

**TELECOMMUNICATIONS CUSTOMER SERVICE POLICIES**

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**TELECOMMUNICATIONS CUSTOMER SERVICE POLICES  
OF PUBLIC UTILITY DISTRICT #2 OF GRANT COUNTY, WASHINGTON**

**1.0 PREAMBLE/APPLICABILITY OF POLICIES**

These Customer Service Policies are subject to revision by the Commission of the District from time to time as determined to be in the District's best interests.

The District provides telecommunications services and facilities in accordance with the provisions of RCW 54.16.330. The District reserves the right to discontinue any service at any time and in the event that any Customer shall fail to comply with these Policies. Service also may be disconnected by the District at any time to prevent fraudulent use or to protect its property.

Contracts between the District and Customers for specialized services such as telecommunication transport services may contain different terms and conditions from those set forth in these Telecommunications Customer Service Policies provided such contracts are approved by the District's Commission and further provided that such contracts shall comply with RCW 54.16.330 requiring that the rates, terms, and conditions for such services are not unduly or unreasonably discriminatory or preferential.

## 1.1 DEFINITION OF TERMS

Special terms when used in these policies shall have the following definitions:

|  |   |
|--|---|
| <u>Commission</u>  | The elected Board of Commissioners of Public Utility District No. 2 of Grant County, Washington.  |
| <u>Customer</u>  | A person or entity purchasing wholesale Telecommunications Services from the District. A Customer may not be a retail user of Telecommunications Services.  |
| <u>Credit Points</u>   | The District's scoring mechanism for credit worthiness.   |
| <u>Due Date</u>  | The date by which the Customer's payment for Telecommunications Services must be received by the District as specified on the District's Billing Statement. The Due Date will be 25 days after the billing date specified on the bill, or the next business day if the 25 <sup>th</sup> day is a weekend or a holiday.  |
| <u>Pre Pay</u>   | An agreement by the District and the Customer obligating the Customer to make advance payment for Telecommunications Services or Facilities.  |
| <u>Telecommunications Services</u>                             | All telecommunications services and facilities provided to Customers as set forth in applicable rate schedule.  |
| <u>Telecommunication Facilities</u>                            | Those facilities required to provide Telecommunications Services. This includes, but is not limited to, fiber, vaults, switches, routers and gateways.  |
| <u>Fiber Demarcation Point</u>                                 | The designated connection point at which the District's facilities end.   |
| <u>District Construction Standards</u>                         | A set of rules, drawings, guidelines and specifications for construction of facilities, established by the District Standards Team and approved by the District Standards Engineer. These standards are intended to promote uniform construction methods, optimize safety, serviceability, appearance and economy and comply with or exceed local, state and federal regulations. |
| <u>Telecommunications Customer Application &amp; Agreement</u> | An agreement between the District and the Customer, which must be executed prior to the extension or furnishing of the District's Telecommunication Facilities or Telecommunications Services to the Customer.  |
| <u>User</u>  | A person or entity that is receiving access to Telecommunications Services from a Customer  |

## **2.0 TELECOMMUNICATION GENERAL POLICIES**

### **2.1 RATE SCHEDULES**

Rate schedules have been adopted by the Commission to establish charges for Telecommunications Services. The Commission may revise these rate schedules from time to time and at any time as they determine necessary or advisable. Copies of the current rate schedules are available upon request.

### **2.2 LIMITATIONS OF DISTRICT OBLIGATIONS**

The District will attempt to provide, but does not guarantee, a regular and uninterrupted supply of service. The District may suspend the delivery of service for the purpose of making repairs or improvements to its Telecommunications Facilities. Repairs or improvements that can be scheduled will be scheduled, when feasible, at such time as to minimize impact to District Customers. Telecommunications Services/Facilities are inherently subject to interruption, suspension, curtailment and fluctuation. In no event, however, shall the District be liable to its Customers or any other persons for any damages to person or property arising out of, or related to, any interruption, suspension, curtailment or fluctuation in service if such interruption, suspension, curtailment or fluctuation results in whole or part from any of the following:

- A. Causes beyond the District's reasonable control including, but not limited to, accident or casualty, fire, flood, drought, wind, acts of the elements, court orders, insurrections or riots, breakdowns of or damage to equipment/facilities of District or of third parties, acts of God or public enemy, strikes or other labor disputes, civil, military or governmental authority; or
- B. Repair, maintenance, improvement, renewal or replacement work on District's Telecommunication Facilities, which work, in the sole judgment of District, is necessary or prudent; or
- C. Automatic or manual actions taken by District, which in its sole judgement are necessary or prudent to protect the performance, integrity, reliability or stability of District's telecommunication system or any telecommunication system with which it is interconnected.

### **2.3 LIMITATIONS OF DAMAGES**

In no event shall the District have any obligation or liability for any lost profits, consequential, incidental, indirect, special or punitive damages of any type arising out of, or in any way connected to, the District's Telecommunications Services/Facilities or any interruption, suspension, curtailment or fluctuation of the District's Telecommunications Services regardless of the cause thereof.

### **2.4 CUSTOMER OBLIGATIONS**

It shall be the responsibility of the Customer to abide by all applicable rate schedules and policies relating to service as the same currently exist or are hereafter amended. By continuing to utilize the District's Telecommunications Services, the Customer shall be deemed to have accepted all of the terms and conditions contained in the District's rate schedules and policies as the same currently exist or are amended from time to time.

## **2.5 APPLICATION FOR SERVICE**

Customers must: i) complete and sign a Telecommunications Customer Application & Agreement; and ii) pay all previously accrued and outstanding amounts owed the District for Telecommunications Services prior to being eligible to receive Telecommunications Services from the District.

## **2.6 SPECIAL FIBER CONSTRUCTION**

The Customer shall be required to prepay an amount equal to 100 percent of the District's estimated costs of constructing and installing facilities and equipment to provide Telecommunications Services to any location other than to the electric meter inside a released hub area, or for any special construction method or requests outside the District's standard construction practices or any construction required to provide service outside of a released hub.

All decisions regarding the final Fiber Demarcation Point shall be made exclusively by the District. District devices will, to the extent feasible, be installed only in locations that allow free and safe access for installing, removing and testing as specified in the District Construction Standards.

### **3.0 BILLING AND COLLECTION**

#### **3.1 BILLING PERIODS**

Customers will be billed monthly for Telecommunications Services or as otherwise provided in the applicable District rate schedules. Charges shall be prorated when Telecommunications Services are provided for more than or less than the actual billing period.

#### **3.2 ADJUSTMENT OF BILLING ERRORS**

The District reserves the right to adjust any billing when it determines that an error in billing has been made and a correction is in order. The District may revise such bill on the basis of best evidence available.

#### **3.3 PAYMENT**

The District requires receipt of payment for Telecommunications Services/Facilities on or before the earlier of the Due Date specified on the billing statement or the date specified in the Prepayment Agreement if the Customer has executed a Prepayment Agreement.

#### **3.4 LATE PAYMENT CHARGES**

If payment hasn't been received by the District on or before the Due Date, a late charge shall be assessed on the unpaid balance. The late payment charge shall be calculated using the greater of: a) 2% per month or b) the U.S. Prime Lending Rate as determined by the Federal Reserve and published in the Wall Street Journal as of the preceding March 15, plus 12%, divided by twelve (12), rounded to two digits and applied as a monthly percentage interest rate. The resulting monthly percentage interest rate from the formula above will be applied to the accrued outstanding balance. The applicable monthly percentage interest rate will be adjusted each March 15<sup>th</sup> based on this same formula. If March 15<sup>th</sup> falls on a non-business day, the District will use the prime rate published in the Wall Street Journal on the next business day. The applicable monthly percentage rate will be effective each April 1<sup>st</sup> based on the above formula. In no event however shall the minimum monthly late payment charge amount be less than \$50.00. Late payment charges shall continue to accrue until such time as the bill and all accumulated charges have been paid in full.

