

LOCAL EXCHANGE SERVICE

of

MATRIX TELECOM, INC.

REGULATIONS AND SCHEDULE OF
INTRASTATE CHARGES APPLYING TO
RESOLD LOCAL EXCHANGE SERVICES FURNISHED BY
MATRIX TELECOM, INC.
WITHIN THE STATE OF TENNESSEE.

Issued: April 26, 2005

Effective: May 16, 2005

Issued By:

Greg Taylor, House Counsel
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CHECK SHEET

All pages of this tariff are effective as of the date shown. Original and revised pages, as named below, comprise all changes from the original tariff in effect on the date indicated.

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EXPLANATION OF SYMBOLS

- (R) - to signify a reduction
- (I) - to signify an increase
- (C) - to signify changed regulation
- (D) - to signify discontinued rate or regulation
- (N) - to signify new rate or regulation
- (T) - to signify a change in text but no change in rate or regulation
- (M) - to signify material relocated without change
- (S) - to signify a reissued matter
- (Z) - to signify a correction

SECTION 1 - APPLICATION OF TARIFF

- 1.1 This tariff sets forth service offerings, rules, terms and conditions applicable to the furnishing of resold local exchange services by Matrix Telecom, Inc. to Business Customers within the State of Tennessee.

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2. REGULATIONS

2.1 Definitions

Certain terms used generally throughout this tariff for interexchange common carrier communications channels furnished by the Carrier over its facilities are defined below.

Access Line

A line that provides connection of the Customer's equipment to a local exchange network.

Additional White Pages Listing

The term "Additional White Pages Listing" denotes any listing of the Subscriber's name, address and telephone number(s) above and beyond the Initial White Pages Listing.

Authorized User

The term "Authorized User" denotes a person, firm, or corporation, who is authorized by the Subscriber to be connected to the service of the Subscriber.

Bit

The term "Bit" denotes the smallest unit of information in a binary system of notation.

Bits Per Second

The term "Bits Per Second" denotes the number of bits transmitted in a one second interval.

Call Forwarding Busy and Don't Answer

This optional feature will reroute all incoming calls to another predefined telephone number when the called telephone number is busy, or does not answer within a determined number of rings. In the event that the called telephone number is busy, or if the telephone number doesn't answer, the Subscriber is charged any additional charges for the call-forwarded call.

2. REGULATIONS, (Continued)

2.1 Definitions, (Continued)Call Forwarding Remote Access

This feature provides customers with the ability to remotely activate and deactivate the forwarding of calls.

Call Forwarding Variable

This optional feature allows all incoming calls directed to a telephone number to be rerouted to another Subscriber defined telephone number. The Subscriber is charged any applicable usage charges for the rerouted call. The user can activate/deactivate Call Forwarding and define a telephone number where all calls will be forwarded.

Call ID

This feature provides the telephone number and name of the incoming calling party. The calling number and name are displayed on a customer-provided compatible display device, which is attached to the customer's telephone number.

Call Return

A per use service that returns the most recent incoming call.

Call Trace

This feature allows the Customer to initiate a trace of the most recent incoming call immediately after terminating the call. Incoming call message detail (date, time and originating telephone number) is provided when suitably equipped facilities exist. The results of the trace are not provided to the Customer directly, but will be provided in response to a request by a law enforcement agency. This feature is blocked unless specifically requested by the Customer to be activated.

Call Waiting

This is a feature that allows an incoming call to a busy telephone line to be waiting while a signal is directed towards the busy line user.

2. REGULATIONS (Continued)

2.1 Definitions (Continued)

Carrier

The term "Carrier" denotes Matrix Telecom, Inc.

Carrier's System

The term "Carrier's System" denotes all local exchange facilities being resold by the Carrier to provide local exchange service to its Subscribers.

Central Office End

The term "Central Office End" denotes that end of a foreign exchange channel at which Subscriber has a dial access to a telephone company central office.

Company

See Carrier.

Continuous Redial

A per use service that redials the most recent outgoing call.

Customer

See Subscriber.

Daytime

The term "Daytime" denotes 8:00 AM to but not including 5:00 PM local time at the originating terminal on Monday through Friday, excluding the Carrier's recognized national holidays.

2. REGULATIONS (Continued)

2.1 Definitions (Continued)

Duplicate Service

Service furnished at two locations simultaneously when a subscriber's service is moved to a different premises. The move or change of location must be within the same Central Office and the class of service retained.

Evening

The term "Evening" denotes 5:00 PM to but not including 11:00 PM local time at the originating terminal on Sunday through Friday and anytime on the Carrier's-recognized national holidays except when a lower rate would normally apply.

