



Communications

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P.O. Box 458
Ephrata, PA 17522-0458
Toll Free: 800-321-6112
www.decommunications.com

April 5, 2007

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

DOCUMENT
FOLDER

In re: 2007 Annual PSI/SPI filing of Denver and Ephrata Telephone and Telegraph Company
Docket Nos. ~~P-00981430F1000~~ and R-00072195 (Advance Notice of Filing)

Dear Secretary McNulty:

Pursuant to the provisions of its Chapter 30 Alternative Form of Regulation and Network Modernization Plan, Denver and Ephrata Telephone and Telegraph Company (D&E) respectfully provides the Commission with advance notice of its intent to file the following:

- PSI/SPI (Price Stability Index/Service Price Index) Report for Year 2007; and
- Tariff Supplement No. 262 to Telephone - PA P.U.C. No. 15 (Local Exchange Service Tariff)

D&E intends to make its 2007 PSI/SPI filing with the Commission on April 30, 2007. The filing will include increases to local rates, certain custom calling features, and miscellaneous non-recurring charges, and banking of the remaining portion of the revenue opportunity. Access charges will not be impacted by this filing. The filing will have an effective date of July 1, 2007. Bill messages advising customers of the proposed rate changes associated with D&E's filing were provided in D&E's April 2007 bills.

Kindly stamp receipt the enclosed duplicate letter. A postage-paid return envelope is provided for your convenience.

Sincerely,

Jeanne Price
Regulatory Relations Supervisor
Voice: 717-738-8169
Fax: 717-733-2364

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APR 19 2007

SECRETARY'S BUREAU

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cc: Chairman Wendell F. Holland
Vice-Chairman James H. Cawley
Commissioner Kim Pizzingrilli
Commissioner Terrance J. Fitzpatrick
R. Barber, AT&T

Copies with stamp receipt requested:

Office of Consumer Advocate
Office of Small Business Advocate
Office of Trial Staff

BTL



DE Communications

April 30, 2007

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VIA HAND DELIVERY

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

In re: Denver and Ephrata Telephone and Telegraph Company
Docket No. P-00981430F1000, PSI/SPI Report for the Year 2007
Docket No. R-00072195, Supplement No. 261 Telephone - PA P.U.C. No. 15
(Local Exchange Service Tariff)

Dear Secretary McNulty:

Enclosed for filing with the Pennsylvania Public Utility Commission in the above-mentioned proceeding are the following documents:

- 1) the original and seven (7) copies of the Executive Overview explaining the filing;
- 2) the original and seven (7) copies of the Proprietary Version and Public Version of the Price Stability Index ("PSI") and Service Price Index ("SPI") Reports;
- 3) the original and seven (7) copies of the Proprietary Version and Public Version of the responses to 52 Pa. Code §53.52 and other supporting information;
- 4) the original and seven (7) copies of Supplement No. 261 to Tariff Telephone – PA. P.U.C. No. 15 (Local Exchange Service Tariff); and
- 5) the original and three (3) copies of the Petition for Protective Order and proposed Protective Order.

As indicated below, all parties to this proceeding have been duly served. Questions regarding this filing may be directed to Jeanne Price at 717-738-8169.

Respectfully submitted,

John Rutkowski

John Rutkowski
Manager Regulatory Relations
Voice: 717-738-8607
Fax: 717-733-2364
Email: jrutkowski@decommunications.com

DOCUMENT
FOLDER

cc via hand delivery: Office of Consumer Advocate
Office of Small Business Advocate
Office of Trial Staff
Bureau of Fixed Utility Service

cc via Federal Express: R. Barber, AT&T

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2007 APR 30 AM 11:23
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AFFIDAVIT

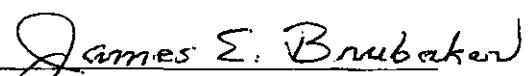
COMMONWEALTH OF PENNSYLVANIA :
 : SS:
COUNTY OF LANCASTER :

JOHN RUTKOWSKI, being duly sworn according to law, deposes and says that he is Manager, Regulatory of Denver and Ephrata Telephone and Telegraph Company d/b/a D&E Telephone Company, and that in this capacity he is authorized to and does make this Affidavit for Denver and Ephrata Telephone and Telegraph Company, and that the facts set forth in the Price Stability Index / Service Price Index Filing for the Year 2007 are true and correct to the best of his knowledge, information and belief.



John Rutkowski
Manager, Regulatory

Sworn to and subscribed before me
this 25th day of April, 2007.



Notary Public

(SEAL)

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
James E. Brubaker, Notary Public
Ephrata Boro, Lancaster County
My Commission Expires Sept. 8, 2007
Member, Pennsylvania Association Of Notaries

EXECUTIVE OVERVIEW

DENVER AND EPHRATA TELEPHONE AND TELEGRAPH COMPANY

Supplement No. 261 – PA PUC Tariff No. 15

Denver and Ephrata Telephone and Telegraph Company (D&E) is proposing rate changes as a result of its Price Stability Index/Service Price Index (PSI/SPI) filing, submitted to the Pennsylvania Public Utility Commission (PUC) on April 30, 2007.

In order to maintain the indexes at PUC authorized levels, a rate modification is required. Specifically, D&E proposes the following changes to its tariff:

- Increase in residential and business dial tone service rates of \$0.45 per line per month.
- Increase in trunk and pay telephone rates by \$0.45 per line or trunk per month.
- Elimination of Multi-Party Lines.
- Increases to various Custom Calling/CLASS Services Rates.
- Increases to various non-recurring charges such as connection and restoral charges.

As shown on the Calculations of Revenue Impacts, attached as Exhibit 2, the projected impact of these changes on D&E's annual revenue is an increase of \$. The Company is banking the remaining portion of the total 2007 Chapter 30 PSI/SPI revenue opportunity.

D&E's Chapter 30 Plan requires that the PUC review the PSI/SPI filing and any accompanying tariff changes to ensure that the SPI is not greater than the PSI. The filing of this supplement ensures that this methodology is properly followed.

D&E respectfully requests that the proposed tariff supplement be approved by the PUC to become effective July 1, 2007.

