

Exhibit KS-2

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	DOCKET NO. UT-053041
Intelligent Community Services)	ICS AMENDED PETITION
For Designation as Eligible)	
Telecommunications Carrier)	
Under 47 U.S.C. § 214(e)(2).)	
_____)	

1. Intelligent Community Services, Inc. ("ICS") submits this Amended Petition for Designation as an Eligible Telecommunications Carrier ("ETC") pursuant to WAC Chapter 480-123, 47 U.S.C. § 214(e)(2), and 47 C.F.R. § 54.201. ICS requests that it be designated as eligible to receive all available support from the federal Universal Service Fund ("USF") including, but not limited to, support for customers in high-cost locations and low-income consumers.

I. INTRODUCTION

A. Name and Address of Petitioner

2. The name of the Petitioner is Intelligent Community Services, Inc. The address of the Petitioner is 9400 SW Beaverton-Hillsdale Hwy, Suite 205, Beaverton, Oregon, 97005. The names, addresses, and telephone numbers of the persons to whom communications should be addressed are:

Gregory J. Kopta
DAVIS WRIGHT TREMAINE LLP
1201 Third Avenue
Suite 2200
Seattle, WA 98101-3045
Voice: (206) 757-8079
Fax: (206) 757-7079
E-mail: gregkopta@dwt.com

Jeff Tilleman
Vice President
Intelligent Community Services, Inc.
9400 SW Beaverton-Hillsdale Hwy, Ste 205
Beaverton, OR 97005
Voice: (503) 972-7816
Fax: (503) 972-7850
E-mail: jefft@icsemail.net

B. Relevant Statutes and Rules

3. The statutes and rules implicated by this Petition include WAC 480-123, RCW 80.36.600, 47 U.S.C. §§ 153(10), 153(44), 214(e), 253(b) and 254(d); 47 C.F.R. §§ 51.5, 54.5, 54.101, 54.201, 54.207, 54.307, 54.313, and 54.314.

C. Authorization

4. ICS is registered as a telecommunications company, effective April 30, 2005 in Docket No. UT-50514. In addition to competitive telecommunications services, ICS offers enhanced services including Internet access service.

5. ICS is a common carrier, engaged in the business of “owning, operating or managing any facilities used to provide telecommunications for hire, sale, or resale to the general public” within this state and in interstate commerce. Telecommunications is defined for this purpose as “the transmission of information by wire, radio, optical cable, electromagnetic, or other similar means.” RCW 80.04.010.

6. ICS has negotiated an interconnection and resale agreement pursuant to federal law with Qwest Corporation, which the Commission approved on August 31, 2005 in Docket No. UT-053048.

II. ICS MEETS ALL OF THE FEDERAL AND STATE REQUIREMENTS FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN THE AREAS REQUESTED

7. WAC 480-123-040 provides that the Commission will approve a petition for designation as an ETC if the petition meets the requirements of WAC 480-123-030, the designation will advance some or all of the purposes of universal service found in 47 U.S.C. § 254, and the designation is in the public interest. As demonstrated in this petition, ICS meets all of these requirements. The company will provide and advertise all supported services and will do so using its own facilities. ETC designation will, by making universal service funding

available to ICS, directly advance the purposes of federal universal service policy by giving more customers in the Roslyn exchange access to a greater variety of basic and advanced services.

8. Exhibit A to this Petition provides the detailed information required by WAC 480-120-030.

III. DESIGNATION OF ICS WILL ADVANCE THE PURPOSES OF UNIVERSAL SERVICE.

9. Sec. 254 identifies three purposes or principles that are to be advanced through the federal and state implementation of the universal service program:¹

- (1) **Quality and rates** – Quality services should be available at just, reasonable, and affordable rates.
- (2) **Access to advanced services** – Access to advanced telecommunications and information services should be provided in all regions of the country.
- (3) **Access in rural and high cost areas** – Consumers in all regions of the country, including low-income consumers and those in rural, insular, and high cost areas, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.

10. Designation of ICS as an ETC in the Roslyn exchange will advance these purposes by increasing the availability of services – both basic and advanced – to consumers and

¹ Sec. 254 identifies other principles to govern the universal service program, but these are not directly relevant to this petition. These principles address administration of mechanisms to collect and disburse funds for the universal service program and the provision of services to schools, health care, and libraries.

businesses in that area. ICS's basic service will be available at rates that are no higher than the incumbent's rates, thereby promoting the affordability of service, and the broadband services offered by ICS may not otherwise be available from existing providers.

