

CAPTION SHEET

SE MANAGEMENT SYSTEM

1. REPORT DATE: 00/00/ :
 2. BUREAU: FUS :
 3. SECTION(S): :
 5. APPROVED BY: : 4. PUBLIC MEETING DATE:
 DIRECTOR: : 00/00/00 :
 SUPERVISOR: :
 6. PERSON IN CHARGE: : 7. DATE FILED: 04/14/06 :
 8. DOCKET NO: R-00061484 : 9. EFFECTIVE DATE: 00/00/00

PARTY/COMPLAINANT: PUC

RESPONDENT/APPLICANT: HICKORY TELEPHONE CO.

COMP/APP COUNTY:

UTILITY CODE: 311550

ALLEGATION OR SUBJECT

HICKORY TELEPHONE FILED 15-DAY ADVANCE NOTICE OF ITS INTENT TO FILE ITS ANNUAL
 PSI/SPI FILING ON OR ABOUT MAY 1, 2006 WITH TARIFF SUPPLEMENTS.....
 5/1/06 - HICKORY TELEPHONE COMPANY FILED SUPPLEMENT NUMBER 124 TO TARIFF
 TELEPHONE PA PUC NUMBER 6 EFFECTIVE JUNE 30, 2006 ANNUAL PSI/SPI REPORTS.....

DOCUMENT
FOLDER

DOCKETED
MAY 03 2006

ORIGINAL
Thomas, Thomas, Armstrong & Niesen
Attorneys and Counsellors at Law

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CHARLES E. THOMAS
(1913 - 1998)

May 1, 2006

VIA HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P.O. Box 3265
Harrisburg, PA 17105-3265

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MAY - 1 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

In re: Hickory Telephone Company PSI/SPI Filing for Year 2006
Docket Nos. P-00981431F1000 and R-00061484

Dear Secretary McNulty:

Pursuant to the Alternative Form of Regulation and Network Modernization Plan ("Chapter 30 Plan") of Hickory Telephone Company at Docket No. P-00981431, enclosed for filing at the above-referenced dockets are an original and seven (7) copies of each of the following:

- Executive Overview explaining the filing;
- **Proprietary** and Public versions of its 2006 PSI/SPI Report and accompanying supporting Attachments 1, 2 (Proprietary only) and 3 (Proprietary only);
- Supplement No. 124 to Tariff Telephone-PA P.U.C. No. 6, effective June 30, 2006; and
- Responses to 52 Pa. Code § 53.52 and supporting Exhibit 1 (Proprietary only).

Also enclosed are an original and three (3) copies of a Petition for Protective Order and proposed Protective Order. All parties have been served pursuant to the attached Certificate of Service.

DOCKETED

MAY 03 2006

Sincerely,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By



Michael L. Swindler

Enclosures

cc: Certificate of Service
Grier Adamson

ORIGINAL

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Hickory Telephone Company
PSI Filing for the Year 2006
Supplement No. 124 to Telephone PA P.U.C. No. 6
Docket Nos. P-00981431F1000 and R-00061484

MAY - 1 2006

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

EXECUTIVE OVERVIEW

Hickory Telephone Company ("Hickory" or "Company") files its initial annual Price Stability Index/Service Price Index Report ("PSI/SPI") pursuant to the Company's Alternative Form of Regulation and Network Modernization Plan approved by Orders of the Commission at Docket No. P-00981431 ("Chapter 30 Plan") and in compliance with Act 183-2004, 66 Pa.C.S. §§ 3011-3019 ("Act 183"). As a company that has amended its Network Modernization Plan pursuant to Section 3014(b)(1) of Act 183 on March 4, 2005, providing for 100% broadband availability by December 31, 2008, the inflation offset in the Company's PSI calculation is zero. The resulting GDP-PI percent change for 2006 is 2.92%, as shown on **Attachment 1**. The Company's Intrastate Revenues are set forth in **Proprietary Attachment 2**. Total Intrastate Revenues multiplied by the GDP-PI percent change equals the allowable revenue change. The allocation of the allowable revenue change among service rates and the remaining amount to be banked are set forth in **Proprietary Attachment 3**.

This filing is made pursuant to the Price Stability Mechanism (PSM) in the Company's approved Chapter 30 Plan, which sets forth the procedure for an annual PSI/SPI filing that reflects the change in the Gross Domestic Product - Price Index on a year-to-year basis. Since this is the Company's first PSI/SPI Filing following its election last year of Plan A (PSM) regulation under its Chapter 30 Plan, the PSI and SPI indices are initially set at 100 in this filing.