Exchange Area

The term "Exchange Area" denotes a geographically defined area wherein the telephone industry through the use of maps or legal descriptions sets down specified areas where individual telephone companies hold themselves out to provide communications services.

Foreign Exchange Service

Foreign Exchange Service provides Subscribers with the capability of local dialing in a remote exchange via private line service.

Ground Start

This optional feature provides a type of signaling on a line that allows certain classes of equipment, such as PBXs, to operate properly.

Holidays

The Company recognizes the following holidays for rating purposes: New Year's day, Memorial Day, Independence Day, Thanksgiving and Christmas.

2. REGULATIONS (Continued)

2.1 Definitions (Continued)

Initial White Pages Listing

The term "Initial White Pages Listing" denotes the initial listing of the Subscriber's name, address and primary telephone number in a "White Pages" directory.

Inside Wire Maintenance

This optional feature covers the cost of repairing wire within the customer's building on the applicable telephone line.

Local Access and Transport Area (LATA)

The term "LATA" denotes a contiguous geographic subdivision containing one or more SMSAs wherein a Bell Operating Company offers tariffed exchange telecommunications services to local Subscribers and provides access and related services to interexchange Carriers. These Carriers transport interexchange traffic of their Customers to other LATAs and to areas served by independent telephone companies.

Local Distribution Area

The term "Local Distribution Area" denotes a geographically contiguous area, defined normally by Telephone Industry Standard Exchange Area boundaries, wherein the Carrier holds itself ready to offer Local Distribution Facilities.

Local Distribution Facility

The term "Local Distribution Facility" denotes the channel provided by the Carrier to connect the Carrier's network terminal office to the Subscriber's premises. Normally, this channel will have a network terminal on one end (Carrier's office) and a Subscriber terminal on the other end (Subscriber's premises).

2. REGULATIONS (Continued)

2.1 Definitions (Continued)

Message

A completed telecommunication between two telephones, where the called telephone is within the exchange area of the calling telephone.

Network Circuit

"Network Circuit" denotes a circuit, created by Carrier by means of multiplex equipment, between Carrier's switches which are shared by Subscribers. Shared network circuits will consist of identifiable and discrete circuits between a given city-pair.

Network Terminal

The term "Network Terminal" denotes the physical equipment necessary to terminate Carrier's intercity channels and allow Subscribers to pick up their required individual communications services.

Network Terminal Office

The term "Network Terminal Office" denotes a point on Carrier's system where the intercity communications channels and local distribution facilities are terminated. Other functions such as switching, coordination, testing, and connections with Customer-provided communications channels may also be performed at these points.

Nighttime

The term "Nighttime" denotes 11:00 PM to but not including 8:00 AM local time at the originating terminal Monday through Friday, any time on Saturday, and all day Sunday except 5:00 PM to 11:00 PM.

Non-Directory Listed Number

The term "Non-Directory Listed Number" denotes that the Subscriber's telephone number does not appear in a directory.

2. REGULATIONS (Continued)

2.1 Definitions (Continued)

Non-Published Telephone Number

The term "Non-Published Telephone Number" denotes that the Subscriber's telephone number is not listed in a directory, nor in any directory assistance records.

Premises

The term "Premises" denotes a building or buildings on contiguous property (except railroad rights-of-way, etc.) not separated by a public highway.

Repeat Dialing

This usage sensitive feature automatically redials the telephone number of the most recent outgoing call. If the redialed telephone number is busy, the call will be attempted for a maximum of thirty minutes.

Special Facility

The term "Special Facility" for the purposes of this tariff refers to a communications path (channel) used in conjunction with Carrier's local distribution facilities, comprised of any form or configuration of physical plant for the transmission of communications signals other than a regular voice grade facility.

Speed Dialing

This optional feature permits a Subscriber to dial up to eight telephone numbers by dialing a single digit in the range from 2 - 9.

Subscriber

The term "Subscriber" denotes the person, firm, company or corporation, or other entity, having a communications requirement of its own, which contracts for service under this tariff and is responsible for the payment of charges as well as compliance with the Carrier's regulations.

2. REGULATIONS (Continued)

2.1 Definitions (Continued)

Switch

The term "Switch" denotes an electronic device which is used to provide circuit sharing, routing, and control.

Three Way Conference Calling

This feature allows a Subscriber to add a third party to an existing conversation.

2. REGULATIONS (Continued)

2.2 Description of Service

Matrix Telecom, Inc. is a reseller of local exchange services as set forth in this tariff. When Subscriber's needs cannot be met by the standard service offerings in this tariff, a "special Customer arrangement" package will be designed to fit such unique requirements in accordance with Section 2.18 of this tariff. The Carrier stands ready to provide technical assistance to the Subscriber to the extent of properly matching the Subscriber's equipment with that of the Carrier, in order to help him meet his requirements for service.