11. The Commission need not be concerned that ICS's entry into this market will harm universal service through "cream skimming" of universal service support. The cream-skimming concern, which has been addressed both by the Commission and by its federal counterparts, arises when support amounts do not match variations in cost of serving customers. Typically, these concerns arise when per-line support levels are uniform across a geographic area and a competitor is able to limit its service to the portions of the area where costs are lowest. The Commission has already addressed the potential for cream-skimming by disaggregating the support received by incumbent local exchange companies and targeting the support to the highest cost exchanges. For example, CenturyTel's high-cost line support varies by a factor of 20 across its eastern Washington exchanges.²

IV. DESIGNATION OF ICS IS IN THE PUBLIC INTEREST

12. Congress required that state commissions consider the "public interest" in reviewing ETC petitions, but it did not elaborate on what constitutes this public interest. The Commission has, however, through its prior ETC designations explained how it applies the public interest standard:

"Public interest" is a broad concept encompassing the welfare of present and future consumers, stakeholders, and the general public. The "public interest" is broader than the goal of fostering competition alone, and broader than the goal of advancing universal service alone; and we believe the decision today advances these two goals. Designating [petitioner] as an ETC

² The Commission has also been presented with another form of the cream-skimming concern when a mobile wireless applicant proposes to serve only a portion of an exchange. That concern is not present with ICS's application, since it requests designation for the entire Roslyn exchange.

further the public interest because rural consumers, like urban consumers, will benefit from increased competition in the form of a greater variety of services and more comparability of services. Rural customers also benefit because they, rather than the government, will choose which services and technologies meet their telecommunications needs.³

13. ICS's application for ETC designation meets this standard for the public interest, arguably to a greater extent than the mobile wireless applications in which the Commission has previously considered this question. ICS provides a closer substitute to the basic service of the wireline incumbent. Mobile wireless service provides many important benefits to consumers, but it is at best an imperfect substitute for residential or business wireline service. Mobile wireless service typically is more expensive than basic wireline service and does not provide unlimited local calling for a flat rate. ICS will also provide customers within the Suncadia Resort Area with access to affordable broadband service. Some mobile operators offer limited data capabilities, but high-speed access is generally not available in rural areas and is quite expensive where it is deployed.⁴ ICS thus will do more to bring choice for basic service and to bring access to advanced services than will any of the competitive ETCs already designated by the Commission.

14. ICS also requests that the Commission, as part of its public interest analysis, consider the competitive harms that would result if the Commission were not to designate ICS when its competitors continue to receive federal support. As noted earlier, ICS's service offering will directly compete with the basic and (to the extent offered) advanced services of a wireline

³ *In the Matter of the Petition of SPRINT CORPORATION, d/b/a SPRINT PCS, SPRINTCOM, INC., SPRINT SPECTRUM, L.P., and WIRELESSCO, L.P. for Designation as an Eligible Telecommunications Carrier*, Docket No. UT-043120, Order 01 (Corrected), January 27, 2005, para. 36 (internal citation omitted).

⁴ For example, Sprint's mobile broadband service is offered at \$60 per month for unlimited service, and coverage maps indicate that the service is not available outside of Spokane and the Yakima Valley in eastern Washington. Verizon Wireless offers broadband at \$80 per month; coverage maps indicate service is not available in many parts of eastern Washington.

local exchange company. ICS will also compete, albeit less directly, with the voice and data offerings of mobile wireless operators. Inland has already been designated as an ETC and is receiving federal universal service support, and many of the mobile wireless operators are likewise designated and funded. ICS submits that the principles of competitive and technological neutrality will be undermined if these carriers are allowed to operate with significant government support and ICS is not afforded similar support. ICS believes that in a hypothetical subsidy-free market structure it would compete on very favorable terms against these other carriers, but ICS will be at a substantial disadvantage if it is deprived of support comparable to its competitors.


V. HIGH-COST CERTIFICATION

15. ICS certifies that it will use all federal high-cost universal service support it receives only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, pursuant to 47 U.S.C. § 254(3).

VI. CONCLUSION

16. ICS respectfully requests that the Commission grant this Petition to designate ICS as an ETC in the Roslyn Exchange.

Respectfully submitted, this 11 day of December 2007.



