmit a message or to locate a person or otherwise to give or obtain information, without payment of a message toll charge or an exchange service charge.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

A. Reasons for Discontinuance of Service - Continued

13. Temporary or Permanent Discontinuance of Residence Service

When the Utility has the right to temporarily or permanently discontinue residential telephone service as provided for in these rules and regulations, Limited Service will be provided at the disconnected residential location. Limited Service allows callers to have limited originating call capability. Calls are restricted to "9-1-1" for emergency services and to a local number for the Utility's Business Office. Limited Service will be provided at no charge to residential connections technologically compatible with the Utility's network regardless of whether an account has been established. Limited Service will be provided in these instances and will continue to be provided unless or until the facilities are required to provide residential telephone service to a customer.

B. Restoration - Reconnection Charge

The Utility may collect the reconnection charge set forth in Schedule Cal. P.U.C. No. A18, Multi-Element Service Charges, when restoring service which has been temporarily discontinued. Service connection charges set forth in Schedule Cal. P.U.C. No. A18, Multi-Element Service Charges, will apply when restoring service which has been permanently discontinued in accordance with the provisions of this Rule.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

C. Prohibits the Interconnection of Automatic Dialing-Announcing Devices used for solicitation.

On and after Dec. 23, 1978, any Automatic Dialing-Announcing Device used for solicitation may not be connected to the telephone network, except as described in this tariff.

1. DEFINITION

a. An Automatic Dialing-Announcing Device (ADAD) is any automatic terminal equipment which incorporates the following features:

- (1) (a) Storage capability of numbers to be called; or  
(b) A random or sequential number generator that produces numbers to be called; and  
(c) An ability to dial a call; and
- (2) Has the capability, working alone or in conjunction with other equipment, of disseminating a prerecorded message to the number called.

2. CONDITIONS

a. An ADAD may not be operated while connected to the telephone network, except under the following conditions:

- (1) An ADAD may be used pursuant to a prior agreement from the called party that (s)he desires to receive such telephone communication; or
- (2) An ADAD may be used if the recorded message is preceded by an announcement made by a human operator who;
  - (a) States the nature and length in minutes of the recorded message; and
  - (b) Identifies the individual, business, group, or organization calling; and
  - (c) Asks the called party whether (s)he is willing to listen to the recorded message; and
  - (d) Disconnects from the called party's line if the called party is unwilling to listen to the recorded message.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

2. CONDITIONS - Continued

- b. (1) Before an ADAD may be operated while connected to the telephone network, the potential user of such device shall notify the telephone utility in writing of the intended use of the ADAD equipment. The written notice shall contain a statement of the calendar days and clock hours during which the ADAD(s) will be used and include an estimate of the expected traffic volume in terms of message attempts per hour and average length of complete message.
- (2) The telephone utility shall review the statement of intended use of ADAD equipment to determine whether there is a reasonable probability that use of the equipment will cause overload of the utility's facilities. If the utility finds that a reasonable probability exists that the ADAD operation will overload its network, the utility may refuse to provide connections for the ADAD(s) or provide them subject to conditions necessary to prevent an overload. If, after service has been established, it is determined that the volume of calling originated by the ADAD is degrading the service furnished to others below the standard level set forth in General Order No. 133 of the California Public Utilities Commission, the utility may discontinue the service after five days' notice to the customer. If use of the ADAD creates a call blockage in a telephone company switching office, the utility may disconnect the service with no prior notice.
- (3) The telephone customer who uses ADAD equipment shall notify the utility in writing within 30 days of any changes in the ADAD operation which result in either an increase or decrease in traffic volume.
- (4) No ADAD shall be connected to the network until the telephone utility has determined that the equipment can effectively preclude calls to any number or series of telephone numbers on a list of telephone subscribers who may be in the future designated by the utility, by regulation or in statute, as customers who are not to receive ADAD calls.
- c. The telephone utility may discontinue the telephone service of any customer who uses an ADAD in violation of the provision of this rule provided that the customer is given five days' notice or with no prior notice if use of the ADAD creates a call blockage in a telephone company switching office.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.11 RULE 11 - DISCONTINUANCE AND RESTORATION OF SERVICE - Continued

2. CONDITIONS - Continued

- d. Any dispute involving application of this rule may be referred to the California Public Utilities Commission for review. Any request for deviation shall be made to the Commission by means of an application under the Commission's Rules of Practice and Procedure.
- e. Before being connected to the switched network an ADAD must also be certificated for interconnection pursuant to the California Public Utilities Commission's General Order No. 138-Series or approved for interconnection by the Federal Communications Commission.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.12 RULE 12 - RATES AND OPTIONAL RATES

A. Effective Rates

1. The rates to be charged by and paid to the Utility for telephone service will be the rates legally in effect and on file with the Public Utilities Commission of the State of California. Schedules of rates for exchange service in effect in a particular territory will be kept at all times at a location where they will be available for public inspection. Notices indicating the place where such schedules are available will be posted in conspicuous places in the Utility's business offices.
2. Bills must be based on the rates in effect at the time the service was used. Any delays or lags in billing must not result in a higher total charge (other than for taxes, and surcharges and fees that are based on a percentage of the bill) than if the usage had been posted to the account in the same billing cycle in which the service was used.