The rate changes resulting from this filing are increases in the non-recurring rates for residential and business service order charge, access line (network access) charge, premise visit, return check, private number service, off premise mileage, on premise mileage, increases in the charges for Remote Call Forwarding and Distinctive Ringing, decreases in the charges for Speed Call 8 and Speed Call 30, and increases in the monthly recurring charges for R-1 and B-1 basic local service. The proposed rate changes presented in Supplement No. 124 to Telephone PA P.U.C. No. 6 are designed to implement the change in the GDP-PI pursuant to the Company's calculation of its PSI for the year 2006 in accordance with the Price Stability Mechanism of its Chapter 30 Plan. Hickory submits the proposed tariff modifications to become effective on sixty (60) days' notice, or on June 30, 2006.

Hickory avers that its PSI/SPI Filing for year 2006 is in compliance with its Chapter 30 Plan and respectfully requests that the proposed tariff supplement be approved by the Commission to be effective June 30, 2006.

CHAPTER 30 FILING
HICKORY TELEPHONE COMPANY
2006 PRICE STABILITY INDEX (PSI) REPORT

Date: May 1, 2006

	<u>2006</u>
1. Gross Domestic Product Price Index (GDP-PI) for the 3Q05*	112.567
2. GDP-PI for 3Q04	<u>109.371</u>
3a. GDP-PI [(line 1 - line 2) divided by line 2]	0.0292%
3b. GDP-PI Percent Change	2.92%
4. Less Productivity Offset ⁽¹⁾	<u>0</u>
5. Change to PSI [line 3b - line 4]	2.920
6. Prior Year PSI ⁽²⁾	<u>100</u>
7. New PSI	<u><u>102.920</u></u>

Service Price Index (SPI)

1. Prior Year SPI ⁽²⁾	100
2. Change to SPI	<u>102.920</u>
3. New SPI	<u><u>102.920</u></u>

* Source: U.S. Department of Commerce, Bureau of Economic Analysis for the quarter ending not more than eight months prior to the advance notice date of the annual PSM filing and the corresponding quarter of the previous year. (<http://www.bea.gov/bea/dn/nipaweb/index.asp> (Table 1.4.4))

(1) Under Act 183 of 2004, § 3014(b)(1)(ii), the Company filed an Amended Network Modernization Plan to commit to accelerate 100% broadband availability by December 31, 2008. In making this election, the productivity (inflation) offset shall be zero per § 3015(a)(1)(i) of the Act.

(2) Per the Company's Chapter 30 Plan, the initial PSI and SPI are each set at 100.

HICKORY TELEPHONE COMPANY
Intrastate Income

Attachment 2

REDACTED

PUBLIC VERSION

REDACTED

PUBLIC VERSION

**HICKORY
TELEPHONE COMPANY**

Supplement No. 124 to
Tariff Telephone - PA P.U.C. No. 6
(Local Exchange Service Tariff)

**DATA AND INFORMATION
REQUIRED BY 52 PA.CODE §53.52 (a) & (b)**

Issued: May 1, 2006

Effective: June 30, 2006

**HICKORY TELEPHONE COMPANY
RESPONSES TO TITLE 52, CHAPTER 53, SECTION 53.52**

(a) Whenever a public utility, other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement effecting changes in the terms and conditions of service rendered or to be rendered, it shall submit to the Commission with the tariff, revision or supplement, statements showing all of the following:

1. The specific reasons for each change.

Hickory Telephone Company ("Hickory") is proposing tariff changes as a result of its Price Stability Index/Service Price Index filing submitted to the Pennsylvania Public Utility Commission ("PUC") on May 1, 2006. This filing is made pursuant to the Price Stability Mechanism in the Company's approved Chapter 30 Plan, which sets forth the procedure for an annual PSI/SPI Filing that reflects the change in the Gross Domestic Product-Price Index on a year-to-year basis.

2. The total number of customers served by the utility.

See * PROPRIETARY * Attachment 2 to this filing.

3. A calculation of the total customers, by tariff subdivision, whose bills would be affected by the change.

All customers will be impacted by the proposed rate changes.

See * PROPRIETARY * Attachment 3 to this filing.

4. The effect of the change on the utility's customers.

Customers will realize an increase on their monthly bill. See the Executive Overview to the filing and * PROPRIETARY * Attachment 3 for details of the increases.

