

KRASKIN, LESSE & COSSON, LLP  
ATTORNEYS AT LAW  
TELECOMMUNICATIONS MANAGEMENT CONSULTANTS

2120 L Street, N.W., Suite 520  
Washington, D.C. 20037

Telephone (202) 296-8890  
Telecopier (202) 296-8893

VIA OVERNIGHT DELIVERY

July 29, 1998

Florida Public Service Commission  
Division of Administration  
2540 Shumard Oak Blvd., Gerald Gunter Building  
Tallahassee, Florida 32299-0850

RECEIVED  
FLORIDA PUBLIC  
SERVICE COMMISSION  
MAIL ROOM  
98 JUL 30 AM 9:37

Re: Application of South Carolina Net, Inc., for  
Authority to Provide Interexchange  
Telecommunication Service within the State of  
Florida

Dear Madam/Sir:

Enclosed please find the original and six (6) copies of the  
above-referenced application of South Carolina Net, Inc., as well  
as check #4971 in the amount of \$250.00 (Two Hundred Fifty  
Dollars). Additionally, enclosed please find a copy marked "Stamp  
and Return." Please date-stamp this copy and return it to our  
offices in the enclosed, posted envelope.

Please send all correspondence related to the enclosed  
application to the undersigned.

Should there be any questions, please do not hesitate to call.

Sincerely

  
Joshua Seidemann

Encl.

Check received with filing and  
forwarded to Fiscal for deposit.  
Fiscal to forward a copy of check  
to RAR with proof of deposit.


Initials of person who forwarded check

A.J.

DOCUMENT NUMBER-DATE

00029 JUL 30 88

FPSC-RECORDS/REPORTING



APPLICATION FORM  
FOR AUTHORITY TO  
PROVIDE  
INTEREXCHANGE  
TELECOMMUNICATION  
SERVICE WITHIN THE  
STATE OF FLORIDA

DOCUMENT NUMBER-DATE

08029 JUL 30 88

FPSC-RECORDS/REPORTING

**\*\* FLORIDA PUBLIC SERVICE COMMISSION \*\***

**DIVISION OF COMMUNICATIONS**  
**BUREAU OF SERVICE EVALUATION**

**APPLICATION FORM**  
**for**  
**AUTHORITY TO PROVIDE**  
**INTEREXCHANGE TELECOMMUNICATIONS SERVICE**  
**WITHIN THE STATE OF FLORIDA**

**Instructions**

A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).

B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.

C. Use a separate sheet for each answer which will not fit the allotted space.

D. If you have questions about completing the form, contact:

**Florida Public Service Commission**  
**Division of Communications**  
**Bureau of Service Evaluation**  
**2540 Shumard Oak Blvd., Gerald Gunter Building**  
**Tallahassee, Florida 32399-0850**  
**(850) 413-6600**

E. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

**Florida Public Service Commission**  
**Division of Administration**  
**2540 Shumard Oak Blvd., Gerald Gunter Building**  
**Tallahassee, Florida 32399-0850**  
**(850) 413-6251**

1. Select what type of business your company will be conducting  (check all that apply):

Facilities based carrier - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

Operator Service Provider - company provides or plans to provide alternative operator services for DXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.

Reseller - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.

Switchless Rebiller - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.

Multi-Location Discount Aggregator - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers. Then offers the resold service by enrolling unaffiliated customers.

Prepaid Debit Card Provider - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

2. This is an application for  (check one):

(x) Original Authority (New company).

( ) Approval of Transfer (To another certificated company).

( ) Approval of Assignment of existing certificate (To an uncertificated company).

( ) Approval for transfer of control (To another certificated company).

3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:

South Carolina Net, Inc.

4. Name under which the applicant will do business (fictitious name, etc.):

SCNet, Inc.

5. National address (including street name & number, post office box, city, state and zip code).

1426 Main Street  
Suite 1000  
Columbia, SC 29201  
803/771-7476  
FAX/771-7436

6. Florida address (including street name & number, post office box, city, state and zip code):

NRAI Services, Inc.  
526 East Park Avenue  
Tallahassee, Florida 32301

7. Structure of organization:

- Individual                       Corporation  
 Foreign Corporation           Foreign Partnership  
 General Partnership           Limited Partnership  
 Other, \_\_\_\_\_

8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners.

- (a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

N/A

- (b) Indicate if the individual or any of the partners have previously been:

(1) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings.

N/A

(2) officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

N/A

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

(a) The application;

Mark Stokes  
Senior Manager, Business Development & Customer Service  
1426 Main Street, Suite 1000  
Columbia, SC 29201  
803/255-4003

(b) Official Point of Contact for the ongoing operations of the company;

Same

(c) Tariff;

Same

(d) Complaints/Inquiries from customers;

Same

11. List the states in which the applicant:

(a) Has operated as an interexchange carrier.

South Carolina

(b) Has applications pending to be certificated as an interexchange carrier. Applicant has filed or plans to file soon Applications in the following states: Alabama, Georgia, North Carolina, and Tennessee.

(c) Is certificated to operate as an interexchange carrier.

South Carolina

(d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.

None.

(e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

None.

(f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None.

12. What services will the applicant offer to other certificated telephone companies:

- Facilities.  Operators.  
 Billing and Collection.  Sales.  
 Maintenance.  
 Other: \_\_\_\_\_

Applicant may offer services to other certificated telephone companies in the future, and will at that time amend its tariff in accordance with all regulations of the Commission.

13. Do you have a marketing program? At the present time, SCNet is in the process of developing its marketing plans for the services it plans to offer to customers in Florida. Such marketing plans will be in compliance with applicable Florida requirements.

14. Will your marketing program:

- Pay commissions?  
 Offer sales franchises?  
 Offer multi-level sales incentives?  
 Offer other sales incentives?

Please see response to Question 13, above.



15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).

Please see response to Question 13, above.

16. Who will receive the bills for your service?  (Check all that apply)

- |                                                            |                                                                |
|------------------------------------------------------------|----------------------------------------------------------------|
| <input checked="" type="checkbox"/> Residential customers. | <input checked="" type="checkbox"/> Business customers.        |
| <input checked="" type="checkbox"/> PATS providers.        | <input checked="" type="checkbox"/> PATS station end-users.    |
| <input checked="" type="checkbox"/> Hotels & motels.       | <input checked="" type="checkbox"/> Hotel & motel guests.      |
| <input checked="" type="checkbox"/> Universities.          | <input checked="" type="checkbox"/> Univ. dormitory residents. |
| <input type="checkbox"/> Other: (specify) _____.           |                                                                |

17. Please provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided? Yes. Billing will be handled internally by SCNet from its Columbia, South Carolina offices. The Company will provide a "1-800" number for customer inquiries related to SCNet billing.

(b) Name and address of the firm who will bill for your service.

Applicant will provide its own billing.

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial capability.

Regarding the showing of financial capability, the following applies:  
The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.
3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability.

C. Technical capability.

\* Please see Attachment 1.

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

\* Please see Attachment 2.

20. The applicant will provide the following interexchange carrier services  (Check all that apply):

- MTS with distance sensitive per minute rates
  - Method of access is FGA
  - Method of access is FGB
  - Method of access is FGD
  - Method of access is 800
  
- MTS with route specific rates per minute
  - Method of access is FGA
  - Method of access is FGB
  - Method of access is FGD
  - Method of access is 800
  
- MTS with statewide flat rates per minute (i.e. not distance sensitive)
  - Method of access is FGA
  - Method of access is FGB
  - Method of access is FGD
  - Method of access is 800
  
- MTS for pay telephone service providers
  - Block-of-time calling plan (Reach out Florida, Ring America, etc.).
  
- 800 Service (Toll free)
  - WATS type service (Bulk or volume discount)
  - Method of access is via dedicated facilities
  - Method of access is via switched facilities
  
- Private Line services (Channel Services)  
(For ex. 1.544 mbs., DS-3, etc.)

- Travel Service**  
 Method of access is 950  
 Method of access is 800  
  
 900 service
- Operator Services**  
 Available to presubscribed customers  
 Available to non presubscribed customers (for example to patrons of hotels, students in universities, patients in hospitals.  
  
 Available to inmates

**Services included are:**

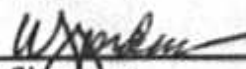
- Station assistance  
 Person to Person assistance  
 Directory assistance  
 Operator verify and interrupt  
 Conference Calling

21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).  
1+, 0+, 0++
22.  Other: N/A

**\*\* APPLICANT ACKNOWLEDGEMENT STATEMENT \*\***

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
2. **GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
3. **SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
4. **APPLICATION FEE:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement. Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

**UTILITY OFFICIAL:**

  
\_\_\_\_\_  
Signature  
W.J. Jordan  
President, Chief Executive Officer  
\_\_\_\_\_  
Title

JULY 23, 1998  
\_\_\_\_\_  
Date  
803/771-7476  
\_\_\_\_\_  
Telephone No.

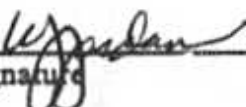
**\*\* APPENDIX B \*\***

**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be responded to in one of the following ways (applicant please check one):

- The applicant will not collect deposits nor will it collect payments for service more than one month in advance.
- The applicant will file with the Commission and maintain a surety bond in an amount equal to the current balance of deposits and advance payments in excess of one month. (Bond must accompany application.)

**UTILITY OFFICIAL:**

<u></u>	<u>July 23, 1998</u>
Signature	Date
<u>W.J. Jordan</u>	
President, Chief Executive Officer	803/771-7476
Title	Telephone No.

**\*\* APPENDIX C \*\***

**INTRASTATE NETWORK**

**1. POP: Addresses where located, and indicate if owned or leased.**

- \* Please see below.
- |    |    |
|----|----|
| 1) | 2) |
| 3) | 4) |

**2. SWITCHES: Address where located, by type of switch, and indicate if owned or leased.**

- \* Please see below.
- |    |    |
|----|----|
| 1) | 2) |
| 3) | 4) |

**3. TRANSMISSION FACILITIES: Pop-to-Pop facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.**

\* Please see below.

<u>POP-to-POP</u>	<u>TYPE</u>	<u>OWNERSHIP</u>
1)		
2)		

\* Initially, SCNet will be operating as a switchless reseller in the State of Florida. SCNet will "ride" another carrier's PIC. As both originating and terminating traffic grows in Florida, SCNet will add facilities as they become cost justifiable. These facilities will "operate off" SCNet's Columbia, South Carolina switch.

4. **ORIGINATING SERVICE:** Please provide the list of exchanges where you are proposing to provide originating service within thirty (30) days after the effective date of the certificate (Appendix D).

SCNet will offer originating service to all Florida exchanges within thirty (30) days after the effective date of the certificate.

Please see Attachment 3.

5. **TRAFFIC RESTRICTIONS:** Please explain how the applicant will comply with the EAEA requirements contained in Commission Rule 25-24.471 (4) (a) (copy enclosed).

All facilities provisioned by SCNet in Florida will be ordered to comply with the EAEA requirements contained in Commission Rule 25-24.471(a). All 0+, 0- calls will be routed to the serving LEC.

6. **CURRENT FLORIDA INTRASTATE SERVICES:** Applicant has ( ) or has not (xx) previously provided intrastate telecommunications in Florida. If the answer is has, fully describe the following:

a) What services have been provided and when did these services begin?

b) If the services are not currently offered, when were they discontinued?

UTILITY OFFICIAL:

W.J. Jordan  
Signature

JULY 23, 1998  
Date

W.J. Jordan

President, Chief Executive Officer

803/771-7476

Title

Telephone No.



**\*\* APPENDIX D \*\***

**FLORIDA TELEPHONE EXCHANGES**

**AND**

**EAS ROUTES**

Describe the service area in which you hold yourself out to provide service by telephone company exchange. If all services listed in your tariff are not offered at all locations, so indicate.

In an effort to assist you, attached is a list of major exchanges in Florida showing the small exchanges with which each has extended area service (EAS).

**\*\* FLORIDA EAS FOR MAJOR EXCHANGES \*\***

**Extended Service Area with These Exchanges**

<b>PENSACOLA:</b>	Cantonment, Gulf Breeze Pace, Milton Holley-Navarre.
<b>PANAMA CITY:</b>	Lynn Haven, Panama City Beach, Youngstown-Fountain and Tyndall AFB.
<b>TALLAHASSEE:</b>	Crawfordville, Havana, Monticello, Panacea, Sopchoppy and St. Marks.
<b>JACKSONVILLE:</b>	Baldwin, Ft. George, Jacksonville Beach, Callahan, Maxville, Middleburg, Orange Park, Ponte Vedra and Julington.
<b>GAINESVILLE:</b>	Alachua, Archer, Brooker, Hawthorne, High Springs, Melrose, Micanopy, Newberry and Waldo.

<b>OCALA:</b>	Belleview, Citra, Dunnellon, Forest Lady Lake (B21), McIntosh, Oklawaha, Orange Springs, Salt Springs and Silver Springs Shores.										
<b>DAYTONA BEACH:</b>	New Smyrna Beach.										
<b>TAMPA:</b>	<table border="0"> <tr> <td>Central</td> <td>None</td> </tr> <tr> <td>East</td> <td>Plant City</td> </tr> <tr> <td>North</td> <td>Zephyrhills</td> </tr> <tr> <td>South</td> <td>Palmetto</td> </tr> <tr> <td>West</td> <td>Clearwater</td> </tr> </table>	Central	None	East	Plant City	North	Zephyrhills	South	Palmetto	West	Clearwater
Central	None										
East	Plant City										
North	Zephyrhills										
South	Palmetto										
West	Clearwater										
<b>CLEARWATER:</b>	St. Petersburg, Tampa-West and Tarpon Springs.										
<b>ST. PETERSBURG:</b>	Clearwater.										
<b>LAKELAND:</b>	Bartow, Mulberry, Plant City, Polk City and Winter Haven.										
<b>ORLANDO:</b>	Apopka, East Orange, Lake Buena Vista, Oviedo, Windermere, Winter Garden, Winter Park, Montverde, Reedy Creek, and Oviedo-Winter Springs.										
<b>WINTER PARK:</b>	Apopka, East Orange, Lake Buena Vista, Orlando, Oviedo, Sanford, Windermere, Winter Garden, Oviedo-Winter Springs, Reedy Creek, Geneva and Montverde.										
<b>TITUSVILLE:</b>	Cocoa and Cocoa Beach.										
<b>COCOA:</b>	Cocoa Beach, Eau Gallie, Melbourne and Titusville.										
<b>MELBOURNE:</b>	Cocoa, Cocoa Beach, Eau Gallie and Sebastian.										
<b>SARASOTA:</b>	Bradenton, Myakka and Venice.										

<b>FT. MYERS:</b>	Cape Coral, Ft. Myers Beach, North Cape Coral, North Ft. Myers, Pine Island, Lehigh Acres and Sanibel-Captiva Islands.
<b>NAPLES:</b>	Marco Island and North Naples.
<b>WEST PALM BEACH:</b>	Boynton Beach and Jupiter.
<b>POMPANO BEACH:</b>	Boca Raton, Coral Springs, Deerfield Beach and Ft. Lauderdale.
<b>FT. LAUDERDALE:</b>	Coral Springs, Deerfield Beach, Hollywood and Pompano Beach.
<b>HOLLYWOOD:</b>	Ft. Lauderdale and North Dade.
<b>NORTH DADE:</b>	Hollywood, Miami and Perrine.
<b>MIAMI:</b>	Homestead, North Dade and Perrine

**\*\* APPENDIX E \*\***

**\*\* GLOSSARY \*\***

**ACCESS CODE:** The term denotes a uniform four or seven digit code assigned to an individual IXC. The five digit code has the form 10XXX and the seven digit code has the form 950-XXXX.

