

**FRONTIER MIDSTATES INC.**

**SCHEDULE OF RATES, CHARGES AND  
REGULATIONS GOVERNING**

**FACILITY SPACE ATTACHMENT**

Licensing of the Right to Contact Poles

Applying in all Exchanges of this Company in Michigan, as designated in the Table of Contents of Tariff M.P.S.C. No. 1

FACILITY SPACE ATTACHMENT

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EXPLANATION OF SYMBOLS

Explanation of Symbols

The nature and extend of revisions of these tariffs is indicated on the right hand margin by the following symbols:

- (C) Signifies a changed regulation
- (D) Signifies a discontinued rate, treatment or regulation
- (I) Signifies an Increased rate or new treatment resulting in an increased rate
- (N) Signifies a new rate, treatment or regulation
- (T) Signifies a change in text but no change in rates, treatment or regulations

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A. Application

The regulations, rates and charges specified herein are applicable to all attachments to poles within the operating territory of Frontier Midstates Inc. hereinafter referred to as the Company.

B. Definitions

1. Company Poles

Poles owned by the Company, owned jointly with others, and poles owned by others to the extent that, and for so long as, the Company has the right to permit others to attach in the communications space.

C. Undertaking of the Company

1. Scope

Subject to the provisions of this tariff, the Company will authorize revocable, nonexclusive attachments of Licensee's facilities to a pole for any lawful purpose.

2. Limitations

- .1 No use, however extended, of Company poles, nor payment of any fees or charges required under this tariff shall create or vest in Licensee any ownership or property rights in said poles, but Licensee's rights therein shall be and remain those of attachment.
- .2 Nothing herein contained shall be construed to compel the Company to construct, retain, extend, place, or maintain any facilities not needed for its own service requirements.
- .3 It is recognized by the Licensee that the Company has heretofore entered into, or may in the future enter into, agreements and arrangements with others not covered by this tariff regarding the poles covered by this system. Nothing herein contained shall be construed as a limitation, restriction or prohibition against the Company with respect to such other agreements and arrangements. The rights of the Licensee shall at all times be subject to any present or future joint use or joint ownership arrangement between the Company and any other public utility or government agency.

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C. Undertaking of the Company (Continued)

3. Liability

- .1 The Company reserves to itself, its successors and assigns, the right to maintain its poles and to operate its facilities thereon in such manner as will best enable it to fulfill its own service requirements.
- .2 The Company shall not be liable to the Licensee for any interruption to service of the Licensee or for interference with the operation of the cables, equipment or facilities of the Licensee arising in any manner out of the use of the Company's poles, except for the Company's sole negligence, in which case the Company's liability shall be limited to the cost of repair, if any, of the Licensee's cable, equipment or facilities.
- .3 The Licensee shall exercise special precautions to avoid damaging the cables, equipment or facilities of the Company and of Company poles and Licensee hereby assumes all responsibility for any and all loss for such damage. Licensee shall make an immediate report to the Company of the occurrence of any such damage and agrees to reimburse the Company for the expense incurred in making repairs.
- .4 Licensee shall indemnify and hold the Company harmless against any and all claims, demands, causes of action, damages, costs or liabilities of every kind and nature whatsoever which may arise out of or be caused by (1) the erection, maintenance and facilities on the Company's poles, (2) any act of attachment on or in the vicinity of the Company's poles, or (3) any interruption, discontinuance, or interference with Licensee's service to any of its customers occasioned or claimed to have been occasioned by any action of the Company pursuant to or consistent with this Tariff. Licensee shall, upon demand and at its own sole risk and expense, defend any and all suits, actions or other legal proceedings brought or instituted against the Company on any such claim, demand or cause of action, and shall pay and satisfy any judgment or decree rendered against the Company therein, and the Licensee shall reimburse the Company for any and all legal expense incurred by the Company in connection therewith. Licensee shall also indemnify, protect and save the Company harmless for any and all claims and demands of whatever kind which arise directly or indirectly from the operation of the Licensee's facilities including taxes, special charges by others, claims and demands for damages or loss for infringement of copyright, for libel and slander for unauthorized use of other program material, and from and against all claims and demands for infringement of patents with respect to the manufacture, use and operation of the Licensee's equipment whether arising from the use of Licensee's equipment in combination with the Company's poles or otherwise.