2.3 Undertaking of the Carrier

- .1 The services of the Carrier will be available as soon as practicable after receipt of an order for service between any and all points of the Carrier's system and to all other points beyond Carrier's system through arrangements with other carriers.
- .2 The obligation of the Carrier to provide service is dependent upon its ability to procure facilities which are required to meet the Subscriber's order for service. The Carrier will make all reasonable efforts to secure the necessary facilities.

2. REGULATIONS (Continued)

2.4 Liability of the Carrier

- .1 The liability of the Carrier for its willful misconduct or gross negligence which is the sole legal cause of damage or injury is not limited by this tariff. With respect to any other claim or suit, by a subscriber or by any others, for damages associated with acts or omissions involving initiation, installation, provision, termination, maintenance, repair, interruption or restoration of any service or facilities offered under this tariff, the Carrier's liability, if any, is limited to the lesser of \$500 or the actual damages or injury sustained, which in the event of any failure of service shall be deemed to be 1/30 of the monthly charge for service affected for each 24-hour period during which such failure of service occurs and is reported to or known by the Carrier.
- .2 The Carrier is not liable for any act or omission of any other company or companies furnishing a portion of the service. No agents or employees of other Carriers shall be deemed to be agents or employees of the Carrier.
- .3 The Carrier shall be indemnified and held harmless by the Customer against:
- (A) Claims for libel, slander, infringement of copyright or unauthorized use of any trade mark, trade name or service mark arising out of the material, data, information, or other content transmitted by the Customer over the Carrier's facilities; and
 - (B) Claims for patent infringement arising from combining or connecting the Carrier's facilities with apparatus and systems of the Customer; and
 - (C) All other claims arising out of any act or omission of the Customer in connection with any service provided by the Carrier.

2. REGULATIONS (Continued)

2.4 Liability of the Carrier (Continued)

- .4 The Carrier will, as a service to the Customer, arrange for listing the Customer's telephone number in the local telephone directory, such listing to consist of one line of standard type in the directory. In the absence of gross negligence or willful misconduct, the Carrier will not be liable to the Customer, or any third party, for any claims, damages, or otherwise, but not limited to any omitted listings from or erroneous listings in the local telephone directory due to the negligence on the part of the Local Exchange Carrier. When the Carrier agrees to keep a number unlisted, it does so without any obligation. Except for cases of gross negligence or willful misconduct, the Carrier is not liable for any damages that might arise from the publishing of a non-published number in a directory or its disclosure to someone. If, in error, the telephone number is published in a directory, the Carrier's only obligation is to credit or refund any monthly charges the Customer paid for non-published service.
- .5 The Carrier makes no warranties or representations, express or implied either in fact or by operation of law, statutory or otherwise, including warranties of merchantability and fitness for a particular use, except those expressly set forth herein.

2. REGULATIONS (Continued)

2.5 Obligations of the Subscriber

- .1 The Carrier shall be indemnified and held harmless by the Subscriber against claims of libel, slander, or the infringement of copyright, or for the unauthorized use of any trademark, trade name, or service mark, arising from the material transmitted over the channels, against claims for infringement of patents arising from, combining with, or using in connection with, lines furnished by the Carrier, apparatus and systems of the Subscriber, and against all other claims arising out of any act or omission of the Subscribers in connection with the channels provided by the Carrier.
- .2 The facilities provided by the Carrier may be terminated in Subscriber-provided terminal equipment or Subscriber-provided communication systems. When such terminations are made, the Subscriber shall comply with the minimum protective criteria generally accepted in the telephone industry or other appropriate criteria as may be prescribed by the Carrier and as specified in Part 68 of the Federal Communications Commission's Rules which provides the technical and procedural standards under which the Subscriber's equipment may be directly connected to the public switched network.
- .3 The equipment and facilities which are connected with those of the Carrier shall be constructed, operated, and maintained by those providing same so as to work satisfactorily with the service furnished by the Carrier. Such equipment and facilities shall be suitable to avoid hazard or damage to Carrier's plant or of injury to Carrier's employees or to the public because of the character of location of such equipment or facilities and sources of power to which it is connected. In cases in which additional protection equipment is required, this shall be provided by the Subscriber or by the Carrier at the Subscriber's expense.