DOCUMENT
FOLDER

DOCKETED
MAY 03 2007

INDEX OF ATTACHMENTS

- | | |
|--------------|--|
| Attachment 1 | PSI/SPI Calculation for the Year 2007 |
| Attachment 2 | Intrastate Revenue Subject to Price Cap Formula |
| Attachment 3 | SPI Adjustment Calculation |
| Attachment 4 | SPI and DCI Calculation |
| Attachment 5 | Supplement No. 261
Tariff Telephone - PA P.U.C. No. 15
(Local Exchange Service Tariff) |
| Attachment 6 | Data and Information Required by
52 PA Code §53.52 (a) & (b) |
- Exhibit 1 – Summary of Rate Changes
 - Exhibit 2 – Calculations of Revenue Impacts
 - Exhibit 3 – Operating Income Statement

D & E Telephone Company
 Chapter 30 PSM Filing
 PSI / SPI Calculation
 For the Year 2007

Part 1. 2007 PSI Summary

Calculate 2007 PSI Adjustment, per Price Cap Plan	
Gross Domestic Product Price Index (GPD-PI), 3rd Qtr 2006	116.446000
Less: GDP-PI, 3rd Qtr 2005	112.567000
Equal: Change in GDP-PI	<u>3.879000</u>
Change in GDP-PI	3.879000
Divided by: GDP-PI, 3rd Qtr 2005	112.567000
Equal: Percentage change in GDP-PI	<u>0.034459</u>
Less: Productivity Offset	-
2007 Adjustment to PSI, per Price Cap Formula	<u>0.034459</u>
Calculate 2007 PSI, per Chapter 30 Plan	
2006 PSI	1.062300
Plus: Allowable 2007 PSI Adjustment, per Chapter 30 Plan	0.034459
2007 PSI	<u><u>1.096759</u></u>

Part 2. 2007 SPI Summary

2006 SPI	1.062300
Plus: 2007 SPI Adjustment	0.022493
2007 SPI	<u><u>1.084793</u></u>

Part 3. 2007 DCI Summary

2007 PSI	1.096759
Less: 2007 SPI	1.084793
2007 DCI	<u><u>0.011966</u></u>

Part 4. Banking Report

	<u>Average Month</u>	<u>Annual</u>
2006 Intrastate Revenue		
2007 PSI	<u>0.034459</u>	<u>0.034459</u>
2007 Revenue Opportunity		
Less: 2007 Chapter 30 Revenue Increase		
2007 Chapter 30 Revenue Banked, per Month	<u><u> </u></u>	<u><u> </u></u>

D & E Telephone Company
 Chapter 30 PSM Filing
 Intrastate Revenue Subject to Price Cap Formula
 For the Year 2007

Local Network Services Revenue

	<u>Account</u>	<u>2006 Annual Regulated Revenue</u>	<u>Less: 2006 Interstate Revenue</u>	<u>2006 Annual Intrastate Revenue</u>	<u>2006 Avg. Month Intrastate Revenue</u>
Basic Area Rev	5001				
Local Private Line Rev	5040				
Other Local Exchange Rev	5060				
Network Access Rev					
Long Distance Rev					
Other Operating Rev					
TOTAL INTRASTATE OPERATING REVENUES					

NOTE: 2006 Avg. Month Intrastate Revenues are calculated by dividing "actual" 2006 Annual Intrastate Revenue by twelve.

D & E Telephone Company
 Chapter 30 PSM Filing
 SPI Adjustment Calculation
 For the Year 2007

Local Network Services Revenue

Calculate 2007 SPI

	<u>Account</u>	<u>2006 Avg. Month Intrastate Revenue</u>	<u>Percent to Total</u>	<u>Proposed Monthly Intrastate Revenue Adjustment</u>	<u>2006 Avg. Month Intrastate Revenue Adjusted</u>	<u>Percent Increase/ Decrease</u>	<u>2007 SPI Adjustment</u>	<u>Plus: 2006 SPI</u>	<u>Equal: 2007 SPI</u>
Basic Area Rev	5001		0.5127			0.0206	0.010567	0.484900	0.495467
Local Private Line Rev	5040		0.0348			-	-	0.036800	0.036800
Other Local Exchange Rev	5060		0.0853			0.1398	0.011926	0.075300	0.087226
Network Access Rev			0.2965			-	-	0.357500	0.357500
Long Distance Rev			0.0333			-	-	0.061100	0.061100
Other Operating Rev			0.0374			-	-	0.046700	0.046700
TOTAL OPERATING REVENUES			<u>1.0000</u>				<u>0.022493</u>	<u>1.062300</u>	<u>1.084793</u>

D & E Telephone Company
 Chapter 30 PSM Filing
 SPI and DCI Calculation
 For the Year 2007

Operating Revenue

	<u>Account</u>	<u>2006 SPI</u>	<u>2007 SPI Adjustment</u>	<u>2007 SPI</u>
Basic Area Revenue	5001	0.484900	0.010567	0.495467
Local Private Line Revenue	5040	0.036800	-	0.036800
Other Local Exchange Revenue	5060	0.075300	0.011926	0.087226
Network Access Revenue		0.357500	-	0.357500
Long Distance Revenue		0.061100	-	0.061100
Other Operating Revenue		<u>0.046700</u>	<u>-</u>	<u>0.046700</u>
2006 SPI		<u>1.062300</u>		
Plus: 2007 SPI Adjustment			<u>0.022493</u>	
2007 SPI				<u>1.084793</u>
Plus: 2007 DCI				<u>0.011966</u>
2007 PSI				<u>1.096759</u>

Denver and Ephrata Telephone and Telegraph Company
SUPPLEMENT NO. 261
Telephone – PA P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

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RATES AND RULES
Governing the Furnishing of Telephone Service

IN

Berks, Lancaster and Lebanon Counties, Pennsylvania
as Shown on Sheet 5

Issued: April 30, 2007

Effective: July 1, 2007

Issued By:
Leonard Beurer, Vice President Regulatory and External Affairs
Denver and Ephrata Telephone and Telegraph Company
124 East Main Street
Ephrata, PA 17522

NOTICE

This Tariff Supplement makes changes to existing rates.