5. The effect, whether direct or indirect, of the proposed change on the utility's revenue and expenses.

Implementation of the proposed changes will keep Hickory's price indexes consistent with the standards set in the Company's Chapter 30 Plan, as amended. For the amount of allowable intrastate revenue increase as authorized by the Company's Chapter 30 Plan as well as the intrastate revenue adjustment and banked amount proposed in this filing, see * PROPRIETARY * Attachment 3 to this filing.

**HICKORY TELEPHONE COMPANY
RESPONSES TO TITLE 52, CHAPTER 53, SECTION 53.52**

6. The effect of the change on the service rendered by the utility.

Approval of this tariff supplement will have no adverse impact on the service provided by Hickory.

7. A list of factors considered by the utility in making this change.

See response to (a)1., above.

8. Studies undertaken to draft the proposed change.

Hickory's PSI/SPI Filing worksheet attachments, submitted to the PUC herewith on May 1, 2006, support the proposed tariff changes contained in this filing.

9. Customer polls taken which indicate customer acceptance of the proposed change.

No polls were taken.

10. Plans the utility has for introducing or implementing the service.

Beginning with the Company's April 1, 2006 billing cycle, customers were given advance notice of the proposed rate changes to become effective June 30, 2006.

11. FCC, FERC, or Commission orders or rulings applicable to the filing.

Hickory's Chapter 30 Plan contains the rules to follow regarding the methodology surrounding this filing.

**HICKORY TELEPHONE COMPANY
RESPONSES TO TITLE 52, CHAPTER 53, SECTION 53.52**

(b) Whenever a public utility other than a canal, turnpike, tunnel, bridge or wharf company files a tariff, revision or supplement which will increase or decrease the bills to its customers, it shall submit in addition to the requirements of subsection (1), to the Commission, with the tariff, revision or supplement, statements showing the following:

- 1. The specific reasons for each increase or decrease.**

Implementation of the proposed changes provide the Company with increased revenues as authorized by its Chapter 30 Plan while producing minimum impact to the Company's customers.

- 2. The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.**

See * PROPRIETARY * Exhibit 1 to these responses.

- 3. A calculation of the number of customers, by tariff subdivision, whose bills will be increased.**

See * PROPRIETARY * Attachment 3 to this filing.

- 4. A calculation of the total increase, in dollars, by tariff subdivision, projected on an annual basis.**

See * PROPRIETARY * Attachment 3 to this filing.

- 5. A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.**

Not Applicable.

- 6. A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.**

Not Applicable.

INCOME STATEMENT

REDACTED

PUBLIC VERSION

HICKORY TELEPHONE COMPANY

RATES AND RULES

Governing the Furnishing of Telephone Service

IN

Washington County, Pennsylvania

As Shown on Sheet 5

Issued: May 1, 2006

Effective: June 30, 2006

By

Grier Adamson, CEO, Treasurer
Hickory, Pennsylvania

NOTICE

This tariff makes (Changes) to Rates
See Sheet 2

Hickory Telephone
Company

Sheet 2

CHANGES MADE BY THIS SUPPLEMENT

CHANGE:

This supplement makes a change to State Tax Adjustment Surcharges, Local Exchange Service Rates, Service Connection Charges, Mileage Charges, and Custom Calling Services as a result of the company's 2006 Price Stability Index/Service Price Index Filing.

See Section 1, Sheet 7
 Section 2, Sheet 1
 Section 3, Sheet 2
 Section 4, Sheet 1
 Section 6, Sheet 8
 Section 6, Sheet 13

Hickory Telephone
Company

Section 1
46th Revised Sheet 7
Cancels 45th Revised Sheet 7

GENERAL REGULATIONS (cont'd)

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this tariff and other state toll and access tariffs in which this company concurs, a surcharge, as shown below, will apply to all intrastate charges for service on or after September 1, 2005, except on calls from pay telephones.

For services provided to:	<u>Surcharge</u> <u>Rate</u>	
END USER	0 %	(I)
ACCESS USER & LOCAL EXCHANGE CARRIER	0 %	(I)

The above charges will be recomputed, using the same elements prescribed by the Commission:

- a. Whenever any of the tax rates used in calculation of the surcharge are changed.
- b. Whenever the utility makes effective any increased or decreased rates.
- c. And on March 31, 1971, and each year thereafter.

The above recalculations will be submitted to the Commission within 10 days after the occurrence of the event or date which occasions such recomputations; and that if the recomputed surcharge is less than the one in effect the Utility will, and if the recomputed surcharge is more than the one then in effect the Utility may submit the such recomputation a tariff or supplement to reflect such recomputed surcharge, the effective date which shall be 10 days after filing.

