

10. For the purpose of these regulations exchanges or networks shall be classified in one or other of the following classes :—

Class I.—Exchanges or networks observing continuous attendance and having more than 3,500 paying subscribers' main stations connected therewith.

Class II.—Exchanges or networks observing continuous attendance and having 1,001 to 3,500 paying subscribers' main stations connected therewith.

Class III.—Exchanges or networks observing continuous attendance and having 201 to 1,000 paying subscribers' main stations connected therewith.

Class IV.—Exchanges or networks where the attendance is restricted.

11. When the number of paying subscribers' main stations connected with any exchange or network reaches 10 per cent. above the maximum or falls 10 per cent. below the minimum of the class in which the exchange is classified, the exchange shall be transferred to the next higher or lower class, as the case may be, and shall be subject to the base-rate area and the rates applicable to such class from the date on which the next half-yearly rental becomes due.

12. Any exchange in Class IV granted continuous attendance under the provisions of Regulation 56 shall be automatically transferred to Class III, and shall be subject to the rates and service applicable to that class from the date on which the continuous attendance commences.

Base-rate Areas.

13. (1.) The base-rate area in respect of any of the exchanges in Classes I and II shall not exceed 28 square miles and 20 square miles respectively, and shall comprise the area defined and [or] delineated on plans from time to time deposited at the relative telephone exchanges.

(2.) At Classes III and IV exchanges the base-rate area shall not exceed 13 square miles, and the boundary shall in each case, unless otherwise defined, be two miles distant by pole-line route measurement from the telephone exchange.

Rates.

14. Unless otherwise specified in these regulations, individual, two- and four-party line service shall be furnished to stations within base-rate areas at the annual rates prescribed hereunder :—

Class of Station.	Class I. Exchanges or Networks observing Continuous Attendance and having more than 3,500 Paying Subscribers' Main Stations connected therewith.	Class II. Exchanges or Networks observing Continuous Attendance and having 1,001 to 3,500 Paying Subscribers' Main Stations connected therewith.
	Annual Rates for Stations within Base-rate Area.	Annual Rates for Stations within Base-rate Area.
Individual line—	£ s. d.	£ s. d.
Business	15 0 0	11 0 0
Residence	8 10 0	7 10 0
Two-party—		
Business	10 0 0	8 0 0
Residence	7 0 0	6 0 0
Four-party—		
Business	6 0 0	5 0 0
Residence	6 0 0	5 0 0

Class of Station.	Class III. Exchanges or Networks observing Continuous Attendance and having 201 to 1,000 Paying Subscribers' Main Stations connected therewith.	Class IV. Exchanges or Networks where the Attendance is restricted.
	Annual Rates for Stations within Base-rate Area.	Annual Rates for Stations within Base-rate Area.
Individual line—	£ s. d.	£ s. d.
Business	10 0 0	8 0 0
Residence	7 0 0	6 0 0
Two-party—		
Business	7 0 0	6 0 0
Residence	5 10 0	4 10 0
Four-party—		
Business	6 0 0	5 0 0
Residence	4 10 0	3 10 0

15. For the rates prescribed in the last preceding regulation the Department shall supply one copy of the telephone directory for each telephone provided, and shall provide and maintain all necessary exchange equipment, subscribers' lines, and where necessary one telephone wall-set per station; desk telephones shall be 5s. per annum extra.

16. Any business station on a four-party line connected with a Class I exchange shall be charged £2 10s. per annum in excess of the rate for a residential station similarly located.

17. Where two or more main stations are required by a subscriber in connection with the same establishment and on the same premises, the annual rental in respect of each main station in excess of one shall be 10 per cent. less than the prescribed rate.