Jeff Filerman
Vice President and General Manager
Intelligent Community Services, Inc.

Exhibit A

Statement in Compliance With 480-123-030

17. In support of its Petition and consistent with the requirements of WAC 480-123-030, ICS provides the following:

(a) A description of the area or areas for which designation is sought.

18. ICS requests designation as an ETC in the Roslyn Exchange of Inland Telephone Company ("Inland"). The Commission has previously designated a mix of incumbent and competitive carriers in this exchange. Inland is the incumbent carrier. The Commission has also designated wireless carriers as ETCs within the Roslyn Exchange, including Inland's wireless affiliate.

(b) A statement that the carrier will offer the services supported by federal universal service support mechanisms throughout the area for which it seeks designation, either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another ETC).

19. ICS provides or will provide the federally designated supported services throughout the areas for which it seeks designation as an ETC. It will do so using its own and leased facilities and, where its facilities are not yet in place, by reselling another carrier's services. Because ICS is no longer required or authorized to maintain price lists with the Commission, a copy of the relevant portions of ICS's website detailing ICS's local exchange service terms and conditions is attached as Appendix 1.

20. ICS, like all other carriers, does not have facilities in place to serve every customer immediately. The company expects to build its network out in response to customer demand and the availability of investment funds. Both this Commission and the Federal Communications Commission have determined that the requirement to offer services does not imply that an ETC must be capable of serving every customer immediately. To do so would

likely result in wasteful construction of networks where no demand develops and would impose a virtually insurmountable barrier to entry for competitors.

21. The Commission has required in WAC 480-120-071 that local exchange companies filing tariffs complete service extension requests within 18 months, if the customer is reasonably entitled to service and unless it finds that there is good cause to take longer. While this rule does not apply to ICS, it provides a standard for availability of service that ICS will commit to meet as an ETC.

(c) A description of how it will provide each supported service.

22. Section 54.201 of the Federal Communications Commission (“FCC”) rules generally defines eligible telecommunications carriers (“ETCs”), including the requirement that supported services be offered by the ETC “either using its own facilities or a combination of its own facilities and resale of another carrier’s services.” 47 C.F.R. § 54.201(d)(1). Since filing its Petition in June 2005, ICS has constructed or arranged to lease, network facilities to provide the services for which it seeks universal service support. ICS, therefore, will provide supported services using a combination of its own facilities and resale of another carrier’s services.

23. ICS is leasing a Class 5 soft switch located in Bend, Oregon to provide local dial tone in the Roslyn exchange. This switch is connected via SIP Ethernet to ICS’s Mitel IP PBX system located in ICS’s network operations center adjacent to the Suncadia Resort area. ICS is leasing fiber from the network operations center to fiber nodes located throughout the Suncadia Resort property. These nodes also contain network fiber switching equipment that ICS has installed to create a redundant network covering the property. These fiber nodes are connected to individual customer premises by fiber connections installed by Suncadia and leased to ICS. In addition, ICS has constructed copper and fiber to a Qwest Corporation (“Qwest”) vault, and this

connection provides an interface with the public switched telephone network ("PSTN") by extending Qwest copper circuits to ICS's network operations center.

24. ICS plans to offer supported telecommunications services in areas of the Roslyn exchange other than the Suncadia Resort property by reselling services obtained from Inland. ICS has requested negotiations with Inland to obtain such services, as well as direct interconnection for the exchange of traffic between the two companies. Pending an agreement between the companies, ICS will purchase the necessary services out of the Inland tariffs currently on file with the Commission.

25. The individual supported services required of an ETC and provided by ICS are discussed below:

1. ***Voice grade access to the public switched network.*** "Voice grade access" is defined as a function that enables a user of telecommunications services to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call. Bandwidth for voice grade access should be, at a minimum, 300 to 3,000 Hertz.

26. The voice service offered by ICS provides voice-grade access to the PSTN as described above.

2. ***Local usage.*** "Local usage" means an amount of minutes of use of exchange service, prescribed by the Commission, provided free of charge to end users.

27. ICS will offer unlimited local usage as a part of its voice service. To date, the FCC has not quantified a minimum amount of local usage required to be included in a universal service offering, but ICS will comply with any and all such requirements. The local calling area for ICS customers will equal or exceed Inland's local calling area in the Roslyn exchange.