(I) Indicates Increase

Issued: May 1, 2006

Effective: June 30, 2006

Hickory Telephone
Company

Section 2
16th Revised Sheet 1
Cancels 15th Revised Sheet 1

LOCAL EXCHANGE SERVICE WITH NETWORK ACCESS

Local exchange service includes the central office equipment with touchtone dialing capability, outside plant distribution wire and cable, drop wire and station protector. The rates listed below do not include any terminal equipment telephones, ringers, couplers or inside station wiring.

MONTHLY RATES

HICKORY

Residence	\$16.45	(I)
Business	\$21.20	(I)

Private No.\$2.50

Customer- Owned Coin-Operated Telephone Service customers will not be charged for a non-published telephone number.

LOCAL SERVICE AREA

The local service area embraces stations bearing the designation of HICKORY: Canonsburg and Washington (Verizon of PA)

(I) Indicates Increase

Issued: May 1, 2006

Effective: June 30, 2006

Hickory Telephone
Company

Section 3
5th Revised Sheet 2
Canceling 4th Revised Sheet 2

SERVICE CONNECTION CHARGES (cont'd)

RATES

	<u>Business</u>		<u>Residence</u>	
Service Order.....	\$35.00	(I)	\$30.00	(I)
Access Line.....	20.00	(I)	20.00	(I)
Premise Visit	40.00	(I)	40.00	(I)
Return check.....	25.00	(I)	25.00	(I)
Restoral Charge.....	35.00		35.00	
Non-Published Service Charge.....(C)	30.00	(I)	30.00	(I)

SERVICE MAINTENANCE VISIT CHARGE

A service maintenance visit charge applies when a service difficulty or trouble report requires a visit by the Telephone Company to the customer's premises, at which customer-provided equipment or lines are connected to Telephone Company facilities, and a determination is made that the difficulty or trouble is not the result of failure of Telephone Company facilities.

The minimum charge for each service maintenance visit is \$30.00. Costs exceeding the minimum charge are the responsibility of, and will be billed to, the customer.

(C) Indicates Change
(I) Indicates Increase

Hickory Telephone Company

Section 4
 6th Revised Sheet 1
 Cancels 5th Revised Sheet 1

MILEAGE CHARGES

EXTENSION STATION

When an extension station, bell, gong, or PBX station is located in a building separate and apart from that housing the main station, an additional charge applies to that portion of the line extending beyond the building in which the initial station is installed. This charge is computed on air line measurement from the point of exit from the main building to the location of the extension instrument per each wire circuit, as follows:

	<u>Monthly Charge</u>	
When the two buildings are on the same premises and are not separated by intervening buildings or by a public thoroughfare, for each 1/10 mile or fraction thereof.....	\$2.00	(I)
When The buildings are on separate premises or are separated by a public thoroughfare, for each 1/4 mile or fraction thereof.....	\$3.65	(I)

This charge is made for each wire circuit irrespective of the number of extension telephones, bells, or gongs any one circuit may serve.

(I) Indicates Increase

Hickory Telephone
Company

Section 6
6th Revised Sheet 8
Cancels & Supersedes 5th Revised Sheet 8

MISCELLANEOUS SERVICE AND EQUIPMENT

CUSTOMER CALLING SERVICES PER MONTH

Anonymous Call Rejection		
Allows subscriber to reject incoming calls that have blocked their number.(Requires Caller-Id)	\$NC	
Call Waiting		
Notifies the subscribing party that another call is waiting	\$3.00	
Call Forwarding		
Allows the subscribing party to forward their calls to another number. The subscribing party is responsible for any additional toll charges	\$3.00	
Conference Calling – Three Way Calling		
Allows the subscribing party to bring a third party into an existing conversation	\$1.50	
Custom Call Package		
Allow the subscribing party to have a package of three (3) non-conflicting options	\$6.00	
Speed Calling		
Allows the subscribing party to dial one or two digits to reach frequently called numbers.		
8 numbers	\$1.50	(D)
30 numbers	\$2.50	(D)
Remote Call Forwarding		
Allows the subscribing party to use a local exchange number for the directory while not being located in the local exchange. The calls are forwarded to a preselected number. The subscriber is responsible for any toll charges as a result of the forwarding	\$25.00	(I)
Distinctive Ringing		
Allows the subscribing party to distinguish between incoming calls by the use of a second directory number that terminates to the same line, but uses a different ring	\$2.00	(I)