**BYPASS:** Transmission facilities that go direct from the local exchange end user to an IXC point of presence, thus bypassing the local exchange company.

**CARRIERS CARRIER:** An IXC that provides telecommunications service, mainly bulk transmission service, to other IXC only.

**CENTRAL OFFICE:** A local operating unit by means of which connections are established between subscribers' lines and trunk or toll lines to other central offices within the same exchange or other exchanges. Each three (3) digit central office code (NXX) used shall be considered a separate central office unit.

**CENTRAL OFFICE CODE:** The term denotes the first three digits (NXX) of the seven (7) digit telephone number assigned to a customer's telephone exchange service.

**COMMISSION:** The Florida Public Service Commission.

**COMPANY, TELEPHONE COMPANY, UTILITY:** These terms may be used interchangeably herein and shall mean any person, firm, partnership or corporation engaged in the business of furnishing communication service to the public under the jurisdiction of the Commission.

**DEDICATED FACILITY:** The term denotes a transmission circuit which is permanently for the exclusive use of a customer or a pair of customers.

**END USER:** The term denotes any individual, partnership, association, corporation, governmental agency or any other entity which (A) obtains a common line, uses a pay telephone or obtains interstate service arrangements in the operating territory of the company or (B) subscribes to interstate services provided by an IXC or uses the services of the IXC when the IXC provides interstate service for its own use.

**EQUAL ACCESS EXCHANGE AREAS:** EAEA means a geographic area, configured based on 1987 planned toll center/access tandem areas, in which local exchange companies are responsible for providing equal access to both carriers and customers of carriers in the most economically efficient manner.

**EXCHANGE:** The entire telephone plant and facilities used in providing telephone service to subscribers located in an exchange area. An exchange may include more than one central office unit.

**EXCHANGE (SERVICE) AREA:** The territory, including the base rate suburban and rural areas served by an exchange, within which local telephone service is furnished at the exchange rates applicable within that area.

**EXTENDED AREA SERVICE:** A type of telephone service furnished under tariff provision whereby subscribers of a given exchange or area may complete calls to, and receive messages from, one or more other contiguous exchanges without toll charges, or complete calls to one or more other exchanges without toll message charges.

**FACILITIES BASED:** An IXC that has its own transmission and/or switching equipment or other elements of equipment and does not rely on others to provide this service.

**FOREIGN EXCHANGE SERVICES:** A classification of exchange service furnished under tariff provisions whereby a subscriber may be provided telephone service from an exchange other than the one from which he would normally be served.

**FEATURE GROUPS:** General categories of unbundled tariffs to stipulate related services.

Feature Group A: Line side connections presently serving specialized common carriers.

Feature Group B: Trunk side connections without equal digit or code dialing.

Feature Group C: Trunk side connections presently serving AT&T-C.

Feature Group D: Equal trunk access with subscription.

**INTEREXCHANGE COMPANY:** means any telephone company, as defined in Section 364.02(4), F.S. (excluding Payphone Providers), which provides telecommunication service between exchange areas as those areas are described in the approved tariffs of individual local exchange companies.

**INTER-OFFICE CALL:** A telephone call originating in one central office unit or entity but terminating in another central office unit or entity both of which are in the same designated exchange area.

**INTRA-OFFICE CALL:** A telephone call originating and terminating within the same central office unit or entity.

**INTRASTATE COMMUNICATIONS:** The term denotes any communications in Florida subject to oversight by the Florida Public Service Commission as provided by the laws of the State.

**INTRA-STATE TOLL MESSAGE:** Those toll messages which originate and terminate within the same state.

**LOCAL ACCESS AND TRANSPORT AREA:** LATA means the geographic area established for the administration of communications service. It encompasses designated exchanges, which are grouped to serve common social, economic and other purposes.

**LOCAL EXCHANGE COMPANY (LEC):** Means any telephone company, as defined in Section 364.02(4), F.S., which, in addition to any other telephonic communication service, provides telecommunication service within exchange areas as those areas are described in the approved tariffs of the telephone company.

**OPTIONAL CALLING PLAN:** An optional service furnished under tariff provisions which recognizes a need of some subscribers for extended area calling without imposing the cost on the entire body of subscribers.

**900 SERVICE:** A service similar to 800 service, except this service is charged back to the customer based on first minute plus additional minute usage.

**PIN NUMBER:** A group of numbers used by a company to identify their customers.

**PAY TELEPHONE SERVICE COMPANY:** Means any telephone company, other than a Local Exchange Company, which provides pay telephone service as defined in Section 364.335(4), F.S.

**POINT OF PRESENCE (POP):** Bell-coined term which designates the actual (physical) location of an IXC's facility. Replaces some applications of the term "demarcation point."

**PRIMARY SERVICE:** Individual line service or party line service.

**RESELLER:** An IXC that does not have certain facilities but purchases telecommunications service from an IXC and then resells that service to others.

**STATION:** A telephone instrument consisting of a transmitter, receiver, and associated apparatus so connected as to permit sending and/or receiving telephone messages.

**SUBSCRIBER, CUSTOMER:** These terms may be used interchangeably herein and shall mean any person, firm, partnership, corporation, municipality, cooperative organization, or governmental agency supplied with communication service by a telephone company.

**SUBSCRIBER LINE:** The circuit or channel used to connect the subscriber station with the central office equipment.

**SWITCHING CENTER:** Location at which telephone traffic, either local or toll, is switched or connected from one circuit or line to another. A local switching center may be comprised of several central office units.

**TRUNK:** A communication channel between central office units or entities, or private branch exchanges.

**ATTACHMENTS:**

- A - CERTIFICATE TRANSFER STATEMENT
- B - CUSTOMER DEPOSITS AND ADVANCE PAYMENTS
- C - INTRASTATE NETWORK
- D - FLORIDA TELEPHONE EXCHANGES and EAS ROUTES
- E - GLOSSARY

Application of South Carolina Net, Inc., d/b/a SCNet,  
for Authority to Provide Interexchange Telecommunications  
Service Within the State of Florida

---

ATTACHMENT 1  
(Page 1 of 3)

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial capability.

Regarding the showing of financial capability, the following applies: The application should contain the Applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.
3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

NOTE: This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements,



Application of South Carolina Net, Inc., d/b/a SCNet,  
for Authority to Provide Interexchange Telecommunications  
Service Within the State of Florida

---

**ATTACHMENT 1**  
*(Page 3 of 3)*

Applicant's President and Chief Executive Office, W.J. Jordan, has more than 22 years telecommunications experience in administration, management, marketing, sales, customer service, and technical support. This experience includes positions with GTE, MCI/Telecom\*USA, and the Information Resource Center at South Carolina National Bank.

Applicant's Vice-President, James Thompson, has over 29 years telecommunications experience in administration, management, technical support, customer service, and installation. This experience includes positions with AT&T/Western Electric in Central Office installation and management, and as Assistant Vice-President of Communications Services, responsible for statewide telecommunications at Wachovia/South Carolina National Bank.

Applicant's Senior Manager of Business Development and Customer Service, Mark Stokes, has 19 years telecommunications experience in administration, management, training, sales management, and customer service.

Applicant's Network Support is overseen by Rick Watters, who has more than 21 years telecommunications experience in complex technical, technical training, installation, troubleshooting, repair, and supervisory positions. Applicant's network technicians have, collectively, over 31 years experience in the telecommunications industry.



SOUTH CAROLINA NET, INC.

March 17, 1998

McNair, McLemore, Middlebrooks & Co., LLP  
389 Mulberry Street  
P.O. Box One  
Macon, GA 31202

Gentlemen,

In connection with your examination of the balance sheet, related statements of revenue and patronage capital and cash flows of South Carolina Net, Inc. as of December 31, 1997, and for the period then ended for the purpose of expressing an opinion as to whether the financial statements present fairly the financial position, results of operations, and cash flows of South Carolina Net, in conformity with generally accepted accounting principles, we confirm, to the best of our knowledge and belief, the following representations made to you during your examination:

1. We are responsible for the fair presentation in the financial statements of financial position, results of operations, and changes in financial position in conformity with generally accepted accounting principles.
2. We have made available to you all:
  - a. Financial records and related data.
  - b. Minutes of the meetings of members, directors, and committees of directors, or summaries of action of recent meetings for which minutes have not yet been prepared.
3. There have been no:
  - a. Irregularities involving management or employees who have significant roles in the system of internal accounting control.
  - b. Irregularities involving other employees that could have a material effect on the financial statement.
  - c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
4. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
5. The following have been properly recorded or disclosed in the financial statements:
  - a. Related-party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees.

- b. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line of credit or similar arrangements.
6. There are no:
- a. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements of as a basis for recording a loss contingency.
- b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5.
7. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion must be disclosed in accordance with Statement of Financial Accounting Standards No. 5.
8. There are no materials transactions that have not been properly recorded in the accounting records underlying the financial statement.
9. Provision, when material, have been made to reduce excess or obsolete inventories to their estimated net realizable value.
10. The company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor have any assets been pledged; except as disclosed in Note 6 of the Financial Statements.
11. Provision has been made for any material loss to be sustained in the fulfillment of, or from inability to fulfill, any sales commitments.
12. Provision has been made for any materials loss to sustained as a result of purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices.
13. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance.
14. No events have occurred subsequent to the balance sheet date that would require adjustment to, or disclosure in, the financial statements.

Sincerely,

  
W.J. Jordan  
President and Chief Executive Officer

  
Sandy Boyd  
Sr. Manager of Accounting

WJL/xy

**SOUTH CAROLINA NET, INC.  
COLUMBIA, SOUTH CAROLINA**

**FINANCIAL STATEMENTS AS OF  
DECEMBER 31, 1997 AND 1996 AND  
REPORT OF INDEPENDENT ACCOUNTANTS**

**SOUTH CAROLINA NET, INC.**

**CONTENTS**

<b>Report of Independent Accountants</b> .....	<b>1</b>
<b>Balance Sheets</b> .....	<b>2</b>
<b>Statements of Income</b> .....	<b>4</b>
<b>Statements of Changes in Stockholders' Equity</b> .....	<b>5</b>
<b>Statements of Cash Flows</b> .....	<b>6</b>
<b>Notes to Financial Statements</b> .....	<b>7</b>

MCNAIR, McLEMORE, MIDDLEBROOKS & Co., LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
A PARTNERSHIP INCLUDING A PROFESSIONAL CORPORATION

RALPH E. McLEMORE, SR., C.P.A. (1983-1977)  
SIDNEY B. McNAIR, C.P.A. (1954-1992)

SIDNEY E. MIDDLEBROOKS, C.P.A., P.C.  
RAY C. PEARSON, C.P.A.  
J. RANDOLPH NICHOLS, C.P.A.  
WILLIAM H. EPPS, JR., C.P.A.  
RAYMOND A. PIPPIN, JR., C.P.A.  
JERRY A. WOLFE, C.P.A.  
W. E. BARFIELD, JR., C.P.A.  
HOWARD S. HOLLEMAN, C.P.A.  
F. GAY McMICHAEL, C.P.A.  
RICHARD A. WHITTEN, JR., C.P.A.  
ELIZABETH WARE HARDIN, C.P.A.  
CAROLINE E. GRIFFIN, C.P.A.  
RONNIE K. GILBERT, C.P.A.

289 MULBERRY STREET  
POST OFFICE BOX ONE  
MACON, GEORGIA 31202  
(912) 746-6277  
FAX (912) 741-6283

1117 MORNINGSIDE DRIVE  
POST OFFICE BOX 1287  
PERDY, GA 31088  
(912) 967-6847  
FAX (912) 967-6828

March 17, 1998

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of Directors  
South Carolina Net, Inc.

We have audited the accompanying balance sheets of South Carolina Net, Inc. as of December 31, 1997 and 1996 and the related statements of income, changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Carolina Net, Inc. as of December 31, 1997 and 1996, and the results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

*McNair, McLemore, Middlebrooks & Co., LLP*  
McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLP

**SOUTH CAROLINA NET, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31**

**ASSETS**

	1997	1996
<b>Current Assets</b>		
Cash	\$ 161,098	\$ 651,879
Asset Limited As to Use	7,936	205,967
Accounts Receivable (Less Accumulated Provision for Uncollectibles of \$20,000 and \$30,000 in 1997 and 1996, Respectively) -	776,395	694,588
Accounts Receivable, Related Parties	395,514	418,047
Prepaid Expenses	111,086	43,102
	<u>1,517,029</u>	<u>2,013,583</u>
 Net Investment in ISCAN, L.P.	<u>-</u>	<u>14,792</u>
 Due from ISCAN, L.P.	<u>1,338,455</u>	<u>131,156</u>
 <b>Property, Plant and Equipment</b>		
Transmission and Communication Equipment	1,629,321	1,483,900
Furniture and Fixtures	157,058	77,851
Leasehold Investments	4,154	-
	<u>1,790,533</u>	<u>1,561,751</u>
 Accumulated Depreciation	<u>(536,238)</u>	<u>(234,130)</u>
	<u>1,254,295</u>	<u>1,327,621</u>
 <b>Other Assets</b>		
Security Deposits	2,122	3,723
Deferred Charges (Less Accumulated Amortization of \$9,621 and \$4,806 in 1997 and 1996, Respectively)	9,622	14,436
	<u>11,744</u>	<u>18,159</u>
 <b>Total Assets</b>	<u>\$4,121,523</u>	<u>\$3,505,311</u>

The accompanying notes are an integral part of these balance sheets.

**SOUTH CAROLINA NET, INC.**  
**BALANCE SHEETS**  
**DECEMBER 31**

**LIABILITIES AND STOCKHOLDERS' EQUITY**

	1997	1996
<b>Current Liabilities</b>		
Accounts Payable	\$ 1,091,742	\$ 869,623
Accrued Liabilities	88,810	44,179
Accounts Payable, Related Parties	7,650	-
Due to Stockholders	72,936	205,967
Notes Payable	28,724	36,331
Current Portion of Capital Lease Obligation	269,416	246,487
	1,559,278	1,402,587
Capital Lease Obligation	537,349	789,595
<b>Stockholders' Equity</b>		
Common Stock \$1 par Value; 2,000,000 Shares Authorized; 1,736,004 and 1,686,000 for 1997 and 1996, Respectively Issued and Outstanding	1,736,004	1,686,000
Additional Paid-In Capital	2,899,962	2,699,946
Accumulated Deficit	(2,611,070)	(3,072,817)
	2,024,896	1,313,129
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 4,121,523</b>	<b>\$ 3,505,311</b>

The accompanying notes are an integral part of these balance sheets.



**SOUTH CAROLINA NET, INC.**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31**

	1997	1996
Revenue	\$10,801,271	\$7,028,351
Cost of Services	7,697,216	5,114,011
Gross Profit	3,104,055	1,914,340
Selling, General and Administrative Expenses	2,238,514	1,620,417
Depreciation and Amortization	306,922	148,833
Income from Operations	558,619	145,090
Interest Expense	96,872	93,056
Net Income Before Income Taxes	461,747	52,034
Income Taxes	-	-
Net Income	\$ 461,747	\$ 52,034

The accompanying notes are an integral part of these statements.

