1.

INTRODUCTION

1.1. Purpose

The purpose of this Billing Plan is to assure DIR that the underlying systems, processes and procedures provided by Level 3 shall effectively support timely and accurate Billing of Services to DIR and its Customers(s).
2. BILLING PLAN OVERVIEW

2.1. Billing Plan Approach

This Billing Plan employs processes to ensure that DIR and DIR customers receive effective support and to define the processes and procedures which support timely and accurate billing between Level 3 and DIR.

Level 3 is committed to our customer’s and their experience with service delivery and support. To this end, we have defined processes and procedures that have been developed as a result of customer feedback that are focused on ensuring a positive experience when working with Level 3. These processes are outlined in this document.

2.2. Sources of Change

Any changes to this document will be mutually agreed upon between Level 3 and DIR.

2.3. Key Personnel

Please refer to the Key Personnel Addendum for the key personnel related to this contract.
3. BILLING PLAN PROCEDURES

3.1. Billing Escalation List

The main billing number for Level 3 Customer Care is (877)-2Level3 (877-253-8353). Invoices can also be viewed online in MyLevel3 Customer Portal.

First Point of Contact: DIR’s Client Support Manager (CSM) from the Key Personnel Addendum. Second Point of Contact/Escalation: Local Account Manager from the list Key Personnel Addendum.

3.2. Billing Process Description

Level 3 bills our customers once a month and has four billing cycles – the 1st, 10th, 15th, or 20th of the month. Level 3 will bill the DIR consolidated invoice once a month on the 1st billing cycle. Invoices are mailed via USPS within four business days after the billing cycle. Customers can also access their Level 3 invoices on-line in MyLevel3 Customer Portal.

Level 3 currently offers bill media in the form of paper, EDI (for qualified customers at no additional cost) and via MyLevel3 Customer Portal. Regarding carrier services, Level 3 is compliant with industry standard SECAB mechanized format. This format can be transmitted via ftp or via email.

For services billed directly to DIR as the billing agent, Level 3 will provide the monthly consolidated invoice electronically as required.

Your designated Level 3 Account Management Specialist is always available to assist with any additional billing analysis that may be desired, including reconciliation.

For all Level 3 long distance services where measure rates apply, voice calls have two billing components: the minimum and the increment. The minimum and increment values depend on the type of call. All long distance Intrastate, intraLATA, Alaska, Hawaii and Interstate calls are billed in minimum and increments of 6/6. All international calls and Canada are 30/6 with the exception of Mexico, which is 60/60. For example, 30/6 indicates a 30 second minimum and a six second increment. This means that the call will be billed a minimum of 30 seconds. After the minimum is met, the call is billed in six second increments. There is a minimum $.01 charge on all 1+ and 8xx calls.

All long distance charges are carried out to the third decimal place. Rounding takes place based on the fourth decimal place where four and greater round up. The total of all call charges in a section of the invoice are rounded to the nearest whole cent.

A location’s rates are determined by the termination for outbound (1+) calling, and by origination for inbound (8xx) calling. For traffic within the 48 Contiguous United States, a location will have four possible rates, though some may be duplicates:

- 1+ Intrastate
- 1+ Interstate
- 8xx Intrastate
- 8xx Interstate

Inbound LD traffic also can be accepted from Alaska, Hawaii, Canada, Puerto Rico, Guam, and the US Virgin Islands - each of these originations will have its own rate and have an interval of 30/6. Outbound
traffic can be terminated to any country on the planet with telephone service, along with satellite telephone providers and US Antarctic locations. The rate for an outbound call to an international location is determined by the country of termination as well as whether the number called is a landline (fixed) number or a mobile (cellular) number.

Other voice, Internet and data services are flat-rated at a fixed monthly charge.

### 3.3. Billing by CKR

Level 3 understands that a unique CKR will be assigned for each service ordered by a customer and will include the CKR on every monthly invoice, including electronic invoices which can be downloaded from our online web portal. Each CKR will be set up as a separate account, then rolled up to the DIR level for a monthly consolidated invoice.

Usage will be provided to DIR on a monthly basis as specified in the Vendor Reporting Guide.

For customers that are billed directly by the Vendor, usage detail will be made electronically available via MyLevel3 Customer Portal, on a monthly basis. Real-time call detail and charges are not available. Our billing systems consolidate data from various internal databases to display in one invoice to the customer.

### 3.4. Electronic Billing

Level 3 will provide DIR with a single electronic monthly consolidated invoice in tab delimited format which includes all services where DIR is the customer of record within ninety (90) days of contract execution. Invoices will be provided in this way until such time as Level 3 and DIR mutually agree on XML interface specifications.

In addition, for services that Level 3 will bill directly to DIR customers, MyLevel3 Customer Portal gives customers access to their Level 3 invoices on-line. Customers can download their billing data through our secure website.

### 3.5. Disputes and Adjustments

Per the Contract DIR–TEX-AN NG CTSA – 006, a billing inquiry is any question or issue about a Monthly Consolidated Invoice that may lead to a billing Dispute. It is DIR’s responsibility to validate Vendor Monthly Consolidated Invoices each month. During that process, billing inquiries will arise, and the Vendor shall support DIR by timely answering or responding to billing inquiries. The Vendor shall respond within one Business Day of receipt of the billing inquiry. DIR Contract No. DIR–TEX-AN NG CTSA – 006 Vendor Contract No. Exhibit C to Amendment One Exhibit B. Terms and Conditions B.19

The vendor will validate and return disputes to DIR within 10 business days of receipt of dispute notification from DIR.
(b) DIR has the right to file a billing Dispute. The Vendor shall investigate, report on and use reasonable business efforts to resolve Disputes within 60 calendar days that involve less than or equal to $15,000 and within 90 calendar days for disputes that involve amounts greater than $15,000. This time frame starts with the submission of the Dispute by DIR and ends with the satisfactory resolution of the Dispute. When warranted, Vendor shall issue Billing Adjustment(s) within 2 billing periods of resolution. DIR may require a revised Monthly Statement that does not contain the disputed item(s). Vendor shall allow non-payment by DIR for the disputed amount until there is a Dispute Resolution, as allowed by Chapter 2251, Texas Government Code.