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C. Undertaking of the Company (Continued)

4. Termination of Authorizations

- .1 Authorizations for pole and anchor attachments granted under provisions of this tariff may be terminated by the Company if:
- a. the Licensee shall fail to comply with any of the terms or conditions specified in this tariff or default in any of its obligations under this tariff and shall fail within thirty (30) days after written notice from the Company to correct such default or noncompliance, the Company may, in addition to any other remedies it may have, forthwith terminate all authorizations to Licensee or those authorizations covering the poles, as to which such default or noncompliance shall have occurred.
  - b. upon such notice as in its sole judgment deems reasonable, the Company shall have the right to terminate all, or individual, authorizations to Licensee.
  - c. the Licensee's facilities are maintained or used in violation of any law or in aid of any unlawful act or undertaking or if, as a result of legislation or of the action of a regulatory body, the provisions specified in this tariff shall, in whole or in part, become illegal, prohibited or impossible of lawful performance. Either the Licensee or the Company may at any time notify the other that in its opinion that the conditions of termination set forth in this paragraph have been met and that the authorizations for attachment have been terminated. Such notice, in the absence of bad faith, shall be conclusive upon the parties thereto.
  - d. the Licensee defaults on specifications as specified in other parts of this Tariff.
  - e. the insurance carrier shall at any time notify the Company that the policy or policies of insurance, as specified in D.5. will be cancelled or changed so that the requirements of D.5. will no longer be satisfied, then the authorizations shall cease and terminate upon the effective date of such cancellation or charge.

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C. Undertaking of the Company (Continued)

4. Termination of Authorizations (Continued)

- .2 Upon notice from the Company to the Licensee that the Company has been advised by governmental authority or private property owners that the use of any pole is not authorized and is objected to by such governmental authority or private property owner, as the case may be that any pole is to be removed, sold or otherwise disposed of, Licensee shall, if requested by the Company, remove its cables, equipment and facilities at once from the affected poles at the Licensee's expense.
- .3 Licensee may at any time remove its facilities from any pole of the Company, but shall immediately give the Company written notice of such removal and surrender of authorization in the format provided by the Company. If the Licensee surrenders its authorization but fails to remove its facilities from the Company's poles, the Company shall have the right to remove the Licensee's facilities at the Licensee's expense and without any liability on the part of the Company for damage or injury to Licensee's facilities. In the event that the Licensee's cables, equipment and facilities shall be removed from any pole as provided in this section, no attachment shall again be made to such pole unless Licensee shall have first complied with all of the provisions of this tariff as though no such attachment had previously been made.
- .4 All written notice required under this section shall be given in the format provided by the Company and by posting the same in first class mail.

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D. Obligation of Licensee

1. Legal Requirements

- .1 Licensee will obtain from public authorities and private owners of real property any and all permits, franchises, licenses and grants necessary for the lawful exercise of any authorization granted under this tariff.
- .2 The Licensee and the Company shall at all times observe and comply with the provisions of this tariff subject to all laws, ordinances, and regulations which in any manner affect the rights and obligations of the Licensee and the Company under this tariff.
- .3 No authorization granted under this tariff shall extend to any pole where the attachment or placement of Licensee's facilities would result in a forfeiture of the rights of the Company or joint users to occupy such property on which such poles are located. If the existence of Licensee's facilities on a pole would cause a forfeiture of the right of the company or joint user or both to occupy such property, Licensee agrees to remove its facilities forthwith upon receipt of written notification from the Company. If the Licensee has not completed such removal within 60 days of receipt of such written notification the Company may perform and/or have performed such removal without liability on the part of the Company and Licensee agrees to pay the Company or joint user or both, the cost thereof and for all losses and damages that may result.

