



**Communications**

124 East Main Street  
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 Conestoga Telephone and Telegraph Company  
Docket Nos. P-00981429F1000 and R-00072194 (Advance Notice of Filing)

Dear Secretary McNulty:

Pursuant to the provisions of its Chapter 30 Alternative Form of Regulation and Network Modernization Plan, Conestoga Telephone and Telegraph Company (CTT) 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. 216 to Telephone - PA P.U.C. No. 10 (Local Exchange Service Tariff)

CTT 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 CTT's filing were provided in CTT'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

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

DOCKETED

APR 19 2007

SECRETARY'S BUREAU

2007 APR -6 AM 9:25

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Copies with stamp receipt requested:

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

BTL

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**DE Communications**

April 30, 2007

**ORIGINAL**

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

**VIA HAND DELIVERY**

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

In re: Conestoga Telephone and Telegraph Company  
Docket No. P-00981429F1000, PSI/SPI Report for the Year 2007  
Docket No. R-00072194, Supplement No. 216 Telephone - PA P.U.C. No. 10  
(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. 216 to Tariff Telephone – PA. P.U.C. No. 10 (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**

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2007 APR 30 AM 11:24

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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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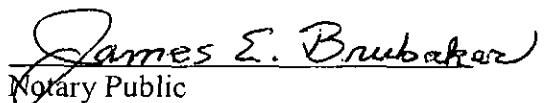
AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA :  
: SS:  
COUNTY OF LANCASTER :

JOHN RUTKOWSKI, being duly sworn according to law, deposes and says that he is Manager, Regulatory of Conestoga Telephone and Telegraph Company, and that in this capacity he is authorized to and does make this Affidavit for Conestoga 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 25<sup>th</sup> 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

### CONESTOGA TELEPHONE AND TELEGRAPH COMPANY

Supplement No. 216 – PA PUC Tariff No. 10

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Conestoga Telephone and Telegraph Company (CTT) 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, CTT proposes the following changes to its tariff:

- Increase in residential and business dial tone service rates of \$0.35 per line per month.
- Increase in trunk and pay telephone rates by \$0.35 per line or trunk per month.
- Increases to various Custom Calling/CLASS Services Rates.
- Increase in non-published number charge.
- 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 CTT's annual revenue is an increase of \$ . The Company is banking the remaining portion of the total 2007 Chapter 30 PSI/SPI revenue opportunity.

CTT'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.

CTT 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 | <i>SPI Adjustment Calculation</i>  |
| Attachment 4 | SPI and DCI Calculation  |
| Attachment 5 | Supplement No. 216<br>Tariff Telephone - PA P.U.C. No. 10<br>(Local Exchange Service Tariff) |
| Attachment 6 | Data and Information Required by<br>52 PA Code §53.52 (a) & (b)                              |
- Exhibit 1 – Summary of Rate Changes
  - Exhibit 2 – Calculations of Revenue Impacts
  - Exhibit 3 – Operating Income Statement

Conestoga Telephone Company  
Chapter 30 PSM Filing  
PSI / SPI Calculation  
For the Year 2007

**Part 1. 2006 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	1.062320
Plus: 2007 SPI Adjustment	0.028165
2007 SPI	<u><u>1.090485</u></u>

**Part 3. 2007 DCI Summary**

2007 PSI	1.096759
Less: 20076 SPI	1.090485
2007 DCI	<u><u>0.006274</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	<u><u>                    </u></u>	<u><u>                    </u></u>

Conestoga 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					
<b>TOTAL INTRASTATE OPERATING REVENUES</b>					

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

Conestoga Telephone Company  
Chapter 30 PSM Filing  
SPI Adjustment Calculation  
For the Year 2007

**Local Network Services Revenue**

Calculate 2007 SPI

	Account	2006 Avg. Month Intrastate Revenue	Percent to Total	Proposed Monthly Intrastate Revenue Adjustment	2006 Avg. Month Intrastate Revenue Adjusted	Percent Increase/ Decrease	2007 SPI Adjustment	Plus: 2006 SPI	Equal: 2007 SPI
Basic Area Rev	5001		44.31%			2.09%	0.009280	0.425900	0.435180
Local Private Line Rev	5040		1.70%			0.00%	-	0.038600	0.038600
Other Local Exchange Rev	5060		8.92%			21.18%	0.018885	0.078700	0.097585
Network Access Rev			40.37%			0.00%	-	0.447900	0.447900
Long Distance Rev			2.17%			0.00%	-	0.053900	0.053900
Other Operating Rev			2.53%			0.00%	-	0.017320	0.017320
<b>TOTAL OPERATING REVENUES</b>			<b>100.00%</b>				<b>0.028165</b>	<b>1.062320</b>	<b>1.090485</b>