(D) Indicates Decrease (I) Indicates Increase

Issued: May 1, 2006

Effective: June 30, 2006

Hickory Telephone
Company

Section 6
2nd Revised Sheet 13
Canceling 1st Revised Sheet 13

MISCELLANEOUS SERVICE AND EQUIPMENT (cont'd)

8. PROVISIONS FOR CALLER-ID PER-LINE AND PER-CALL BLOCKING (cont'd)

3. Special Provisions

In cases where Telephone Company customers are victims of domestic violence, or are representatives of domestic violence agencies, or are representatives of emergency service agencies, calls placed through a live operator in order to protect the identify of the calling party will be completed without the application of an operation service charge. Qualifying customers may need to notify the Telephone Company to request this credit if the service charge cannot be waived at the time the call is being placed.

4. Caller ID Service

Caller ID is an optional feature which allows a subscriber to see the telephone number of an incoming call displayed on the customer provided display unit. The telephone number of an incoming call will display between the first and second rings. Caller ID Service works only on calls which originate from and terminate in central offices which are equipped and have SS7 connectivity. Caller ID is available to customers by monthly subscription only, which provides unlimited use of this service.

As facilities permit, Caller ID Service will be provided to Residence and Business One-party service. For calls originating from a line within a multi-line hunt group, only the "main" or number will be delivered to a Caller ID subscriber's display unit.

The telephone numbers that will be displayed on a Caller ID subscriber's display unit include listed, non-listed and non-published telephone numbers.

(C)

(C) Indicates Change

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Hickory Telephone Company Price : Docket Nos. P-00981431F1000 and
Stability Index/Service Price Index : R-00061484
Filing for Year 2006 :
:

PETITION FOR PROTECTIVE ORDER

2006 MAY -1 PM 4:20
SECRETARY'S BUREAU
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TO THE HONORABLE PENNSYLVANIA PUBLIC UTILITY COMMISSION:

Hickory Telephone Company ("Hickory" or "Company"), by its attorneys, hereby files this Petition for Protective Order pursuant to 52 Pa. Code § 5.423 and requests that the Pennsylvania Public Utility Commission ("Commission") provide protective or confidential treatment of certain proprietary and highly confidential information involved in the above-captioned matter. In support thereof, Hickory submits the following:

On May 1, 2006, simultaneous with the filing hereof, Hickory filed its Price Stability Index/Service Price Index Filing for Year 2006 pursuant to its Alternative Form of Regulation and Network Modernization Plan adopted by Order of the Commission at Docket No. P-00981431. This is the first Price Stability Index/Service Price Index Filing made by the Company since electing Plan A Company status. The Company's Price Stability Index/Service Price Index Filing for Year 2006 implements the change in the GDP-PI pursuant to Hickory's calculation of its PSI for the year 2006 in accordance with the Price Stability Mechanism of its Chapter 30 Plan.

The information subject to the requested Protective Order is information contained therein and/or certain attachments disclosing information regarding Hickory's market share of non-competitive intrastate revenue detailed by major business category of service to Hickory's total intrastate revenue as well as number of access lines, operating revenues and other financial information. Hickory considers this information to be proprietary. Disclosure of this information to the public and/or Hickory's competitors could interfere with the development of a competitive market for telecommunications services. Specifically, competitors could use this information to develop marketing plans and price structures to unfairly compete with the Company. As Hickory does not have similar information regarding all of its potential competitors, it is unfair and inequitable to require disclosure by Hickory of this information. Additionally, any other materials which the Company furnishes in this proceeding which are claimed to be proprietary or highly confidential and which are so designated should be subject to the requested Protective Order (hereinafter collectively referred to as "Proprietary Information"). As such, the potential harm to Hickory is substantial, and the need for protection of *this Proprietary Information outweighs any need for public disclosure at this time.* 52 Pa. Code § 5.423(a). Moreover, in recognition of the need for proprietary treatment of some information, this Honorable Commission entered similar Protective Orders in prior filings made by companies under their Alternative Form of Regulation and Network Modernization Plans.

Hickory seeks a Commission Order granting protective status with respect to the Proprietary Information. Hickory requests that the Proprietary Information be

sealed and not be made available for public inspection. Hickory also requests that any documents referencing this confidential record produced by the Commission or other parties be placed in a confidential folder and treated consistent with the treatment of highly confidential information. Hickory also requests other reasonable assurances regarding the *handling*, review, disclosure and use of this information by interested parties, consistent with Section 5.423(b) of the Commission's regulations.