3. ***Dual tone multi-frequency signaling or its functional equivalent.*** "Dual tone multi-frequency" ("DTMF") is a method of signaling that facilitates the transportation of signaling through the network, shortening call set-up time.

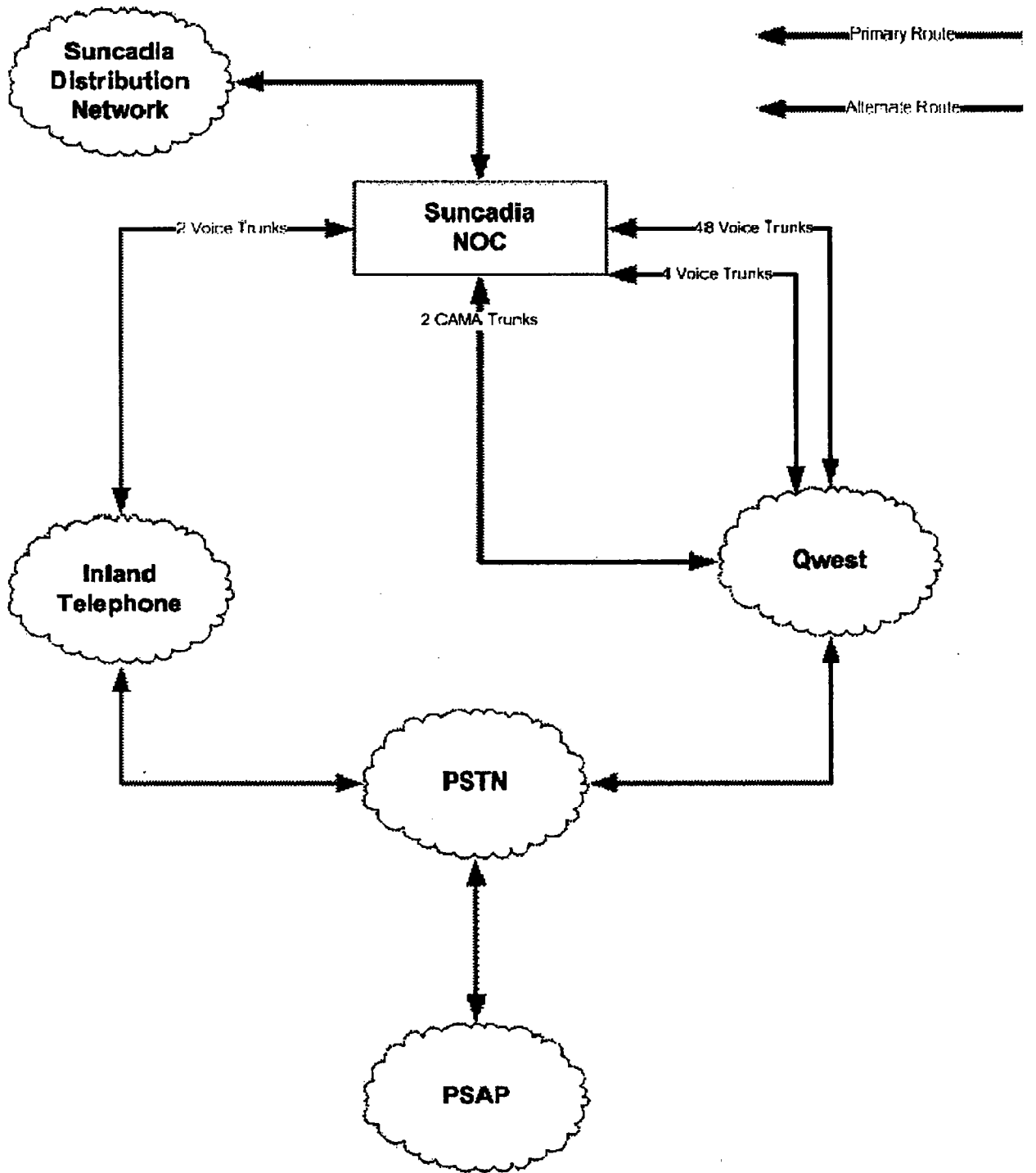
28. ICS provides DTMF signaling to facilitate the transportation of signaling throughout its network.

4. *Single-party service or its functional equivalent.* "Single-party service" is telecommunications service that permits users to have exclusive use of a wireline subscriber loop or access line for each call placed, or, in the case of wireless telecommunications carriers, which use spectrum shared among users to provide service, a dedicated message path for the length of a user's particular transmission.