Conestoga 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	0.425900	0.009280	0.435180
Local Private Line Revenue	5040	0.038600	-	0.038600
Other Local Exchange Revenue	5060	0.078700	0.018885	0.097585
Network Access Revenue		0.447900	-	0.447900
Long Distance Revenue		0.053900	-	0.053900
Other Operating Revenue		<u>0.017320</u>	<u>-</u>	<u>0.017320</u>
<b>2006 SPI</b>		<b><u>1.062320</u></b>		
<b>Plus: 2007 SPI Adjustment</b>			<b><u>0.028165</u></b>	
<b>2007 SPI</b>				<b><u>1.090485</u></b>
<b>Plus: 2007 DCI</b>				<b><u>0.006274</u></b>
<b>2007 PSI</b>				<b><u>1.096759</u></b>

Conestoga Telephone and Telegraph Company  
SUPPLEMENT NO. 216  
Telephone – PA P.U.C. No. 10

THE CONESTOGA TELEPHONE AND TELEGRAPH COMPANY

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RATES AND RULES

Governing the Furnishing of Telephone Service

IN

Berks, Chester, Lancaster, Lehigh and Montgomery  
Counties, Pennsylvania

as shown on Sheets 5 and 6

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Issued: April 30, 2007

Effective: July 1, 2007

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

**NOTICE**

This Tariff Supplement makes changes to existing rates.

See Sheet 2

2007 APR 30 AM 11:24  
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SHEETS AFFECTED BY THIS SUPPLEMENT	CHANGES MADE BY THIS SUPPLEMENT
Section 2, LOCAL EXCHANGE SERVICE, Thirty-Third Revised Sheet 1 Seventeenth Revised Sheet 1A Nineteenth Revised Sheet 1B Eighth Revised Sheet 1C	Increased Local Exchange Service Rates
Section 2A, LOCAL EXCHANGE SERVICE, First Revised Sheet 8	Increased Non-recurring BRI Service Rate
Section 3, LINE CONNECTION, PREMISES WORK AND MISCELLANEOUS CHARGES, Sixth Revised Sheet 2	Increased Line Connection charges
Section 3, LINE CONNECTION, PREMISES WORK AND MISCELLANEOUS CHARGES, First Revised Sheet 2E	Increased Restoral of Service Charges
Section 6, MISCELLANEOUS SERVICE, Thirteenth Revised Sheet 2	Increased Non-published Number Rate
Section 6, MISCELLANEOUS SERVICE, Sixteenth Revised Sheet 4	Increased various Custom Calling Features Monthly Rates
Section 6, MISCELLANEOUS SERVICE, Tenth Revised Sheet 7A	Increased various CLASS Calling Features Monthly Rates
Section 6, MISCELLANEOUS SERVICE, Eighth Revised Sheet 8	Increased Telemarketing Blocking Service Monthly Rates
Section 6, MISCELLANEOUS SERVICE, Fifth Revised Sheet 14B	Increased Various Caller ID Deluxe Service Rates

ONE HUNDRED NINETY-EIGHTH REVISED SHEET 4  
CANCELING ONE HUNDRED NINETY-SEVENTH REVISED SHEET 4

CHECK SHEET

Title Page	Supp. No. 216	(C)	Sheet 4	198th	Revised	(C)
Sheet 2	Supp. No. 216	(C)	Sheet 4A	18th	Revised	(C)
Sheet 3	54th Revised		Sheet 5	2nd	Revised	
Sheet 3A	70th Revised		Sheet 6	2nd	Revised	