B. Optional Rates

Where two or more rate schedules are applicable to any class of service, each will be called to an applicant's attention and he will designate the schedule under which he then desires service.

C. New Rates

When new schedules of rates are established, the Utility will use such means as may be practicable to bring them to the attention of those of its subscribers who may be affected thereby.

D. Change of Schedule by Subscriber

When a subscriber applies for service under a schedule different from that applicable to his present service, the rates for the new service will be applied on the effective date of the change.

(Continued)

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.13 RULE 13 - TEMPORARY SERVICE

A. Establishment of Temporary Service

The Utility will, if no undue service impairment to its existing customers will result therefrom, furnish temporary service or service to speculative projects under the following conditions:

1. The applicant shall pay, in advance or otherwise as required by the Utility, the estimated cost installed plus the estimated cost of removal, less the estimated salvage of the facilities necessary for furnishing service.\*
2. The applicant shall establish credit as required by 2.1.6, Rule 6, Establishment and Re-Establishment of Credit, except that the amount of deposit prescribed in 2.1.7, Rule 7, Deposits, shall not exceed the estimated bill for duration of service.

B. Change to Permanent Status

1. If temporary telephone service is provided to a customer on a continuous, intermittent, or seasonal basis for a period of 36 consecutive months from the date telephone service was first provided under this rule the service shall be classified as permanent and the payment made in excess of that required for permanent service or under the line extension schedule for permanent service shall be refunded.
2. If at any time the character of a customer's operations changes so that in the opinion of the Utility the customer's service may be classified as permanent, the amount of payment made in excess of that required for permanent service shall be refunded to the customer immediately.

C. Refunds

1. The amount of refund upon reclassification of a customer's service from temporary to permanent will be made on the basis of the line extension schedule in effect at the time temporary service was first rendered to the customer, or the present line extension schedule, whichever is less restrictive to the customer.
2. Total refunds shall not exceed the amount deposited and no interest shall be paid on the amount advanced, except for the amount of deposit made in accordance with 2.1.7, Rule 7, Deposits, to establish credit.

\* Includes Federal Income Tax and California Corporate Franchise Tax Gross-up. See 2.1.3, Rule 3, Application for Service, Paragraph I.

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A2. GENERAL REGULATIONS

2.1 RULES - Continued

2.1.14 RULE 14 - INTERRUPTIONS AND FAILURES OF SERVICE

A. Credit Allowance for Interruption of Service

The Utility will credit a customer's bill in all cases where telephones are out of service, not due to conduct of the customer, for a period of 24 hours or more from the time the fact is reported by the customer or detected by the Utility, an amount equal to the fixed monthly charges for exchange service multiplied by the ratio of the number of 24 hour periods out of service to thirty days.

When an out of service period exceeds 24 hours, credit allowance will be given in successive 24-hour multiples for each 24-hour period or major fraction thereof after the initial period.

In no case will the credit allowance for any period exceed the total fixed charges for exchange service for the billing period.

B. Temporary Suspension for Repairs

The Utility shall have the right to make necessary repairs or changes in its facilities at any time and will have the right to suspend or interrupt service temporarily for the purpose of making necessary repairs or changes in its system. When such suspension or interruption of service for an appreciable period is necessary, the Utility will give the customers who may be affected reasonable notice thereof as circumstances will permit, and will prosecute the work with reasonable diligence, and, if practicable, at such times as will cause the least inconvenience to the customers.

When the Utility is repairing or changing its facilities, it shall take appropriate precautions to avoid unnecessary interruptions of conversations or customers' service.

C. Errors in Transmitting, Receiving or Delivering Oral messages by Telephone

The Utility shall not be liable for errors in transmitting, receiving or delivering oral messages by telephone over the lines of the Utility and connecting utilities.

D. Loss Arising from Non-Delivery of Written Messages

The Utility shall be liable for loss or damage which may occur in the course of the employment of any messenger not to exceed twenty times the charge for such messenger service, and shall be liable for loss or damage that may occur in the transmission of any message over its lines not to exceed the amount received for sending same.

(Continued)

(To be inserted by utility)

**Advice Letter No.** 365

**Decision No.** 07-01-024

**Issued by**

Harry H. Baker

NAME

President

TITLE

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

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**Resolution No.** \_\_\_\_\_