

APPENDIX PRICING (CALIFORNIA)

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APPENDIX PRICING (CALIFORNIA)

1. INTRODUCTION

- 1.1 This Appendix sets forth the terms and conditions under which the applicable AT&T Inc. (AT&T) owned Incumbent Local Exchange Carrier (ILEC) provides pricing below and divided into the following five categories: Unbundled Network Elements, Resale, Other (Resale), Other and Reciprocal Compensation. These categories are for convenience only and shall not be construed to define or limit any of the terms herein or affect the meaning or interpretation of this agreement, including but not limited to the term "Lawful UNE" as that term is defined and used in this Agreement.
- 1.2 **AT&T Inc. (AT&T)** means the holding company which directly or indirectly owns the following ILECs: Illinois Bell Telephone Company d/b/a AT&T Illinois, Indiana Bell Telephone Company Incorporated d/b/a AT&T Indiana, Michigan Bell Telephone Company d/b/a AT&T Michigan, Nevada Bell Telephone Company d/b/a AT&T Nevada, The Ohio Bell Telephone Company d/b/a AT&T Ohio, Pacific Bell Telephone Company d/b/a AT&T California, The Southern New England Telephone Company, Southwestern Bell Telephone Company d/b/a AT&T Arkansas, AT&T Kansas, AT&T Missouri, AT&T Oklahoma and/or AT&T Texas and/or Wisconsin Bell, Inc. d/b/a AT&T Wisconsin.
- 1.3 **AT&T CALIFORNIA** – As used herein, **AT&T CALIFORNIA** means Pacific Bell Telephone Company d/b/a AT&T California, the applicable AT&T-owned ILEC doing business in California.
- 1.4 Replacement of Non-Interim Rates

Certain of the non-interim rates, prices and charges set forth in this Agreement may have been established by the Commission ("Commission-established Non-Interim Rate(s)"). All rates included in this Agreement that are not specifically excluded from treatment under this Section 1.4, or that are not marked as interim or as "TBD" (To Be Determined) shall be considered Commission-established Non-Interim Rates. If, during the Term of this Agreement the Commission or the FCC modifies one or more Commission-established Rates in any decision, order, resolution, or other ruling of general applicability ("Order") to the Interconnection, Network Elements, Collocation, functions, facilities, Resale discounts, or products or services ("Products or Services") available under this Agreement (*i.e. not an order or docket relating only to a specific complaint or interconnection agreement arbitration*), either Party may provide written notice ("Rate Change Notice") to the other Party, ***after the effective date of such Order***, that it wishes for the modified Commission-established Non-Interim Rate(s), ("Modified Rate(s)") to replace and supersede the Commission-established Non-Interim Rate(s) already set forth in this Agreement, unless otherwise provided for by said Commission or FCC Order. Following such Rate Change Notice by either Party, and without the need for any formal amendment or further Commission action, unless otherwise provided for by Commission or FCC Order, the CLEC's billing tables will be updated to reflect (and CLEC will be charged) the Modified Rate(s), pursuant to timeframes as specifically set forth in Sections 1.4.1 and 1.4.3, below, and the Modified Rate(s) will be deemed effective between the Parties as provided in Sections 1.4.1 and 1.4.3, below. Nonetheless, the Parties shall negotiate a conforming amendment which shall reflect that the Commission-established Non-Interim Rate(s) were replaced by the Modified Rate(s), and shall submit such Amendment to the state commission for approval, unless otherwise provided for by the Commission or FCC Order. In addition, unless otherwise provided for by the Commission or FCC Order, as soon as is reasonably practicable after such Rate Change Notice, each Party shall issue to the other Party any adjustments that are necessary to reflect that the Modified Rate(s) became effective between the Parties as provided below:

- 1.4.1 If the Rate Change Notice is issued by a Party within ninety (90) days after the effective date of any such Order, the Modified Rate(s) will be deemed effective between the Parties as of the effective date of the Order.