Section 1 - Sheet 1	4th Rev.		Section 3 - Sheet 4	4th Rev.	
Section 1 - Sheet 2	2nd Rev.		Section 3 - Sheet 5	1st Rev.	
Section 1 - Sheet 3	3rd Rev.		Section 3 - Sheet 6	3rd Rev.	
Section 1 - Sheet 3A	Original		Section 3 - Sheet 7	3rd Rev.	
Section 1 - Sheet 4	6th Rev.		Section 3 - Sheet 8	2nd Rev.	
Section 1 - Sheet 5	2nd Rev.		Section 3 - Sheet 9	2nd Rev.	
Section 1 - Sheet 6	5th Rev.		Section 4 - Sheet 1	5th Rev.	
Section 1 - Sheet 7	2nd Rev.		Section 4 - Sheet 2	9th Rev.	
Section 1 - Sheet 8	55th Rev.		Section 4 - Sheet 3	3rd Rev.	
Section 1 - Sheet 9	Original		Section 4 - Sheet 4	5th Rev.	
Section 1 - Sheet 10	2nd Rev.		Section 4 - Sheet 5	Original	
Section 1 - Sheet 11	Original		Section 4 - Sheet 6	Original	
Section 1 - Sheet 12	14th Rev.		Section 4 - Sheet 7	1st Rev.	
Section 1 - Sheet 13	3rd Rev.		Section 4 - Sheet 8	1st Rev.	
Section 1 - Sheet 14	Original		Section 4 - Sheet 9	1st Rev.	
Section 1 - Sheet 15	Original		Section 4 - Sheet 10	Original	
Section 1 - Sheet 16	Original		Section 4 - Sheet 11	Original	
Section 1 - Sheet 17	Original		Section 4 - Sheet 12	Original	
Section 1 - Sheet 18	Original		Section 4 - Sheet 13	Original	
Section 2 - Sheet 1	33rd Rev.	(C)	Section 4 - Sheet 14	Original	
Section 2 - Sheet 1A	17th Rev.	(C)	Section 4 - Sheet 15	1st Rev.	
Section 2 - Sheet 1B	19th Rev.	(C)	Section 4 - Sheet 16	1st Rev.	
Section 2 - Sheet 1C	8th Rev.	(C)	Section 4 - Sheet 17	1st Rev.	
Section 2 - Sheet 2	17th Rev.		Section 4 - Sheet 18	Original	
Section 2 - Sheet 3	5th Rev.		Section 4 - Sheet 19	Original	
Section 2A Sheet 1	Original		Section 4 - Sheet 20	1st Rev.	
Section 2A Sheet 2	Original		Section 4 - Sheet 21	1st Rev.	
Section 2A Sheet 3	Original		Section 4 - Sheet 22	1st Rev.	
Section 2A Sheet 4	Original		Section 4A - Sheet 1	Original	
Section 2A Sheet 5	Original		Section 4A - Sheet 2	Original	
Section 2A Sheet 6	Original		Section 4A - Sheet 3	Original	
Section 2A Sheet 7	Original		Section 4A - Sheet 4	Original	
Section 2A Sheet 8	1st Rev.	(C)	Section 4A - Sheet 5	Original	
Section 2A Sheet 9	Original		Section 4A - Sheet 6	Original	
Section 2A Sheet 10	Original		Section 4A - Sheet 7	Original	
Section 2A Sheet 11	Original		Section 5 - Sheet 1	4th Rev.	
Section 2A Sheet 12	Original		Section 5 - Sheet 2	4th Rev.	
Section 2A Sheet 13	Original		Section 5 - Sheet 3	1st Rev.	
Section 2A Sheet 14	Original		Section 5 - Sheet 3A	Original	
Section 2A Sheet 15	Original		Section 5 - Sheet 3B	Original	
Section 2A Sheet 16	Original		Section 5 - Sheet 4	1st Rev.	
Section 2A Sheet 17	Original		Section 5 - Sheet 5	3rd Rev.	
Section 2A Sheet 18	Original		Section 5 - Sheet 6	Original	
Section 2A Sheet 19	Original		Section 6 - Sheet 1	7th Rev.	
Section 2A Sheet 20	Original		Section 6 - Sheet 2	13th Rev.	(C)
Section 2A Sheet 21	Original		Section 6 - Sheet 3	10th Rev.	
Section 3 - Sheet 1	9th Rev.		Section 6 - Sheet 4	16th Rev.	(C)
Section 3 - Sheet 2	6th Rev.	(C)	Section 6 - Sheet 5	9th Rev.	
Section 3 - Sheet 2A	Original		Section 6 - Sheet 6	10th Rev.	
Section 3 - Sheet 2B	Original		Section 6 - Sheet 7	9th Rev.	
Section 3 - Sheet 2C	Original		Section 6 - Sheet 7A	10th Rev.	(C)
Section 3 - Sheet 2D	Original		Section 6 - Sheet 8	8th Rev.	(C)
Section 3 - Sheet 2E	1st Rev.	(C)			
Section 3 - Sheet 3	4th Rev.				