**SOUTH CAROLINA NET, INC.**  
**STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 1997 AND 1996**

	Shares Authorized	Shares Issued and Outstanding	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Total
<b>Balance, January 1, 1995</b>	1,000,000	1,000,000	\$1,000,000	\$ -	\$(3,124,851)	\$(2,124,851)
Authorization of New Shares	1,000,000					
Issuance of New Stock		686,000	686,000	2,744,000		3,430,000
Costs of Recapitalization				(44,054)		(44,054)
Net Income					52,034	52,034
<b>Balance, December 31, 1996</b>	2,000,000	1,686,000	1,686,000	2,699,946	(3,072,817)	1,313,129
Issuance of New Stock		50,004	50,004	200,016		250,020
Net Income					461,747	461,747
<b>Balance, December 31, 1997</b>	<b>2,000,000</b>	<b>1,736,004</b>	<b>\$1,736,004</b>	<b>\$2,899,962</b>	<b>\$(2,611,070)</b>	<b>\$2,024,896</b>

The accompanying notes are an integral part of these statements.

**SOUTH CAROLINA NET, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31**

	1997	1996
<b>Cash Flows from Operating Activities</b>		
Net Income	\$ 461,747	\$ 52,034
Adjustments to Reconcile Net Income to Net Cash Used in Operating Activities		
Depreciation and Amortization	306,922	148,833
Undistributed loss of iSCAN, L.P.	14,792	5,208
Change In		
Accounts Receivable	(81,807)	(234,702)
Accounts Receivable, Related Parties	22,533	(148,805)
Prepaid Expenses	(67,984)	6,898
Deferred Charges	-	24,925
Accounts Payable	222,119	(538,780)
Accrued Expenses	44,631	(5,019)
Accounts Payable, Related Parties	7,650	(74,792)
	930,603	(764,200)
<b>Cash Flows from Investing Activities</b>		
Investment in iSCAN, L.P.	-	(20,000)
Loans to iSCAN, L.P.	(1,207,299)	(131,156)
Purchase of Property and Equipment	(228,782)	(314,816)
Deposits	1,601	(2,191)
	(1,434,480)	(468,163)
<b>Cash Flows from Financing Activities</b>		
Principal Payments on Demand Notes Payable	(236,924)	(1,514,669)
Principal Payments on Capital Lease Obligations	-	(2,872)
Proceeds from Recapitalization	250,020	3,430,000
Costs of Recapitalization	-	(44,054)
	13,096	1,868,405
<b>Net Increase (Decrease) in Cash</b>	(490,781)	636,042
<b>Cash, Beginning</b>	651,879	15,837
<b>Cash, Ending</b>	\$ 161,098	\$ 651,879
<b>Schedule of Noncash Investing and Financing Activities</b>		
Capital Lease Obligations Incurred for Use of Equipment	\$ -	\$ 202,387

The accompanying notes are an integral part of these statements.

## SOUTH CAROLINA NET, INC.

### NOTES TO FINANCIAL STATEMENTS

#### (1) Summary of Significant Accounting Policies

##### Organization and Basis of Presentation

South Carolina Net, Inc. is an interexchange carrier providing long distance, private line and broadband services with corporate headquarters located in Columbia, South Carolina. The Corporation currently serves a number of business, government and residential customers throughout South Carolina. The Corporation offers traditional interexchange services on a switched and dedicated basis. Products offered include 1 + outbound service, 800 inbound service, calling card, debit card, private line service and operator services. In addition, South Carolina Net, Inc. terminates intrastate traffic and provides private line services for its stockholder companies. The Corporation is owned, either directly or indirectly, by twelve independent and cooperative telephone operating companies, each with headquarters in South Carolina.

South Carolina Net, Inc. is certified as an Interexchange Carrier (IXC) by both the Federal Communications Commission (FCC) and the South Carolina Public Service Commission.

##### Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization are provided for financial reporting purposes using the straight-line method over the following estimated useful lives:

Transmission and Communications Equipment	3 to 12 Years
Furniture, Fixtures and Other	3 to 7 Years

It is the Corporation's policy to include depreciation expense on assets acquired under capital leases with depreciation expense on owned assets.

##### Revenue Recognition

Revenues from long distance telecommunications services are recognized when the services are provided.

##### Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

(1) Summary of Significant Accounting Policies (Continued)

Income Taxes

The Corporation accounts for income taxes using the liability method. Under the liability method, deferred income taxes are recorded to reflect the net income tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting and the amounts used for income tax purposes.

Uninsured Cash Balances

The Corporation maintains cash balances which are in excess of the amount insured by the FDIC. Amounts in excess of insured limits were approximately \$17,884 and \$582,000 as of December 31, 1997 and 1996, respectively.

(2) Leases

The Corporation has entered into various capital leases for equipment. The assets related to these leases are reflected on the balance sheet as of December 31, 1997 as follows:

Equipment	\$1,270,921
Accumulated Depreciation	<u>(357,425)</u>
	<u>\$ 913,496</u>

Future minimum lease commitments for the capital leases are as follows:

1998	\$ 326,006
1999	326,006
2000	233,949
2001	<u>20,765</u>
	906,726
Interest Component	<u>(99,961)</u>
Total Present Value of Minimum Lease Payments	806,765
Current Portion	<u>(269,416)</u>
	<u>\$ 537,349</u>

## (2) Leases (Continued)

The Corporation leases telecommunications facilities from a corporation owned, in part, by stockholders of the Corporation under noncancelable operating leases with unexpired terms ranging from one to five years. Lease expense related to these leases was approximately \$1,573,893 and \$442,500 for the years ended December 31, 1997 and 1996, respectively.

Minimum annual commitments under the operating leases are as follows:

1998	\$1,512,004
1999	1,512,004
2000	1,512,004
2001	1,512,004
2002	<u>42,952</u>
	<u>\$6,090,968</u>

## (3) Employee Benefit Plan

The Corporation has established a defined contribution employee benefit plan for the benefit of employees. Employees become eligible after attaining age 21 regardless of tenure. The Corporation matches employee contributions on a discretionary basis annually. The Corporation's annual discretionary contribution charged to expense was \$15,464 and \$13,009 for the years ended December 31, 1997 and 1996, respectively.

## (4) Concentration of Credit Risk and Major Customers

The Corporation receives substantially all revenues from customers in the state of South Carolina.

Approximately 35 and 40 percent of the Corporation's revenue for the years ended December 31, 1997 and 1996, respectively, was from entities related to the Corporation's stockholders.

## (5) Related Party Transactions

In addition to amounts disclosed on the balance sheets and in Notes 2 and 4, the following transactions were with related parties for the years ended December 31, 1997 and 1996, respectively.

- The Corporation paid approximately \$4,500 and \$11,000 for operator services with related parties.
- The Corporation is the general partner of ISCAN, L.P. Management services billed to ISCAN totaled approximately \$169,500 and \$77,600.
- The Corporation recorded approximately \$3,742,000 and \$2,800,000 in revenues from services provided to the stockholders.

(6) Income Taxes

Deferred income taxes are recorded based upon differences between the financial statement and tax basis of assets and liabilities. Deferred income taxes result primarily from future tax benefits of net operating loss carryforwards. The Corporation has recorded deferred tax assets as of December 31, 1997 and 1996, respectively, of approximately \$874,000 and \$1,031,000. These deferred tax assets are offset by a valuation allowance for the same amount.

Carryforwards of federal and state income taxes as of December 31, 1997 are as follows:

Year	Year of Expiration	Amount
1993	2008	\$ 248,909
1994	2009	1,998,251
1995	2010	836,927
		<u>3,084,087</u>
Amount Utilized		<u>513,781</u>
		<u>\$2,570,306</u>

No cash payments for income taxes were made in 1997.

(7) Commitments

The Corporation entered into an agreement whereby the Corporation along with its stockholders, individually, consolidated their network services need and purchase network services from a major long distance carrier. Under the terms of the agreement, the Corporation and its stockholders' long distance subsidiaries and/or affiliates are obligated to purchase a minimum of \$2.4 million of network services from the carrier annually. This agreement expires June 30, 1999.

The Corporation, along with its stockholders, has also entered into an agreement, effective March 1, 1997, whereby it agrees to purchase network services from a second major long distance carrier through February 2000. The minimum annual commitments under this contract are as follows:

1998	\$2,400,000
1999	2,400,000
2000	400,000
	<u>\$5,200,000</u>

The Corporation, along with its stockholders, has also entered into an agreement with another long distance carrier, whereby it has agreed to purchase network services including calling card traffic. Under the terms of this agreement, the Corporation and its stockholders' long distance subsidiaries and/or affiliates are obligated to purchase a minimum of \$50,000 of out-bound long distance and calling card services from the carrier each month. The agreement expires August 11, 2000.

**Financial Statements**

**South Carolina Net, Inc.**

*Year ended December 31, 1995  
with Report of Independent Auditors*



**South Carolina Net, Inc.**  
**Financial Statements**  
**Year ended December 31, 1995**

**Contents**

Report of Independent Auditors .....	2
<b>Financial Statements</b>	
Balance Sheet .....	3
Statement of Operations .....	4
Statement of Changes in Stockholders' Deficit .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7-12

**SELLARS & BAUKNIGHT, P.A.**

CERTIFIED PUBLIC ACCOUNTANTS  
POST OFFICE BOX 1330  
COLUMBIA, SOUTH CAROLINA 29201  
(803) 771-8943

WILLIAM E. SELLARS, JR., CPA  
RUSSELL L. BAUKNIGHT, CPA  
KENNETH H. BAUKNIGHT, CPA  
THOMAS D. PIETRAS, CPA  
CHRISTIAN R. STORMER, CPA

1317 GERVAIS STREET  
COLUMBIA, SC 29201  
FAX: (803) 771-8958

**Report of Independent Auditors**

The Board of Directors  
South Carolina Net, Inc.

We have audited the accompanying balance sheet of South Carolina Net, Inc. as of December 31, 1995 and the related statements of operations, changes in stockholders' deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of South Carolina Net, Inc. as of December 31, 1995 and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

SELLARS & BAUKNIGHT, P.A.

April 11, 1996, except for  
Note 8, as to which the date  
is November 1, 1996

South Carolina Net, Inc.  
Balance Sheet  
December 31, 1995

<b>Assets</b>	
Current assets:	
Cash	\$ 15,837
Accounts receivable:	
Trade (net of allowance of \$45,800)	459,886
Related parties (Note 1)	269,242
Other current assets	50,000
	<hr/>
Total current assets	794,965
Property and equipment, at cost:	
Transmission and communications equipment	1,210,455
Furniture, fixtures and other	36,480
	<hr/>
	1,246,935
Less, accumulated depreciation	(85,297)
	<hr/>
Property and equipment, net	1,161,638
Other assets:	
Security deposits	1,532
Deferred start-up costs, net	39,361
	<hr/>
Total assets	<u>\$ 1,997,496</u>
<b>Liabilities and stockholders' deficit</b>	
Current liabilities:	
Accounts payable and accrued expenses	\$ 171,932
Accrued network costs:	
Third party carriers	1,017,551
Related parties (Note 3)	74,792
Accrued interest payable	218,920
Demand notes payable (Note 2)	1,551,000
Current portion of capital lease obligations (Note 3)	149,901
Other current liabilities	49,198
	<hr/>
Total current liabilities	3,233,294
Capital lease obligations, net of current portion (Note 3)	889,053
Commitments (Notes 3 and 7)	
Stockholders' deficit:	
Common stock no par value; 1,000,000 shares authorized, issued and outstanding	1,000,000
Accumulated deficit	(3,124,851)
	<hr/>
Total stockholders' deficit	(2,124,851)
	<hr/>
Total liabilities and stockholders' deficit	<u>\$ 1,997,496</u>

See accompanying notes.

South Carolina Net, Inc.  
Statement of Operations  
Year Ended December 31, 1995

Revenues	\$ 4,266,875
Cost of services	<u>3,386,686</u>
Gross profit	880,189
Selling, general and administrative	1,488,336
Depreciation and amortization	<u>101,736</u>
Loss from operations	(709,883)
Interest expense	<u>(125,604)</u>
Net loss before income taxes	(835,487)
Income taxes	<u>—</u>
Net loss	<u>\$ (835,487)</u>

*See accompanying notes.*

South Carolina Net, Inc.  
 Statement of Changes in Stockholders' Deficit  
 Year Ended December 31, 1995

	<u>Common Stock</u>			
	Number of Shares	Amount	Accumulated Deficit	Total
Balance at December 31, 1994 - <i>as previously reported</i>	1,000,000	\$ 1,000,000	\$ (1,646,969)	\$ (646,969)
Prior period adjustments	--	--	(642,395)	(642,395)
Balance at December 31, 1994 - <i>as restated</i>	1,000,000	1,000,000	(2,289,364)	(1,289,364)
Net loss	--	--	(835,487)	(835,487)
Balance at December 31, 1995	1,000,000	\$ 1,000,000	\$ (3,124,851)	\$ (2,124,851)

*See accompanying notes.*

South Carolina Net, Inc.  
Statement of Cash Flows  
Increase (Decrease) in Cash Flows  
Year Ended December 31, 1995

Operating activities	
Net loss	\$ (835,487)
Adjustments to reconcile net income to net cash used in operating activities:	
Depreciation and amortization	101,736
Changes in operating assets and liabilities:	
Accounts receivable	317,902
Prepaid expenses	4,077
Other current assets	(50,000)
Accounts payable, accrued expenses and other current liabilities	380,760
	<hr/>
Net cash used in operating activities	(81,012)
Investing activities	
Purchase of property and equipment	(37,225)
Deposits	(1,532)
	<hr/>
Net cash used in investing activities	(38,757)
Financing activities	
Proceeds from demand notes payable	105,000
Principal payments on capital lease obligations	(9,668)
	<hr/>
Net cash provided by financing activities	95,332
Net decrease in cash	(24,437)
Cash, January 1	40,274
	<hr/>
Cash, December 31	<u>\$ 15,837</u>

*See accompanying notes.*

South Carolina Net, Inc.  
Notes to Financial Statements  
December 31, 1995

**1. Description of Business and Summary of Significant Accounting Policies**

**Organization and Basis of Presentation**

South Carolina Net, Inc. is an interexchange carrier providing long distance, private line, and broadband services with corporate headquarters located in Columbia, South Carolina. The Company currently serves a number of government, business, and residential customers throughout South Carolina. The Company offers traditional interexchange services on a switched and dedicated basis. Products offered include 1+ outbound service, 800 inbound service, calling card, debit card, private line service and operator services. In addition, South Carolina Net, Inc. terminates intrastate traffic and provides private line services for its stockholder companies. The Company is owned by the long distance affiliates of four independent and cooperative telephone operating companies, each with headquarters in South Carolina.

South Carolina Net, Inc. is certified as an Interexchange Carrier (IXC) by both the Federal Communications Commission (FCC) and the South Carolina Public Service Commission.

The Company has a limited operating history and has sustained net losses since its inception. In addition, the Company has working capital deficiencies of approximately \$2.4 million at December 31, 1995, and has generated negative cash flows from operations of \$81,012 during the year ended December 31, 1995. Further, since its formation, the Company has experienced significant growth and its operations have required substantial additional capital. The Company's growth has placed, and will continue to place, significant demands on the Company's financial and other resources. In connection with these demands, the Company is actively pursuing additional long-term financial resources, including debt and equity financing. The stockholders have agreed to provide the financial support that the Company believes will enable it to meet its obligations.