2. REGULATIONS (Continued)

2.5 Obligations of the Subscriber (Continued)

- .4 Upon notice from the Carrier that the equipment or facilities of the Subscriber, or of others so authorized to be connected, is causing or is likely to cause hazard or interference, the Subscriber, or others so authorized to be connected, shall make such changes as may be necessary to remove or prevent such hazard or interference.
- .5 The Subscriber shall be liable for:
- (A) Reimbursing the Carrier for all loss through theft, fire, flood or other catastrophes, of the equipment or facilities on Subscriber's premises.
 - (B) Reimbursing the Carrier for damages to facilities or equipment caused by the negligence or willful acts of the Subscriber's officers, employees, agents, or contractors.
 - (C) Payment for all services, including calls placed by or through Subscriber's equipment by any person. In particular and without limitation to the foregoing, the Subscriber is responsible for any call placed by or through the Subscriber's equipment via any remote access features.
 - (D) Payment of any sales, use, excise, access or other local, state and federal taxes, charges or surcharges imposed on or based upon the provision, sale or use of the Carrier's services.
 - (E) Payment for new local access line costs or other time and material charges imposed on the Carrier by a Local Exchange Carrier as a prerequisite for installing or maintaining the Customer's service, and not already recovered via the Carrier's existing recurring or nonrecurring charges.

2. REGULATIONS (Continued)

2.5 Obligations of the Subscriber (Continued)

.6 When a Customer chooses to place an intraLATA Message Toll Service or Directory Assistance call (including Call Completion) via their incumbent Local Exchange Carrier, or chooses to place an information services provider call, the Customer shall be solely liable for such calls, including any and all charges related to such calls when the charges are initially billed to the Company by the Local Exchange Carrier or information services provider. When a Customer elects to make or receive calls via a carrier other than the Company, the Customer shall be solely liable for such calls, any and all charges related to such calls (when the charges are initially billed to the Company by the information services provider or other carrier), and a 10% rebilling charge.

2.6 Use of Service

Neither Subscribers, nor their authorized users may use the services furnished by the Carrier for any unlawful purpose.

2.7 Application of Service

The Carrier will require a Subscriber to sign an application form furnished by the Carrier and to establish his credit as provided in these Regulations, as a condition precedent to the initial establishment of such service. Carrier's acceptance of an order for service to be provided to an applicant whose credit has not been duly established to the sole and exclusive satisfaction of the Carrier may be subject to the provisions as described in Section 2.9. This application shall state the date on which service is to begin, the type of facilities required, and any special arrangements related thereto.

The Carrier will also require a signed authorization from a Subscriber for additions to or changes in the existing service of such Subscriber.

2.8 Minimum Service Period

The minimum period for service will be one month (30 days) unless otherwise stated.

2. REGULATIONS (Continued)

2.9 Advance Payments and Deposits

Each service applicant will be required to establish credit. Any applicant whose credit has not been duly established to the sole and exclusive satisfaction of the Carrier may be required to make an advance payment or a deposit to be held as a guarantee of payment of charges at the time of application. In addition, an existing Customer may be required to make a deposit or increase a deposit presently held.

.1 Advance Payments

- (A) An advance payment may not exceed the estimated charges for three (3) months' service plus installation.
- (B) Credit and advance payment equal to one (1) months charges plus installation will be applied to the Subscriber's account on the first bill rendered after the service is installed. Balance of payment will be applied to successive monthly billings.

2. REGULATIONS (Continued)

2.9 Advance Payments and Deposits (continued)

.2 Deposits

- (A) The Company reserves the right to examine the credit record of the Customer, using any lawful sources for determining credit standing. If the Customer's financial condition is unknown or unacceptable to the Company, the Customer may be required to provide the Company with a security deposit which the Company may apply against overdue charges. The amount of the security deposit shall be no more than two month's estimated usage but may vary downward based on the Customer's credit history and projected usage. The Customer shall be apprised that after one year of service the Account shall be reviewed, and in the event that all amounts due have been paid within the terms and conditions of this tariff, the deposit shall be refunded in full. If subsequent payment or usage patterns change, the Company may request an increase in or resubmission of the security deposit as appropriate. The Company may also require a security deposit before service is restored (along with the payment of overdue charges) from the Customer whose service has been discontinued for nonpayment of overdue charges. Such security deposit may be based on a new credit history (taking into account the discontinuance of service) and estimates of usage. Interest at the rate prescribed by TRA per annum is allowed to the Customer during the continuance of the deposit, payable as follows: on demand of the depositor at any time, but not more than once a year, upon application of depositor for discontinuance of service, or, at the end of each five year period if request for payment of interest or discontinuance of service has not been previously made. If held until discontinuance of service, such deposit and accrued interest, less any amounts due the Company, is upon such discontinuance returnable to the Customer.
- (B) The fact that a deposit has been made in no way relieves the Subscriber from complying with the regulation with respect to advance payments and the prompt payment of bills on presentation.

2. REGULATIONS (Continued)

2.10 Payment of Charges

For the purpose of billing, the start of service is the day of acceptance by the Customer of the Carrier's service.