Hickory is providing additional public versions of the filing without the information that the Company considers to be proprietary. The remaining information in the public version of the filing is more than sufficient to inform interested parties of the substance of and reasons in support of the filing in the above-docketed matter. To the extent a party desires to view the proprietary information, Hickory will endeavor to make reasonable accommodations, consistent with its confidentiality concerns and subject to the Protective Order. As such, Hickory submits that the competitive concerns of the Company outweigh the public's interest in unfettered access to Hickory's market share information.

As established above, good cause exists for the entry of a Protective Order in the form attached hereto as Appendix "A." The attached Protective Order is substantially identical to protective orders entered in other, similar telecommunications proceedings. Therefore, entry of a Protective Order is necessary to protect the Company's business interests.

WHEREFORE, Hickory Telephone Company respectfully requests that the Commission enter the attached Protective Order.

Respectfully submitted,

By: 
Michael L. Swindler

Attorney for
Hickory Telephone Company

THOMAS, THOMAS, ARMSTRONG & NIESEN
212 Locust Street, Suite 500
P.O. Box 9500
Harrisburg, PA 17108-9500
(717) 255-7600

Dated: May 1, 2006

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Hickory Telephone Company Price : Docket Nos. P-00981431F1000
Stability Index/Service Price Index Filing : and R-00061484
for Year 2006 :

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2006 MAY -1 PM 4:20
SECRETARY'S BUREAU

PROTECTIVE ORDER DOCUMENT
FOLDER

IT IS ORDERED THAT:

1. This Protective Order is hereby granted with respect to all materials and information identified at Ordering Paragraphs 2 and 3 which are filed with the Commission, produced in discovery, or otherwise presented during these proceedings. All persons now and hereafter granted access to the materials and information identified in Ordering Paragraphs 2 and 3 shall use and disclose such information only in accordance with this Order.

2. The materials subject to this Order are all correspondence, documents, data, information, studies, methodologies and other materials which a party or an affiliate of a party furnishes in this proceedings pursuant to Commission rules and regulations, discovery procedures or cross-examination or provides as a courtesy to the Office of Trial Staff, the Office of Consumer Advocate, the Office of Small Business Advocate or any other party, which are claimed to be of a proprietary or confidential nature and which are designated "PROPRIETARY" (hereinafter collectively referred to as "Proprietary Information").

3. In addition, parties may designate extremely sensitive Proprietary Information as "HIGHLY CONFIDENTIAL" (hereinafter referred to as "Highly Confidential Information") and thus secure the additional protections set forth in this Order pertaining to such material. Highly Confidential Information shall be only such Proprietary Information that constitutes or describes the producing party's marketing plans including, inter alia, costing and pricing aspects thereof, competitive strategies, market share projections, marketing materials that have not yet been used, customer-identifying information, or customer prospects for services that are subject to competition.

4. Proprietary Information and Highly Confidential Information shall be made available to the Commission and its Staff for use in this and any related proceeding and for all internal Commission analyses, studies, or investigations. For purposes of filing, to the extent that Proprietary Information or Highly Confidential Information is placed in the Commission's report folders, such information shall be handled in accordance with routine Commission procedures inasmuch as the report folders are not subject to public disclosure. To the extent that Proprietary Information or Highly Confidential Information is placed in the Commission's testimony or document folders, such information shall be separately bound, conspicuously marked, and accompanied by a copy of this Order. Public inspection of Proprietary Information or Highly Confidential Information shall be permitted only in accordance with this Order.

5. Proprietary Information and Highly Confidential Information shall be made available to counsel of record in this proceeding pursuant to the following procedures:

a. Proprietary Information. To the extent required for participation in this proceeding, a party's counsel may afford access to Proprietary Information made available by another party (the "Producing Party") to the party's expert(s), subject to the following restrictions:

i. Such expert(s) may not hold any of the following positions with any competitor of the Producing Party: (a) an officer, board member, stockholder, partner, owner other than stock or employee who is primarily involved in the pricing, development, and/or marketing of products or services that are offered in competition with those of the Producing Party; or (b) an officer, board member, stockholder, partner, owner other than stock of any affiliate of a competitor of the Producing Party; provided, however, that any expert shall not be disqualified on account of being a stockholder, partner or owner unless his/her interest in the business constitutes a significant potential for violations of the limitations of permissible use of the Proprietary Information. For purposes of this Order, stocks, partnership, or other ownership interest valued at less than \$100,000 and/or constituting less than a 2% interest in a business does not, in itself, establish a significant potential for violation.