2. Assignment of Rights

- .1 Licensee shall not assign, transfer or sublet the privileges hereby granted, or sell, lease or otherwise permit the use of its facilities on any pole or poles of the Company, without prior consent in writing of the Company, which consent shall not be unreasonably withheld. However, in any event, Licensee may not apportion any of its rights.
- .2 Subject to the provisions of the above, this tariff shall extend to and bind the successors and assigns of the parties hereto.



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D. Obligation of Licensee (Continued)

3. Construction, Maintenance and Removal of Licensee's Facilities

- .1 Licensee shall, at its own expense, make and maintain its pole attachments in a safe condition and in thorough repair, and in a manner acceptable to the Company, and so as not to conflict with the use of said poles by the company or by other authorized users of said poles, or interfere with other facilities thereon or which may from time to time be placed thereon. Licensee shall, at its own expense, upon notice from the Company, relocate or replace its facilities placed on said poles, or transfer them to substituted poles, or perform any other work in connection with said facilities that may be required. The company shall give such notice as is reasonable in the circumstances, provided, however, that in cases of emergency, (the Company's judgment as to what constitutes an emergency to be conclusive) the Company may arrange to relocate, remove or replace the attachments placed on said poles by the Licensee, transfer them to substituted poles or perform any other work in connection with said facilities that may be required in the maintenance, replacement, removal or relocation of said poles or of the facilities thereon or which may be placed thereon, or for the service needs of the Company, then the Licensee shall reimburse the Company for the expense thereby incurred. Licensee's attachments to poles of Licensor as mentioned herein shall be understood to include attachments of the Licensee in space reserved for the Company, or space which the Company has the right to use, on poles of other companies with which the Company now has or may hereafter have agreements for joint use and occupancy; and the use of such space by the Licensee shall be subject to the terms and conditions of the agreements between the Company and said other companies.

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D. Obligation of Licensee (Continued)

3. Construction, Maintenance and Removal of Licensee's Facilities (continued)

.2 Licensee's cables, equipment and facilities shall be placed and maintained in accordance with the requirements and specifications specified in other parts of this tariff, and in accordance with the requirements and specifications of Michigan Public Service Commission Order No. 1679, and any amendment or revision of said order, and in compliance with any other rules or orders now in effect or that may hereafter be issued by The Public Service Commission or other authority having jurisdiction. Unless different standards are specified therein, the provisions of the National Electrical Code (1983 edition), and the National Electrical Safety Code (1983 Edition), and any amendments thereto or replacements thereof, shall be applicable. If any part of Licensee's distribution system is not so placed or maintained the Company may upon ten days written notice to Licensee and, in addition to any other remedies the Company may have, remove Licensee's distribution system from any or all of the Company's poles, or perform such other work and take such other action in connection with said distribution system that the Company deems necessary or advisable, at the cost and expense of the Licensee and without any liability therefore; provided, however, that when in the judgment of the Company (such judgment to be conclusive) such a condition may endanger the safety of the Company's employees or interfere with the performance of the Company's service obligations, the Company may take such action without notice to the Licensee. As soon as practicable thereafter, the Company will advise the Licensee in writing of the work performed on the action taken and endeavor to arrange for recommendation of Licensee's facilities so affected. The Licensee shall be responsible for paying the Company for all costs incurred by the Company for such work, action and recommendation.

.3 Licensee at its expense, will remove its facilities from a pole within sixty (60) days after:

- a. termination of the specific authorization covering such attachment or occupancy; or
- b. the date Licensee replaces its existing facilities on a pole with the placement of substitute facilities on the same or another pole.

However, Licensee shall be liable for and pay all charges pursuant to provisions of this tariff to the Company until all of Licensee's facilities are physically removed from such pole. If Licensee fails to remove its facilities within the specified period, the Company shall have the right to remove such facilities at Licensee's expense and without liability on the part of the Company for damage to such facilities or interruption of Licensee's services.