All recurring charges which are determinable in advance, including minimum charge, are billed monthly in advance. Charges based on actual usage during a month will be billed monthly in arrears. Installation and other nonrecurring charges are payable upon demand by Carrier. Subscriber will be billed for all usage accrued beginning immediately upon access to the service. For the purpose of computing charges, a month is considered to consist of 30 days.

When service does not begin on the first day of the month, or end on the last day of the month, the charge for the fraction of the month service was furnished may be calculated on a pro rata basis. For this purpose, every month is considered to have thirty (30) days.

2.11 Late Payment Charge

Customer bills for telephone service are due when they are rendered. A Customer is in default unless payment is made on or before the due date specified on the bill.

If payment is not made within 20 days of the date of the bill, a late payment charge of 1.5% (unless a lower rate is prescribed by law) per monthly billing period will be applied to all amounts previously billed under the Company's tariff(s).

2. REGULATIONS (Continued)

2.12 Disputed Bills

The Customer shall give the Carrier prompt written notice of any disputed charges appearing on an invoice. After receiving notice of a dispute, the Carrier shall take reasonable steps to resolve such disputes. The Customer shall pay all non-disputed charges while resolution of the disputed charges is pending.

In the event that legal action is instituted by Carrier to recover any sums then due and Carrier prevails, Carrier shall be entitled to recover its costs of collection, legal costs, court costs and reasonable attorneys' fees, in addition to whatever other relief the court may award. Any sums then due shall earn interest at the rate of 1.5% simple interest per month (unless a lower rate is prescribed by law, in which event at the highest rate allowed by law), from the date these sums were accrued until the entire debt is paid in full. The Carrier will make no refund of overpayments by a Customer unless the claim for such overpayment together with proper evidence be submitted within one year of the date of alleged overpayment.

2.13 Disconnection for Cause

The Carrier, by written notice via First Class U.S. mail at least fifteen (15) days in advance to the Subscriber or applicant, may discontinue service without incurring any liability for any of the following reasons:

- (A) Non-payment of any sum due to the Carrier for service for more than 30 days beyond the date of rendition of the bill for such service; or
- (B) Use of telephone service in a manner which is unlawful under the laws of the State of Tennessee, or of the United States, or which is in violation of any tariff approved by the Tennessee Regulatory Authority, or;
- (C) The Carrier is prohibited from furnishing service by order of a court or other government authority having jurisdiction.

2. REGULATIONS (Continued)

2.14 Cancellation of Service By A Customer

If a Customer cancels his order for service before the service begins, before completion of the minimum period, or before completion of some other period mutually agreed upon by the Customer and the Carrier, a charge will be levied upon the Customer for the nonrecoverable portions of expenditures or liabilities incurred expressly on behalf of the Customer by the Carrier and not fully reimbursed by installation and monthly charges. If, based on an order by a Customer, any construction has either begun or been completed, but no service provided, the nonrecoverable cost of such construction shall be charged to the Customer.

2.15 Disconnection of Service

Subscriber may disconnect service at any time following the minimum service requirement as described in Section 2.8. Written notification to the Carrier will be required 30 days prior to the disconnection of service.

2.16 Interruption of Service

It shall be the obligation of the Subscriber to notify the Carrier of any interruption in service. Before giving such notice, the Subscriber shall ascertain that the trouble is not being caused by any action or omission of the Subscriber, not within his control, or is not in wiring or equipment connected to the terminal of the Carrier.

2. REGULATIONS (Continued)**2.17 Credits**

- .1 Credit allowance for interruptions of service which are not due to the Carrier's testing or adjusting, or due to the negligence of the Customer, or to the failure of channels, equipment and/or communications systems provided by the Customer, are subject to the general liability provisions set forth in Section 2.4 herein.
- .2 Credit for failure of service will be allowed only when such failure is caused by or occurs in facilities provided by the Carrier.
- .3 No credit will be allowed:
 - (A) For failure of service or equipment due to Customer or authorized user-provided facilities.
 - (B) For failure of service or equipment due to negligence or willful acts of the Customer or his authorized user.
 - (C) For unauthorized use by agents, employees, or representatives of the Customer.
- .4 Credit is computed by multiplying the monthly rate for the service by the ratio that the number of days (including fractional parts calculated to the nearest full day) in the period of interruptions bears to 30. (For the purpose of this computation, each month shall be considered to have 30 days). The monthly bill on which the credit will be based for message service shall be the non-usage sensitive billing for the month during which the interruption occurred. An interruption is measured from the time the Carrier detects trouble, or the Subscriber notifies the Carrier of the interruption by an expeditious means, until the trouble is cleared. Each interruption is considered separately for purposes of establishing credit allowance.

