



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

JULY 29, 2005

Docket No. P-00981429F1000
R-00050521

JOHN RUTKOWSKI
MANAGER REGULATORY RELATIONS
CONESTOGA TELEPHONE COMPANY
124 EAST MAIN STREET
PO BOX 458
EPHRATA PA 17522

DOCKETED
AUG 03 2005

**DOCUMENT
FOLDER**

Re: Conestoga Telephone and Telegraph Company
PSI/SPI Filing for Year 2005
Supplement No. 198 to Tariff Telephone Pa. PUC No. 10

Dear Mr. Rutkowski:

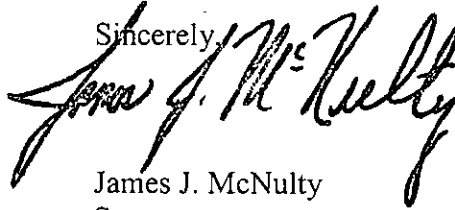
On May 31, 2005, Conestoga Telephone and Telegraph Company (Company) filed its annual Price Stability Index (PSI) and Service Price Index (SPI) Report with the Commission, along with Supplement No. 198 to Tariff Telephone Pa. P.U.C. No. 10 to become effective August 1, 2005. This filing was made pursuant to the provisions of the Company's Amended Streamlined Regulation and Network Modernization Plan approved at Docket No. P-00981429F1000.

The Company filed Supplement No. 198 to implement rate changes due from the changes in the Gross Domestic Product Price Index in accordance with the Company's Price Stability Mechanism of its Chapter 30 Plan for \$549,057. The Company proposes to increase its monthly recurring rates for Local Exchange Services by \$0.84. Customers were provided notice of the PSM filing by bill message beginning with the April, 2005 billing cycle.

Commission Staff reviewed the filing, and suspension or further investigation does not appear to be warranted at this time. Therefore, the above-referenced docketed filing will be permitted to become effective August 1, 2005, and **the Secretary's Bureau will mark this case closed**. This, however, does not constitute a determination that the tariff is just, lawful and reasonable, but only that suspension or further investigation does not appear to be warranted at this time, and is without prejudice to any formal complaints timely filed against this tariff revision.

If you are dissatisfied with the resolution of this matter, you may, as set forth in 52 Pa. Code §5.44, file a petition with the Commission within 10 days of the date of this letter. If you have any questions in this matter, please contact Mohan Samuel of the Telecommunications Group in the Bureau of Fixed Utility Services at (717) 787-0697.

Sincerely,

A handwritten signature in black ink, appearing to read "James J. McNulty". The signature is written in a cursive style with a large, sweeping initial "J".

James J. McNulty
Secretary

cc: Kerry Klinefelter, FUS
Christie Crummy, Secretary's Bureau