#### **3.5 RETURNED CHECK CHARGES**

If your payment fails, due to any reason, the District will charge you a return check fee in accordance with RCW 62A.3-501 and RCW 62A.3-525.

#### **3.6 PAYMENT OPTIONS**

Customers may make payment to the District by any District-approved means.

**3.7 CREDIT POINTS**

Credit worthiness for every Customer's account will be rated via a point system. Each Customer shall initially have a 1000 credit point balance. The Customer's credit point balance will be adjusted in accordance with the following schedule:

|  |                     |
|--|---------------------|
| Payment not received by the District 5 days after the Due Date:  | 50 point deduction  |
| Payment not received by the District 15 days after the Due Date: | 50 point deduction  |
| Returned Check (as described in Section 3.5):                    | 150 point deduction |
| Disconnect for Non Payment:                                      | 150 point deduction |

Each event shall result in a deduction of credit points as specified above and deductions shall be cumulative. After twelve months, any credit point deduction will be reversed and added back to the Customer's credit point balance. However, Customers who are disconnected or who otherwise terminate service shall retain their credit point balance indefinitely.

**3.8 DEPOSIT AMOUNTS**

Any Customer requesting Telecommunications Services after April 1, 2013, shall be required to pay an initial deposit of \$2,500.00 prior to requested service.

**3.9 PRE PAY**

When a Customer's credit point balance reaches 825, the Customer, in order to continue receiving Telecommunications Services, shall strictly comply with the following requirements:

- A. Customer shall pay all unpaid charges, whether currently due or not, prior to being allowed to participate.
- B. On or before the 5<sup>th</sup> of each current month, Customer shall pay to the District an amount equal to:
  - 1. The highest monthly bill during the preceding twelve (12) months (actual or estimated); or
  - 2. 100% of the Customer's average monthly bill for the last twelve (12) months (actual or estimated) whichever is greater.
- C. The payment due on or before the 5<sup>th</sup> of the month shall be determined by the District and reviewed periodically.
- D. Any balance will be required to be paid on the current bill due date.
- E. Should Customer fail to strictly adhere to the payment schedule set forth above, service may be disconnected. In addition, late payment fees as specified in the District's Customer Service Policies Section 3.4 will apply to any payment received after a due date(s) described herein. A payment will be delinquent if not paid by these due dates(s). The late payment fee shall be applied on the day after each payment is due.
- F. When a Customer's credit rating returns to 900 for a minimum period of one (1) year the Customer can return to regular billing per Districts Policies.

### **3.10 REFUND OF DEPOSITS**

Upon termination of Telecommunications Service, the District will refund the Customer's deposit, plus accumulated interest after deducting any amounts due the District.

### **3.11 INTEREST ON DEPOSITS**

For each fiscal year beginning April 1 and ending March 31, deposits will earn interest calculated at the rate for the one-year Treasury Constant Maturity calculated by the U.S. Treasury, as published in the Federal Reserves Statistical Release H.15 on March 15 of each year. If March 15 falls on a non-business day, the District will use the rate posted on the next business day. The one-year Treasury Constant Maturity rate on March 15 of each year will be applied to the next fiscal year beginning April 1 and ending March 31.

### **3.12 CUSTOMER AND USER REQUIREMENTS**

In order to protect the District's Telecommunications Services and Telecommunications Facilities, all Customers and Users shall strictly comply with the following requirements:

#### **A. Illegal Use**

The District's Telecommunications Services may only be used for lawful purposes. Any transmission, distribution, retrieval, or storage of material that violates any applicable law is prohibited. Customers of Telecommunications Services are required to have and enforce policies governing their Users which prohibit the following activities involving District Telecommunications Services or Telecommunications Facilities, without limitation:

1. Compliance with all Intellectual property rights and laws – No Customer or User shall violate any intellectual property rights including those protected by patent, copyright, trade secret, or other intellectual property right.
2. Inappropriate content – No Customer or User shall transmit, broadcast or receive any material that is legally obscene or constitutes child pornography, or any material that is libelous, defamatory, or that otherwise violates applicable laws.
3. Export control – No Customer or User shall transmit, broadcast or receive any material that violates export control laws or other applicable regulations.
4. Forging of Headers – No Customer or User shall misrepresent or forge any message header to mask the originator of a transmitted communication.

