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INTRASTATE LOCAL SERVICE

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SECTION 2. RULES AND REGULATIONS

2.4 Payment Arrangements and Credit Allowances. (Continued)

A. Payment of Rates, Charges and Deposits (Continued)

- (4) The Company shall bill on a current basis all charges incurred by, and credits due to, the Customer under this tariff attributable to services established or discontinued during the preceding billing period. In addition, the Company shall bill, in advance, charges for all services to be provided during the ensuing billing period except for charges associated with service usage which will be billed in arrears. The bill day (i.e., the billing date of a bill for a customer for PRI Service under this tariff), the period of service each bill covers and the payment date is as follows:

- (a) The Company will establish a bill day each month for each Customer account. The bill will cover non-usage sensitive service charges for the ensuing billing period for which the bill is rendered, any known unbilled non-usage sensitive charges for prior periods, and unbilled usage charges for the period after the last bill day through the current bill day. Any known unbilled usage charges for, prior periods and any known unbilled adjustments will be applied to this bill. Payment for such bills is due as set forth in (b) following. If payment is not received by the payment date, as set forth in (b) following, in immediately available funds, a late payment penalty will apply as set forth in (b) following.