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D. Obligation of Licensee (Continued)

3. Construction, Maintenance and Removal of Licensee's Facilities (continued)

- .4 Should the Company under any provision of this tariff remove Licensee's cable, equipment or facilities from the Company's poles, the Company will deliver to the Licensee the cable, equipment or facilities so removed upon payment by Licensee of the cost of removal, storage and delivery, and all other amounts due the Company under the provisions of this tariff. Licensee, upon request of the Company, shall grant the Company a lien on Licensee's cable, equipment or facilities attached to the Company's poles or removed there from, with power of public or private sale, to cover any amount due the Company under the provisions of this tariff. Such liens shall not operate to prevent the Company from pursuing, at its option, any other remedy in law equity or otherwise, including any other remedy provided for in this tariff.
- .5 When Licensee's facilities are removed from a pole no reattachment to the same pole or replacement shall be made until:
  - a. the Licensee has first complied with all of the provisions of this tariff as though no such pole attachment had previously been made, and
  - b. all outstanding charges due to the Company for such previous attachment and/or occupancy have been paid in full.
- .6 Licensee shall advise the Company in writing as to the date on which the removal of its communications facilities from each pole has been completed.

4. Compliance with Workmen's Compensation

- .1 The Licensee agrees to comply with and qualify under the Workmen's Compensation Laws of the State of Michigan and also agrees to cause every subcontractor to comply with and qualify under said laws, and shall furnish copies of Certificates demonstrating such compliance to the Company prior to commencement of work.

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D. Obligation of Licensee (Continued)

5. Insurance

- .1 Licensee agrees to purchase and maintain liability insurance naming the Company as a co-insured and insuring such named insured against loss or damage on account of claims to bodily injuries, death or property damage suffered by a person or persons, in connection with the performance of the provisions of this tariff upon the Licensee's part in the single limit amount of (\$1,000,000) for each occurrence. The insurance required herein shall be evidenced by Certificates of Insurance acceptable to the Company and shall be filed with the Company prior to the commencement of the work.
- .2 The Certificates shall contain a provision that coverage afforded there under will not be modified or cancelled until at least fifteen (15) days prior written notice (or longer period if required by law) has been given to the Company.
- .3 Said insurance shall also provide contractual liability coverage satisfactory to the Company with respect to liability assumed by the Licensee under C.3.
- .4 All insurance required in accordance with this tariff must be effective before the Company will authorize attachment to a pole and shall remain in force until all of Licensee's facilities have been removed from all such poles. In the event that Licensee shall fail to maintain the required insurance coverage the Company may pay any premiums thereon falling due and the Licensee shall forthwith reimburse the Company for any such premium payments made.

6. Attachment and Occupancy Applications

- .1 Before the Licensee shall have a right to attach to any pole of the Company, the Licensee shall make application for and receive a revocable, nonexclusive written authorization therefor on the form provided by the Company. Any authorization granted hereunder for attachment to the Company's poles shall terminate without further notice to the Licensee as to individual poles covered by the authorization to which the Licensee has not attached within 60 days from the date that the Company has notified the Licensee that such poles are available for attachment of the operating facilities of the Licensee, unless the Company in the exercise of its sole discretion agrees to extend said period at the request of the Licensee.

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D. Obligation of Licensee (Continued)

7. Attachment to Poles Owned by the Company

.1 General

- a. The Licensee is responsible for the proper design, construction and maintenance of its attachments. Attachments are limited to the Licensee's strand-supported cable, service drops, terminals and necessary appurtenances deemed by the Company to be suitable for pole mounting.
- b. The Licensee's attachments shall be plainly identified by appropriate marking satisfactory to the Company.
- c. Licensee's workmen shall assure themselves that any pole to be climbed has sufficient strength or is adequately braced or guyed to support the weight of the workmen,
- d. Any rearrangement of Licensee's facilities or replacement of poles required to accommodate Licensee's attachments shall be done by the Company or a contractor authorized by the Company.
- e. All requirements of the National Electrical Safety Code referred to herein shall mean the 1983 Edition of such code, or any later amendment or replacement thereof, and shall include any additional requirements or any applicable Federal, State, County or Municipal code. References to simply the Safety Code, or to N.E.S.C., have the same meaning.