See Sheet 2

Supplement No. 261 - Telephone - PA P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Sheet 2

SHEETS AFFECTED BY THIS SUPPLEMENT	CHANGES MADE BY THIS SUPPLEMENT
Section 2, LOCAL EXCHANGE SERVICE, Twenty-Second Revised Sheet 1A Twenty-Third Revised Sheet 2 Fifteenth Revised Sheet 3 Fifteenth Revised Sheet 4 Fifteenth Revised Sheet 5 Seventeenth Revised Sheet 6 Seventeenth Revised Sheet 7	Increase local service rates and removed Two Party Service Rates. Revised Footnote on Sheet 1A. Add PBX Trunk rates removed in error in previous filing on Sheet 2.
Section 2A, LOCAL EXCHANGE SERVICE, First Revised Sheet 8	Increase Non-recurring BRI Service rate.
Section 3, LINE CONNECTION, PREMISES WORK AND MISCELLANEOUS CHARGES, Twelfth Revised Sheet 2	Increase Line Connection Charges
Section 3, LINE CONNECTION, PREMISES WORK AND MISCELLANEOUS CHARGES, Eighth Revised Sheet 6	Increase Restoral of Service Charges
Section 6, MISCELLANEOUS SERVICES, Twelfth Revised Sheet 3A	Increase various Custom Calling services monthly rates
Section 6, MISCELLANEOUS SERVICES, Eighth Revised Sheet 3A.4	Increase Telemarketing Block monthly service rates
Section 6, MISCELLANEOUS SERVICES, Seventh Revised Sheet 3D	Increase Distinctive Ringing monthly service rates
Section 6, MISCELLANEOUS SERVICES, Seventh Revised Sheet 3I	Increase Caller ID & Caller ID Deluxe service rates

Denver and Ephrata Telephone
and Telegraph Company d/b/a D&E Telephone Company

186th Revised Sheet 4
Canceling 185th Revised Sheet 4

CHECK SHEET

Title Page	Original*
Sheet 2	Original*
Sheet 3	46th Revised
Sheet 3A	23rd Revised
Sheet 4	186th Revised*
Sheet 4A	30th Revised*
Sheet 5	5th Revised

Sec.	Sheet	Rev.	Sec.	Sheet	Rev.	Sec.	Sheet	Rev.
1	1	5th	2A	10	Orig.	4	11B	Orig.
1	2	3rd	2A	11	Orig.	4	12	2nd
1	3	5th	2A	12	Orig.	4	13	1st
1	3A	1st	2A	13	Orig.	4	14	3rd
1	4	13th	2A	14	Orig.	4	15	5th
1	5	3rd	2A	15	Orig.	4	16	2nd
1	6	5th	2A	16	Orig.	4	17	1st
1	7	2nd	2A	17	1st	4	18	1st
1	8	54th	2A	18	Orig.	4	19	1st
1	9	Orig.	2A	19	Orig.	4	20	3rd
1	10	3rd	2A	20	Orig.	4	21	2nd
1	11	1st	2A	21	Orig.	4	22	2nd
1	12	Orig.	3	1	18th	4	23	1st
1	13	1st	3	2	12th*	4	24	Orig.
2	1	29th	3	2A	1st	4A	1	Orig.
2	1A	22nd*	3	3	4th	4A	2	1st
2	2	23rd*	3	4	4th	4A	3	1st
2	3	15th*	3	5	2nd			
2	4	15th*	3	5A	4th			
2	5	15th*	3	6	8th*			
2	6	17th*	3	7	3rd			
2	7	17th*	3	8	1st			
2	8	2nd	4	1	11th			
2	9	3rd	4	2	11th			
2	10	1st	4	3	7th			
2	11	2nd	4	4	7th			
2	12	Orig.	4	5	1st			
2	13	Orig.	4	5A	1st			
2A	1	1st	4	5B	3rd			
2A	2A	Orig.	4	5C	1st			
2A	3	Orig.	4	6	3rd			
2A	4	1st*	4	7	2nd			
2A	5	Orig.	4	8	2nd			
2A	6	Orig.	4	9	1st			
2A	7	Orig.	4	10	1st			
2A	8	1st*	4	11	2nd			
2A	9	Orig.	4	11A	Orig.			

Supplement No. 261 - Telephone-PA. P.U.C. No. 15

Denver and Ephrata Telephone
and Telegraph Company d/b/a D&E Telephone Company

30th Revised Sheet 4A
Canceling 29th Revised Sheet 4A

Check Sheet

Sec.	Sheet	Rev.	Sec.	Sheet	Rev.	Sec.	Sheet	Rev.
4A	4	3rd	6	5	11th	12	2	Orig.
4A	5	2nd	6	6	10th	12	3	Orig.
4A	5A	Orig.	6	7	7th	12	4	Orig.
4A	6	Orig.	6	8	5th	12	5	Orig.
4B	1	Orig.	6	9	1st	12	6	1st
4B	2	Orig.	6	10	20th	12	7	Orig.
4B	3	Orig.	6	11	6th	13	1	2nd
5	1	6th	6	12	Orig.	13	2	Orig.
5	1A	Orig.	6	13	Orig.	13	3	1st
5	2	4th	6	14	Orig.	13	4	Orig.
5	3	2nd	6	15	Orig.	13	5	Orig.
5	4	2nd	6	16	Orig.	13	6	Orig.
5	5	1st	6	17	1st	13	7	Orig.
5	6	1st	6	18	1st	13	8	1st
5	7	Orig.	6	19	1st	13	9	Orig.
5	8	Orig.	6	20	Orig.	13	10	1st
6	1	16th	6	21	Orig.	13	11	Orig.
6	2	18th	6	22	Orig.	13	12	1st
6	3	15th	7	1	8th	13	13	Orig.
6	3.1	Orig.	8	1	6th	14	1	1st
6	3.2	Orig.	8	2	13th	14	2	1st
6	3.3	Orig.	8	2A	Orig.	14	3	1st
6	3.4	2nd	8	3	6th	14	4	1st
6	3.5	Orig.	8	4	3rd			
6	3.6	Orig.	9	1	12th			
6	3.7	2nd	9	2	5th			
6	3A	12th*	9	3	11th			
6	3A.1	2nd	9	4	5th			
6	3A.2	2nd	9	5	7th			
6	3A.3	6th	9	6	7th			
6	3A.4	8th*	10	1	3rd			
6	3B	1st	10	2	Xd			
6	3C	1st	10	3	Xd			
6	3D	7th*	10	4	Xd			
6	3E	2nd	10	5	Xd			
6	3F	1st	10	6	Xd			
6	3G	2nd	10	7	Xd			
6	3G.1	Orig.	10	8	Xd			
6	3H	4th	11	1	Orig.			
6	3I	7th*	11	2	2nd			
6	3J	1st	11	3	2nd			
6	4	17th	12	1	Orig.			

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 2
Twenty-Second Revised Sheet 1A
Canceling Twenty-First Revised Sheet 1A

LOCAL EXCHANGE SERVICE (cont.)