#### **B. System and Network Security**

The District makes no guarantee regarding, and assumes no liability for, the security and integrity of any data or information transmitted by the Customer or a User over the District's Telecommunication Facilities or Telecommunications Services. Any attempt to breach system and network security measures is expressly prohibited, and may result in criminal and civil liability. Customers of Telecommunications Services are required to have policies governing their Users which prohibit the following, without limitation:



1. Unauthorized Access – Customers and Users may not attempt to gain unauthorized access to or attempt to interfere with the normal functioning and security of the Telecommunications Services or any other District system. Illegally accessing or accessing without proper authorization computers, accounts, networks or purposely breaching firewalls or security measures of another company's or individual's system (hacking) is also a violation.
2. Unauthorized Monitoring – Customers and Users may not attempt to monitor any information on any network or system without authorization of the owner of that network.
3. Interference - Customers and Users may not attempt to intercept, redirect or otherwise interfere with communications intended for other parties.
4. Fraud/Forgery – Customers and Users are expressly prohibited from impersonating another party by altering IP addresses or forging TCP-IP packet header information within an email or newsgroup posting. Misrepresenting or forging message headers to mask the originator of a message is a violation of these policies.
5. “Denial of Service Attacks” – Customers and Users may not flood, deliberately attempt to overload a system, or broadcast attacks.
6. Virus Transmission - Customers and Users may not intentionally or negligently transmit files containing a computer virus, Trojan Horse, Worms, corrupted data or other destructive activities.
7. Re-transmission – Transmission of District network services beyond the premises which is directly connected to the District's network, except as specifically allowed under Rate Schedule 100.

C. Email and Usenet News

Although the District makes no promises to police any activities on the Telecommunication Facilities, it is required that Customers of Telecommunications Services have and enforce policies for Users requiring compliance with certain conduct in connection with e-mail and Usenet news. Compliance shall include, without limitation:

1. Unsolicited Email - Users may not use any Services to transmit or collect the responses from excessive volumes of unsolicited commercial e-mail messages. The use of another provider's service to send unsolicited commercial or bulk e-mails, SPAM or mass mailings to promote a site associated with the District's network or any of its customers is similarly prohibited.
2. E-mail Relay - The use of another party's e-mail server to relay e-mail without express permission from such party is prohibited.
3. Usenet - All postings by Users to USENET groups must comply with that group's charter and other applicable guidelines and Policy. Cross-posting and continuous posting of off-topic messages including commercial messages, also known as “SPAM”, is prohibited.

D. Rights of the District

1. The District will cooperate with legally authorized law enforcement and government agencies or other parties involved in investigating claims of illegal or inappropriate activity.
2. Violation of this policy may result in temporary suspension or termination of service, at the District's sole discretion

### **3.13 RIGHT TO DISCONNECT**

The right to discontinue Telecommunications Service may be exercised whenever:

- A. Payment has not been received within 15 days after the Due Date, unless the Customer has a Pre Pay arrangement in which discontinuance of service will be exercised if payment has not been received 5 days after the Due Date. Disconnection of Telecommunications Services may occur as often as delinquency shall occur and neither delay nor omission on the part of the District to enforce this rule at any one or more times shall be deemed as a waiver of its rights to enforce the same at any time, so long as the delinquency continues; or
- B. Failure to make payment of a required prepay arrangement in accordance with Section 3.9; or
- C. Violation of these Telecommunications Customer Service Policies or the signed Service Provider Application and Agreement.
- D. If the District disconnects a Telecommunications Service, the District will require the initial deposit in accordance with Section 3.8.