

United Telephone Company of the Northwest d/b/a CenturyLink

WN U-11
ACCESS SERVICE
WASHINGTON

SECTION 2
1st Revised Sheet 2-26
Cancels Original Sheet 2-26

2. GENERAL REGULATIONS**2.4 PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES****2.4.1 PAYMENT OF RATES, CHARGES AND DEPOSITS**

- A. The Telephone Company will, in order to safeguard its interests, only require a customer which has a proven history of late payments to the Telephone Company or does not have established credit, to make a deposit prior to or at any time after the provision of a service to the customer to be held by the Telephone Company as a guarantee of the payment of rates and charges. No such deposit will be required of a customer which is a successor of a company which has established credit and has no history of late payments to the Telephone Company. Such Deposits shall be equal to two months of estimated billings. If past service has been provided, the estimated billing shall be calculated based upon the average monthly billings over the past three months. Such a calculation is subject to revision based upon changes in the average of the past month's billings. The fact that a deposit has been made in no way relieves the customer from complying with the Telephone Company's regulations as to prompt payment of bills. At such time as the provision of the service to the customer is terminated, the amount of the deposit will be credited to the customer's account and any credit balance which may remain will be refunded.

Such a deposit may be refunded or credited to the account when the customer has established credit or, in any event, after the customer has established a one-year prompt payment record at any time prior to the termination of the provision of the service to the customer. In case of a cash deposit, for the period the deposit is held by the Telephone Company, the customer will receive interest at the lawful rate as specified by rules covering Deposit Administration as are published as WAC 480-120-128, and are available upon request, or as specified in Section (B)(4)(a) or (B)(4)(b), whichever is higher. Interest will be computed from the time of deposit to the time of refund or total application of the deposit shall be compounded annually. Should a deposit be credited to the customer's account, no interest will accrue on the deposit from the date such deposit is credited to the customer's account.

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SECTION 2
2nd Revised Sheet 2-28
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2. GENERAL REGULATIONS**2.4 PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES****2.4.1 PAYMENT OF RATES, CHARGES AND DEPOSITS**

B. (Cont'd)

3. All bills dated as set forth in 2., preceding for service, other than Presubscription, provided to the customer by the Telephone Company are due 31 days (payment date) after the bill date, or by the next bill date (i.e., the same date in the following month as the bill date), whichever is the shortest interval, except as provided herein, and are payable in immediately available funds. In the event that the Telephone Company renders the bill more than ten (10) days after the normal billing date, the Telephone Company will extend the payment date by one day for each day in excess of ten (10) until the bill is rendered. The date the bill is rendered will be considered to be the date the bill is postmarked.

If such payment date would cause payment to be due on a Saturday, Sunday or Holiday (i.e., New Year's Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, the second Tuesday in November and a day when Martin Luther King Jr. Day, Washington's Birthday, Memorial Day or Columbus Day is legally observed), payment for such bills will be due from the customer as follows:

If such payment date falls on a Sunday or on a Holiday which is observed on a Monday, the payment date shall be the first non-Holiday day following such Sunday or Holiday. If such payment date falls on a Saturday or on a Holiday which is observed on Tuesday, Wednesday, Thursday or Friday, the payment date shall be the last non-Holiday day preceding such Saturday or Holiday.

4. Further, if any portion of the payment is received by the Telephone Company after the payment date as set forth in (a) preceding, or if any portion of the payment is received by the Telephone Company in funds which are not immediately available to the Telephone Company, then a late payment penalty shall be due to the Telephone Company. The late payment penalty shall be the portion of the payment not received by the payment date times a late factor. The late factor shall be the lesser of:
 - a. the highest interest rate (in decimal value) which may be levied by law for commercial transactions, compounded daily for the number of days from the payment date to and including the date that the customer actually makes the payment to the Telephone Company, or
 - b. 0.000407 per day, compounded daily for the number of days from the payment date including the date that the customer actually makes the payment to the Telephone Company. (R)

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2. GENERAL REGULATIONS**2.4 PAYMENT ARRANGEMENTS AND CREDIT ALLOWANCES****2.4.1 PAYMENT OF RATES, CHARGES AND DEPOSITS****B. (Cont'd)**

5. In the event that a billing dispute concerning any charges billed to the customer by the Telephone Company is resolved in favor of the Telephone Company, any payments withheld pending settlement of the dispute shall be subject to the late payment penalty set forth in 4., preceding. If the customer disputes the bill on or before the payment date, and pays the undisputed amount on or before the payment date, any late payment charge for the disputed amount will not start until 10 working days after the payment date. If the billing dispute is resolved in favor of the customer, no late payment penalty will apply to the disputed amount. In addition, if a customer who has paid the total billed amount disputes the billed amount within six months of the payment date, as set forth in 3., preceding, and the billing dispute is resolved in favor of the customer, the customer shall be entitled to the principal amount of such overpayment plus a penalty amount, calculated from the date upon which notice of the disputed amount was received by the Telephone Company to the date of reimbursement.

The disputed amount penalty shall be the disputed amount resolved in the customer's favor times a penalty factor. The penalty factor shall be the lesser of:

- a. the highest interest rate (in decimal value) which may be levied by law for commercial transactions, compounded daily for the number of days from the first date to and including the last date of the period involved, or
 - b. 0.000407 per day, compounded daily for the number of days from the first date to and including the last date of the period involved. (R)
6. In the event of a dispute concerning withheld payment amounts of overbilling, the customer shall notify the Telephone Company in writing at the earliest possible date, but in no event later than the normal payment date if the dispute concerns withheld payment amounts, or no later than six months after the payment date if the dispute concerns a claim for overbilling. The Telephone Company shall respond no later than 15 working days, or other mutually agreed period, from the date of receipt of the notice of dispute. Such response shall state agreement or disagreement with the customer's position and, if disagreement, shall state clearly the reasons for such disagreement.