A.4.b (continued)

Table of Monthly Rates by Rate Group

Rate Group	<u>BUSINESS:</u>			<u>RESIDENCE:</u>			*	(C)
	<u>One Party</u>	<u>PBX Trunk</u>	<u>Pay Telephone</u>	<u>One Party*</u>				
I	\$15.90 (I)	\$15.90 (I)	\$12.23 (I)	\$13.20 (I)			*	
II	\$17.65	\$17.65	\$13.98	\$14.13			*	
III	\$19.50	\$19.50	\$15.83	\$15.11			*	
IV	\$21.50	\$21.50	\$17.83	\$16.14			*	
V	\$23.50	\$23.50	\$19.83	\$17.22			*	
VI	\$25.55	\$25.55	\$21.88	\$18.30			*	
VII	\$27.65	\$27.65	\$23.98	\$19.38			*	

c. When the Company proposes to reclassify service in an exchange from one Rate Group to another because of an increase or decrease in the number of access lines, notice of the reclassification to the proper Rate Group shall be given by filing revised Tariffs with the Commission. Such revised Tariffs will be filed only (1) when the number of access lines has exceeded or fallen below its Rate Group access line limits as determined on two consecutive semi-annual reviews, provided that the two most recent consecutive reviews exceed the lower limit or fall below the upper limit of the new Rate Group by at least two percent, or (2) when an additional exchange is added to the local calling area of the exchange and the new number of access lines exceeds the upper limit of the Rate Group.

*At such time when the Company's residential weighted average one-party rate exceeds the residential one-party local service cap as established by the PA PUC, this tariff provision will be supplemented to reflect the necessary USF credit for the amount in excess of the maximum residential one-party local service cap as well as a proportionate credit for the one-party business rate, pursuant to relevant Commission Order.

(I) Indicates Increase

(C) Indicates Change

Supplement No. 261 - Telephone - PA. P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 2
Twenty-Third Revised Sheet 2
Canceling Twenty-Second Revised Sheet 2

LOCAL EXCHANGE SERVICE (cont.)

B. Monthly Rates

1. Adamstown Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 1, the following rates apply:

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$25.55 (I)	\$18.30 (I)
-- (C)	-- (C)	-- (C)
PBX Trunk	\$25.55 (I)	-- (C)
Pay Telephone	\$21.88 (I)	--

- b. The local service area for Adamstown exchange includes the following additional exchanges:

Akron, Denver, Ephrata, Lititz, Manheim,
Terre Hill and Reading

(I) Indicates Increase

(C) Indicates Change

Supplement No. 261 - Telephone - PA. P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 2
Fifteenth Revised Sheet 3
Canceling Fourteenth Revised Sheet 3

LOCAL EXCHANGE SERVICE (cont.)

B. Monthly Rates (continued)

2. Akron Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 2, the following rates apply:

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$25.55 (I)	\$18.30 (I)
-- (C)	-- (C)	-- (C)
PBX Trunk	\$25.55 (I)	-- (C)
Pay Telephone	\$21.88 (I)	--

- b. The local service area for Akron exchange includes the following additional exchanges:

Adamstown, Denver, Ephrata, Lititz, Manheim, Leola,
New Holland, Terre Hill and Lancaster

(I) Indicates Increase

(C) Indicates Change

Supplement No. 261 - Telephone - PA. P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 2
Fifteenth Revised Sheet 4
Canceling Fourteenth Revised Sheet 4

LOCAL EXCHANGE SERVICE (cont.)

B. Monthly Rates (continued)

3. Denver Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 3, the following rates apply:

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$21.50 (I)	\$16.14 (I)
-- (C)	-- (C)	-- (C)
PBX Trunk	\$21.50 (I)	-- (C)
Pay Telephone	\$17.83 (I)	--

- b. The local service area for Denver exchange includes the following additional exchanges:

Akron, Adamstown, Ephrata, Lititz, Manheim, and
Terre Hill

(I) Indicates Increase

(C) Indicates Change

Supplement No. 261 - Telephone - PA. P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 2
Fifteenth Revised Sheet 5
Canceling Fourteenth Revised Sheet 5

LOCAL EXCHANGE SERVICE (continued)

B. Monthly Rates (continued)

4. Ephrata Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 4, the following rates apply:

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$25.55 (I)	\$18.30 (I)
-- (C)	-- (C)	-- (C)
PBX Trunk	\$25.55 (I)	-- (C)
Pay Telephone	\$21.88 (I)	--

- b. The local service area for Ephrata exchange includes the following additional exchanges:

Akron, Adamstown, Denver, Lititz, Manheim,
Leola, New Holland, Terre Hill, and Lancaster

(I) Indicates Increase

(C) Indicates Change

Supplement No. 261 - Telephone - PA. P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 2
Seventeenth Revised Sheet 6
Canceling Sixteenth Revised Sheet 6

LOCAL EXCHANGE SERVICE (cont.)

B. Monthly Rates (continued)

5. Lititz Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 5, the following rates apply:

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$25.55 (I)	\$18.30 (I)
-- (C)	-- (C)	-- (C)
PBX Trunk	\$25.55 (I)	-- (C)
Pay Telephone	\$21.88 (I)	--

- b. The local service area for Lititz exchange includes the following additional exchanges:

Adamstown, Akron, Denver, Ephrata, Manheim, Leola
Lancaster and Landisville

(I) Indicates Increase

(C) Indicates Change

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 2
Seventeenth Revised Sheet 7
Canceling Sixteenth Revised Sheet 7

LOCAL EXCHANGE SERVICE (cont.)

B. Monthly Rates (continued)

6. Manheim Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 6, the following rates apply:

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$25.55 (I)	\$18.30 (I)
-- (C)	-- (C)	-- (C)
PBX Trunk	\$25.55 (I)	-- (C)
Pay Telephone	\$21.88 (I)	--

- b. The local service area for Manheim exchange includes the following additional exchanges:

Adamstown, Akron, Denver, Ephrata, Lititz, Mt. Joy
Lancaster and Landisville

(I) Indicates Increase

(C) Indicates Change

Supplement No. 261 - Telephone - PA. P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 2A
First Revised Sheet 8
Canceling Original Sheet 8

LOCAL EXCHANGE SERVICE

ISDN BRI (cont'd)

Rates

Usage Allowance:	MONTHLY		NONRECURRING	
	<u>20 Hours</u>	<u>100 Hours</u>	<u>Unlimited</u>	
BRI Service	\$ 45.00	\$ 65.00	\$ 200.00	\$ 125.00 (I)
Additional Minute	\$ 0.01	\$ 0.01	n/a	
Options:				
Additional Calling	\$ 3.00	\$ 3.00	\$ 3.00	\$ 10.00
Flexible Calling	\$ 3.00	\$ 3.00	\$ 3.00	\$ 10.00
Electronic Key Pack	\$ 4.00	\$ 4.00	\$ 4.00	\$ 10.00

Notes

¹ Additional Minute Rate applies to each minute or fraction thereof which exceeds the monthly allowance.