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2. REGULATIONS (Continued)

2.18 Special Customer Arrangements

In cases where a Customer requests special arrangements which may include engineering, installation, purchase or lease of facilities, and/or other special services not offered under this tariff, Carrier, at its option, will provide the requested services. Appropriate recurring and/or nonrecurring charges will be developed accordingly and filed with the Department for tariff approval.

2.19 Connection with Other Communications Services

A Subscriber may connect communications services provided by other duly authorized and regulated common Carriers to Carrier's service. A Subscriber may also connect with privately owned communications systems, subject to the technical limitations established by Carrier.

2.20 Returned Check Charge

A \$10.00 fee will be assessed for all checks returned by the drawee bank for: insufficient or uncollected funds, closed account, apparent tampering, missing signature or endorsement, or any other insufficiency or discrepancy necessitating return of the instrument at the discretion of the drawee bank.

2.21 Special or Promotional Offerings

From time to time, the Carrier may provide certain special or promotional offerings to introduce a current or potential Subscriber to a service not being used by the Subscriber. These offerings may be limited to certain dates, times or locations and may waive or reduce recurring or nonrecurring charges. All such promotions will be filed with the Department for tariff approval.

3. SERVICE DESCRIPTION AND RATES

3.1 Local Calling Areas

The local calling area is the same as the local calling scope provided by the incumbent local exchange carrier(s) which serves the same originating exchange.

3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services

Resold Local Exchange Service (RLES) is composed of the resale of exchange access lines, optional line features, and local calling, provided by authorized Local Exchange Carriers. RLES provides the Customer with the ability to originate and receive calls to/from all other stations on the public switched telecommunications network. Per Call and Per Minute Local Usage Charges as specified below will be applied to all direct dialed local calls. Monthly Recurring and Nonrecurring Charges will be imposed as specified below. Monthly Recurring Charges will be applied in advance.

RLES is available to single and multi-line business Customers and is furnished subject to the availability of Local Exchange Carrier facilities.

.1 Line Rates and Charges

RLES Customers will be charged applicable recurring, nonrecurring, and usage charges as specified below.

.1 Local Access Line

The Local Access Line charge includes all applicable federal and state-mandated telecommunications surcharges (including EUCL, 911, Touchtone, & TRS).

Monthly Recurring Charge, per line:
Rate groups include total main
station lines and non DID analog
PBX trunks

a) Group 1 (0-12,000 lines)	\$44.80
b) Group 2 (12,001-27,000 lines)	48.35
c) Group 3 (27,001-85,000 lines)	50.20
d) Group 4 (85,001 -300,000 lines)	56.20
e) Group 5 (300,001-500,000 lines)	56.80

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3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services (Continued)

.1 Line Rates and Charges (Continued)

.2 Nonrecurring Service Installation Charges

a) Conversion Charge

This charge is applied to existing Local Exchange Carrier lines converted to the Carrier's service. All such lines will retain their current Local Exchange Carrier-assigned telephone numbers.

Per Line \$ 24.00

b) New Line Installation Charge

This charge is applied to initial new line installations on each order for service. A separate charge will be applied to each new line installed as part of the same order for service. All new lines will be assigned a telephone number by the Carrier.

First Line \$ 55.50
Each Additional Line \$ 29.50

3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services (Continued)

.1 Line Rates and Charges (Continued)

.3 Optional Line Features

An RLES Customer may order the following optional line features at the Monthly Recurring Charge specified below. Nonrecurring installation charges will be applied to all orders for optional services submitted subsequent to initial RLES service installation.

Installation, per line (Unless otherwise noted)	\$ 24.00
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Optional Features, per month

a) Three Way Conference Calling	\$ 3.55
b) Call Forwarding Variable	\$ 3.55
c) Call Forwarding-Don't Answer	\$ 3.10
d) Call Forwarding-Busy	\$ 3.10
e) Call Forwarding-Busy and Don't Answer	\$ 6.10
f) Call Forward Remote Access	\$ 7.35
g) Speed Dialing	\$ 3.00
h) Expanded Speed Dialing	\$ 4.50
i) Call Waiting	\$ 3.70
j) Call ID	\$ 9.50
k) Ground Start	N/A
l) Direct Connect Line (Hot Line Svc.)	\$ 0.50
j) Installation per Line	\$1.90
m) Hunting, Per Line:	
a) Group 1	\$ 19.25
b) Group 2	\$ 21.90
c) Group 3	\$ 23.30
d) Group 4	\$ 27.75
e) Group 5	\$ 28.85
n) Vanity Number*	\$10.00
o) Toll restrict	\$3.55

* Subject to the availability of facilities and requested phone number.