(C) Indicates Change

EIGHTEENTH REVISED SHEET 4A  
CANCELING SEVENTEENTH REVISED SHEET 4A

CHECK SHEET (cont'd)

Section 6 - Sheet 9	5th Rev.	Section 9 - Sheet 6	6th Rev.
Section 6 - Sheet 10	8th Rev.	Section 9 - Sheet 6A	Original
Section 6 - Sheet 11	5th Rev.	Section 9 - Sheet 6B	Original
Section 6 - Sheet 12	6th Rev.	Section 9 - Sheet 6C	Original
Section 6 - Sheet 13	7th Rev.	Section 9 - Sheet 7	2nd Rev.
Section 6 - Sheet 14	6th Rev.	Section 9 - Sheet 8	8th Rev.
Section 6 - Sheet 14A	2nd Rev.	Section 9 - Sheet 9	9th Rev.
Section 6 - Sheet 14B	5th Rev. (C)	Section 10 - Sheet 1	5th Rev.
Section 6 - Sheet 15	4th Rev.	Section 10 - Sheet 2	4th Rev.
Section 6 - Sheet 16	4th Rev.	Section 10 - Sheet 3	3rd Rev.
Section 6 - Sheet 17	1st Rev.	Section 10 - Sheet 4	3rd Rev.
Section 6 - Sheet 18	Original	Section 10 - Sheet 5	4th Rev.
Section 6 - Sheet 19	1st Rev.	Section 10 - Sheet 6	7th Rev.
Section 6 - Sheet 20	1st Rev.	Section 10 - Sheet 7	4th Rev.
Section 7 - Sheet 1	5th Rev.	Section 10 - Sheet 7A	2nd Rev.
Section 7 - Sheet 2	6th Rev.	Section 10 - Sheet 8	7th Rev.
Section 7 - Sheet 3	1st Rev.	Section 10 - Sheet 9	Withdrawn
Section 7 - Sheet 4	5th Rev.	Section 11 - Sheet 1	3rd Rev.
Section 8 - Sheet 1	4th Rev.	Section 11 - Sheet 1A	Original
Section 8 - Sheet 2	8th Rev.	Section 11 - Sheet 2	3rd Rev.
Section 8 - Sheet 3	3rd Rev.	Section 11 - Sheet 3	1st Rev.
Section 8 - Sheet 4	3rd Rev.	Section 11 - Sheet 4	4th Rev.
Section 9 - Sheet 1	3rd Rev.	Section 11 - Sheet 5	2nd Rev.
Section 9 - Sheet 2	9th Rev.	Section 11 - Sheet 6	2nd Rev.
Section 9 - Sheet 2A	Original	Section 12 - Sheet 1	1st Rev.
Section 9 - Sheet 3	8th Rev.	Section 12 - Sheet 2	1st Rev.
Section 9 - Sheet 4	3rd Rev.	Section 12 - Sheet 3	2nd Rev.
Section 9 - Sheet 4A	2nd Rev.	Section 12 - Sheet 4	2nd Rev.
Section 9 - Sheet 5	7th Rev.		
Section 9 - Sheet 5a	Original		
Section 9 - Sheet 5A	3rd Rev.		

(C) Indicates Change

THE CONESTOGA TELEPHONE &  
TELEGRAPH COMPANY

SECTION 2  
THIRTY-THIRD REVISED SHEET 1  
CANCELING THIRTY-SECOND REVISED SHEET 1

LOCAL EXCHANGE SERVICE

NETWORK ACCESS

Network access includes the central office equipment with rotary dialing capability, outside plant distribution wire and cable, drop wire and station protector.

The following monthly rates DO NOT include terminal equipment of any type or kind.

Touchtone service is included in basic service rates and will be provided at no additional charge to business and residential service lines. Existing customers as of the effective date of Supplement No. 129 (July 22, 1994) who request a conversion to touchtone service will not be charged a service charge.

A. MONTHLY RATES (BASE - RATES)

	PBX Trunk	(I)	Key System Trunk	(I)	One- Party	(I)	Pay Telephone	(I)
BALLY 1/								
Business	23.57		19.98		19.13		16.25	
Residence	--		15.75		14.52		--	
BIRDSBORO								
Business	23.57		19.98		19.13		16.25	
Residence	--		15.75		14.52		--	
BOYERTOWN 2/								
Business	23.57		19.98		19.13		16.25	
Residence	--		15.75		14.52		--	
DOUGLASSVILLE								
Business	26.47		22.16		21.06		18.18	
Residence	--		17.11		15.53		--	

1/ Customers in the Bally exchange who choose optional Extended Area Service ("EAS") to Allentown and Pottstown will be charged at the Rate Band 4 rates. Existing customers as of the effective date of Supplement No. 129 (July 22, 1994) who do not choose optional EAS will remain subject to Rate Band 2 rates shown at Section 2, Sheet 1B.