² Optional features: Nonrecurring charges waived if installed with BRI Service

(I) Indicates Increase

Supplement No. 261 - Telephone - PA. P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 3
Twelfth Revised Sheet 2
Canceling Eleventh Revised Sheet 2

LINE CONNECTION, PREMISES WORK AND MISCELLANEOUS CHARGES (cont.)

A. LINE CONNECTION CHARGES (cont.)

2. Regulations (cont.)

- b. For point-to-point or multi-point special service lines, one Line Connection Charge applies to each terminating point connected or changed.
- c. Line Connection Charges do not apply under the following conditions:
 - (1) When dial tone lines or trunks are temporarily suspended for non-payment or other cause, or when subsequently restored (see Paragraph C following).
 - (2) When dial tone line number (telephone numbers) are changed within the same central office (see Paragraph C following).
- d. Customers requesting rearrangements of outside wiring, including the drop wire service line, network interface or protector, shall be billed Premises Work Charges for such work in accordance with Paragraph B following.
- e. Customers have the option of paying for Line Connection Charges in equal monthly installments over three billing periods.

3. Charges

- a. The Line Connection Charge for a new service install is as follows:

<u>Residence</u> <u>Service</u>		<u>Business</u> <u>Pay Telephone Service</u>
\$40.00	(I)	\$50.00 (I)

(I) Indicates Increase

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 3
Eighth Revised Sheet 6
Canceling Seventh Revised Sheet 6

LINE CONNECTION, PREMISES WORK AND MISCELLANEOUS CHARGES (cont.)

C. MISCELLANEOUS NON-RECURRING CHARGES (cont.)

1. Non-recurring charges apply to the following: (cont.)

e. Preferred Telephone Number service (cont.)

- Service may be established at the time normal service is requested and the line connection charge applies in addition to charges for Preferred Telephone Number Service. Charges for a change in a telephone number or Foreign Exchange service also apply if a customer elects such service.
- Up to three numbers, in order of preference, may be requested at one time. A nonrecurring charge will apply for each search, up to three numbers, requested by the customer, whether Preferred Telephone Number Service is accepted or not.
- Provisioning of a preferred telephone number is based upon current availability of that telephone number. The Telephone Company reserves the right to exclude certain numbers or blocks of numbers from assignment, and will determine the availability criteria. No customer waiting list will be maintained.
- Preferred telephone numbers shall be listed as a number only in Telephone Company directories.
- The Telephone Company will not be responsible for the manner in which Preferred Telephone Number Service is used by the customer.

2. Regulations

- a. Customers have the option of paying for miscellaneous non-recurring charges in equal monthly installments over three billing periods.

3. Charges

		<u>Residence</u>	<u>Business</u>
a.	Restoral of Service Charge	\$25.00 (I)	\$25.00 (I)
b.	Telephone Number Change Charge	25.00	25.00
c.	-----		
d.	Record Service Charge	15.00	15.00
e.	Preferred Telephone Number Service	30.00	30.00

(I) Indicates Increase

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 6
Twelfth Revised Sheet 3A
Canceling Eleventh Revised Sheet 3A

MISCELLANEOUS SERVICES (cont'd)

CUSTOM CALLING SERVICES (cont'd)B. NONRECURRING CHARGES

The following nonrecurring charges will apply for the connection of
Controlled Calling, Remote Call Forwarding and Call Redirect Service.

	<u>Residence</u>	<u>Business</u>
Controlled Calling	\$15.00	\$20.00
Remote Call Forwarding	----	**
Call Redirect	\$15.00	\$15.00

** The Business Line Connection Charge applies, as specified in Section 3 of this tariff.

C. MONTHLY RATES (Subscription)

1. The following monthly rates apply to Custom Calling Services:

<u>Services</u>	<u>Residence</u>	<u>Business</u>
Call Waiting	\$ 3.50 (I)	\$ 3.95 (I)
Call Forwarding	2.50 (I)	2.95 (I)
Speed Calling - 8 Station	1.50	1.50
Speed Calling - 30 Station	3.00	3.50
Three Way Calling	2.95 (I)	2.95 (I)
Remote Call Forwarding (1)	----	16.00 (I)
Distinctive Ringing	3.00 (I)	3.00 (I)
Call Forwarding Busy Line (2)	2.50 (I)	2.50 (I)
Call Forwarding Don't Answer (2)	2.50 (I)	2.50 (I)
Call Forwarding Remote Activation (3)	1.25 (I)	1.25 (I)
Call Pickup	.95	.95
Make Set Busy	.95	.95
Group Intercom	.95	.95
Residential Call Hold	.95	.95
Last Number Redial	3.50 (I)	3.50 (I)
Talking Return Call	3.75 (I)	4.75 (I)
Call Block	3.50 (I)	4.00
Priority Ringing	3.50 (I)	3.50 (I)
Selective Call Forwarding	3.50 (I)	3.90 (I)
Simultaneous Ringing	2.95	2.95
Call Redirect, per number (1)	15.00	15.00
Call Redirect, per talk path (1)	3.00	3.00

NOTES:

- (1) Not offered under Subscription Discount Rates
- (2) Customer may subscribe to one feature or to both features combined. The monthly rate is the same for either one service or both.
- (3) This is an option that can be added to any Call Forward arrangement.

(I) Indicates Increase

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 6
Eighth Revised Sheet 3A.4
Canceling Seventh Revised Sheet 3A.4

MISCELLANEOUS SERVICES (cont'd)

ADVANCED INTELLIGENT NETWORK (AIN) SERVICES (cont'd)

A. DESCRIPTION (cont'd)

TollGuard - This service enables a subscriber to override the Controlled Calling feature by entering a Personal Identification Number (PIN) prior to placing a toll call. The Controlled Calling feature enables customers to block outgoing direct-dialed and outgoing operator-handled calls. The customer retains the ability to receive incoming calls, utilize the local non-toll network and to place calling card, collect, and third number calling service, i.e. sent-paid calls.

B. MONTHLY RATES (Subscription)

<u>Services</u>	<u>Residence</u>	<u>Business</u>
Call Detail Reporting	\$3.50	\$3.50
- monthly report/ per account	50.00	50.00
Telemarketing Blocking Service	3.25 (I)	3.25 (I)
Deluxe PhoneManager™	3.50	3.50
Personal Number Service	15.00	15.00
Subscriber Authentication for Entry (SAFE)	5.00	5.00
Single Number Service	5.00	5.00
TollGuard	3.50	3.50

C. NONRECURRING RATES

<u>Services</u>		
Call Detail Reporting	\$160.00	\$160.00
Personal Number Service	30.00	30.00

D. PROVISIONS AND REGULATIONS

- The following AIN features are eligible to be included with the Custom Calling Services Discount Rates as described in Section 6, Sheet 3A.2 of this tariff: Telemarketing Blocking Service, Deluxe PhoneManager™ and TollGuard.