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3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services (Continued)

.1 Line Rates and Charges (Continued)

.3 Optional Line Features (Continued)
Per Activation Features

There are no connection charges associated with the following features:

- | | |
|-------------------------|---------|
| a) Call Return | \$ 0.75 |
| b) Call Trace | N/A |
| c) Continuous Redial | \$ 0.75 |
| d) Three Way Conference | \$ 0.75 |

3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services (Continued).1 Line Rates and Charges (Continued).4 Directory Listings

	<u>Monthly Charge</u>	<u>Nonrecurring Charge</u>
a) Non-published Telephone Number	\$3.35	\$10.00
b) Non-Directory Listed Number	\$1.25	\$10.00
c) Initial White Pages Listing	N/C	N/C
d) Additional White Pages Listing	\$1.70	\$24.00
e) Cross Reference Listing	\$1.70	\$24.00
f) Extra Line Listing	\$1.70	\$24.00
g) Foreign Line Listing	\$1.70	\$24.00

.6 Call Blocking

- a) Calls placed to numbers beginning with the 900 and 976 prefix will be blocked by default unless the Customer requests otherwise. In addition, at initial installation of service, Customers may also request call blocking for the following exchange groupings at no additional charge:

- 1) 554/940
- 2) 550/554/900/940
- 3) 550/554/900/920/940/976
- 4) All Block (except 911 and Operator)

Requests for blocking (or unblocking) subsequent to initial installation of service will incur a nonrecurring charge. The Company will also provide Toll Restrict (1+ and 0+ Blocking) which provides the customer with local dialing capabilities but blocks any Customer-dialed call that has a long distance or operator service charges associated with it. Toll Restriction will not block the following types of calls: 911 (Emergency), 1+800/888 (Toll Free), and operator assisted calls. Charges for toll Restrict Blocking are set forth in section 3.2.1.3 above.

Per exchange grouping \$ 10.00

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3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services (Continued)

.1 Line Rates and Charges (Continued)

.5 Call Blocking (Continued)

b) Per Line/Per Call Blocking

Where the technical capabilities exist, Customers may elect to block the transmission of their telephone numbers either completely via Per Line Blocking or on a Per Call Blocking basis. Per Call Blocking will be provided at no charge at initial installation of service. Subsequent requests for Per Line Blocking (or unblocking) will incur a nonrecurring charge.

Per line \$ 24.00

c) CLASS Blocking

Customers may elect to block the use of Continuous Redial and Call Return at no charge at initial installation of service. Subsequent requests for CLASS Blocking (or unblocking) will incur a nonrecurring charge.

Per line \$ 10.00

3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services (Continued)

.1 Line Rates and Charges (Continued)

.9 Operator Assisted Local Calling Surcharge

Local calls may be completed or billed with live or mechanical assistance. Calls may be billed collect to the called party, to an authorized 3rd party number, to the originating line, or to a valid authorized calling card. Local calls may be placed on a station to station basis or to a specified party (see Person to Person), or designated alternate. In addition to the per request surcharge. A per minute usage rate applies to each call. The following per request and per minute charge apply for which live or automated operator assistance is provided for call completion and/or billing.

	<u>Initial Minute Per Request</u>	<u>Add'l Minute or Fraction</u>	<u>or Fraction</u>
0.12	Person to Person 3rd Number Billed Collect Station to Station	\$ 2.00 1.00 1.00 1.00	\$ 0.12 0.12 0.12 0.12
	Operator Handled Operator Completed Call Operator Completed Dialed Rate Applied (handicap)	1.00 0.00	0.12 0.12

.7 Directory Assistance Local Call, Direct Dialed

A Directory Assistance charge applies for each telephone number, area code, and/or general information requested from the Directory Assistance operator. The charge listed below applies for each request made to the Directory Assistance operator. For each residence customer, 6 numbers per month may be requested of the Directory assistance operator with out charge.

Per Request \$0.00

3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services (Continued)

.1 Line Rates and Charges (Continued)

.8 Directory Assistance Local Call Completion (DACC)

Directory Assistance Call Completion allows the Customer the option to have their local calls completed to a requested number by Directory Assistance audio response system that provides the requested number. The DACC charge listed below applies to completed calls only:

Per Request	\$0.45
-------------	--------

.9 Special Directory Assistance

Calls to Directory Assistance requesting special billing arrangements (i.e. 3rd number billed) as well as operator call completion will incur the following charge per request.

Per Request	\$1.00
-------------	--------

.10 Directory Assistance Operator Handled

Directory Assistance Operator Handled rate applies when the Customer requests that their local call for a requested number be completed by the Directory Assistance Operator. The Directory Assistance Operator Handled charge listed below applies to completed calls only:

Per Request	\$1.00
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3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services (Continued)

.1 Line Rates and Charges (Continued)

.11 Busy Line Verification

Busy Line Verification (BLV) allows the caller, with the assistance of an operator, to check the status of a busy signaling line.