ii. If a party's independent expert, another member of the independent expert's firm or the independent expert's firm generally also serves as an expert for, or as a consultant or advisor to a competitor or any affiliate of a competitor of the Producing Party, said independent expert must: (1) advise the Producing Party of the competitor's or affiliate's name(s); (2) make reasonable attempts to segregate those personnel assisting in the expert's participation in this proceeding from those personnel working on behalf of a competitor of the Producing Party; and (3) if segregation of such personnel is impractical, the independent expert shall give to the Producing Party written assurances that the lack of segregation will in no way jeopardize the interests of the Producing Party. The Producing Party retains the right to challenge the adequacy of the written assurances that its interests will not be jeopardized.

b. Highly Confidential Information. Information designated as Highly Confidential shall be produced for inspection by counsel of record only. If the inspecting lawyer desires copies of such material, or desires to disclose its contents to persons other than counsel of record, she or he shall submit a written request to the Producing Party's counsel. If the requesting and producing parties are unable to reach agreement with respect to such a request, they may submit the issue orally to the presiding Administrative Law Judge for resolution.

c. No other persons may have access to Proprietary Information or Highly Confidential Information except as authorized by order of the Commission or of the presiding Administrative Law Judge. No person who may be entitled to receive, or who is afforded access to any Proprietary Information or Highly Confidential Information shall use or disclose such information for the purposes of business or competition, or any purpose other than the preparation for and conduct of this proceeding or any administrative or judicial review thereof.

6. Prior to making Proprietary Information or Highly Confidential Information available to any person as provided in ordering paragraph 5, counsel for a party of record shall deliver a copy of this Order to such person and shall receive a written acknowledgment from that person in the form attached to this Order and designated as

"Appendix A". Counsel shall promptly deliver to the Producing Party a copy of this executed acknowledgment form.

7. A Producing Party shall designate data or documents as constituting or containing Proprietary Information or Highly Confidential Information by affixing an appropriate proprietary stamp or typewritten designation on such data or documents. Where only part of data compilations or multi-page documents constitutes or contains Proprietary Information or Highly Confidential Information, the Producing Party, insofar as reasonably practicable within discovery and other time constraints imposed in this proceeding, shall designate only the specific data or pages of documents which constitute or contain Proprietary Information or Highly Confidential Information.

8. Any federal agency which has access to and/or receives copies of the Proprietary Information or Highly Confidential Information will consider and treat the Proprietary Information or Highly Confidential Information as within the exemption from disclosure provided in the Freedom of Information Act as set forth at 5 U.S.C.A. § 552(b)(4) until such time as the information is found to be non-proprietary.

9. Any state agency which has access to and/or receives copies of the Proprietary Information or Highly Confidential Information will consider and treat the Proprietary Information or Highly Confidential Information as within the exemptions from disclosure provided in the Pennsylvania Right-to-Know Act as set forth at 65 P.S. § 66.1(2) until such time as the information is found to be non-proprietary.

10. Any public reference to Proprietary Information or Highly Confidential Information by the Commission or by counsel or persons afforded access thereto shall be to the title or exhibit reference in sufficient detail to permit persons with access to the Proprietary Information or Highly Confidential Information to fully understand the reference and not more. The Proprietary Information or Highly Confidential Information shall remain a part of the record, to the extent admitted, for all purposes of administrative or judicial review.

11. Part of any record of this proceeding containing Proprietary Information or Highly Confidential Information, including but not limited to all exhibits, writings, testimony, cross examination, argument, and responses to discovery, and including reference thereto as mentioned in ordering paragraph 10 above, shall be sealed for all purposes, including administrative and judicial review, unless such Proprietary Information or Highly Confidential Information is released from the restrictions of this Order, either through the agreement of the parties or pursuant to an Order of an Administrative Law Judge or the Commission. Unresolved challenges arising under Paragraph 12 shall be decided on motion or petition by the presiding officer and/or the Commission as provided in 52 Pa. Code § 5.423(a). All such challenges will be resolved in conformity with existing rules, regulations, orders, statutes, precedent, etc., to the extent such guidance is available.

12. The parties affected by the terms of this Order shall retain the right to question or challenge the confidential or proprietary nature of Proprietary Information or Highly Confidential Information; to question or challenge the admissibility of Proprietary Information or Highly Confidential Information on any proper ground, including but not limited to irrelevance, immateriality or undue burden; to seek an order permitting disclosure of Proprietary Information or Highly Confidential Information beyond that allowed in this Order; and to seek additional measures of protection of Proprietary Information or Highly Confidential Information beyond those provided in this Order. If a challenge is made to the designation of a document or information as Proprietary or Highly Confidential, the party claiming that the information is Proprietary or Highly Confidential retains the burden of demonstrating that the designation is necessary and appropriate.