(I) Indicates Increase

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 6
Seventh Revised Sheet 3D
Canceling Sixth Revised Sheet 3D

MISCELLANEOUS SERVICES (cont'd)

DISTINCTIVE RINGING (cont'd)

C. REGULATIONS (cont'd)

9. (cont'd)
- b. Calls to the Master telephone number only are forwarded when Call Forwarding service is activated. Calls to Dependent number(s) will continue to ring and may be answered at the subscriber's premises.
10. Distinctive Ringing Service will not be provided on lines equipped with Telephone Company-provided hunting arrangements.
11. Distinctive Ringing Service may not be compatible with all types of customer provided telephone equipment.
12. Distinctive Ringing Service charges will be billed to the Master number.
13. All charges associated with Distinctive Ringing Service are the responsibility of the customer of record, including but not limited to "bill to a third number" and "collect" charges.
14. Distinctive Ringing Service is eligible to be included with the Custom Calling Services Discount Rates as described in Section 6, Sheet 3A.2 of this tariff.

D. RATES

Rates for Dependent number(s) will be determined by the type of service (e.g. residence or business) of the Master number.

1. Monthly Rates

- a. The following monthly rates apply to Distinctive Ringing Service.

		<u>Monthly Rates</u>	
(1)	Residence		
	First Dependent Number	3.00	(I)
	Second Dependent Number	3.00	
(2)	Business		
	First Dependent Number	3.00	
	Second Dependent Number	3.00	(I)

(I) Indicates Increase

Denver and Ephrata Telephone and Telegraph Company
d/b/a D&E Telephone Company

Section 6
Seventh Revised Sheet 3I
Canceling Sixth Revised Sheet 3I

MISCELLANEOUS SERVICES (cont'd)

A. DESCRIPTION (cont'd)

Customers who use either Per-Call Blocking or Per-Line Blocking will be unable to complete calls to Caller ID and Caller ID Deluxe subscribers that have activated the Anonymous Call Rejection (ACR) feature. When a caller who has blocked the display of his/her telephone number and name calls a Caller ID or Caller ID Deluxe subscriber that has activated ACR, the caller will hear an announcement that the called party does not take anonymous calls. To complete a call to a Caller ID or Caller ID Deluxe subscriber that has activated ACR: (1) place the call by unblocking the telephone number; or (2) place the call through an operator which may involve charges in addition to the cost of the call. The live operator surcharge will be waived for customers of the Denver and Ephrata Telephone and Telegraph Company who are victims of domestic violence, the staffs of domestic violence program agencies (when involved in domestic violence counseling) and emergency services personnel (while in the performance of their jobs). If the operator surcharge cannot be waived when the call is being placed, the Company will, upon notification, credit the live operator surcharge amount to the aforementioned party's telephone bill. Furthermore, should alternative methods become available in the future which permit the aforementioned to access the ACR party without revealing the caller's telephone number, the Company will waive any additional charges associated with such alternative methods.

B. RATES	Monthly Charge (per line)
Caller ID Service	
Residence	\$ 7.00 (I)
Business	\$ 7.00 (I)
Centrex	
2-10 lines	\$ 3.50
11-50 lines	\$ 2.00
51 or more lines	\$ 1.00
Caller ID Deluxe Service	
Residence	\$ 7.50 (I)
Business	\$ 7.95 (I)
Centrex	
2-10 lines	\$ 4.50
11-50 lines	\$ 3.00
51 or more lines	\$ 1.50

(I) Indicates Increase

**DENVER AND EPHRATA TELEPHONE
AND TELEGRAPH COMPANY**

Supplement No. 261 to
Tariff Telephone - PA P.U.C. No. 15
(Local Exchange Service Tariff)

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

Issued: April 30, 2007

Effective: July 1, 2007

**DENVER AND EPHRATA TELEPHONE AND TELEGRAPH 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.

Denver and Ephrata Telephone and Telegraph Company ("D&E") is proposing tariff changes as a result of its Price Stability Index/Service Price Index filing submitted to the PUC on April 30, 2007. In order to maintain the indexes at PUC authorized levels, a rate modification is required.

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

As of December 31, 2006, D&E serves approximately access lines.

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

* PROPRIETARY* See Exhibit 2 to these responses.

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

Customers will realize an increase on their monthly bill. See the Executive Overview and Exhibit 1 to the filing 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 D&E's price indexes consistent with the standards set in the Company's Chapter 30 Plan, as amended. In this case, an annual revenue increase of approximately \$ is authorized by the Company's Chapter 30 Plan and proposed in this filing. Increasing the rates for the proposed services will aid the Company in generating revenues sufficient to (1) offset the loss in revenues as a result of a loss in access lines and access minutes, and (2) provide funding necessary to meet the expenses and capital expenditures required in providing services mandated by FCC rules, PUC rules and the Company's Chapter 30 Amended Plan.

* PROPRIETARY* See Exhibit 2 to these responses.

**DENVER AND EPHRATA TELEPHONE AND TELEGRAPH 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 D&E. Approval will allow the Company to generate revenues to enhance its network in order to provide newer technologies such as broadband and will allow the Company to continue to meet its Carrier of Last Resort obligations in providing service to all customers in the Company's certificated areas in accordance with FCC and PUC regulations.

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

D&E's Chapter 30 Plan, as amended, requires that the PUC review the PSI/SPI filing, and any accompanying tariff changes, to ensure that the SPI is not greater than the PSI. The filing of this Supplement ensures that this methodology is properly followed. In addition, upper management reviewed the prices of all non-competitive services to what other carriers were charging and based on current conditions believe the proposed rates are just and reasonable.

8. Studies undertaken to draft the proposed change.

D&E's PSI/SPI filing, submitted to the PUC on April 30, 2007, supports the proposed tariff changes contained in this filing. The Company does not possess any costing information for local services but believes the comparative analysis to what other providers have done justifies the proposed increases. In particular, the Company reviewed the most recent PUC approval of local rate increases for Commonwealth Telephone Company. In addition, the Company analyzed the local service rates of wireless carriers and a CLEC competitor as well as non-competitive service rates of other regulated wireline companies to justify the rate changes.

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

No polls were taken.

**DENVER AND EPHRATA TELEPHONE AND TELEGRAPH COMPANY
RESPONSES TO TITLE 52, CHAPTER 53, SECTION 53.52**

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

Beginning with the Company's March 26, 2007 billing cycle, customers were given advance notice of the proposed rate changes to become effective July 1, 2007.