- 1.4.2 In the event that neither Party issues a Rate Change Notice to the other Party with respect to an Order, the Commission-established Non-Interim Rate(s) set forth in the Agreement shall continue to apply notwithstanding the issuance of that Ruling, unless otherwise provided for by the Order.
- 1.4.3 In the event that a Party issues a Rate Change Notice under this Section 1.4, but not within ninety (90) days after the effective date of the Order, then the Modified Rate(s) will be deemed effective between the Parties as of the date the amendment incorporating such Modified Rate(s) into the Agreement is effective between the Parties (following the date the amendment is approved or is deemed to have been approved by the state commission), and shall apply on a prospective basis only. Further, the Parties shall be foreclosed from replacing or otherwise superseding the Commission-established Non-Interim Rate(s) with the Modified Rate(s) for any period prior to the effective date of such amendment, absent a Ruling to the contrary.
- 1.4.4 In the event the terms and conditions of this Section 1.4 was not part of an approved and effective Agreement between the Parties at the time the Order became effective, either Party may still give a Rate Change Notice, and the Modified Rate(s) shall be effective as of the date the Parties' Agreement becomes effective (following the date the Agreement is approved or deemed to have been approved by the Commission).
- 1.5 The Parties understand and agree that on May 9, 2003, the Public Utilities Act of Illinois was amended to add Sections 13-408 and 13-409, 220 ILCS 5/13-408 and 13-409, and enacted into law ("Illinois Law"). The Illinois Law establishes a specific method for setting certain UNE rates in Illinois, mandates that the Illinois Commerce Commission ("ICC") apply the method and determine the rates ("ICC Rates"), and expressly deems all interconnection agreements to be amended to contain the ICC Rates immediately upon the ICC's announcement of such adjusted rates, without further action. The Parties understand and agree that the rates in the attached Pricing Schedule are based upon AT&T Illinois' obligations under FCC rules and regulations, and applicable ICC orders as they existed prior to the ICC's promulgation of rates, terms and conditions pursuant to the Illinois Law. The Parties understand and agree that the ICC Rates shall automatically apply to this Agreement, and shall replace and supersede any corresponding rates currently contained in this Agreement (for the state of Illinois only) as of the effective date of any such ICC order(s) upon the written request of either Party ("Written Notice"). As soon as practical following the Written Notice, AT&T Illinois shall begin billing CLEC the ICC Rates; provided, however, the Parties acknowledge and agree that no later than sixty (60) days from the Written Notice, the Parties will execute a conforming Amendment to this Agreement so that the Agreement accurately reflects the ICC Rates, and AT&T Illinois will issue any adjustments, as needed (e.g., billing of additional charges, billing credit adjustments), to reflect that the ICC Rates became effective between the Parties as of the effective date of the applicable ICC order(s) and to retroactively true-up the ICC Rates with the corresponding rates currently contained in this Agreement (for the state of Illinois only) for the period after the effective date of the applicable ICC order(s), in accordance herewith.
- 1.6 Replacement of Interim Rates
- Certain of the rates, prices and charges set forth in this Agreement may have been deemed interim rates by the Commission ("Current Interim Rates"). Upon the effective date of a Commission Order establishing non-interim rates for any rates, prices, charges, Products or Services specifically identified herein as interim, either Party may, within ninety (90) days *after the effective date of such Commission order*, provide written notice ("Rate Notice") to the other Party that it wishes to obtain the non-interim Commission-established rate(s) ("Replacement Rates") to replace and supersede the Current Interim Rate counterpart(s) in this Agreement unless otherwise provided for by the Commission. Following such Rate Notice, and without the need for any formal amendment or further Commission action, AT&T CALIFORNIA will update CLEC's billing tables to replace the Current Interim Rates with their Replacement Rate(s) counterpart(s), as specified in the Rate Notice, unless otherwise provided for by the Commission. Nonetheless, the Parties shall negotiate a conforming amendment to reflect such replacement and submit such amendment to the Commission for approval, unless otherwise provided for by the Commission.