(c) Direct sales transaction Customers shall have the same rights as DIR under Section 9.07, Subsection (a) and (b) above, for the Invoices they receive for direct sales transactions.

(d) If DIR or a direct sales transaction Customer disputes payment of all or any portion of an Invoice from the Vendor, DIR or the direct sales transaction Customer, respectively, will notify Vendor of such Dispute and the Parties, either DIR and Vendor or the direct sales transaction Customer and Vendor, as appropriate, will attempt in good faith to resolve the dispute in conformance with Chapter 2251, Texas Government Code. DIR and the direct sales transaction Customer will not be required to pay any disputed portion of a Vendor invoice. Notwithstanding any such Dispute, the Vendor must continue to perform the Services in compliance with the terms of this CTSA pending resolution of Disputes so long as all undisputed amounts continue to be paid to Vendor.

3.6. Billing Adjustments and Back-billing

(a) A billing Adjustment is a modification or correction of a billing amount of an element of a Service or a SLA Credit. Billing Adjustments may be made on both recurring and non-recurring charges and are used to settle Disputes and financial discrepancies.

(b) Vendors shall include in its Monthly Consolidated Invoice to DIR or its Invoices to direct sales transaction Customers, the following minimum items as billing Adjustments:

1. Correction of a billing error discovered by Vendor, DIR or the direct sales transaction Customer, as appropriate;
2. Back-billing;
3. SLA Credits; and
4. Any other elements Vendor considers Adjustments as set forth in its Billing Plan, Exhibit F, Attachment F-17 hereto.

(c) The Vendor shall resolve all Disputes by any one of the three following approaches:

1. Issue a proposed Dispute resolution for the full amount;
2. Provide evidence acceptable to DIR or the direct sales transaction Customer, as appropriate that the disputed amount will be reduced; or
3. Provide evidence acceptable to DIR or the direct sales transaction Customer, as appropriate, that the Dispute is not valid.

(d) For all Disputes, the Parties shall mutually agree to a resolution before issuing a billing Adjustment. Section 9.09 Back-billing and POP moves.

(a) Rates To DIR or Prices to direct sales transaction Customers for Services inadvertently left off previous Monthly Consolidated Invoices or direct Invoices by the Vendor shall be back-billed no more than 120 calendar days for usage and 120 calendar DIR Contract No. DIR–TEX-AN NG CTSA – 006 Vendor Contract No.

Exhibit C to Amendment One B.20 TEX-AN NG Communications Technology Services Agreement
days for circuits (however, in no case may the back-billing include a time period prior to the delivery of the SOCN). Pursuant to PUC Rule 26.27, a six month limit from the date of discovery of an error applies to back-billing of all billed Services. Back-billing shall be included in the Adjustments.

(b) Vendor Initiated Point of Presence location moves for standard services shall not adversely affect the existing Rates To DIR and/or Prices to direct sales transaction Customers for a Service while under a term commitment. Vendor shall provide DIR and affected Customer(s) no less than sixty (60) days advance written notice of the amount of an adverse change when a Vendor initiated Point of Presence location move will result in an adverse change to Rates to DIR and/or Prices to direct sales transaction Customers.

3.7. Additional Reporting Options

Below is a brief description reports that can be produced from MyLevel3 Customer Portal:

**Invoice Summary.** This report is displays an overall summary of the customers charges similar to what they would see on their paper invoice.

**Invoice Summary by Service Location.** This report will enable a customer to see their invoice broken down by service address. In addition, if you download this report to .csv format, you can further filter/sort all of your products by service address.

**Circuit Detail.** This report will allow the customer to see circuit information for the Private Line and Long Distance products. It is sorted by service address.

**Installation/Other Charges.** This report displays installation charges for the various products. It also will show all additional charges that fall into our “Other” category such as Late Payment Charges.

**Conferencing Detail.** If the customer has purchased any of our conferencing products the details of the billing will be displayed.

**Provisional Element.** This report is for a small subset of key customers. It maps all products to a provisional element (circuit/TN) so that a customer can see all of their billed charges per circuit.

**Usage Overview by Account Code.** This is a summary level report of usage charges sorted by the customers account codes. It displays the account code, # of calls, minutes and dollars.

**Usage Overview by Call Type.** This is a summary level report of usage charges sorted by the individual call types. It displays call type, # of calls, minutes and dollars.

**Usage Overview by Originating Number.** This is a summary level report of usage charges sorted by the originating TN. It displays originating number, # of calls, minutes and dollars.

**Usage Detail by Account Code.** This report contains the detailed level usage charges by Account Code. It displays call date, call time, number called, area & state called, minutes and amount.

**Usage Detail by Originating Number.** This report contains the detailed level usage charges sorted by the originating TN. It displays call date, call time, number called, area & state called, minutes and amount.

If sample bills are needed please request them of you’re the key personnel document.