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

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

**DENVER AND EPHRATA TELEPHONE AND TELEGRAPH 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 will keep D&E's price indexes consistent with the standards set in the Company's Chapter 30 Plan, as amended.

- 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.**

* PROPRIETARY * See Exhibit 3 to these responses.

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

* PROPRIETARY * See Exhibit 2 to these responses.

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

* PROPRIETARY * See Exhibit 2 to these responses.

- 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

Denver and Ephrata Telephone and Telegraph Company
Chapter 30 PSM Filing
Summary of Rate Changes
For the Year 2007

A. Dialtone

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Impact</u>
Rate Band 4			
Res - 1 Party	\$ 15.69	\$ 16.14	\$ 0.45
Res - 2 Party	\$ 14.44	\$ -	\$ (14.44)
Res - Vacation Service	\$ 7.85	\$ 8.07	\$ 0.22
Bus - 1 Party	\$ 21.05	\$ 21.50	\$ 0.45
Bus - Trunks	\$ 21.05	\$ 21.50	\$ 0.45
Bus - Pay Telephone	\$ 17.38	\$ 17.83	\$ 0.45

Rate Band 6

Res - 1 Party	\$ 17.85	\$ 18.30	\$ 0.45
Res - 2 Party	\$ 15.99	\$ -	\$ (15.99)
Res - Vacation Service	\$ 8.93	\$ 9.15	\$ 0.22
Bus - 1 Party	\$ 25.10	\$ 25.55	\$ 0.45
Bus - FX	\$ 21.34	\$ 21.72	\$ 0.38
Bus - Trunks	\$ 25.10	\$ 25.55	\$ 0.45
Bus - Pay Telephone	\$ 21.43	\$ 21.88	\$ 0.45

B. Custom Calling Features

Talking Return Call - Res	\$ 3.00	\$ 3.75	\$ 0.75
Talking Return Call - Bus	\$ 3.95	\$ 4.75	\$ 0.80
Call Forwarding - Res	\$ 1.95	\$ 2.50	\$ 0.55
Call Forwarding - Bus	\$ 1.95	\$ 2.95	\$ 1.00
Call Forward Busy Line	\$ 1.95	\$ 2.50	\$ 0.55
Call Forward Don't Answer	\$ 1.95	\$ 2.50	\$ 0.55
Priority Ringing	\$ 2.95	\$ 3.50	\$ 0.55
Call Block - Res	\$ 3.00	\$ 3.50	\$ 0.50
Distinctive Ringing	\$ 2.50	\$ 3.00	\$ 0.50
Caller ID	\$ 5.95	\$ 7.00	\$ 1.05
Caller ID Deluxe - Res	\$ 6.50	\$ 7.50	\$ 1.00
Caller ID Deluxe - Bus	\$ 6.95	\$ 7.95	\$ 1.00
Call Waiting - Res	\$ 2.95	\$ 3.50	\$ 0.55
Call Waiting - Bus	\$ 2.95	\$ 3.95	\$ 1.00
Three-Way Calling	\$ 1.95	\$ 2.95	\$ 1.00
Remote Call Forwarding	\$ 15.00	\$ 16.00	\$ 1.00
Call Forward Remote Activation	\$ 0.95	\$ 1.25	\$ 0.30
Telemarketing Blocking Service	\$ 2.95	\$ 3.25	\$ 0.30
Last Number Redial	\$ 2.95	\$ 3.50	\$ 0.55
Selective Call Forwarding - Res	\$ 3.00	\$ 3.50	\$ 0.50
Selective Call Forwarding - Bus	\$ 3.45	\$ 3.90	\$ 0.45

C. Non-recurring Charges

Connection Charge - Res	\$ 30.00	\$ 40.00	\$ 10.00
Connection Charge - Res - Installments	\$ 10.00	\$ 13.33	\$ 3.33
Connection Charge - Link Up - Installments	\$ 5.00	\$ 6.67	\$ 1.67
Connection Charge - Bus	\$ 45.00	\$ 50.00	\$ 5.00
Connection Charge - Bus - Installments	\$ 15.00	\$ 16.67	\$ 1.67
Restoral Charge	\$ 20.00	\$ 25.00	\$ 5.00

Denver and Ephrata Telephone and Telegraph Company
Chapter 30 PSM Filing
Calculations of Revenue Impacts
For the Year 2007

December 2006 Intrastate Revenue Base (monthly average)
Actual SPI (2007) Adjustment
Chapter 30 Price Cap Formula Monthly Revenue Adjustment
times 12 Months
Chapter 30 Price Cap Formula Annual Revenue Adjustment

0.034459
\$ -
12
-

	Units	Current Rate	Proposed Rate	Current Monthly Revenue	Proposed Monthly Revenue	Monthly Revenue Impact	Annual Revenue Impact
A. Dialtone							
Rate Band 4							
Res - 1 Party		\$ 15.69	\$ 16.14	\$ -	\$ -	\$ -	\$ -
Res - 2 Party - Eliminated *		\$ 14.44	\$ 16.14	\$ -	\$ -	\$ -	\$ -
Res - Vacation Service		\$ 7.85	\$ 8.07	\$ -	\$ -	\$ -	\$ -
Bus - 1 Party		\$ 21.05	\$ 21.50	\$ -	\$ -	\$ -	\$ -
Bus - Trunks		\$ 21.05	\$ 21.50	\$ -	\$ -	\$ -	\$ -
Bus - Pay Telephone		\$ 17.38	\$ 17.83	\$ -	\$ -	\$ -	\$ -
Rate Band 6							
Res - 1 Party		\$ 17.85	\$ 18.30	\$ -	\$ -	\$ -	\$ -
Res - 2 Party - Eliminated *		\$ 15.99	\$ 18.30	\$ -	\$ -	\$ -	\$ -
Res - Vacation Service		\$ 8.93	\$ 9.15	\$ -	\$ -	\$ -	\$ -
Bus - 1 Party		\$ 25.10	\$ 25.55	\$ -	\$ -	\$ -	\$ -
Bus - FX		\$ 21.34	\$ 21.72	\$ -	\$ -	\$ -	\$ -
Bus - Trunks		\$ 25.10	\$ 25.55	\$ -	\$ -	\$ -	\$ -
Bus - Pay Telephone		\$ 21.43	\$ 21.88	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -
B. Custom Calling Features							
Talking Return Call - Res		\$ 3.00	\$ 3.75	\$ -	\$ -	\$ -	\$ -
Talking Return Call - Bus		\$ 3.95	\$ 4.75	\$ -	\$ -	\$ -	\$ -
Call Forwarding - Res		\$ 1.95	\$ 2.50	\$ -	\$ -	\$ -	\$ -
Call Forwarding - Bus		\$ 1.95	\$ 2.95	\$ -	\$ -	\$ -	\$ -
Call Forward Busy Line		\$ 1.95	\$ 2.50	\$ -	\$ -	\$ -	\$ -
Call Forward Don't Answer		\$ 1.95	\$ 2.50	\$ -	\$ -	\$ -	\$ -

* Reflects increase to Res - 1 Party rate.

