

TALK AMERICA INC.
d/b/a Cavalier Telephone
d/b/a PAETEC Business Services
PSC NO 2 – Telephone
Effective Date: July 5, 2012

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LOCAL EXCHANGE SERVICES TARIFF

SECTION 2 - GENERAL RULES AND REGULATIONS, (Cont'd.)

2.7 Telephone Surcharges

2.7.1 General

In addition to the rates and charges applicable according to the rules and regulations of this Tariff, various surcharges apply to the Customer's monthly bill statement as outlined in 2.7.2 and 2.7.3 below. If there are surcharge rates applicable to a particular city, village, town or county tax district or other jurisdictional taxing entity, the rate will be listed in the Rate Schedule at the end of this tariff.

2.7.2 Surcharge For State Gross Income and Gross Earnings Taxes

A monthly surcharge to recover the additional expense related to the State Gross Income and Gross Earnings Taxes applies to the recurring and nonrecurring rates and charges for all intrastate service except returned check charges, late payment charges and rates for local coin calls. The applicable Gross Revenue Surcharge rates are shown in the Rate Schedule at the end of this tariff. Any changes to these rates will be filed on 15 days' notice to Customers and the Commission, and as directed by the Commission. Whenever the state levies a new tax on the Company's gross revenues, repeals such a tax, or changes the rate of such a tax, the Commission may approve new surcharge factors, and the Company will file a revised rate schedule as directed or approved by the Commission.

2.7.3 Village or Municipal Surcharge On Local Utility Gross Revenue Taxes

In certain cities and villages a municipal surcharge related to the Local Utility Gross Revenue Taxes applies to the recurring and nonrecurring rates and charges for all intrastate service except returned check charges, late payment charges and rates for local coin calls. The percentage rate of the surcharge in each locality where such a surcharge applies is listed in the Rate Schedule at the end of this tariff. The surcharge rate schedule shall be filed at least fifteen business days before the effective date. The effective date of the rate schedule shall not be prior to the effective date of the surcharge and no sooner than the date when the tax enactment is filed with the Secretary of State. The surcharge shall be applicable to bills subject to the tax enactment that are rendered on or after the effective date of the rate schedule. If the tax enactment either ceases to be effective or is modified so as to reduce the tax rate, the surcharge will be changed accordingly within 5 business days.

Introduction, cancellation, or modification of a surcharge will be effective on the date of the Customer's first bill rendered after the effective date of the change.

Issued by: Vice President – Regulatory Affairs, Richmond, Virginia 23277