**Prior Period Adjustments**

The Company has restated its previously reported accumulated deficit as of December 31, 1994 to reflect adjustments related to the proper cutoff of certain revenue and expense transactions and writeoff of certain intangible assets as of December 31, 1994. These adjustments reduced beginning accumulated deficit by \$642,395 (net of income taxes of \$0).

**Property and Equipment**

Property and equipment is recorded at cost. Depreciation and amortization is provided for financial reporting purposes using the straight-line method over the following estimated useful lives:

Transmission and communications equipment	3 to 12 years
Furniture, fixtures and other	3 to 7 years

It is the Company's policy to include depreciation expense on assets acquired under capital leases with depreciation expense on owned assets.

**South Carolina Net, Inc.**  
**Notes to Financial Statements (continued)**

**1. Description of Business and Summary of Significant Accounting Policies (continued)**

**Other Assets**

Legal expenses and other direct costs incurred in connection with the start-up of the Company's operations are deferred and amortized over a 60 month period. Accumulated amortization of deferred costs was \$96,833 at December 31, 1995.

**Revenue Recognition**

Revenues from long distance telecommunications services are recognized when the services are provided.

**Concentration of Credit Risk and Major Customers**

The Company derives substantially all of its operating revenues from residential and commercial customers in the State of South Carolina. Approximately 55 percent of the Company's 1995 revenues were derived from subsidiaries or affiliates of the Company's stockholders.

Financial instruments which potentially subject the Company to concentrations of credit risk consist principally of accounts receivable. The Company's allowance for doubtful accounts is based upon management's estimates and historical experience. In situations where the Company deems appropriate, prepayment and/or cash deposits are required for the provision of services. At December 31, 1995, no customers were receiving services on a prepayment basis.

**Income Taxes**

The Company accounts for income taxes using the liability method. Under the liability method, deferred income taxes are recorded to reflect the net income tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting and the amounts used for income tax purposes.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Uninsured Cash Balances**

The Company maintains cash balances at two commercial banks. Cash accounts at commercial banks are insured by the FDIC for up to \$100,000. Amounts in excess of insured limits were approximately \$180,000 at December 31, 1995.



**South Carolina Net, Inc.**  
**Notes to Financial Statements (continued)**

**2. Demand Notes Payable**

At December 31, 1995, the Company had demand notes payable to its stockholders totalling \$1,551,000. The terms of the notes provide for simple interest at rates ranging from 6 percent to the prime rate. The prime rate at December 31, 1995 was 8.5 percent. No interest payments were made on these notes in 1995.

**3. Leases**

The Company has entered into capital leases for the acquisition of \$1,068,534 of switching equipment. This amount, net of accumulated amortization of \$23,418, is included in property and equipment in the balance sheet. These leases contain \$1 bargain purchase options at expiration. Cash paid for interest on these leases totalled \$6,914 in 1995.

The Company entered into a capital lease in the amount of \$18,530 during the year ended December 31, 1995. This transaction has been accounted for as non-cash investing and financing activity in the statement of cash flows. Additionally, the Company entered into approximately \$200,000 of additional capital leases subsequent to year end.

The Company leases office space under operating leases with unexpired terms ranging from one to five years. Rental expense for office space amounted to approximately \$64,000 for the year ended December 31, 1995.

The Company also leases telecommunications facilities from a company owned, in part, by shareholders of the Company under non-cancelable operating leases with unexpired terms ranging from one to ten years. Rental expense for these leases amounted to approximately \$408,000 for the year ended December 31, 1995. Future minimum commitments for noncancellable operating leases payable to related parties are as follows: \$442,500 in 1996; \$442,500 in 1997; \$442,500 in 1998; \$442,500 in 1999; \$435,926 in 2000 and \$1,835,431 thereafter.

**South Carolina Net, Inc.**  
**Notes to Financial Statements (continued)**

**3. Leases (continued)**

Minimum annual rentals, including related party rentals above, for years subsequent to 1995 and in the aggregate are:

	Capital Leases	Operating Leases
1996	\$ 231,011	\$ 504,600
1997	276,170	556,404
1998	276,170	561,486
1999	276,170	549,404
2000	207,248	518,666
Thereafter	—	1,856,116
	<u>1,266,769</u>	<u>\$ 4,546,676</u>
Less, amount representing interest	(227,815)	
Present value of net minimum lease payments under capital leases	1,038,954	
Less, current portion	(149,901)	
	<u>\$ 889,053</u>	

**4. Employee Benefit Plan**

The Company has established a defined contribution employee benefit plan for the benefit of employees who have at least six months of service and have attained the age of 21 years. Under the provisions of the plan, participants may defer up to \$9,240 of compensation. The Company matches employee contributions on a discretionary basis annually. The Company's annual discretionary contribution charged to expense was \$3,150 in 1995.

**5. Related Party Transactions**

In addition to leased facilities (see Note 3), the Company contracts with stockholder companies for certain operator services. Approximately \$30,000 was paid in 1995 for these services.

South Carolina Net, Inc.  
Notes to Financial Statements (continued)

6. **Income Taxes**

Deferred income taxes are recorded based upon differences between the financial statement and tax basis of assets and liabilities. Temporary differences which give rise to a significant portion of deferred income taxes as of December 31, 1995 included depreciation, allowance for doubtful accounts receivable and certain accrued expenses. The Company has recorded deferred tax assets at December 31, 1995 of approximately \$1,037,000. These deferred tax assets are offset by a valuation allowance for the same amount.

The Company has operating loss carryforwards for Federal and state income taxes of approximately \$2,101,000 which expire in 2008 through 2010.

No cash payments for income taxes were made in 1995.

7. **Commitments**

In 1995, the Company entered into an agreement whereby the Company along with its stockholders, individually, consolidate their network services needs and purchase network services from a major long distance carrier. Under the terms of the agreement, the Company and its stockholders' long distance subsidiaries and/or affiliates must purchase a minimum of \$6 million of network services from this carrier annually.

Subsequent to year end, the Company entered into an agreement to purchase a minimum of \$100,000 of network services per month from a second major long distance carrier for a period of 24 months.

8. **Subsequent Events**

In the first quarter of 1996, the Company was required to purchase \$240,000 of certificates of deposits with a financial institution in accordance with the terms of a contract to provide certain telecommunication services to the State of South Carolina. Simultaneously, the Company executed \$240,000 of additional demand notes payable to its shareholders. The terms of the notes mirror the terms of the certificates of deposit.

In March of 1996, the Company signed a letter of intent to form a limited partnership, iSCAN, L.P., to provide ATM broadband switching services to telecommunication providers in the State of South Carolina. The Company will be the general partner and manager of iSCAN, L.P.

Application of South Carolina Net, Inc., d/b/a SCNet,  
for Authority to Provide Interexchange Telecommunications  
Service Within the State of Florida

---

ATTACHMENT 2

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485.

Please see attached tariff.

TITLE SHEETFLORIDA TELECOMMUNICATIONS TARIFF

This tariff contains the descriptions, regulations, and rates applicable to the furnishing of service and facilities for telecommunications services and facilities for telecommunications services provided by South Carolina Net, Inc., d/b/a SCNet, Inc., within the State of Florida. This tariff is on file with the Florida Public Service Commission, and copies may be inspected, during normal business hours, at the Company's principal place of business.

---

Issued: July 29, 1998W.J. Jordan, President  
SCNet, INC.  
1426 Main Street, Suite 1000  
Columbia, South Carolina 29201

Effective:

CHECK SHEET

This sheets listed below, which are inclusive of this tariff, are effective as of the date shown at the bottom of the respective sheets. Original and revised sheets as named below comprise all changes from the original tariff and are currently in effect as of the date at the bottom of this page

Sheet

Original Sheet 1	Original	Original Sheet 45	Original
Original Sheet 2	Original	Original Sheet 46	Original
Original Sheet 3	Original	Original Sheet 47	Original
Original Sheet 4	Original	Original Sheet 48	Original
Original Sheet 5	Original	Original Sheet 49	Original
Original Sheet 6	Original	Original Sheet 50	Original
Original Sheet 7	Original	Original Sheet 51	Original
Original Sheet 8	Original	Original Sheet 52	Original
Original Sheet 9	Original	Original Sheet 53	Original
Original Sheet 10	Original	Original Sheet 54	Original
Original Sheet 11	Original	Original Sheet 55	Original
Original Sheet 12	Original	Original Sheet 56	Original
Original Sheet 13	Original	Original Sheet 57	Original
Original Sheet 14	Original	Original Sheet 58	Original
Original Sheet 15	Original	Original Sheet 59	Original
Original Sheet 16	Original	Original Sheet 60	Original
Original Sheet 17	Original	Original Sheet 61	Original
Original Sheet 18	Original	Original Sheet 62	Original
Original Sheet 19	Original	Original Sheet 63	Original
Original Sheet 20	Original	Original Sheet 64	Original
Original Sheet 21	Original	Original Sheet 65	Original
Original Sheet 22	Original	Original Sheet 66	Original
Original Sheet 23	Original	Original Sheet 67	Original
Original Sheet 24	Original	Original Sheet 68	Original
Original Sheet 25	Original		
Original Sheet 26	Original		
Original Sheet 27	Original		
Original Sheet 28	Original		
Original Sheet 29	Original		
Original Sheet 30	Original		
Original Sheet 31	Original		
Original Sheet 32	Original		
Original Sheet 33	Original		
Original Sheet 34	Original		
Original Sheet 35	Original		
Original Sheet 36	Original		
Original Sheet 37	Original		
Original Sheet 38	Original		
Original Sheet 39	Original		
Original Sheet 40	Original		
Original Sheet 41	Original		
Original Sheet 42	Original		
Original Sheet 43	Original		
Original Sheet 44	Original		

Issued: July 29, 1998

W.J. Jordan, President  
SCNet, INC.  
1426 Main Street, Suite 1000  
Columbia, South Carolina 29201

Effective:

---

**TARIFF FORMAT**

**A. Sheet Numbering:** Sheet numbers appear in the upper right corner of the page. Sheets are numbered sequentially. However, new sheets are occasionally added to the tariff. When a new sheet is added between sheets already in effect, a decimal is added. For example, a new sheet added between sheets 14 and 15 would be 14.1.

**B. Sheet Revision Numbers:** Revision numbers also appear in the upper right corner of each page. These numbers are used to determine the most current sheet version on file with the FPSC. For example, the 4th revised Sheet 14 cancels the 3rd revised Sheet 14. Because of various suspension periods, deferrals, etc., the FPSC follows in their tariff approval process, the most current sheet number file with the Commission is not always the tariff page in effect. Consult the Check Sheet for the sheet most currently in effect.

**C. Paragraph Numbering Sequence:** There are nine levels of paragraph coding. Each level of coding is subservient to its next higher level:

- 2.
- 2.1
- 2.1.1
- 2.1.1.A
- 2.1.1.A.1
- 2.1.1.A.1.(a)
- 2.1.1.A.1.(a).I
- 2.1.1.A.1.(a).I.(i)
- 2.1.1.A.1.(a).I.(i).(1).

**D. Check Sheets:** When a tariff filing is made with the FPSC, an updated check sheet accompanies the tariff filing. The check sheet lists the sheets contained in the tariff, with a cross reference to the current revision number. When new pages are added, the check sheet is changed to reflect the revision. All revisions made in a given filing are designated by an asterisk (\*). There will be no other symbols used on this page if these are the only changes made to it (i.e., the format, etc., remains the same, just revised revision levels on some pages). The tariff user should refer to the latest check sheet to find out if a particular sheet is the most current on file with the FPSC.

TARIFF FORMAT

**E. Symbols:** The following are the only symbols used for the purposes indicated below:

- D - Delete or discontinue.
- I - Change resulting in an increase to a customer's bill.
- M - Moved from another tariff location.
- N - New.
- R - Change resulting in a reduction to a customer's bill.
- T - Change in text or regulation, but no change in rate or charge.



INDEX

800 Service (3.4)	30
Installation Charge (4.2.2)	56
Monthly Recurring Charges (4.2.1)	56
Payphone Surcharge (4.2.5)	57
Rate Schedule (4.2.3)	56
Volume Discount (Business Customers Only) (4.2.4)	57
Application for Service (2.3.2)	17
Application of Tariff (2.2)	16
Basic Choice Business Service (3.7)	31
Description of Service (3.7.1)	31
Guarantee of Satisfaction (3.7.4)	32
Other Terms (3.7.5)	33
Term Commitment Plan Termination Liability (3.7.3)	32
Term and Renewal (3.7.2)	32
Best Plus Choice Conference Service (3.8)	33
Additional Pricing (4.6.2)	60
Rate Schedule (4.6.1)	60
Billing of Charges (2.3.8)	23
Calling Card Service (4.10)	61
Payphone Surcharge (4.10.2)	62
Standard Rates (4.10.1)	61
Classes of Service (3.3)	27
Classes of Services Generally Offered (3.1)	27
Customer Dialed Calling Card (3.3.4)	29
Description of Services (3)	27
Deposits and Advance Payments (2.3.3)	18

INDEX

Dial Station-to-Station (3.3.1)	27
Additional Charges (4.1.8)	55
Additional Discounts (4.1.7)	54
Calculation of Distance (4.1.4)	49
Determination of Minutes (4.1.2)	48
Discounts (4.1.6)	52
Minimum Call Completion Rate (4.1.3)	49
Rate Structure (4.1.1)	48
Rate Table (4.1.5)	51
Easy Choice Business Service (3.10)	34
Additional Pricing (4.8.2)	61
Description of Service (3.10.1)	34
Guarantee of Satisfaction (3.10.4)	35
Other Terms (3.10.5)	35
Rate Schedule (4.8.1)	61
Term and Renewal (3.10.2)	34
Term Commitment Plan Termination Liability (3.10.3)	34
Easy Plus Ten Residential Service (3.6)	31
Additional Pricing (4.4.4)	59
MCV (4.4.3)	59
Standard Rates (4.4.1)	58
Volume Discount Schedule (4.4.2)	58
Future MTS Offerings (3.15)	46
Hearing and Speech Impaired Persons (4.11.2)	63
Initial Service Offerings of Company (3.2)	27
Interruption of Service (2.3.4)	19
Late Payment and Returned Check Charges (2.3.10)	24
Liability (2.3.5)	20
Marketing Guidelines (2.3.12)	26
Obligation of the Customer (2.3.7)	23

INDEX

Operator Station-to-Station (3.3.2) . . . . .	29
Other Future Offerings (3.16) . . . . .	47
Payment Arrangements (2.3.9) . . . . .	24
Person-to-Person (3.3.3) . . . . .	29
Private Line Service (3.12.3) . . . . .	38
56Kbps DDS Service (Rates) (4.12.2) . . . . .	65
Change of Order Charge (3.13.10) . . . . .	45
Change of Order Charges (Rates) (4.12.7) . . . . .	68
Changes of Requested Install Date (RID) (3.13.9) . . . . .	45
Customer Provided and/or Premise Equipment (CPE) (3.13.7) . . . . .	44
Description of Service (3.13.1) . . . . .	38
Digital Data Service (DDS) (3.13.4) . . . . .	43
DS-0 (DIGITAL SIGNAL LEVEL 0) Service (3.13.3) . . . . .	41
DS-0 Service - KIPS (Analog) (Rates) (4.12.1) . . . . .	64
DS-1 (DIGITAL SIGNAL LEVEL 1) Service (3.13.5) . . . . .	63
DS-1 Service (Rates) (4.12.3) . . . . .	66
DS-3 (DIGITAL SIGNAL LEVEL 3) Service (3.13.6) . . . . .	43
DS-3 Service (Rates) (4.12.4) . . . . .	67
Local Access Channel Charges (3.13.11) . . . . .	46
Non-Recurring Charges (3.13.8) . . . . .	44
Non-Recurring Charges (Rates) (4.12.6) . . . . .	68
Order Cancellation Charges (4.12.5) . . . . .	67
Terms and Conditions (3.13.2) . . . . .	38
Promotional Offerings (3.14) . . . . .	46
Rates (4) . . . . .	48
Regulations (2.3) . . . . .	17
Rules and Regulations (2) . . . . .	16
SCNet Calling Card Service (3.12) . . . . .	37
Billing Options (3.12.2) . . . . .	37
Description of Service (3.12.1) . . . . .	37