- 1.6.1 If the Rate Notice is given within 90 days after the effective date of such order, then the Replacement Rate(s) shall apply as of the effective date of the order and AT&T CALIFORNIA will issue any adjustments that are appropriate (*e.g.*, billing of additional charges, billing credit adjustments) to retroactively true-up the Replacement Rates with the Current Interim Rates for the period after the effective date of this Agreement, in accordance herewith, unless otherwise provided for by the Commission.
- 1.6.2 In the event that neither Party issues a Rate Notice to the other Party with respect to a Commission order, the Current Interim Rate(s) set forth in the Agreement shall continue to apply notwithstanding the issuance of that order, unless otherwise provided for by the Commission.
- 1.6.3 In the event that a Party issues a Rate Notice under this Section 1.6, but not within ninety (90) days after the effective date of the Commission order, then the Replacement Rate(s) will be deemed effective between the Parties as of the date the amendment incorporating such Replacement Rate(s) into the Agreement is effective between the Parties (following the date the amendment is approved or is deemed to have been approved by the Commission), and shall apply on a prospective basis only unless otherwise provided for by the Commission. Further, the Party shall be foreclosed from replacing or otherwise superseding the Current Interim Rate(s) with the Replacement Rate(s) for any period prior to the effective date of such amendment, unless otherwise provided for by the Commission.
- 1.6.4 In the event the terms and conditions of this Section 1.6 was not part of an approved and effective Agreement between the Parties at the time the Commission order became effective, either Party may still give a Rate Notice, and the Replacement Rate(s) shall be effective as of the date the Parties' Agreement becomes effective (following the date the Agreement is approved or deemed to have been approved by the Commission).
- 1.7 The Parties acknowledge that, the California Public Utilities Commission ("CPUC") established rates for certain Unbundled Network Elements ("UNE") in the Open Architecture Network And Design ("OANAD") Proceeding. The Parties further acknowledge that the CPUC established certain UNE rates in D. 99-011-50, some of which were subsequently modified by the CPUC's decisions in D. 02-05-042, D. 02-09-052 and D. 03-07-023. Pursuant to the terms of D. 02-05-042, D. 02-09-052, and D. 03-07-023, certain UNE rates were modified on an interim basis and are subject to retroactive true up pending a final decision by the CPUC in its Proceeding No. A. 01-02-024/A.01-02-035, *et. seq.* approving final recurring rates in the 2001/2002 Consolidated UNE Reexamination Proceeding ("2001/2002 UNE Reexamination Proceeding"). Other UNE rates, including non-recurring rates, are final (*i.e.*, non-interim) rates which may be subject to modification but not subject to true-up. Unless otherwise provided by the CPUC, all interim and final UNE rates set forth in this Agreement shall be automatically replaced and superseded by the final rates established by the CPUC as of the implementation date established by the Commission's decision in the 2001/2002 UNE Reexamination Proceeding, subject to any appeals and associated review.
- 1.8 Notice to Adopting CLECs
- Notwithstanding anything to the contrary in this Appendix and Agreement including, in the event that any other telecommunications carrier should adopt provisions in the Agreement pursuant to Section 252(i) of the Act ("Adopting CLEC"), the Adopting CLEC would only be entitled to the non-interim and/or interim rates set forth in this Agreement as of the date that the MFN'd Agreement provisions become effective between AT&T CALIFORNIA and the Adopting CLEC (*i.e.*, following the date the Commission approves or is deemed to have approved the Adopting CLEC's Section 252(i) adoption ("MFN Effective Date")) and on a prospective basis only. Nothing in this Agreement shall entitle an Adopting CLEC to any retroactive application of any rates under this Agreement to any date prior to the MFN Effective Date and any Adopting CLEC is foreclosed from making any such claim hereunder.