29. All voice service offered by ICS is single-party service.

5. *Access to emergency services.* "Access to emergency services" includes access to services, such as 911 and enhanced 911, provided by local governments or other public safety organizations. 911 is defined as a service that permits a telecommunications user, by dialing the three-digit code "911," to call emergency services through a Public Service Access Point ("PSAP") operated by the local government. "Enhanced 911" is defined as 911 service that includes the ability to provide automatic numbering information (ANI), which enables the PSAP to call back if the call is disconnected, and automatic location information (ALI), which permits emergency service providers to identify the geographic location of the calling party. "Access to emergency services" includes access to 911 and enhanced 911 services to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems.

30. ICS provides enhanced 911 service using a comprehensive system for supplying all elements necessary to provide numbering and location information (ANI and ALI) and provides redundant and highly reliable routing of emergency calls through appropriate selective routers to the correct PSAP. To maintain local telephone service and access to emergency (911) services, the following processes are in place: The primary connection to the Kittitas County Public Safety Answer Point (PSAP) in Ellensburg, WA, is through two 56 KBPS CAMA trunks procured through Qwest. An alternate connection is in place through Inland Telephone Company. In the event that those two connections fail, calls are routed directly to the Kittitas County Sheriff's Office through a Qwest connection, if available, or a third connection through Inland Telephone Company. The following diagram illustrates ICS's E911 provisioning:



6. *Access to operator services.* "Access to operator services" is defined as access to any automatic or live assistance to a consumer to arrange for billing or completion, or both, of a telephone call.

31. ICS provides operator service to its voice customers. Customers dial "0" to reach live operators to assist customers in completing or billing telephone calls.

7. *Access to interexchange service.* "Access to interexchange service" is defined as the use of the loop, as well as that portion of the switch that is paid for by the end user, or the functional equivalent of these network elements in the case of a wireless carrier, necessary to access an interexchange carrier's network.

32. ICS provides its voice customers with access to interexchange service. Customers can use ICS's service to make calls to any number on the public switched telephone network. ICS has negotiated or is willing to negotiate agreements with interested interexchange carriers ("IXCs") to provide equal access to ICS's customers, but because of the small number of those customers, there is a corresponding small interest among IXCs in directly interconnecting with ICS. Accordingly, ICS currently provides its customers with access to IXCs with which ICS does not have an equal access agreement via "dial around" or calling card access.

8. *Access to directory assistance.* "Access to directory assistance" is defined as access to a service that includes, but is not limited to, making available to customers, upon request, information contained in directory listings.

33. ICS provides directory assistance service to its voice customers through dialing "411" or "555-1212" with the appropriate area code.

9. *Toll limitation for qualifying low-income consumers.* "Toll limitation" denotes either toll blocking or toll control for eligible telecommunications carriers that are incapable of providing both services. For ETCs that are capable of providing both services, "toll limitation" denotes both toll blocking and toll control.

34. ICS will provide toll blocking to customers that request the service. The service prevents completion of calls that would result in toll calls to the customer. To the extent it is capable of doing so, ICS will also provide toll control to qualifying low-income consumers.

(d) A substantive plan of the investments to be made with initial federal support during the first two years in which support is received and a substantive description of how those expenditures will benefit customers.

35. ICS will use all funds received as a result of its ETC designation for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Because ICS is a facilities-based carrier and would receive support only after it has begun serving individual customers, the funds received would in many instances directly compensate ICS for the investments made and expenses incurred to connect the supported customer to the network. These costs include construction of network facilities, lease of switching equipment, purchase and installation of network equipment, purchase and maintenance of central office space, and payment of charges for interoffice circuits and services used to connect customers to the public switched telephone network and the enhanced 911 network.

36. ICS has already incurred these costs before it has received payments from a significant number of customers or the universal service program, and universal service funds would be used over at least the next two years to offset a portion of ICS's network investment, as well as fund network expansion. ICS, for example, currently provides service to the Roslyn exchange using a remote class 5 switch with connectivity via T-1's into the exchange. Just the basic connectivity and switch lease costs to serve the exchange exceed the level of high cost support that ICS could reasonably anticipate receiving over the next two years, and those costs will grow as subscribers are added.