INDEX

Scope (of Regulations) (2.3.1) . . . . .	17
Sensible Choice Business Service (3.11) . . . . .	35
Additional Pricing (4.9.2) . . . . .	61
Description of Service (3.11.1) . . . . .	35
Guarantee of Satisfaction (3.11.4) . . . . .	36
Other Terms (3.11.5) . . . . .	37
Standard Rates (4.9.1) . . . . .	61
Term and Renewal (3.11.2) . . . . .	36
Term Commitment Plan Termination Liability (3.11.3) . . . . .	36
Single Rate Business Service (3.5) . . . . .	30
Dedicated Access (4.3.1) . . . . .	58
Volume Discount Schedule (4.3.2) . . . . .	58
Special Rates for the Handicapped (4.11) . . . . .	62
Directory Assistance (4.11.1) . . . . .	62
Technical Terms and Abbreviations (1) . . . . .	13
Telecommunications Relay Service (4.11.3) . . . . .	63
Termination of Service for Cause (2.3.11) . . . . .	25
Undertaking of the Company (2.1) . . . . .	16
Use (of Service) (2.3.6) . . . . .	21
Value Plus Residential Service (3.9) . . . . .	33
Rates (4.7) . . . . .	60

TABLES OF CONTENTS

1. TECHNICAL TERMS AND ABBREVIATIONS . . . . .	13
2. RULES AND REGULATIONS . . . . .	16
2.1 Undertaking of the Company . . . . .	16
2.2 Application of Tariff . . . . .	16
2.3 Regulations . . . . .	17
2.3.1 Scope . . . . .	17
2.3.2 Application for Service . . . . .	17
2.3.3 Deposits and Advance Payments . . . . .	18
2.3.4 Interruption of Service . . . . .	19
2.3.5 Liability . . . . .	20
2.3.6 Use . . . . .	21
2.3.7 Obligation of the Customer . . . . .	23
2.3.8 Billing of Charges . . . . .	23
2.3.9 Payment Arrangements . . . . .	24
2.3.10 Late Payment and Returned Check Charges . . . . .	24
2.3.11 Termination of Service for Cause . . . . .	25
2.3.12 Marketing Guidelines . . . . .	26
3. DESCRIPTION OF SERVICES . . . . .	27
3.1 Classes of Services Generally Offered . . . . .	27
3.2 Initial Service Offerings of Company . . . . .	27
3.3 Classes of Service . . . . .	27
3.3.1 Dial Station-to-Station . . . . .	27
3.3.2 Operator Station-to-Station . . . . .	29
3.3.3 Person-to-Person . . . . .	29
3.3.4 Customer Dialed Calling Card . . . . .	29
3.4 800 Service . . . . .	30
3.5 Single Rate Business Service . . . . .	30
3.6 Easy Plus Ten Residential Service . . . . .	31
3.7 Basic Choice Business Service . . . . .	31
3.7.1 Description of Service . . . . .	31
3.7.2 Term and Renewal . . . . .	32
3.7.3 Term Commitment Plan Termination Liability . . . . .	32
3.7.4 Guarantee of Satisfaction . . . . .	32
3.7.5 Other Terms . . . . .	33
3.8 Best Plus Choice Conference Service . . . . .	33
3.9 Value Plus Residential Service . . . . .	33

TABLES OF CONTENTS

4.1.6	Discounts	52
4.1.7	Additional Discounts	54
4.1.8	Additional Charges	55
4.2	800 Service	56
4.2.1	Monthly Recurring Charges	56
4.2.2	Installation Charge	56
4.2.3	Rate Schedule	56
4.2.4	Volume Discount (Business Customers Only)	57
4.2.5	Payphone Surcharge	57
4.3	Single Rate Business Service	58
4.3.1	Dedicated Access	58
4.3.2	Volume Discount Schedule	58
4.4	Easy Plus Ten Residential Service	58
4.4.1	Standard Rates	58
4.4.2	Volume Discount Schedule	58
4.4.3	MCV	58
4.4.4	Additional Pricing	59
4.6	Best Choice Conferencing	59
4.6.1	Rate Schedule	60
4.6.2	Additional Pricing	60
4.7	Value Plus Residential Service	60
4.8	Easy Choice Business Service	60
4.8.1	Rate Schedule	61
4.8.2	Additional Pricing	61
4.9	Sensible Choice Business Service	61
4.9.1	Standard Rates	61
4.9.2	Additional Pricing	61
4.10	Calling Card Service	61
4.10.1	Standard Rates	61
4.10.2	Payphone Surcharge	61
4.11	Special Rates for the Handicapped	62
4.11.1	Directory Assistance	62
4.11.2	Hearing and Speech Impaired Persons	62
4.11.3	Telecommunications Relay Service	63
4.12	Private Line Service	63
4.12.1	DS-O Service - KIPS (Analog)	64
4.12.2	56Kbps DDS Service	64
4.12.3	DS-1 Service	65
4.12.4	DS-3 Service	66
		67

Issued: July 29, 1998

W.J. Jordan, President  
SCNet, INC.  
1426 Main Street, Suite 1000  
Columbia, South Carolina 29201

Effective:

TABLES OF CONTENTS

4.12.5 Order Cancellation Charges . . . . .	67
4.12.6 Non-Recurring Charges . . . . .	68
4.12.7 Change of Order Charges . . . . .	68

---

---

**MESSAGE TELECOMMUNICATIONS SERVICE****1. TECHNICAL TERMS AND ABBREVIATIONS**

The following descriptions relate to the elements of private line service outlined in this sections of the SCNet tariff.

**Access Coordination Service Charges**

Charges related to the design, ordering, installation coordination, testing, service activation and administration of a local access loop.

**Bandwidth**

The total bandwidth frequency allocated for a private line channel measured in hertz.

**Billing Record Change**

Charge associated with change in the billing address of a SCNet customer.

**Central Office (CO)**

Denotes a local exchange company switching system where local exchange service customer stations loops are terminated for interconnection to each other and to the trunk network. The central office is also known as the serving wire center (SWC) or end office.

**Central Office Connection (COC)**

Charges associated with the connection of the interoffice channel of a private line circuit to the local access loop.

**Change of Order**

Charge associated when a customer of SCNet requests a modification to the information contained in the original service order prior to the completion date and acceptance of the circuit other than a change of Requested Install Date.



**MESSAGE TELECOMMUNICATIONS SERVICE**

**Channel or Circuit**

A channel or circuit provided by SCNet is an electrical (or photonic for fiber optic based transmission systems), communications path which exists between two or more points of termination. The customer can select the bandwidth or transmission speed of a communications path.

**Channel Mileage**

Represents the distance measured in airline miles between serving wire centers or end offices which connect two or more customer premises.

**Channel Termination**

The point of a private line circuit where origination, termination or drops for the insertion or removal of a signal occurs.

**Commission**

Public Service Commission of Florida.

**Company**

SCNet, Inc.

**Customer**

The person, firm, corporation or other entity which orders private line service and is responsible for the payment of charges and for compliance with SCNet tariff regulations.

**Customer-Provided Terminal Equipment**

Terminal equipment, as defined herein, provided by customer.

**Expedite**

Service order initiated at the request of the customer, plus the accompanying installation or change to related circuits, that is processed in a time period shorter than the SCNet standard service interval.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****Inter-Office Channel (IOC)**

The long haul portion of a private line service that connects two or more Points of Presence (POP) in distant cities.

**Local Access Transport Area (LATA)**

Denotes a geographic area established for the provision and administration of communications service. A LATA encompasses one or more designated local telephone exchanges, central offices or serving wire centers.

**Local Exchange Carrier (LEC)**

A company which furnishes a customer(s) exchange local telephone service.

**Point of Presence (POP)**

Denotes the terminal location of an Interexchange carrier.

**Premise**

The space designated by a customer which can be a building, portion of a building or buildings on continuous property not separated by a public highway.

**Redundancy**

Alternate communications service which may be provided using one or more different routings, circuits, and/or additional equipment.

**Requested Install Date (RID)**

The date requested by the customer for the service to be tested and installed for acceptance by the customer.

**Route Diversity**

Two (2) channels which are furnished partially or entirely over physically separate routes.

**MESSAGE TELECOMMUNICATIONS SERVICE****2. RULES AND REGULATIONS****2.1 Undertaking of the Company**

The Company's services are furnished for communications originating and terminating within the State of Florida under terms of this tariff.

The Company offers the communications services provided herein in accordance with the terms and conditions set forth under this tariff.

The Company's services are provided on a monthly basis unless ordered on a longer term basis, and are available twenty-four (24) hours per day, seven days per week.

The selling of interexchange (IXC) telecommunications services to uncertificated IXC resellers is prohibited.

**2.2 Application of Tariff**

- 2.2.1 This tariff applies to intrastate/interLATA/intraLATA Message Telecommunications Service (MTS) furnished or made available by SCNet, Inc., hereinafter referred to as the "Company."
- 2.2.2 MTS provides telecommunications beyond the local calling area of the calling station. Charges filed with this tariff cover the services furnished between a calling and a called station.
- 2.2.3 For purposes of this Tariff, a "Station" is defined as any device by means of which MTS calls can be placed and/or received.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****2. RULES AND REGULATIONS (continued)****2.3 Regulations****2.3.1 Scope**

- A. MTS consists of the furnishings of facilities for telecommunications between stations in different local calling areas in accordance with the regulations and system of charges specified in this tariff.
- B. The Company does not undertake to transmit messages but to furnish the transmission path which enables the customer to transmit and receive messages.
- C. The Company reserves the right to discontinue service at any exchange or in its entirety.
- D. The service may not be available to party line or public or semi-public telephone users.

At times, availability of service may be temporarily limited due to facility shortages caused by emergency condition.

**2.3.2 Application for Service**

- A. The Company may require a customer to sign an application form furnished by the Company and to establish credit as provided in these Regulations, as a condition precedent to the initial establishment of such service.

## MESSAGE TELECOMMUNICATIONS SERVICE

2. RULES AND REGULATIONS (continued)2.3 Regulations (continued)2.3.2 Application for Service (continued)

Company's acceptance of an order for service to be provided to an applicant whose credit has not been duly established may be subject to the provisions described in Section 2.3.3 following.

- B. The company may also require a signed authorization from a customer for additions to or changes in the existing service for such customer.
- C. An application for service cancelled by the customer or the Company prior to the establishment of the service applied for is subject to the provisions of Section 2.3.3.

2.3.3 Deposits and Advance Payments

The Company does not require a deposit from the customer. For customers for whom the Company believes an advance payment is necessary, the Company reserves the right to collect an amount not to exceed one (1) month's estimated charges as an advance payment for service. This will be applied against the next month's charges and, if necessary, a new advance payment will be collected for the next month.

MESSAGE TELECOMMUNICATIONS SERVICE

2. RULES AND REGULATIONS (continued)

2.3 Regulations (continued)

2.3.5 Liability

- A. The customer has exclusive control of the communications transmitted over the facilities furnished by the Company, and of the uses made of the facilities. The Company assumes no liability therefore except as specifically provided below.
- B. Because of the possibility of unavoidable errors incidental to the services and to the users of such facilities of the Company, the services and facilities furnished by the Company are subject to the terms, conditions and limitations specified in (C) and (D) following.
- C. The liability of the Company for damages arising out of mistakes, omissions, interruptions, delays, errors or defects in transmission, or failures or defects in facilities furnished by the Company, occurring in the course of furnishing service or other facilities shall in no event exceed an amount equivalent to the proportionate charge to the customer for the period of service during which such mistake, omission, interruption, delay or error or defect in transmission, or failure or defect in facilities occurs.

MESSAGE TELECOMMUNICATIONS SERVICE

2. RULES AND REGULATIONS (continued)

2.3 Regulations (continued)

2.3.5 Liability (continued)

- D. The customer indemnifies and holds the Company harmless against claims for libel, slander, or infringement of copyright arising in connection with the material transmitted over its facilities; against claims for infringement of patents arising from, combining with, or used in connection with, facilities of the Company, apparatus and systems of the customer; and against all other claims arising out of any act or omission of the customer in connection with facilities provided by the Company.

2.3.6 Use

A. Use of Service

The Service is provided for use by the customer and may be used by others when so authorized by the customer providing that such use shall be subject to the provisions of this Tariff.

B. Abuse and Fraudulent Use

The Service is furnished subject to the conditions that there will be no abuse or fraudulent use of the service. Abuse or fraudulent use of service includes:

1. The use of profane or obscene language.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****2. RULES AND REGULATIONS (continued)****2.3 Regulations (continued)****2.3.6 Use (continued)****B. Abuse and Fraudulent Use (continued)**

2. The use of service or facilities of the Company to transmit a message, locate a person, or give or obtain information without payment of the charge applicable for service.
3. The obtaining, or attempting to obtain, or assisting another to obtain or to attempt to obtain MTS, by rearranging, tampering with, or making connection with any facilities of the Company or by any trick, scheme, false representation, or false credit device, or by or through any other fraudulent means or device whatsoever, in whole or in part, of the regular charges for such service.
4. The use of service or facilities of the Company for a call or calls, anonymous or otherwise, if in a manner reasonably to be expected to frighten, abuse, torment or harass another.
5. The use of the service in such a manner as to interfere unreasonably with the use of the service by one or more other customers.

**C. Unlawful Purpose**

The service is furnished subject to the condition that it will not be used for an unlawful purpose.



---

**MESSAGE TELECOMMUNICATIONS SERVICE****2. RULES AND REGULATIONS (continued)****2.3 Regulations (continued)****2.3.7 Obligation of the Customer**

The customer shall establish his/her identity in the course of any communication as often as may be necessary. The customer shall be solely responsible for establishing the identity of the person or persons with whom connection is made at the called location(s).

**2.3.8 Billing of Charges**

- A. Any applicable flat rate charges are normally billed in advance. Usage charges are billed in arrears.
- B. The Company may make arrangement for billing and collection to be performed on its behalf by the local exchange carrier (LEC) or other agent. Such an arrangement in no way lessens the customer's responsibility for prompt payment of billing for services rendered.
- C. All state and local taxes (i.e., gross receipts tax, sales tax, municipal utilities tax) are listed as separate line items on the subscriber bill, and are not included in the quoted rates.
- D. Dedicated access circuits may be provided and billed by the local exchange company (LEC). Dedicated access channels may be purchased from carriers other than the LEC only in accordance with the PPSC rules or if the special access channel is jurisdictionally interstate. Charges for the dedicated access channel are determined by the access provider.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****2. RULES AND REGULATIONS (continued)****2.3 Regulations (continued)****2.3.9 Payment Arrangements**

The customer is responsible for payment of all charges for service furnished, and payment is due on receipt of the bill.