E. Inspection of Licensee's Installations

1. The Company, because of its new service obligations to the public, reserves the right to inspect each new installation of, or work operation upon, the Licensee's distribution system on the Company's poles or within the area around the Company's lines or appliances; to make periodic inspections, semi-annually or more often as plant conditions may warrant, of the entire plant of the Licensee; and the Licensee shall, on demand, reimburse the Company for the expense of such inspections in accordance with G.1.1. The making of such inspections or the failure to make such inspections shall not operate to relieve the Licensee or any responsibility, obligation or liability imposed by this tariff.

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E. Inspection of Licensee's Installations (Continued)

2. If any cable, equipment or facilities of Licensee shall be found on a pole for which no authorization is outstanding, the Company, without prejudice to its other rights or remedies under this tariff or otherwise, may (1) impose a charge, and (2) require the Licensee to remove such cable, equipment or facilities forthwith or the Company may remove them without liability and the expense of removal shall be borne by the Licensee. For the purpose of determining the charge, absent satisfactory evidence to the contrary, the authorized use shall be treated as having existed for a period of three (3) years prior to its right to any other sums sue and payable and to any claims or damages under this tariff or otherwise. No act or failure to act by the Company with regard to said fee or said unauthorized use shall be deemed as ratification or the authorization of the unauthorized use and if any authorization in the form specified by the Company should subsequently be issued, after application and payment of the application fee therefore, said license shall not operate retroactively or constitute a waiver by the Company of any of its rights or privileges under this tariff or otherwise.
3. In the event Licensee makes or maintains any attachments to the Company's poles other than as provided in this tariff, or if the Licensee fails to remove any of its cables, equipment or facilities from the Company's poles, as required by this tariff, the Company shall have the right, without notice to the Licensee and in addition to any other remedies the Company may have, to remove such attachments at the cost and expense of the Licensee and without any liability therefore.

F. Rates and Charges

1. Rates

.1 General

- a. Payment Date Pole attachment fees shall be billed annually, in advance, in the month of January. Failure to pay such fees by the specified payment date may result in the termination of authorizations and the removal of the Licensee's cable, equipment or facilities from the Company's poles.

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F. Rates and Charges

1. Rates (Continued)

.1 General (Continued)

- b. Termination of Authorization Upon termination or surrender of an authorization granted hereunder, no refund of any attachment fee or occupancy fee shall be made; provided however, that in cases of any termination of any authorization pursuant to the provisions of C.4. a proportionate refund of the applicable prepaid annual attachment fee shall be made.

.2 Pole and Anchor Attachments

- a. Computation of the total rate for pole and anchor attachments shall be based upon the number of poles and anchors to which attachments are actually made on December 31 of the preceding year. For the period ending December 31 of each calendar in which the initial attachment is made to any pole or anchor. Licensee shall pay to the Company an attachment fee of 50% of the annual rate per pole, and per anchor, payable on the first regular payment date, based upon the number of poles and anchors on which initial attachments were made during such calendar year.

b. <u>Attachment Rate</u>	<u>Annual</u>
Per Pole attachment	\$ 1.43
Per Anchor attachment	\$ 4.95

G. Charges (nonrecurring)

1. Computation

- .1 All charges for inspection, engineering, rearrangements or removals of Licensee's facilities from the Company's poles and without limitation, any other work performed by the Company shall be based upon the full cost and expense, including overhead, to the Company for performing such work for the Licensee. The cost to the Company shall be determined in accordance with the regular and customary methods used by the Company in determining such costs.

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G. Charges (Nonrecurring) (Continued)

1. Computation (Continued)

.2 The charge for replacement of poles shall include the entire non-betterment cost to the Company, including the increased cost of larger poles, sacrificed life value of the poles removed, cost of removal less any salvage recovery and the cost of transferring the Company's facilities from the old to the new poles.

2. Payment Date All bills for nonrecurring charges as specified in this section shall be payable upon presentation to the Licensee and shall be deemed delinquent if not paid within 30 days after presentation to the Licensee.

H. Construction Standards and Specifications

1. Specification Requirements - Appendix B

All construction standards, requirements and specifications for the attachments to poles for the Company shall be in accordance with Appendix B to the License Agreement between the Licensee and the Company.