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## 3. <u>RULES AND REGULATION</u> (CONT'D)

## 3.18 Minimum Payment Periods/Volume and Term Discounts - Private Line Services.

A customer with one (1) or more DS-1 or DS-3 Service channel has the option of requesting, at any time, a Service Discount Plan for some or all of the respective Service. The locations involved may be two Customer designated premises or a Customer designated premises and a Company location where multiplexing functions are performed. Service discount plans are available for DS-0, DS-1 and DS-3 Service as set forth in Section 4.3 of this Tariff. The length of the period is selected by the Customer and a termination liability applies during the selected commitment period as specified below. The discount plans apply only to the monthly rate for the DS-0, DS-1 or DS-3 Service, as applicable. Nonrecurring charges and optional feature monthly rates are not included. The monthly rates, as set forth in the appropriate section(s) of this Tariff are reduced by a fixed percentage, based on the length of the selected commitment period.

The discount percentage is applied to the currently effective monthly charge rates. Such rates may change during the commitment period, thereby causing an increase or decrease in the rates applicable to the Customer. The discount percentage will not be subject to Company-initiated decrease during the commitment period. However, if the Company initiates an increase in the discount percentage during that period, the increased discount percentage will be used to determine the rates applicable to the Customer.

Where Service Discount Plans are applied and all such services between the same locations are not included in the same plan, the rate steps for the respective monthly rates are applied separately for those services included in each plan, and for those services subject to standard monthly rates. When some of the services between the two locations are disconnected, the steps are applied on last-in, first-out basis.

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