1.9 The following defines the zones found in this Appendix Pricing:

For Loops:

<u>Access Area:</u>	<u>Total Access Lines:</u>
A	See: Schedule CAL P.U.C. #A5, Network and Exchange Services, A5, Section 5.1
B	See: Schedule CAL P.U.C. #A5, Network and Exchange Services, A5, Section 5.1
C	See: Schedule CAL P.U.C. #A5, Network and Exchange Services, A5, Section 5.1

1.10 AT&T CALIFORNIA's obligation to provide Interconnection, Lawful Network Elements, Collocation, Resale discounts, functions, facilities, products or services ("Products or Services") under this Agreement does not extend to Products or Services for which rates, terms and conditions are not contained in this Agreement. Accordingly, to the extent a CLEC orders a Product or Service for which there are not rates, terms and conditions contained in this Agreement, AT&T CALIFORNIA may reject the order. In the event such an order is rejected, and the Product or Service is appropriate for BFR treatment under the BFR provisions set forth in Appendix Lawful UNEs of this Agreement, the CLEC may submit a BFR, which will be evaluated pursuant to such BFR provisions. Alternatively, if the Product or Service is available in a state commission approved Agreement in the state in which the CLEC is seeking to order the Product or Service, the CLEC may seek to amend this Agreement to incorporate rates, terms and conditions for the Product or Service into this Agreement, to the extent such Product or Service is still available at the time of the request. In the event that CLEC orders, and AT&T CALIFORNIA provisions, a Product or Service to CLEC for which there are not rates, terms and conditions in this Agreement, then CLEC understands and agrees that one of the following will occur:

1.10.1 CLEC shall pay for the Product or Service provisioned to CLEC at the rates set forth in AT&T CALIFORNIA's applicable intrastate tariff(s) for the Product or Service or, to the extent there are no tariff rates, terms or conditions available for the Product or Service in the applicable state, then CLEC shall pay for the Product or Service at AT&T CALIFORNIA's current generic contract rate for the Product or Service, set forth in AT&T CALIFORNIA's applicable state-specific generic pricing schedule as published on AT&T CALIFORNIA's CLEC website; or

1.10.2 CLEC will be billed and shall pay for the product or service as provided in Section 1.10.1, above, and AT&T CALIFORNIA may, without further obligation, reject future orders and further provisioning of the product or service until such time as applicable rates, terms and conditions are incorporated into this Agreement as set forth in this Section 1.10.

1.11 Establishment of "TBD" Rates

When a rate, price or charge in this Agreement is noted as "To Be Determined" or "TBD" or is blank, the Parties understand and agree that when a rate, price or charge is established by AT&T CALIFORNIA for that Product or Service and incorporated into AT&T CALIFORNIA's current state-specific generic pricing schedule as published on AT&T CALIFORNIA's CLEC website, that rate(s) ("Established Rate") shall automatically apply to the Product or Service provided under this Agreement back to the effective date of this Agreement as to any orders CLEC submitted and AT&T CALIFORNIA provisioned for that Product or Service without the need for any additional modification(s) to this Agreement or further Commission action. AT&T CALIFORNIA shall provide written notice to CLEC of the application of the rate, price or charge that has been established, and the CLEC's billing tables will be updated to reflect (and CLEC will be charged) the Established Rate, and the Established Rate will be deemed effective between the Parties as of the effective date of the Agreement. The Parties shall negotiate a conforming amendment which shall reflect the Established Rate to ensure that the Agreement accurately reflects the specific Established Rate(s) that apply to such Product or Service pursuant to this Section 1.10, and shall submit such Amendment to the state commission for approval. In addition, as soon as is reasonably practicable after such Established

Rate begins to apply, AT&T CALIFORNIA shall bill CLEC to reflect the application of the Established Rate retroactively to the effective date of the Agreement between the Parties.

- 1.11.1 AT&T CALIFORNIA's provisioning of such orders for such Products or Services is expressly subject to this Section 1.10 and in no way constitutes a waiver of AT&T CALIFORNIA's right to charge and collect payment for such Products and/or Services.