Per Request \$0.90

.12 Busy Line Verification Billed to 3rd Number

Busy Line Verification Billed to 3rd Party allows the caller, with the assistance of an operator, to check the status of a busy signaling line and have the charge billed to a 3rd Number or special billing number.

Per Request \$1.85

.13 Busy Line Verification, Emergency Interrupt

Busy Line Verification, Emergency Interrupt allows a caller, with the assistance of an operator, to check the status of a busy signaling line and also to interrupt the call in progress on that line to verify parties use of the line.

Per Request \$ 1.35

3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services (Continued).2 Private Branch Exchange (PBX) Service

The Company's PBX Service uses PBX Trunks to connect to a customer PBX system or other similar equipment. Standard trunk configurations include Direct Inward Dialing (DID), Direct Outward Dialing (DOD) and Combination Trunks. This service provides customers with unrestricted local calling and Carrier Access. The Company treats these trunks similar to individual exchange lines, with the exception that touch tone is not included, and supports multi-line hunting over a group of trunks. Service is billed based on monthly usage, together with monthly recurring charges. Installation charges also apply.

<u>PBX Trunks</u> <u>Monthly Recurring</u>	<u>Non-Recurring</u>	
PBX Trunk Rate Group 1 Initial	\$55.50	\$68.00
PBX Trunk Rate Group 2 Initial	55.50	74.25
PBX Trunk Rate Group 3 Initial	55.50	77.50
PBX Trunk Rate Group 4 Initial	55.50	88.00
PBX Trunk Rate Group 5 Initial	55.50	89.00
PBX Trunk Rate Group 1 Add'l	\$29.50	\$68.00
PBX Trunk Rate Group 2 Add'l	29.50	74.25
PBX Trunk Rate Group 3 Add'l	29.50	77.50
PBX Trunk Rate Group 4 Add'l	29.50	88.00
PBX Trunk Rate Group 5 Add'l	29.50	89.00
Touch Tone Service, per Trunk	\$0.00	\$2.85

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3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services (Continued)

.2 Private Branch Exchange (PBX) Service (Continued)

Optional Line Features

All the Optional Line Features found in section 3.2.1.3 are available with the exception of call Forward Busy Line, Call Forward Don't Answer, Call Forward Remote Access, Call Forwarding Variable, Call Waiting, Direct Connect Line, Expanded Speed Dialing, Speed Dialing, Three Way Conference Calling, Call Forward Busy and Don't Answer, and Vanity Number.

.3 Direct Inward Dial (DID) Service

DID Service is an optional feature which can be purchased in conjunction with Company-provided PBX Trunks. DID Service transmits the dialed digits for all incoming calls allowing the Customer's PBX to route incoming calls directly to individual stations corresponding to each individual DID number. Charges for DID capability and DID number blocks apply in addition to charges specified for PBX trunks. One additive charge applies for each DID-equipped PBX trunk. Telephone numbers are only furnished in blocks of 20 numbers. Blocks of number groups will be determined at the sole discretion of the Company's resources. Whenever possible, the Company will attempt to provide telephone numbers arranged consecutively in a group, but will not guarantee nor accept responsibility for provision of such an arrangement within or between a block of 20 numbers. In addition, the Company reserves the right to review vacant DID stations or stations not in use to determine efficient telephone number utilization. Should the Company determine, based on its own discretion, that there is inefficient number utilization, the Company may after reasonable notification to the customer reassign the DID numbers.

The Customer has no property rights to the telephone number or any other call number destination associated with DID service furnished by the Company, and no right to the continuance of service through any particular end office.

3. SERVICE DESCRIPTION AND RATES (Continued)

3.2 Resold Local Exchange Services (Continued).3 Direct Inward Dial (DID) Service (Continued)

The Company reserves the right to change such numbers, or the end office designation associated with such numbers, or both, assigned to the Customer, whenever the Company deems it necessary to do so in the conduct of its business. Where all numbers in a number group have not been connected for service, the Customer is responsible for providing interception of calls to vacant or non-working assigned station lines or telephone numbers by means of attendant intercept or recorded announcement service. The Company will not terminate these numbers to an intercept message on the Customer's behalf.

<u>Message Rated Trunks</u>	<u>Non-Recurring</u>	<u>Monthly Recurring</u>
DID CO Termination- Initial	\$ 47.00	\$18.75
DID CO Termination- Add'l	\$ 47.00	\$18.75
For initial 20 DID Station Numbers	\$50.00	\$3.20
For each additional group 20 DID station numbers	\$50.00	\$3.20

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