

Federal Universal Service Charge

This charge is designed to help keep local telephone service rates affordable for all customers, in all areas of the United States.

Federal Excise Tax

All proceeds go directly to the U.S. general revenue fund. 3.0% is assessed on all billed local.

Local Number Portability Charge

The FCC requires all local phone companies to make numbers portable from carrier to carrier so that customers can keep their phone numbers even if they switch local carriers. Companies are allowed the surcharge for up to five years to recover investments in the necessary equipment upgrades.

Universal Service Fund Surcharge

This surcharge allows affordable service to high-cost rural customers, funds the Relay Texas and Specialized Telecommunications Assistance programs for the hearing-disabled, and funds telecommunications services discounts to low-income customers. 3.7% is assessed on state taxable telecommunications services. In the state of New Mexico a 3.0% assessment is made on state taxable telecommunications services.

9-1-1 Equalization Surcharge

This surcharge generates additional funds for regions that do not collect sufficient funds through the 9-1-1 emergency service fee. \$0.06 is applied to each access line or non-prepaid wireless connection to which a customer subscribes.

State and Local Sales Tax

State and local tax combined cannot exceed 8.25% in Texas and 5.125% In New Mexico. Applies to local charges, non-regulated, and toll charges.

State Franchise Taxes or Fees

Franchise tax assessed to corporations doing business in Texas and New Mexico. Local telephone service provided by cooperatives is not subject to this charge.

Public Utility Gross Receipts Tax

Revenues generated from this tax are used to appropriate funds to the PUC and PRC and the Office of Public Utility Counsel (OPUC). All public utilities, including long-distance companies, pay one-sixth of 1% of their gross receipts into this fund in Texas, and pay one-half of 1% of their gross receipts into this fund in New Mexico.

Usage Sensitive Services

Usage sensitive operator services, directory assistance services and local long-distance charges billed by Dell will be in addition to the previously described rates and charges.

Deposit

A deposit may be required if the customer cannot demonstrate satisfactory credit

Returned Checks

An administrative charge of \$25.00 will apply whenever a check or draft presented for payment for service is not accepted by the institution on which it is written because of being postdated or because of insufficient funds, account closed, no account, account frozen, or uncollected funds.

Minimum Service Period

The minimum service period for local service is one month beginning on and including the day following the establishment of service. For purposes of administration, each month is considered to have thirty (30) days.

Where Construction is Required

Requests for new residential telephone service requiring construction, such as line extensions, shall be completed within 90 days or within a time period agreed to by the customer and utility if the applicant has met the necessary credit requirements, made satisfactory payment arrangements for construction charges; and has complied with all applicable state and municipal regulations.

Cancellation Policy

Where the customer cancels an application for service prior to the start of installation of service, the payment of right of way or building access fees by the Company, or of special construction no charge applies.

Where the provision of service has already been initiated by the Company prior to the cancellation, a reasonable Cancellation Charge may apply that is equal to the Company's costs.

When a customer requests a change in location of all or a part of the facilities covered by the application for service, or additions, rearrangements, or modifications of existing service prior to completion of the work involved, the customer may also be required to pay the amount of additional costs and expenses incurred by the Company in completing the work as changed.