2. BILLING TIMELINES

- 2.1 All prices for monthly recurring charges (MRCs) and nonrecurring charges (NRCs) provided for in this Agreement may take a substantial period of time from the Effective Date of this Agreement to implement in AT&T CALIFORNIA's Carrier Access Billing System (CABS).
- 2.2 Any change of prices for MRCs and NRCs adopted by the CPUC subsequent to the effective date of this agreement may take a substantial period of time from the date of the final order to implement in CABS and shall comply with any Commission timeline.
- 2.3 Until such time as the prices are implemented in CABS under Section 2.1 or 2.2 above, AT&T CALIFORNIA may continue to bill at the established prices contained within the most recent prior interconnection agreement between the Parties, if any. If there is no prior interconnection agreement between the Parties, AT&T CALIFORNIA shall bill at the prices AT&T CALIFORNIA is currently billing one (1) or more of its other CLEC End Users that, in AT&T CALIFORNIA's good faith judgment, most closely match the prices applicable hereunder.
- 2.4 Due to this billing implementation time period, a retroactive true up of all such prices, without interest, will be due upon implementation of the new billing. These true ups will be excluded from billing performance results.
- 2.5 With respect to any rate element and/or charge contained in or referenced in the Appendix Lawful UNEs (or any other Appendix) which is not specifically listed herein or therein, AT&T CALIFORNIA and CLEC will negotiate a price and amend the Agreement to incorporate such price.

3. RECURRING CHARGES

- 3.1 Unless otherwise identified in the Pricing Tables, where rates are shown as monthly, a month will be defined as a calendar month. The minimum term for each monthly rated Unbundled Network Element (UNE), Other, Resale, Other (Resale), and Reciprocal Compensation elements will be one (1) month. After the initial month, billing will be on the basis of whole or fractional months used. The minimum service period for Network Elements provided under the Bona Fide Request (BFR) process set forth in Appendix Lawful UNEs of this Agreement may be longer.
- 3.2 Where rates (excluding Resale) are based on minutes of use, usage will be accumulated at the end office or other measurement point without any per call rounding and total minutes by end office or other measurement point will then be rounded to the next higher minute. CLEC shall pay for all usage on such completed calls until such time as AT&T CALIFORNIA is able to bill on a per attempt basis.
- 3.3 Where rates are distance sensitive, the mileage will be calculated on the airline distance involved between the locations. To determine the rate to be billed, AT&T CALIFORNIA will first compute the mileage using the V&H coordinates method, as set forth in the National Exchange Carrier Association, Inc. Tariff FCC No 4. When the calculation results in a fraction of a mile, AT&T CALIFORNIA will round up to the next whole mile before determining the mileage and applying rates.
- 3.4 Where rates consist of usage sensitive charges or per occurrence charges, such rates are classified as "recurring charges".

4. NONRECURRING CHARGES

- 4.1 Nonrecurring Charges are applicable for all five (5) categories of rates.

- 4.2 Consistent with CFR 51.307(d), there are nonrecurring charges for each Lawful UNE on the first connection on a CLEC order as well as separate nonrecurring charges for each additional connection associated with the same CLEC order at the same CLEC specified premises.
- 4.3 For Resale, when a CLEC converts or adds new service, an End User's existing service, the normal service order charges and/or non-recurring charges associated with said additions and/or changes will apply.
- 4.4 The appropriate nonrecurring charges (Service Order Charges and Channel Charges) shall apply for each service request processed by AT&T CALIFORNIA, including but not limited to the following:
 - 4.4.1 Installation (Service Order Connect Charge and Channel Connect Charge);
 - 4.4.2 Disconnection (Service Order Disconnect Charge and Channel Disconnect Charge);
 - 4.4.3 Rearrangement/modification (Service Order Change Charge and Channel Change Charge);
 - 4.4.4 Record Order (Service Order Record Change and Channel Record Charge).
- 4.5 Some items, which must be individually charged, are billed as nonrecurring charges.
- 4.6 Time and Material charges (a.k.a. additional labor charges) are defined in AT&T CALIFORNIA's Tariff Schedule Cal P.U.C. No.175-T.
- 4.7 Where NRC rates are not being addressed in OANAD, the NRC rate is listed on the MRC Pricing Table under the NRC column. The NRC rates that are being addressed in OANAD are identified on the MRC Rate Table under the NRC column with an "at" sign (@) indicating to please see the NRC Rate Table for rates.

5. BILLING

- 5.1 For information regarding billing, non-payment, disconnects, and dispute resolution, see the General Terms and Conditions of this Agreement.