- A. The customer shall submit payment for all charges direct to the Company or to any Agency authorized by the Company to receive such payment.
- B. If the bill is not paid by the past due date shown on the bill, the account will be considered delinquent.
- C. A delinquent account may subject the customer's service to disconnection.
- D. Failure to receive a bill will not exempt a customer from prompt payment of any sum or sums due the Company.
- E. Any charges which are not disputed within 6 months of the date the bill is issued will be considered valid.

**2.3.10 Late Payment and Returned Check Charges**

- A. The carrier may impose a late payment charge of 1.5% (one and one-half percent) or \$1.00 (one dollar), whichever is greater. A return check charge of \$20.00 (twenty dollars) or 5% (five percent) of the amount of the bill, whichever is greater, may also be imposed.

## MESSAGE TELECOMMUNICATIONS SERVICE

2. RULES AND REGULATIONS (continued)2.3 Regulations (continued)2.3.10 Late Payment and Returned Check Charges  
(continued)

- B. Customers billed by local exchange carriers on behalf of or as agent for the Company are responsible for any late payment, returned check and/or other such charges that local exchange carriers may employ in their billing process.

2.3.11 Termination of Service for Cause

Upon nonpayment of any sum due the Company, or upon a violation of any of the conditions governing the furnishing of service, the Company or the LEC as its billing agent may, without incurring any liability, forthwith discontinue the furnishing of service.

2.3.12 Marketing Guidelines

As a telephone utility under the regulation of the Commission, Company does hereby assert and affirm that as a reseller of intrastate telecommunications services, Company, will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in Florida, and that Company will comply with those marketing procedures, if any, set forth by the Commission.

MESSAGE TELECOMMUNICATIONS SERVICE

2. RULES AND REGULATIONS (continued)

2.3 Regulations (continued)

2.3.12 Marketing Guidelines (continued)

Additionally, Company, will be responsible for the marketing practices of any contracted telemarketers for compliance with this provision. Company, understands that violation of this provision could result in a rule to show cause as to the withdrawal of the certification of Company, to complete intrastate telecommunications traffic within the State of Florida.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES****3.1 Classes of Services Generally Offered**

Classes of MTS service generally offered by interexchange carriers are one or more of the following:

Dial Station-to-Station, Customer Dialed Calling Card, Operator Station-to-Station, and Person-to-Person

**3.2 Initial Service Offerings of Company**

The classes of MTS service to be initially offered by the Company are Dial Station-to-Station Service, Customer Dialed Calling Card, Operator Station-to-Station and Person-to-Person. Other classes of service may be offered at a later date dependent upon circumstances and market conditions.

**3.3 Classes of Service****3.3.1 Dial Station-to-Station**

The term "Dial Station-to-Station" applies only to sent-paid, Station-to-Station dial type communication. Dial Station-to-Station service will not be available to Public or Semi-Public Coin Telephones.

Dial type communication denotes a call dialed and completed by the customer without the assistance of an operator and billed to the originating number. The services of an operator will not be used in connection with completing a call, or in furnishing any information or assistance relating to billing or charges for such call, except that, if available, an operator may without additional charge:

MESSAGE TELECOMMUNICATIONS SERVICE

3. INITIAL SERVICE OFFERINGS (continued)

3.3 Classes of Service (continued)

3.3.1 Dial Station-to-Station (continued)

- A. Re-establish a call which has been prematurely interrupted after the called number has been reached.
- B. Reach the called telephone number when facilities are temporarily not available for customer dial completion.
- C. Record the originating telephone number if the service is offered to party line customers or if required for special billing arrangements.
- D. Place a call for calling parties who identify themselves as being handicapped and unable to dial call because of the handicap.

MESSAGE TELECOMMUNICATIONS SERVICE

3. DESCRIPTION OF SERVICES (continued)

3.3 Classes of Service (continued)

3.3.2 Operator Station-to-Station

Operator Station-to-Station rates apply to Station-to-Station telephone calls where the call completion or a request for any information or assistance relating to billing or charges for such call requires the assistance of an operator, except for operator services as described in the preceding section 3.3.1.

3.3.3 Person-to-Person

Person-to-Person rates apply to calls in which the call originator specifies to the operator a particular person to be reached or otherwise a particular office, department or station to be reached.

3.3.4 Customer Dialed Calling Card

Customer Dialed Calling Card rates apply to Station-to-Station calls in which the call originator dials and completes the call (to be billed to a Calling Card) without the assistance of an operator, except that an operator may record the Calling Card number, or where the operator is requested to reach the called number or must reach the number where facilities are not available for automatic dial completion.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES (continued)****3.4 800 Service**

800 service is a one-way inbound service originating on feature group facilities provided by the Company and terminating on a regular telephone line(s) and is available to both Residential and dedicated access Business customers.

This service enables the Customer to receive calls which are toll free to the originating party. The Customer is responsible for payment of all charges associated with calls to be terminated.

**3.5 Single Rate Business Service**

Single Rate Business Service is an optional calling plan available to both Residential and dedicated access Business customers. A single rate as specified in section 4.3.1 below will be applied to all Dial Station to Station calls. Messages will be rounded to the next tenth of one second with a eighteen second minimum per message. This service can only be billed to the customer directly by Company



**MESSAGE TELECOMMUNICATIONS SERVICE****2. DESCRIPTION OF SERVICES (continued)****3.6 Easy Plus Ten Residential Service**

Easy Plus Ten Residential Service is an add on to the interstate Easy Plus Ten Service Provided in SCNet's FCC Tariff No. 1. Easy Plus Ten Residential Service offers instate calling for an additional charge of \$1.25. Customers may place calls 24 hours a day, seven days a week.

The per minute usage charges are outlined in section 4.4 below. All calls will be rounded to the next whole minute. Volume discounts are also applicable, where billing capability exists, and supersede any volume discounts previously described.

**3.7 Basic Choice Business Service****3.7.1 Description of Service**

Basic Choice is a switched business service offering domestic outbound, domestic inbound 800, and calling card direct dialed calls. Messages will be rounded to the next tenth of a minute with a eighteen second minimum per message. This service can only be billed to the customer directly by Company

---

**MESSAGE TELECOMMUNICATIONS SERVICE****2. DESCRIPTION OF SERVICES (continued)****3.7 Basic Choice Business Service (continued)****3.7.2 Term and Renewal**

Upon written enrollment, customer may choose a month-to-month, one (1) year or two (2) year term commitment plan. One (1) year or two (2) year term commitment plans will automatically renew for an additional term commitment equal to the previous term commitment plan, unless customer notifies SCNet in writing at least thirty (30) days prior to the expiration of the term commitment plan, in which case customer will be billed at month-to-month rates.

**3.7.3 Term Commitment Plan Termination Liability**

Customers enrolled in one (1) year or two (2) year term commitment plans will be liable for a one-time termination charge. If customer terminates service prior to the completion of the term, other than through the Basic Choice Guarantee of Satisfaction, customer will be billed and must pay, a termination charge equal to 25% of the three (3) previous months' average monthly, billed usage multiplied by the number of full months remaining in the term.

**3.7.4 Guarantee of Satisfaction**

Customer may terminate Basic Choice service, including term commitment plans, within ninety (90) days of the execution of an enrollment form by providing adequate reason, in writing, to SCNet prior to the end of the 90 day period. SCNet will reimburse the customer for all documented charges incurred by the customer to switch customer back to the previous carrier which served the customer prior to SCNet.

**MESSAGE TELECOMMUNICATIONS SERVICE**

**3. DESCRIPTION OF SERVICES (continued)**

**3.7 Basic Choice Business Service (continued)**

**3.7.5 Other Terms**

Basic Choice order and enrollment forms are subject to acceptance by SCNet.

**3.8 Best Plus Choice Conference Service**

Best Plus Choice Conference Service is a conference offering available to SCNet business and residential customers. The SCNet Best Plus Choice Conference Service is available 24 hours a day, 365 days a year if scheduled in advance through SCNet Customer Service. 800 Meet Me is the type of conference service offered and it is an unattended conference service.

**3.9 Value Plus Residential Service**

Value Plus Residential Service is a new service offering. Customers may place calls 24 hours a day, seven days a week. The per minute usage charges are outlined in the schedule below. All calls will be rounded to the next whole minute.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****2. DESCRIPTION OF SERVICES (continued)****3.10 Easy Choice Business Service****3.10.1 Description of Service**

Easy Choice is a switched business service offering domestic outbound, domestic inbound 800, and calling card direct dialed calls. Messages will be rounded to the next tenth of a minute with a eighteen second minimum per message. This service can only be billed to the customer directly by Company

**3.10.2 Term and Renewal**

Upon written enrollment, customer may choose a month-to-month, one (1) year or two (2) year term commitment plan. One (1) year or two (2) year term commitment plans will automatically renew for an additional term commitment equal to the previous term commitment plan, unless customer notifies SCNet in writing at least thirty (30) days prior to the expiration of the term commitment plan, in which case customer will be billed at month-to-month rates.

**3.10.3 Term Commitment Plan Termination Liability**

Customers enrolled in one (1) year or two (2) year term commitment plans will be liable for a one-time termination charge. If customer terminates service prior to the completion of the term, other than through the Easy Choice Guarantee of Satisfaction, customer will be billed and must pay, a termination charge equal to 25% of the three (3) previous months' average monthly, billed usage multiplied by the number of full months remaining in the term.

MESSAGE TELECOMMUNICATIONS SERVICE

3. DESCRIPTION OF SERVICES (continued)

3.10 Easy Choice Business Service (continued)

3.10.4 Guarantee of Satisfaction

Customer may terminate Easy Choice service, including term commitment plans, within ninety (90) days of the execution of an enrollment form by providing adequate reason, in writing, to SCNet prior to the end of the 90 day period. SCNet will reimburse the customer for all documented charges incurred by the customer to switch customer back to the previous carrier which served the customer prior to SCNet.

3.10.5 Other Terms

Easy Choice order and enrollment forms are subject to acceptance by SCNet.

3.11 Sensible Choice Business Service

3.11.1 Description of Service

Sensible Choice is a switched business service offering domestic outbound, domestic inbound 800, and calling card direct dialed calls. Messages will be rounded to the next tenth of a minute with a eighteen second minimum per message. This service can only be billed to the customer directly by Company

---

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES (continued)****3.11 Sensible Choice Business Service (continued)****3.11.2 Term and Renewal**

Upon written enrollment, customer may choose a month-to-month, one (1) year or two (2) year term commitment plan. One (1) year or two (2) year term commitment plans will automatically renew for an additional term commitment equal to the previous term commitment plan, unless customer notifies SCNet in writing at least thirty (30) days prior to the expiration of the term commitment plan, in which case customer will be billed at month-to-month rates.

**3.11.3 Term Commitment Plan Termination Liability**

Customers enrolled in one (1) year or two (2) year term commitment plans will be liable for a one-time termination charge. If customer terminates service prior to the completion of the term, other than through the Sensible Choice Guarantee of Satisfaction, customer will be billed and must pay, a termination charge equal to 25% of the three (3) previous months' average monthly, billed usage multiplied by the number of full months remaining in the term.

**3.11.4 Guarantee of Satisfaction**

Customer may terminate Sensible Choice service, including term commitment plans, within ninety (90) days of the execution of an enrollment form by providing adequate reason, in writing, to SCNet prior to the end of the 90 day period. SCNet will reimburse the customer for all documented charges incurred by the customer to switch customer back to the previous carrier which served the customer prior to SCNet.

MESSAGE TELECOMMUNICATIONS SERVICE

3. DESCRIPTION OF SERVICES (continued)

3.11 Sensible Choice Business Service (continued)

3.11.5 Other Terms

Sensible Choice order and enrollment forms are subject to acceptance by SCNet.

3.12 SCNet Calling Card Service

3.12.1 Description of Service

SCNet Calling Card service allows a customer to make station-to-station calls away from the home or office where the call originator dials and completes the call (to be billed to the Calling Card) without the assistance of the operator, except that an operator may record the Calling Card number, or where the operator is requested to reach the called number or must reach the number where facilities are not available for automatic completion.

3.12.2 Billing Options

The customer has two billing options with the SCNet Calling Card. Both options are available with any SCNet outbound service type, residential or business, but only one billing option can be chosen per account. In other words, all SCNet Calling Cards in an account must utilize the same billing option.

Option 1: Flat Rated Card

Note: All Flat Rated Card calls will be rounded to the next tenth of a minute with an eighteen second minimum per completed call.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES****3.12 SCNet Calling Card Service (continued)****3.12.2 Billing Options (continued)****Option 2: Surcharge Card**

**Note:** Surcharge Card calls associated with business product customers will be rounded to the next tenth of a minute with an eighteen second minimum per completed call. Surcharge calls associated with residential product customers will be rounded to the next full minute per completed call.

**3.13 Private Line Service****3.13.1 Description of Service**

Private Line Service is dedicated for the use of a specific customer of SCNet Private line service offers a direct transmission channel for the exclusive use of a customer between two or more cities. Private line service is billed based on the monthly rates quoted in this tariff. At the request of the customer, SCNet will be the authorized agent and will make reasonable efforts to arrange service which may include terminal equipment, circuit conditioning and access facilities. Private line service will be offered subject to the provisions of this tariff and the availability of facilities.

**3.13.2 Terms and Conditions**

A. SCNet reserves the right to discontinue service upon written notice when conditions beyond it's control, or when the customer is using service in violation of the law or the provisions set forth in this tariff.



---

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES (continued)****3.13 Private Line Service (continued)****3.13.2 Terms and Conditions (continued)**

- B. Private line service is offered seven (7) days a week, twenty-four (24) hours a day.
- C. For the purpose of computing monthly private line charges in this tariff, a month is considered to have thirty (30) days.
- D. Private line service will be billed on the basis on a minimum of at least on (1) month, beginning on the date that billing becomes effective.
- E. Recurring charges are billed effective on the date the private line service is proved to the customer by SCNet based on service period of one (1) month.
- F. Non-recurring Charges are billed in the month in which the private line service is provided.
- G. Upon the date of the first billing cycle following the installation of the private line service, a bill will be issued for the service period from installations of service to the billing cut-off date and an advance billing of service for one (1) month.
- H. If an order for service is cancelled by a SCNet customer before the service is installed or before completion of the minimum one month service, the customer will be responsible for payment of the non-recoverable portions of charges or liabilities incurred on behalf of the customer by SCNet.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES (continued)****3.13 Private Line Service (continued)****3.13.2 Terms and Conditions (continued)**

- I. The customer must insure that any customer provided equipment and/or system is properly interfaced with the facilities leased to the customer by SCNet. In addition, any signals emitted from customer equipment into the network facilities furnished by SCNet must be of proper bandwidth, power, data speed and signal level to comply with standards set forth by the Federal Communications Commission.
- J. In the event of an interruption of private line service which is not due to network testing, negligence of the customer or failure of customer provided equipment, a credit allowance will be issued to the customer by SCNet. When the private line service provided by SCNet is interrupted for two (2) consecutive hours or more, a credit allowance will be calculated based on the outage time expressed in hours, divided by twenty-four (24) hours per day times the total daily charge for the private line service affected by the outage. Only those portions of the private line service affected by the outage will be considered in determining the amount of the credit allowance. The length of the outage will be measured from the time the customer is notified by SCNet or from the time the customer notifies SCNet of an outage. The term "private line service" means the facilities or equipment furnished by SCNet, a participating interexchange carrier and/or international carrier.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES (continued)****3.13 Private Line Service (continued)****3.13.2 Terms and Conditions (continued)**

- K. Private line service provided by SCNet can be connected with facilities or services of other participating interexchange carriers.
- L. SCNet will attempt to make arrangements for network redundancy on the private line service at the request and the expense of the customer.
- M. When a customer of SCNet requests a special arrangement for service which may include services not offered in this section of this tariff, SCNet will consider the requested service per justification of the requested services. The appropriate recurring and non-recurring charges will be developed by SCNet according to the necessary engineering, installation, purchases and/or lease of facilities.