Denver and Ephrata Telephone and Telegraph Company
Chapter 30 PSM Filing
Calculations of Revenue Impacts
For the Year 2007

B. Custom Calling Features (cont'd)

	Units	Current Rate	Proposed Rate	Current Month Revenue	Proposed Month Revenue	Monthly Revenue Impact	Annual Revenue Impact
Priority Ringing		\$ 2.95	\$ 3.50	\$ -	\$ -	\$ -	\$ -
Call Block - Res		\$ 3.00	\$ 3.50	\$ -	\$ -	\$ -	\$ -
Distinctive Ringing		\$ 2.50	\$ 3.00	\$ -	\$ -	\$ -	\$ -
Caller ID		\$ 5.95	\$ 7.00	\$ -	\$ -	\$ -	\$ -
Caller ID Deluxe - Res		\$ 6.50	\$ 7.50	\$ -	\$ -	\$ -	\$ -
Caller ID Deluxe - Bus		\$ 6.95	\$ 7.95	\$ -	\$ -	\$ -	\$ -
Call Waiting - Res		\$ 2.95	\$ 3.50	\$ -	\$ -	\$ -	\$ -
Call Waiting - Bus		\$ 2.95	\$ 3.95	\$ -	\$ -	\$ -	\$ -
Three-Way Calling		\$ 1.95	\$ 2.95	\$ -	\$ -	\$ -	\$ -
Remote Call Forwarding		\$ 15.00	\$ 16.00	\$ -	\$ -	\$ -	\$ -
Call Forward Remote Activation		\$ 0.95	\$ 1.25	\$ -	\$ -	\$ -	\$ -
Telemarketing Blocking Service		\$ 2.95	\$ 3.25	\$ -	\$ -	\$ -	\$ -
Last Number Redial		\$ 2.95	\$ 3.50	\$ -	\$ -	\$ -	\$ -
Selective Call Forwarding - Res		\$ 3.00	\$ 3.50	\$ -	\$ -	\$ -	\$ -
Selective Call Forwarding - Bus		\$ 3.45	\$ 3.90	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -

C. Non-recurring Charges

Conn. Chg. - Res		\$ 30.00	\$ 40.00	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Res - Installments		\$ 10.00	\$ 13.33	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Link Up - Installments		\$ 5.00	\$ 6.67	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Bus		\$ 45.00	\$ 50.00	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Bus - Installments		\$ 15.00	\$ 16.67	\$ -	\$ -	\$ -	\$ -
Restoral Chg.		\$ 20.00	\$ 25.00	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -

Annual Revenue Impact							\$ -
Chapter 30 Price Cap Formula Annual Revenue Adjustment							\$ -
Over (Under) Revenue Recovery							\$ -

Denver and Ephrata Telephone and Telegraph Company

Chapter 30 PSM Filing
Operating Income Statement
Twelve Months Ended 12-31-06

Line No.	Item (a)	Current Year (b)	Prior Year (c)
	INCOME		
	TELEPHONE OPERATING INCOME		
	Operating Revenues		
1	Local Network Services Revenue		
2	Network Access Services Revenue		
3	Long Distance Toll Revenue		
4	Miscellaneous Revenue		
5	Uncollectible Revenue		
6	Total Operating Revenues		
	Operating Expenses		
7	Plant Specific Expense		
8	Plant Non-Specific Expense		
9	Customer Operations		
10	Corporate Operations		
11	Total Operating Expenses		
12	NET OPERATING REVENUES		
	OTHER OPERATING INCOME AND EXPENSE		
13	7110 Income From Custom Work		
14	7130 Return From Nonregulated Use of Regulated Facilities		
15	7140 Gains/Losses From Foreign Exchange		
16	7150 Gains/Losses From Disposition of Land & Artworks		
17	7160 Other Operating Gains and Losses		
18	Total Other Operating Income and Expenses		
	OPERATING TAXES		
19	7210 Operating Investment Tax Credits-Net		
20	7220 Operating Federal Income Taxes		
21	7230 Operating State and Local Income Taxes		
22	7240 Operating Other Taxes		
23	7250 Provision for Deferred Operating Income Tax-Net		
24	Total Operating Taxes		
25	NET OPERATING INCOME		
	NONOPERATING INCOME AND EXPENSES		
26	7310 Dividend Income		
27	7320 Interest Income		
28	7330 Income From Sinking and Other Funds		
29	7340 Allowance For Funds Used During Construction (AFUDC)		
30	7350 Gains/Losses From the Disposition of Property		
31	7355 Equity in Earnings of Affiliated Companies		
32	7360 Other Nonoperating Income		
33	7370 Special Charges		
34	Subtotal Nonoperating Income and Expense		
	NONOPERATING TAXES		
35	7410 Nonoperating Investment Tax Credits-Net		
36	7420 Nonoperating Federal Income Taxes		
37	7430 Nonoperating State and Local Income Taxes		
38	7440 Nonoperating Other Taxes		
39	7450 Provision for Deferred Nonoperating Income Tax-Net		
40	Subtotal Nonoperating Taxes		
41	Total Nonoperating Income		
42	INCOME AVAILABLE FOR FIXED CHARGES		
	INTEREST AND RELATED ITEMS		
43	7510 Interest on Funded Debt		
44	7520 Interest Expense-Capital Leases		
45	7530 Amortization of Debt Issuance Expense		
46	7540 Other Interest Deductions		
47	Total Interest and Related Items		
48	INCOME BEFORE EXTRAORDINARY ITEMS		
	EXTRAORDINARY ITEMS		
49	7610 Extraordinary Income Credits		
50	7620 Extraordinary Income Charges		
51	7630 Current Income Tax Effect of Extraordinary Items-Net		
52	7640 Provision for Deferred Income Tax Effect of Items-Net		
53	Total Extraordinary Items		
	JURISDICTIONAL DIFFERENCES AND NONREGULATED INCOME ITEMS		
54	7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
55	7990 Nonregulated Net Income		
56	Total Jurisdictional Differences and Extraordinary Items		
57	NET INCOME		