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SECTION 2 - RULES AND REGULATIONS (Cont'd)

2.3 FLEXIBLE PRICING

2.3.1 General

Flexible Pricing sets minimum and maximum rates that can be charged for access service. The Company may change a specific rate within the range of the established minimum and maximum rates.

2.3.2 Conditions

- A. The Company reserves the right to change prices at any time subject to regulatory requirements by filing a revised Rate Attachment with the Commission.
- B. Customer notification of a rate change shall be made in accordance with Commission regulations. Where there are no regulations, notification will be made in a manner appropriate to the circumstances involved.
- C. A rate shall not be changed unless it has been in effect for at least thirty (30) days.

2.4 PAYMENT FOR SERVICE RENDERED

2.4.1 Service is provided and billed on a monthly basis. Bills are due and payable upon receipt. In the event that the Company incurs fees or expenses, including attorney's fees, collecting, or attempting to collect, any charges owed to the Company, the Company may charge the Customer all such fees and expenses reasonably incurred, including a collection fee on the overdue charges accruing at the rate of 1.5% per month or the highest rate allowed by law, whichever is lower. Collection fees on overdue charges shall begin to accrue when the Account is assigned to an outside collection agency. Such collection fees are separate and distinct from attorney's fees and other costs incurred in collecting charges owed to the Company.

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Issued By: Daniel J. Venuti, EVP, Secretary & General Counsel, Fairport, New York