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INTRASTATE LOCAL SERVICE

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SECTION 2. RULES AND REGULATIONS

2.7 Taxes, Fees and Surcharges (Continued)

B. 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.