(e) A statement that the carrier will advertise the availability of services supported by federal universal service mechanisms, including advertisement of applicable telephone assistance programs, such as Lifeline, that is reasonably calculated to reach low-income consumers not receiving discounts;

37. ICS will advertise the availability of services supported by federal universal service mechanisms, including advertisement of applicable telephone assistance programs, such as Lifeline, that is reasonably calculated to reach low-income consumers not receiving discounts.

(f) For wireless petitioners, a map in .shp format of proposed service areas (exchanges) with existing and planned locations of cell sites and shading to indicate where the carrier provides and plans to provide commercial mobile radio service signals;

38. This requirement does not apply to ICS.

(g) Information that demonstrates its ability to remain functional in emergency situations including a description of how it complies with WAC 480-120-411 or, for a wireless carrier, information that demonstrates it has at least four hours of back up battery power at each cell site, back up generators at each microwave hub, and at least five hours back up battery power and back up generators at each switch;

39. ICS has a network operations center, including switching equipment, located near the Suncadia Resort in the Roslyn exchange and a switch location in Bend, Oregon, either of which is capable of operating independently to permit customers to make and receive calls in the event of an emergency that disables one or the other location. In addition, the Bend, Oregon switch location has both battery and automatic-start generator power available in the event of a power outage; available battery power exceeds the three-hour requirement in WAC 480-120-411.

(h) Information that demonstrates that it will comply with the applicable consumer protection and service quality standards of chapter 480-120 WAC or, for a wireless carrier, a commitment to comply with the Cellular Telecommunications and Internet Association's (CTIA) Consumer Code for Wireless Service. Information regarding the version of the CTIA code adopted and where to obtain it is set forth in WAC 480-123-999.

40. The Commission's service quality rules include network performance standards (WAC 480-120-401), network maintenance (WAC 480-120-411), trouble reports (WAC 480-120-438), installation of customer lines (WAC 480-120-105), and repair (WAC 480-120-440). ICS will comply with these standards, to the extent they apply to the company, as demonstrated

below. The Commission has generally not held regulated companies to a level of absolute compliance with all standards in all circumstances and has at times granted exemptions to companies based on specific circumstances. ICS similarly does not, by demonstrating its general ability to comply with the standards, intend to waive its right to request either mitigation of any enforcement action or exemption from any standard.

41. ***Network performance standards (WAC 480-120-401)***. This rule provides standards for the reliability of switching service, intercept service, interoffice facilities, customer loops, and interexchange carrier trunking. ICS's network will provide service at these standards.

42. ***Network maintenance (WAC 480-120-411)***. Compliance with this standard is addressed separately under paragraph (g) above.

43. ***Trouble reports (WAC 480-120-438)***. This rule limits the number of trouble reports per hundred lines in service. ICS will closely track all trouble reported by its customers and will identify and correct these problems.

44. ***Installation of customer lines (WAC 480-120-105)***. With the exception of subsection (1)(c), this rule does not apply to ICS as a competitively classified company, but the company will promptly complete orders for new service. ICS will "complete one hundred percent of all orders for access lines within one hundred eighty days after the order date, or by a later date requested by a customer" as required by subsection (1)(c) unless one or more of the exceptions provided in the rule applies.

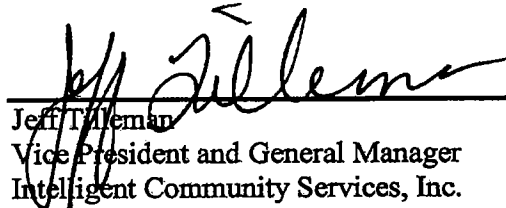
45. ***Repair of service interruptions and impairments (WAC 480-120-440)***. This rule requires that, with some exceptions, service interruptions be restored within 48 hours and service impairments be restored within 72 hours. The Commission has observed that this standard "demand[s] near perfection in a way that is extremely difficult to achieve" and "may create

incentives for inefficient service quality achievement.”⁵ ICS maintains a staff of trained technicians and a sufficient supply of replacement equipment so that it will in most instances be able to restore service within the intervals required by this rule.

46. In addition to meeting the standards discussed above, ICS will cooperate with Commission consumer affairs staff in resolving any customer complaints that may arise.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED December 11, 2007.



Jeff Tilleman
Vice President and General Manager
Intelligent Community Services, Inc.