2/ Customers in the Boyertown exchange who choose optional EAS to Reading will be charged at the Rate Band 4 rates. Existing customers as of the effective date of Supplement No. 129 (July 22, 1994) who do not choose optional EAS will remain subject to Rate Band 3 rates shown at Section 2, Sheet 1B.

(I) Indicates Increase

SUPPLEMENT NO. 216 TARIFF TELEPHONE - PA. P.U.C. NO. 10

THE CONESTOGA TELEPHONE &  
TELEGRAPH COMPANY

SECTION 2  
SEVENTEENTH REVISED SHEET 1A  
CANCELING SIXTEENTH REVISED SHEET 1A

LOCAL EXCHANGE SERVICE (cont'd)

NETWORK ACCESS (cont'd)

A. MONTHLY RATES (BASE - RATES)

	<u>PBX Trunk</u>	<u>Key System Trunk</u>	<u>One- Party</u>	<u>Pay Telephone</u>
GREEN HILLS	(I)	(I)	(I)	(I)
Business	23.57	19.98	19.13	16.25
Residence	--	15.75	14.52	--
MORGANTOWN				
Business	23.57	19.98	19.13	16.25
Residence <sup>3/</sup>	--	15.75	14.52	--
OLEY				
Business	23.57	19.98	19.13	16.25
Residence	--	15.75	14.52	--
SASSAMANSVILLE				
Business	21.01	18.07	17.42	14.54
Residence	--	14.55	13.62	--
TOPTON				
Business	26.47	22.16	21.06	18.18
Residence	--	17.11	15.53	--
YELLOW HOUSE				
Business	26.47	22.16	21.06	18.18
Residence	--	17.11	15.53	--

<sup>3/</sup> Residential customers in the Sycamore Lane Development in the Morgantown exchange shall have the opportunity to select an optional EAS service to the Downingtown, Eagle, Exton and Chester Springs exchanges at an additional rate of .79/month per line, pursuant to the Commission's Order entered March 27, 1998, approving a Joint Petition for Settlement, at Docket No. C-00970363. Customers in the Sycamore Lane Development who do not choose optional EAS will remain subject to Rate Band 4 rates shown at Section 2, Sheet 1B.

(I) Indicates Increase

SUPPLEMENT NO. 216 TARIFF TELEPHONE - PA. P.U.C. NO. 10

THE CONESTOGA TELEPHONE &  
TELEGRAPH COMPANY

SECTION 2  
NINETEENTH REVISED SHEET 1B  
CANCELING EIGHTEENTH REVISED SHEET 1B

LOCAL EXCHANGE SERVICE (cont'd)

Local Service Calling Bands

	<u>Sassamansville</u>					
<u>Rate Band:</u>	1		2		3	
<u>Number of</u>	0-		24,001-		56,001-	
<u>Access Lines:</u>	<u>24,000</u>		<u>56,000</u>		<u>120,000</u>	
<u>CLASS OF SERVICE:</u>						
<b>BUSINESS</b>						
PBX Trunks	\$16.73	(I)	\$18.73	(I)	\$21.01	(I)
Key Trunks	14.86		16.36		18.07	
1 Party	14.56		15.90		17.42	
Pay Telephone	11.68		13.02		14.54	
<b>RESIDENCE</b>						
Key Trunks	12.53	(I)	13.47	(I)	14.55	(I)
1 Party	12.14	(I)	12.81	(I)	13.62	(I)

NOTE: Rate Band parameters equals the number of access lines that exchange customers can reach without a toll charge.

(I) Indicates Increase

Issued: April 30, 2007

Effective: July 1, 2007

SUPPLEMENT NO. 216 TARIFF TELEPHONE - PA. P.U.C. NO. 10

THE CONESTOGA TELEPHONE &  
TELEGRAPH COMPANY

SECTION 2  
EIGHTH REVISED SHEET 1C  
CANCELING SEVENTH REVISED SHEET 1C

LOCAL EXCHANGE SERVICE (cont'd)

Local Service Calling Bands

	Bally 1/ Birdsboro Boyertown 2/ Green Hills Morgantown 3/ Oley	Douglassville Topton Yellow House	
<u>Rate Band:</u>	4	5	6
<u>Number of Access Lines:</u>	120,001- 200,000	200,001- 280,000	280,001- 360,000

CLASS OF SERVICE:

**BUSINESS**

PBX Trunks	\$23.57	(I)	\$26.47	(I)	\$29.74	(I)
Key Trunks	19.98		22.16		24.61	
1 Party	19.13		21.06		23.23	
Pay Telephone	16.25		18.18		20.35	

**RESIDENCE**

Key Trunks	15.75	(I)	17.11	(I)	18.65	(I)
1 Party	14.52	(I)	15.53	(I)	16.67	(I)

NOTE: Rate Band parameters equals the number of access lines that exchange customers can reach without a toll charge.