**3.13.3 DS-0 (DIGITAL SIGNAL LEVEL 0) Service****A. DS-0 Service - Voice Grade Private Line (KIPS)**

DS-0 KIPS is a digital private line service utilizing voice frequency (VF) local access facilities. A DS-0 KIPS circuit offers a 64 Kbps dedicated interexchange channel utilizing digital long-haul transmission connecting two or more cities via analog local access loops. A DS-0 KIPS circuit supports the transmission of analog voice and/or data within the frequency range of 300-3000 Hz. Typical voice applications for customers who subscribe to DS-0 KIPS service

---

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES (continued)****3.13 Private Line Service (continued)****3.13.3 DS-0 (DIGITAL SIGNAL LEVEL 0) Service  
(continued)****A. DS-0 Service - Voice Grade Private Line  
(KIPS) (continued)**

are Tie Lines, Off-Premise Extensions (OPX), Foreign Exchange (FX) and Automatic Ringdown circuits. Typical data applications are point-to-point and multipoint data circuits supporting transmission speeds of 2.4, 4.8 and 9.6 Kbps.

**B. DS-0 Service - Hubless Digital Data Service  
(DDS) Access**

DS-0 Service - Hubless DDS Access is a digital private line Service utilizing digital local access facilities. DS-0 Service with hubless DDS access may be utilized for the synchronous transmission of full duplex digital data at 2.4, 4.8, 9.6 or 56 Kbps. DS-0 Service with digital local access provides end-to-end digital service to each location of the circuit. However, the source of synchronization for the end-to-end circuit is the responsibility of the customer of South Carolina Net, because the synchronization is not performed by the LEC DDS Hub when this service is provided.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES (continued)****3.13 Private Line Service (continued)****3.13.4 Digital Data Service (DDS)**

DDS offered by SCNet is a dedicated private line service. DDS is high quality service offering end-to-end digital interexchange service utilizing DDS local access facilities installed by the local exchange company (LEC). DDS is designed for full time synchronous transmissions at 56 Kbps wherever the LEC offers DDS access. The synchronization for the IXC portion of DDS provided by SCNet is matched to the synchronization for the local access portion of the service supplied by the Local Exchange Carrier (LEC).

**3.13.5 DS-1 (DIGITAL SIGNAL LEVEL 1) Service**

DS-1 Service is a point-to-point high capacity private line service that transports a full duplex signal. DS-1 Service is provisioned to operate at a speed of 1.544 million bits per second (Mbps) and is equivalent to the capacity of 24 standard voice circuits. DS-1 service is designed for the simultaneous full-duplex transmission of digital signals.

**3.13.6 DS-3 (DIGITAL SIGNAL LEVEL 3) Service**

DS-3 Service is point-to-point dedicated high capacity private line service that transports a full duplex signal. DS-3 Service is provisioned to operate at a speed on 44.736 million bits per second (Mbps) and is equivalent to the capacity of 672 standard voice circuits. DS-3 service is designed for the simultaneous full-duplex transmission of digital signals.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES (continued)****3.13 Private Line Service (continued)****3.13.7 Customer Provided and/or Premise Equipment (CPE)**

Customer Provided and/or Premise Equipment (CPE) is equipment such as channel service units (CSUs), digital service units (Deus), multiplexing equipment and any other terminal equipment provided by the customer at the premise or location of the customer. Such CPE equipment maintenance is the sole responsibility of the customer.

**3.13.8 Non-Recurring Charges**

Non-recurring charges are expenses commonly associated with the circuit design, engineering and provisioning, facility installation expenses, and network configuration charges. These charges are non-recurring and will appear on the bill of the first monthly billing cycle. These charges will apply to all new services or reconfiguration of existing service.

**A. Service Order Charge**

Service Order charges will apply to customers ordering additional service from SCNet, modifications of existing service, changes which require the modification of the Interexchange facilities, changes which require the issuance of an Access Service Request (ASR) to the Local Exchange carrier or any service request SCNet performs on behalf of the customer.

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES (continued)****3.13 Private Line Service Offerings (continued)****3.13.8 Non-Recurring Charges (continued)****B. Order Expedite Charges**

SCNet, when requested by the customer, will expedite orders with the associated LECs in order to improve the interval on the original Requested Installation Date. The charges are detailed in Section 4.11.

**3.13.9 Changes of Requested Install Date (RID)**

A change of RID charge applies when the customer requests a modification which lengthens the original RID. If the first requested change of the RID is received more than ten (10) working days prior to the original requested service date, there will be no charge. On the second change of the RID, or if the change is made within ten (10) working days of the RID, a charge will be assessed. If the new RID extends thirty (30) days beyond the date of the original RID, the service order must be canceled and re-issued when a confirmed date is given to SCNet.

**3.13.10 Change of Order Charge**

A Change of Order charge will apply when a customer of SCNet requests a modification to the information contained in the original service order prior to the completion date and the acceptance of the service. Examples of such changes are billing address changes, billing contact changes, or any modifications of pertinent information to the original service order.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****3. DESCRIPTION OF SERVICES (continued)****3.13 Private Line Service (continued)****3.13.11 Order Cancellation Charges**

Charges will apply for service orders cancelled prior to the Requested Install Date. Charges for cancellation of service orders are in addition to the standard install charges which will remain applicable.

**3.13.12 Local Access Channel Charges**

All non-recurring private line local access loop charges will be billed to the customer by SCNet at the tariff rates established by the appropriate local exchange carrier.

**3.14 Promotional Offerings**

The carrier may from time to time, at selected locations, engage in special promotional service offerings designed to attract new customers or to increase existing customers usage of the carrier's service. Such offerings may be in the form of direct discounts or in the form of bulk packaging plans, for example Optional Calling Plans. Pursuant to Rule 25-24.485(1)(I), these promotions will be approved by the FPSC with specific starting and ending dates, and under no circumstances will run longer than 90 (ninety) days in any 12 (twelve) month period.

**3.15 Future MTS Offerings**

Dependent upon future market conditions and other circumstances, the carrier may at a later date offer other classes of service in addition to the Dial Station-to-Station service described in 2.3 above. Rates and charges for such future services will be determined by market conditions at that time.



MESSAGE TELECOMMUNICATIONS SERVICE

3. DESCRIPTION OF SERVICES (continued)

3.16 Other Future Offerings

Dependent upon future market conditions and other circumstances, the carrier may at a later date offer other types of services in addition to the MTS described above, for example WATS. Rates and charges for such future services will be determined by market conditions at that time.

## MESSAGE TELECOMMUNICATIONS SERVICE

4. RATES4.1 Dial Station to Station Service4.1.1 Rate Structure

The message charge is a function of the duration of the call (in minutes), the distance of the call (in airline miles), the day and time of day that the call is originated. Additional amounts as shown under Section 4.1.8 following will be added to basic rates for Operator Station, Person-to-Person and Calling Card Classes of Service.

4.1.2 Determination of Minutes

- A. On customer Dial Station-to-Station calls, chargeable time begins when connection is established between the calling station and the called station.
- B. On Person-to-Person calls, chargeable time begins when the called party picks up the receiver. When software answer supervision is employed, up to 60 seconds of ringing is allowed before it is billed as usage of the network. A call is terminated when the calling or called party hangs up. There are no billing charges applied for incomplete calls.
- C. Chargeable time ends when the calling station "hangs up" thereby releasing the network connection. If the called station "hangs up" but the calling station does not, chargeable time ends when the network connection is released either by automatic timing equipment in the telecommunications network or by the operator.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****4. RATES (continued)****4.1 Dial Station to Station Service****4.1.2 Determination of Minutes (continued)**

- D. Chargeable time does not include time lost because of faults or defects in the service.
- E. Rates are stated in terms of initial and additional minutes.
1. All initial period rates given in the rate table in 4.1.5 following are for connections of one minute or any fraction thereof.
  2. All additional period rates given in the table in 4.1.5 following are for each additional minute or any fraction thereof that the connection continued beyond the initial period.

**4.1.3 Minimum Call Completion Rate**

A customer can expect a call completion rate of not less than 90% during peak use periods for all PG-D services (1+ dialing).

**4.1.4 Calculation of Distance**

Usage charges for all mileage-sensitive products are based on the airline distance between rate centers associated with the originating and terminating points of the call.

## MESSAGE TELECOMMUNICATIONS SERVICE

4. RATES (continued)4.1 Dial Station to Station Service (continued)4.1.4 Calculation of Distance (continued)

The airline mileage between rate centers is determined by applying the formula below to the vertical and horizontal coordinates associated with the rate centers involved. The Company uses the rate centers that are produced by Bell Communications Research in the NPA-NXX V&H Coordinate Tape and Bell's NECA Tariff No. 4.

## FORMULA:

The square  
Root of:  $\frac{(V1 - V2)^2 + (H1 - H2)^2}{10}$

## MESSAGE TELECOMMUNICATIONS SERVICE

4. RATES (continued)4.1.5 Rate Table

Rates shown in the following table are applicable to intrastate long distance calling between all points within the State of Florida.

DAY		
ESCH Rate Mileage	Initial Minute	Additional Minute
0 - 10	.1500	.1287
11 - 16	.1700	.1386
17 - 22	.1900	.1880
23 - 30	.2178	.2178
31 - 55	.2275	.2275
56 - 70	.2475	.2475
71 - 124	.2673	.2673
125+	.2772	.2772
EVENING		
ESCH Rate Mileage	Initial Minute	Additional Minute
0 - 10	.1400	.0950
11 - 16	.1400	.0900
17 - 22	.1500	.1386
23 - 30	.1584	.1584
31 - 55	.1683	.1683
56 - 70	.1782	.1782
71 - 124	.1881	.1881
125+	.2178	.2178
NIGHT/WEEKEND		
ESCH Rate Mileage	Initial Minute	Additional Minute
0 - 10	.1200	.0772
11 - 16	.1300	.0792
17 - 22	.1300	.1109
23 - 30	.1400	.1400
31 - 55	.1400	.1400
56 - 70	.1584	.1584
71 - 124	.1707	.1707
125+	.1782	.1782

NOTE: Day of Week and Holiday discounts apply as shown in 4.1.6 following.

Issued: July 29, 1998

W.J. Jordan, President  
SCNet, INC.  
1426 Main Street, Suite 1000  
Columbia, South Carolina 29201

Effective:

## MESSAGE TELECOMMUNICATIONS SERVICE

4. RATES (continued)4.1 Dial Station to Station Service (continued)4.1.6 Discounts

- A. The day and time of day at the originating location when the connection is established determines the level of the Time of Day, Day of Week and/or Holiday Discounts which applies. The applicable discount period can be determined from the table below:

	MON	TUES	WED	THUR	FRI	SAT	SUN
8:00 am to 5:00 pm *	DAY RATE PERIOD						
5:00 PM to 11:00 PM *	EVENING RATE PERIOD						EVENING
11:00 PM to 8:00 AM *	NIGHT & WEEKEND RATE PERIOD						

\* NOTE: Up to, but not including.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****4. RATES (continued)****4.1 Dial Station to Station Service (continued)****4.1.6 Discounts (continued)**

- B. Time of Day, Day of Week, and Holiday discounts, when applicable, apply to the initial and additional minutes for all calls.
- C. When a discount results in a fractional charge, the amount will be rounded down to the next lower cent.
- D. The Evening rate applies to the holidays listed below unless a lower rate period is in effect:

- New Year's Day	January 1	***
- Independence Day	July 4	***
- Labor Day	---	
- Thanksgiving Day	---	
- Christmas Day	December 25	***

- E. If a call begins in one discount period and ends in another, the initial period discount is the discount in effect at the time the call is established. The charge for each additional minute of usage is the additional minute billing rate for the rate period in which the beginning of each additional minute occurs.

\*\*\* When these holidays are celebrated on a day other than the dates shown, the Evening rate applies to the resulting legal holidays unless a lower rate period is in effect.

---

**MESSAGE TELECOMMUNICATIONS SERVICE****4. RATES (continued)****4.1 Dial Station to Station Service (continued)****4.1.7 Additional Discounts**

Volume discounts are applied to any subscriber whose combined monthly SCNet toll charges, excluding taxes, equals or exceeds certain levels as defined in the schedule below. The applicable discount percentage will be applied against 1+, 0+, and 0- intrastate messages only. Volume discounts available only where billing capability exists.

<u>SCNet Combined Charges</u>	<u>Discount</u>
\$0 - 24.99	10%
\$25 - 99.99	20%
\$100 and Greater	25%



## MESSAGE TELECOMMUNICATIONS SERVICE

4. RATES (continued)4.1 Dial Station to Station Service (continued)4.1.8 Additional Charges

The following charges are in addition to the basic Rate Tables preceding when the call is placed using the following operator services where applicable:

	<u>Service</u> <u>Charge</u>	<u>Surcharge</u>
A. Station		
Customer Dial Calling Card Station		
Customer Dial/Automated (LEC Calling Card)	\$ .80	N/A
Customer Dial/Automated (SCNet Calling Card)**	\$ .65	N/A
Customer Dial and Oper. Assist (LEC Call Card)	\$ .80	N/A
Customer Dial and Oper. Assist (SCNet Call Card)	\$ .65	N/A
Customer Dial-Oper Must Assist (LEC Call Card)	\$ .80	N/A
Customer Dial-Oper Must Assist (SCNet Call Card)	\$ .65	N/A
Operator Station*		
Customer Dialed Collect, Billed to Third Number	\$1.75	N/A
Operator Dialed Collect, Billed to Third Number, Sent Paid	\$1.75	\$.75
Operator Dialed, Billed to a Calling Card	\$1.75	N/A
B. Person*		
Customer Dialed Collect, Billed to Third Number, Calling Card, Sent Paid	\$3.50	N/A
Operator Dialed Collect, Billed to Third Number, Sent Paid	\$3.50	\$.75
Operator Dialed, Billed to a Calling Card	\$3.50	N/A

N/A Not Applicable

\* Includes Real Time Rated Calls

\*\* If applicable, see Section 4.10.2

**MESSAGE TELECOMMUNICATIONS SERVICE**4. RATES (continued)4.2 800 Service4.2.1 Monthly Recurring Charges

In addition to the usage charges described in Section 4.2.3 below, there shall be assessed a monthly charge not to exceed the following:

Residential Customers	\$ 3.75 per 800 number
Business Customers	\$ 5.00 per 800 number

4.2.2 Installation Charge

Upon initiation of 800 Service, a one-time charge for installation shall be assessed not to exceed the following:

Residential Customers	\$ 0.00 per 800 number
Business Customers	\$ 0.00 per 800 number

4.2.3 Rate ScheduleA. Residential Customers

Weekday Rate 8am-5pm <u>Mon - Fri</u>	Evening Rate 5pm-11pm <u>Except Sat</u>	Night/Weekend Rate 11pm-8am & all day <u>Sat/Sun until 5pm</u>
\$0.22	\$0.14	\$0.14

B. Business CustomersDedicated Access

Weekday Rate 8am-5pm <u>Mon - Fri</u>	Evening Rate 5pm-11pm <u>Except Sat</u>	Night/Weekend Rate 11pm-8am & all day <u>Sat/Sun until 5pm</u>
\$0.14	\$0.14	\$0.14

---

**MESSAGE TELECOMMUNICATIONS SERVICE****4. RATES (continued)****4.2 800 Service (continued)****4.2.4 Volume Discount (Business Customers Only)**

The following Volume Discounts apply for total interstate and intrastate 800 service usage:

<u>Inter/Intrastate 800 Service</u>	<u>No Term</u>	<u>1 Year Term</u>	<u>2 Year Term</u>
<u>Dedicated Access</u>			
\$0 - \$999.99	0%	2.5%	5%
\$1000 - \$1999.99	2.5%	5%	10%
\$2000 - \$4999.99	5%	10%	15%
Over \$5000	10%	15%	20%

**4.2.5 Payphone Surcharge**

The following payphone surcharge will be applied to all completed 800 intrastate calls made from a public/semi-public payphone.