⁵ *Sixteenth Supplemental Order, Order Denying Termination of Service Quality Program; Granting Modification*, Docket UT-991358, June 30, 2004, para. 76.

Appendix 1

Terms and Conditions of Local Telephone Services

This document explains the terms and conditions of receiving local and long distance telephone service from Intelligent Community Services (ICS). Please read these terms and conditions carefully and retain this document for your future reference.

Service Availability

Services are offered subject to the availability of suitable facilities and/or equipment of the company or the local exchange carrier serving the customer. ICS reserves the right to provide service to and from locations where the necessary facilities and equipment are available.

Minimum Billing Period

The minimum billing period for any service is one month regardless of length in service. Billing begins when service is operational at the Network Interface Device.

Rates and Charges

The rates and charges for telephone services will be in accordance with the published rate sheet on the ICS web site at:

www://Intelligentcommunityservices.com

Rates are subject to change. In the event of a rate change, customers shall be given not less than 30 days notice of the change before it becomes effective.

All services with the exception of usage based services such as long distance or repair charges will be billed in advance. Usage charges will be billed in arrears. At the time your service is activated, you will be billed a prorated amount for the period between the connection date and your bill cycle date (normally the 1st of each month), plus one month.

Use of Services

The Service shall be used solely by the customer and unless specifically permitted in writing, may not be resold to others in any manner, shape, or form.

The Service may not be used for any unlawful purpose.

The Service may not be used in any manner to annoy, abuse, threaten, or harass any other person.

The service shall not be used in such a manner as to interfere with another person in their use of the Service, prevents another person from using their service, or otherwise impairs the quality of service to other users.

Customers shall not use services in a manner that could interfere with the services provided to other customers.

Other uses of the Service that in the sole determination by ICS to impair the telephone network or other users are prohibited.

Responsibility for Use of Services

The Customer is responsible for all uses of their Services whether authorized or not. This includes all long distance calls, collect calls, or other chargeable items. The customer is responsible for the control of their services and any resulting charges from their use.

Credit and Deposit Requirements

Intelligent Community Services may use information provided by you at the time that service is requested to access your credit history. Based on your credit history, we may request a deposit from you as a requirement for service. We may also request a deposit if you fail to pay your bill by the date due. The amount of the deposit is calculated based on your credit information and the estimated monthly billing for your services not to exceed an average of two months. The deposit and accrued interest will be credited to the account if service is disconnected or when you have established a 12-month payment history with no record of having service suspended for non-payment and have no more than two occasions where the payment was received after the due date. The deposit will not be refunded if your account is past due. During the period that we hold your deposit, interest will be applied at a rate set annually by the Public Utility Commission if the deposit is held for more than 30 days. This rate is effective January 1 of each year.

Billing Disputes

You have the right to dispute any charge on your bill that you believe is incorrect by contacting our Customer Service Department. Customer Service will review the charge, provide you with an explanation and, if necessary, correct your billing. If you are not satisfied with the explanation, you may request a supervisory review. If you are disputing a charge that you believe is incorrect, you will not be required to pay the amount of the charge until the dispute has been resolved. All other charges that have not been disputed must be paid in full by the due date.

Payments

As our customer, you are billed monthly, in advance, for the services and equipment to which you have subscribed. Your first bill extends from the first day of services to your billing cycle date and one month forward, and will include credit for any funds collected at the time of your installation. You are obligated to pay the charges for the service regardless of whether a bill has been presented to you.

Partial month charges will be itemized on your statement if you add or change service between billing dates. Payments can be made on or before the due date.

Your monthly bill for services will indicate the date that your payment is due. Intelligent Community Services must receive your payment by this date. If payment is received after this date, a late payment processing fee will be added to your amount due. If you do not pay your local telephone charges by the date due, you will receive a notice that your local telephone service will be suspended unless your payment is received by the date specified on the notice.

In the event that your telephone service is interrupted and is not reestablished within 24 hours from the time a request for repair is made, your account may be credited on a prorated basis for loss of service during each 24-hours following your request.

Outage Credits

Credit for the failure of service or equipment will be allowed only when the source of failure is caused or occurs in equipment or facilities that are owned by ICS. No credit shall be

allowed for the failure of equipment or facilities that are owned by the customer or for failures that are caused by the action or inaction of the customer or their agent or invitee.

Credit allowance time starts when the customer notifies ICS of a failure and continues until such time as the Service has been restored.