13. Upon completion of this proceeding, including any administrative or judicial review, all copies of all documents and other materials, including notes, which contain any Proprietary Information or Highly Confidential Information shall be immediately returned upon request to the party furnishing such Proprietary Information or Highly Confidential Information. In the alternative, parties may provide an affidavit of counsel affirming that the materials containing or reflecting Proprietary Information or Highly Confidential Information have been destroyed. This provision shall not apply to

the Commission, its Staff, the Office of Trial Staff, the Office of Consumer Advocate, or the Office of Small Business Advocate.

BY

APPENDIX A

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Hickory Telephone Company Price : Docket Nos. P-00981431F1000
Stability Index/Service Price Index Filing : and R-00061484
for Year 2006 :

TO WHOM IT MAY CONCERN:

The undersigned is the _____ of _____
_____ (the retaining party) and is not,
nor has any knowledge or basis for believing that he/she is: (1) an officer, board
member, stockholder, partner or owner other than stock of any competitor of Hickory
Telephone Company (the "Producing Party") or an employee of any competitor of the
Producing Party who is primarily involved in the pricing, development, and/or marketing
of products or services that are offered in competition with those of the Producing Party;
or (2) an officer, board member, stockholder, partner, or owner other than stock of any
affiliate of a competitor of the Producing Party.

The undersigned has read and understands the Protective Order entered in the
above-referenced proceeding, which Order deals with the treatment of Proprietary and
Highly Confidential Information. The undersigned agrees to be bound by, and comply
with, the terms and conditions of said Order. In the case of an independent expert, the
undersigned represents that he/she has complied with the provisions of paragraph
5(a)(ii) of the Order prior to submitting this Affidavit.

Signature

Print Name

Address

Date: _____

Employer

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Hickory Telephone Company PSI/SPI : Docket Nos. P-00981431F1000 and
Filing for Year 2006 : R-00061484

CERTIFICATE OF SERVICE

I hereby certify that I have this 1st day of May, 2006, served a true and correct copy of the foregoing PSI/SPI Report on behalf of Hickory Telephone Company, upon the persons and in the manner listed below:

HAND DELIVERY

Robert Eckenrod, Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P. O. Box 3265
Harrisburg, PA 17105-3265

Philip F. McClelland, Esquire
Sr. Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Steven Gray, Esquire
Assistant Small Business Advocate
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101

FIRST CLASS MAIL, POSTAGE PREPAID

Robert Barber, Esquire
AT&T
3033 Chain Bridge Road
Oakton, VA 22185



Michael L. Swindler

DATE: May 3, 2006
SUBJECT: R-00061484; R-00061485;
R-00061375; R-00061376;
R-00061377; P-00981435F1000
TO: Bureau of Fixed Utility Services
FROM: James J. McNulty, Secretary *JJM*

DOCUMENT
FOLDER

Annual Price Stability Index and Service Price Index
Reports

INDEXED
FILED

MAY 03 2006

Attached please find copies of the following 2006
Annual Price Stability Index and Service Price Index reports:

R-00061484 Hickory Telephone Supplement Number 124 to
Tariff Telephone Pa PUC Number 6;

R-00061485 Lackawaxen Telephone Supplement Number
116 to Tariff Telephone Pa PUC Number 2;

R-00061375 Buffalo Valley Telephone Supplement Number
54 to Tariff Telephone PA PUC Number 7 (Local Exchange)
and Supplement Number 8 to Tariff Telephone Pa PUC
Number 8 (Access Service);

R-00061376 Conestoga Telephone and Telegraph
Supplement Number 206 to Telephone Pa PUC Number 10
(Local Exchange) and Supplement Number 7 to Telephone
PA PUC Number 11 (Access Service);

R-00061377 Denver & Ephrata: Supplements Number 251
to Telephone Pa PUC Number 15 (Local Exchange) and
Supplement Number 10 to Telephone Pa PUC Number 16
(Access Service)

P-00981435F1000 The North-Eastern PA Telephone
Company Annual PSI/SPI Report (no tariff supplements);

Please note the above filings contain confidential
materials.

The above-referenced matters are hereby assigned to your Bureau for appropriate action.

Enclosures

cc: Office of Trial Staff: non-confidential material only