Per call surcharge where applicable .... \$.30

**MESSAGE TELECOMMUNICATIONS SERVICE**4. RATES (continued)4.3 Single Rate Business Service4.3.1 Dedicated Access

.12 per minute

4.3.2 Volume Discount Schedule

The following Volume Discounts apply for Dial Station to Station interstate and intrastate usage. The discount is applied to all intrastate Dial Station to Station usage:

Dedicated Access

<u>Total Monthly Charges for Inter/Intrastate Service</u>	<u>No Term</u>	<u>1 Year Term</u>	<u>2Year Term</u>
\$0 - \$999.99	0%	5%	7.5%
\$1000 - \$1999.99	5%	7.5%	12.5%
\$2000 - \$4999.99	10%	12.5%	20.8%
Over \$5000	15%	20.8%	23%

4.4 Easy Plus Ten Residential Service4.4.1 Standard Rates

<u>Weekday Rate</u> 8am-5pm	<u>Evening Rate</u> 5pm-11pm	<u>Night/Weekend Rate</u> 11pm-8am & all day
.22	.13	.13

4.4.2 Volume Discount Schedule

<u>Combined Monthly Volume (Excluding Taxes)</u>	<u>Discount</u>
\$0 - 24.99	0%
\$25 - \$99.99	5%
Over \$100	10%

## MESSAGE TELECOMMUNICATIONS SERVICE

4. RATES (continued)4.4 Easy Plus Ten Residential Service (continued)4.4.3 MCV

The applicable rates are determined by the monthly contributing volume (MCV) attained by the Basic Choice customer. The MCV is comprised of all customer traffic calculated at Basic Choice base (\$0.00 MCV) rates for the applicable month-to-month or term plan selected by the customer. The customer will receive the rates outlined below for all day, evening and night/weekend outbound, inbound and calling card calls.

Total Monthly Contributing Volume for

Inter/IntraLATA Intrastate Service	No <u>Term</u>	1 Year <u>Term</u>	2 Year <u>Term</u>
\$ 0.00	.2200	.2100	.2000
\$ 100.00	.2000	.1900	.1800
\$ 200.00	.1900	.1800	.1700
\$ 500.00	.1800	.1750	.1670
\$ 750.00	.1750	.1700	.1650
\$1,000.00	.1700	.1650	.1600

4.4.4 Additional Pricing

The following Basic Choice fees will apply:

Inbound Service Fee: \$5.00 per 800 number per month  
 Directory Assistance: \$ .50 per call  
 Calling Card Surcharge: If Applicable, see Section 4.10.2

MESSAGE TELECOMMUNICATIONS SERVICE4. RATES (continued)4.6 Best Choice Conferencing4.6.1 Rate Schedule

The applicable rates for Best Plus Choice Conference Service are outlined below and will be charged to the customer based on each bridge port for weekday or weekend conference calls. The weekend period begins at 12:01 AM Saturday and ends at 11:59 PM Sunday.

Total Per minute Charges for <u>Inter/IntraLATA Intrastate Service</u>	<u>Weekday</u>	<u>Weekend</u>
800 Meet Me	.6000	.4000

4.6.2 Additional Pricing

The following Best Plus Choice Conferencing fees will apply as applicable:

Cancellation - Per Bridge  
Port within 30 minutes of scheduled call . . . 3.50

Departmental Billing

1-15 Names	10.00 Monthly	50.00 Installation
16-49 Names	25.00 Monthly	100.00 Installation
50 + Names	50.00 Monthly	150.00 Installation
Duplicate Billing	10.00 Monthly	
Magnetic Tape or Cartridge Billing	100.00 Monthly	

4.7 Value Plus Residential Service

<u>Weekday Rate</u>	<u>Off Peak Rate</u>	<u>Weekend Rate</u>
7am-7pm	7pm-7am	Sat / Sun
<u>Mon - Fri</u>	<u>Except Sat</u>	<u>All day</u>
.24	.14	.14

---

---

MESSAGE TELECOMMUNICATIONS SERVICE

4. RATES (continued)

4.8 Easy Choice Business Service

4.8.1 Rate Schedule

Inter/IntraLATA Intrastate per Minute Rate \$.2000

4.8.2 Additional Pricing

The following Easy Choice fees will apply:

Inbound Service Fee: \$5.00 per 800 number per month  
Directory Assistance: \$ .50 per call  
Calling Card Surcharge: If applicable, see Section

4.10.2

4.9 Sensible Choice Business Service

4.9.1 Standard Rates

Inter/IntraLATA Intrastate per Minute Rate \$.2000

4.9.2 Additional Pricing

The following Sensible Choice fees will apply:

Inbound Service Fee: \$5.00 per 800 number per month  
Directory Assistance: \$ .50 per call  
Calling Card Surcharge: If applicable, see Section 2.12

4.10 Calling Card Service

4.10.1 Standard Rates

Option 1: The Flat Rated Card is billed utilizing a flat rate per minute with no surcharge. The following per minute rate is applicable 24 hours a day, 7 days a week.

Inter/IntraLATA Intrastate per Minute Rate \$.3500

---

---

**MESSAGE TELECOMMUNICATIONS SERVICE****4. RATES (continued)****4.10 Calling Card Service (continued)**

Option 2: The Surcharge Card is billed utilizing a flat rate per minute with a \$.65 surcharge per completed call. The following per minute rate is applicable 24 hours a day, 7 days a week.

**4.10.2 Payphone Surcharge**

The following Payphone Surcharge will be applied to all completed inter/intraLATA intrastate Calling Card calls originated from a public/semi-public payphone. This surcharge applies to both Option 1 and Option 2 cards and will be applied in addition to any other applicable fees.

Per call surcharge \$ .3000

**4.11 Special Rates for the Handicapped****4.11.1 Directory Assistance**

Pursuant to Section 25-4.115(3)(a) of the Commission's Rules, there shall be no charge for up to fifty calls per billing cycle from lines or trunks serving individuals with disabilities. The Company shall charge the prevailing tariff rates for every call in excess of 50 (fifty) within a billing cycle.



---

**MESSAGE TELECOMMUNICATIONS SERVICE****4. RATES (continued)****4.11 Special Rates for the Handicapped (continued)****4.11.2 Hearing and Speech Impaired Persons**

Pursuant to Section 25-4.079(4) of the Commission's Rules, intrastate toll message rates for TDD users shall be evening rates for daytime calls and night rates for evening and night calls.

**4.11.3 Telecommunications Relay Service**

Pursuant to Section 25-4.160(1) of the Commission's Rules, for intrastate toll calls received from the relay service, the Company will, when billing relaying calls, discount relay service calls by 50% (fifty percent) off of the otherwise applicable rate for a voice non-relay call, except that where either the calling or called party indicates that either party is both hearing and visually impaired, the call shall be discounted 60% (sixty percent) off of the otherwise applicable rate for voice non-relay call. The above discounts apply only to time-sensitive elements of a charge for the call, and shall not apply to per-call charges such as a credit card surcharge.

## MESSAGE TELECOMMUNICATIONS SERVICE

4. RATES (continued)4.12 Private Line Service

Rates shown in the following table are applicable to Interexchange Private Line Service only between all points within the State of Florida. Other charges which may be applicable are Non-recurring Charges.

4.12.1 DS-0 Service - KIPS (Analog)Rates

## Monthly Rate

Rate	Monthly Rate	Per Mile or Mileage Fraction Thereof	Fixed
1- 50	\$ 50.00	\$ 1.80	
51-100	\$ 95.00	\$ .90	
101+	\$ 165.00	\$ .30	

## Analog Central Office Connection (COC)

	<u>Monthly</u>	<u>Non-Recurring</u>
Per CO Connection	\$ 20.00	\$ 140.00

## Access Coordination Fee (ACF)

	<u>Monthly</u>	<u>Non-Recurring</u>
Per Local Access Channel	\$ 20.00	\$ 120.00

## Local Access Channel

All monthly and non-recurring DS-0 (KIPS/Analog) private line local access loop charges will be billed to the customer by SCNet at the tariff rates established by the appropriate local exchange carrier.

**MESSAGE TELECOMMUNICATIONS SERVICE**4. RATES (continued)4.12 Private Line Service (continued)4.12.2 56Kbps DDS ServiceRates

## Monthly Rate

Rate	Monthly Rate	Per Mile or Mileage Fixed Fraction Thereof
9.6Kbps	1+\$ 50.00	\$ 0.80
56Kbps	1+\$ 150.00	\$ 1.20

## Central Office Connection (COC)

	<u>Monthly</u>	<u>Non-Recurring</u>
Per 9.6Kbps Connection	\$ 20.00	\$ 100.00
Per 56Kbps Connection	\$ 20.00	\$ 100.00

## Access Coordination Fee (ACP)

	<u>Monthly</u>	<u>Non-Recurring</u>
Per 9.6Kbps Connection	\$ 20.00	\$ 150.00
Per 56Kbps Connection	\$ 20.00	\$ 150.00

## Local Access Channel

All monthly and non-recurring 56Kbps DDS private line local access loop charges will be billed to the customer by SCNet at the tariff rates established by the appropriate local exchange carrier.

**MESSAGE TELECOMMUNICATIONS SERVICE**4. RATES (continued)4.12 Private Line Service (continued)4.12.3 DS-1 ServiceRates

## Monthly Rate

Rate	Monthly Rate	Per Mile or Mileage Fixed Fraction Thereof
0-50	\$ 500.00	\$ 5.00
51-100	\$ 500.00	\$ 5.00
101 & Over	\$ 500.00	\$ 5.00

## Central Office Connection (COC)

	<u>Monthly</u>	<u>Non-Recurring</u>
Per CO Connection	\$ 75.00	\$ 175.00

## Access Coordination Fee (ACP)

	<u>Monthly</u>	<u>Non-Recurring</u>
Per Local Access Channel	\$ 20.00	\$ 100.00

## Local Access Channel

All monthly and non-recurring DS-1 private line local access loop charges will be billed to the customer by SCNet at the tariff rates established by the appropriate local exchange carrier.

**MESSAGE TELECOMMUNICATIONS SERVICE****4. RATES (continued)****4.12 Private Line Service (continued)****4.12.4 DS-3 Service****Rates****Monthly Rate**

Rate	Monthly Rate	Per Mile or Mileage Fixed Fraction Thereof
0 - 50	\$ 12,000.00	\$ 38.00
51 - 100	\$ 14,000.00	\$ 39.00
101 & Over	\$ 16,000.00	\$ 40.00

**Central Office Connection (COC)**

	<u>Monthly</u>	<u>Non-Recurring</u>
Per CO Connection	\$ 200.00	\$ 250.00

**Access Coordination Fee (ACF)**

	<u>Monthly</u>	<u>Non-Recurring</u>
Per Local Access Channel	\$ 50.00	\$ 1,000.00

**Local Access Channel**

All monthly and non-recurring DS-3 private line local access loop charges will be billed to the customer by SCNet at the tariff rates established by the appropriate local exchange carrier.

**4.12.5 Order Cancellation Charges**

DS-0	\$ 60.00	56 Kbps	\$ 60.00
DS-1	\$ 200.00	DS-3	\$ 300.00

## MESSAGE TELECOMMUNICATIONS SERVICE

4. RATES (continued)4.12 Private Line Service (continued)4.12.6 Non-Recurring Charges

	DS-0	<u>SERVICE TYPE</u> 56kbps	DS-1	DS-3
<u>A. Service Order Charge</u>				
Per Service Order	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00
<u>B. Order Expedite Charges</u>				
	\$ 60.00	\$ 60.00	\$ 100.00	\$ 200.00
<u>C. Change of Requested Install Date</u>				
First Billable Change	\$ 20.00	\$ 20.00	\$ 40.00	\$ 80.00
Second Billable Change	\$ 150.00	\$ 150.00	\$ 200.00	\$ 300.00
4.12.7 <u>Change of Order Charges</u>				
	\$ 60.00	\$ 60.00	\$ 200.00	\$ 300.00

Issued: July 29, 1998

W.J. Jordan, President  
SCNet, INC.  
1426 Main Street, Suite 1000  
Columbia, South Carolina 29201

Effective:

Application of South Carolina Net, Inc., d/b/a SCNet,  
for Authority to Provide Interexchange Telecommunications  
Service Within the State of Florida

---

ATTACHMENT 3

Applicant will hold itself out to offer all tariffed services statewide, in all of the below-listed exchanges:

Alachua	Julington	Pine Island
Apopka	Jupiter	Plant City
Archer	Lake Buena Vista	Polk City
Baldwin	Lakeland	Pompano Beach
Bartow	Lehigh Acres	Ponte Vedra
Belleview	Lynn Haven	Reedy Creek
Boca Raton	Marco Island	Salt Springs
Boynton Beach	Maxville	Saratosa
Brandenton	McIntosh	Sebastian
Brooker	Melbourne	Silver Springs
Callagan	Melrose	Shores
Cantonment	Miami	Snibel-Captiva
Cape Coral	Micanopy	Islands
Citra	Middleburg	Sopchoppy
Clearwater	Milton	St. Marks
Cocoa	Monticello	St. Petersburg
Cocoa Beach	Montverde	Tampa - Central
Coral Springs	Mulberry	Tampa - East
Crawfordville	Myakka	Tampa - North
Daytona Beach	Naples	Tampa - South
Deerfield Beach	New Smyrna Beach	Tampa - West
Dunnellon	Newberry	Tarpon Springs
East Orange	North Cape Coral	Titusville
Eau Gallie	North Dade	Tyndal AFB
Forest Lady Lake (B21)	North Ft. Myers	Venice
Ft. George	North Naples	Waldo
Ft. Lauderdale	Ocala	West Palm Beach
Ft. Myers	Oklawaha	Windermerre
Ft. Myers Beach	Orange Park	Winter Garden
Geneva	Orange Springs	Winter Haven
Gulf Breeze Pace	Orlando	Winter Park
Hawthorne	Oviedo	Youngstown-
Havana	Oviedo-Winter	Fountain
High Springs	Springs	Zephyrhills
Holley-Nacarre	Palmetto	
Hollywood	Panacea	
Homestead	Panama City Beach	
Jacksonville Beach	Pensacola	
	Perrine	