Only those portions of service that are materially affected shall be subject to an outage credit.

No outage credit shall be given for an interruption of less than 24 hours. Credits shall be applied at the rate of 1/30th the monthly charge for each 24 hour period or fraction thereof after the initial 24 hour period.

Suspension of Service

Intelligent Community Services can suspend or disconnect your basic local telecommunications services for any of the following reasons after providing you with ten days written notice:

- Failure to pay your basic local service charges by the final date for payment specified by written notice.
- Failure to meet the terms of a payment arrangement for your basic local service charges.
- Failure to pay a requested deposit.

By law, your local telephone service cannot be suspended for nonpayment of charges other than the charges for basic local telephone service. If you do not pay charges for other services such as long distance, voice mail and Internet, those services may be disconnected.

Your service may be suspended at any time without notice if you use your service in an unlawful manner or violate other terms of use.

Payment Arrangements

If you are not able to pay your entire bill by the due date, but can pay before the due date of your next bill, you may contact our Customer Service Department to request a payment arrangement. In the event that a payment arrangement is not kept, your service is subject to immediate suspension.

Steps to Restore Service

If your service is suspended due to nonpayment, Intelligent Community Services will restore service after full payment is received. A fee will also be charged to your account for the cost of reconnecting your service. Service will be restored within 24 hours of the time that payment is received.

Customer Complaint Procedures

Intelligent Community Services makes every effort to ensure that your local and long distance telephone services are of the highest quality. We also work to make sure that any problem is resolved to your satisfaction. If you have problems with our service, please contact us and allow us the opportunity to correct the problem. Customer Service will review your complaint, provide you with an explanation and, if necessary, take steps to resolve the problem. If you are not satisfied with the resolution, you may request a supervisory review.

You have the right to contact the Public Utility Commission regarding any matter related to the service that we provide.

Statement of Nondiscrimination

Intelligent Community Services' services are provided without discrimination as to a customer's race, color, sex, nationality, religion, marital status, income level, source of income, or unreasonable discrimination on the basis of geographic location.

Limits of Liability

The liability of ICS for damages arising from mistakes, omissions, interruptions, delays, errors, or defects in transmission occurring in the furnishing of services and not caused by the negligence of the customer, shall in no event exceed an amount equivalent to the proportionate charge to the customer for the period of service during which such mistakes, omissions, etc., occurred. No other liability shall in any case attach to ICS.

From time to time, the services offered by ICS will be interrupted. Interruptions of service may occur for any number of reasons. Interruptions of service may occur in a given city or network wide in order for ICS to perform maintenance tasks. Interruptions may also occur for reasons completely beyond the control of ICS. Use of an ICS account constitutes acknowledgment by the owner of the account that such interruptions will occur from time to time. Each owner of an ICS account acknowledges and agrees that ICS shall not be liable to the owner for any harm or loss arising from an interruption of service, regardless of the nature and extent of the harm or loss. Each owner of an ICS account further acknowledges and agrees that responsibility for avoiding harm or loss arising from an interruption of service, regardless of the nature and extent of the harm or loss, is the responsibility of the owner, and not that of ICS. ICS shall not be liable for any indirect, special, punitive, consequential or incidental damages, including lost profits, or economic loss, which you may suffer even if ICS has been advised of the possibility of damage or loss.

Customer Proprietary Network Information (CPNI) Special Notice

Under federal law you have the right, and Intelligent Community Services ("the Company") has the duty to protect the confidentiality of information about your telecommunications services. This includes information about how many telecommunications services you have, which services and features you use, how many calls you make, what time of day you make the most calls and the related billing for these services. We would like to use your information to help us create products, services, and discounts to fit your needs. Our Company's services include local telephone, long distance, television, and Internet Access services. If you wish to restrict use of your customer specific information for Intelligent Community Services marketing purposes, please register your restriction by calling one of our Customer Service Representatives. Simply tell us that you wish to restrict the use of your customer information. There is no charge for electing to restrict your information. Restricting your information will not affect the products you currently receive from Intelligent Community Services and may not eliminate all marketing contacts. Even if you restrict the use of your information, it may be used to market services to you when you call us to inquire about such services. You may change your decision at any time and your decision will remain valid until you tell us otherwise.

The Company respects your privacy and will not sell, trade, or share your confidential information with anyone outside of the Company, except as required by law.