

Section 2 - GENERAL RULES AND REGULATIONS (Cont'd)

2.6 TELEPHONE SURCHARGES/TAXES

2.6.1 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 billing statement as outlined below. If there are other surcharge rates applicable to a particular city, village, town or county tax district or other jurisdictional taxing entity, the rate will be listed on the Flexible Rate Schedule attached to this Tariff.

2.6.2. 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 as included in the Flexible Rate Schedule attached to this Tariff. Any changes to these rates will be filed on 15 days' notice to customer 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 schedule as directed or approved by the Commission.

2.6.3. 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 Flexible Rate Schedule attached to this Tariff.

The surcharge statement shall be filed at least fifteen business days before the effective date. The effective date of the statement 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 statement. 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:

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