- 1/ Customers in the Bally exchange who choose optional Extended Area Service ("EAS") to Allentown and Pottstown will be charged at the Rate Band 4 rates. Existing customers as of the effective date of Supplement No. 129 (July 22, 1994) who do not choose optional EAS will remain subject to Rate Band 2 rates.
- 2/ Customers in the Boyertown exchange who choose optional EAS to Reading will be charged at the Rate Band 4 rates. Existing customers as of the effective date of Supplement No. 129 (July 22, 1994) who do not choose optional EAS will remain subject to Rate Band 3 rates.
- 3/ Residential customers in the Sycamore Lane Development in the Morgantown exchange shall have the opportunity to select an optional EAS service to the Downingtown, Eagle, Exton and Chester Springs exchanges at an additional rate of .79/month per line, pursuant to the Commission's Order entered March 27, 1998, approving a Joint Petition for Settlement, at Docket No. C-00970363. Customers in the Sycamore Lane Development who do not choose optional EAS will remain subject to Rate Band 4 rates.

(I) Indicates Increase

THE CONESTOGA TELEPHONE &  
TELEGRAPH 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

- <sup>1</sup> Additional Minute Rate applies to each minute or fraction thereof which exceeds the monthly allowance.
- <sup>2</sup> Optional features: Nonrecurring charges waived if installed with BRI Service

(I) Indicates Increase

Issued: April 30, 2007

Effective: July 1, 2007

THE CONESTOGA TELEPHONE &  
TELEGRAPH COMPANY

	SECTION	<u>3</u>
	SIXTH REVISED SHEET	<u>2</u>
	CANCELING FIFTH REVISED SHEET	<u>2</u>

LINE CONNECTION, PREMISES WORK AND MISCELLANEOUS CHARGES

A. LINE CONNECTION CHARGE (cont'd)

2. Regulations (cont'd)

Line Connection Charges: (cont'd)

- 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:

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

B. PREMISES WORK CHARGES

1. Description

- a. Premises work is defined as work performed on a customer's premises by a Telephone Company employee or representative at the customer's request and not covered by other Tariff charges. Only work performed on the Telephone Company side of the rate demarcation point is covered by this Tariff.
- b. Rate demarcation point is defined as the point of minimum penetration of the property where the customer's service is located, as determined by the Telephone Company. The rate demarcation point defined by the Telephone Company is where network access recurring charges and Telephone Company responsibility stop and beyond which customer responsibility begins.

(I) Indicates Increase

Issued: April 30, 2007

Effective: July 1, 2007

THE CONESTOGA TELEPHONE &  
TELEGRAPH COMPANY

SECTION 3  
FIRST REVISED SHEET 2E  
CANCELING ORIGINAL SHEET 2E

LINE CONNECTION, PREMISES WORK AND MISCELLANEOUS CHARGES

C. MISCELLANEOUS NON-RECURRING CHARGES (cont'd)

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

d. Preferred Telephone Number service (cont'd)

-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. Record Service Charge	15.00	15.00
d. Preferred Telephone Number Service	30.00	30.00

(I) Indicates Increase

SUPPLEMENT NO. 216 TARIFF TELEPHONE - PA. P.U.C. NO. 10

THE CONESTOGA TELEPHONE &  
TELEGRAPH COMPANY

SECTION	6
THIRTEENTH REVISED SHEET	<u>2</u>
CANCELLING TWELFTH REVISED SHEET	<u>2</u>

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MISCELLANEOUS SERVICE (cont'd)

NON-PUBLISHED NUMBERS

A telephone number is non-published when it is omitted from the directory and also from the information lists of the Company. Upon request, and at a rate of \$1.50 per month, a customer may have a non-published number. (I)

This charge does not apply if:

1. the customer has another telephone line at the same location which is listed or non-published in the directory and information lists; or
2. the customer is a payphone service provider.

(I) Indicates Increase

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Issued: April 30, 2007

Effective: July 1, 2007

THE CONESTOGA TELEPHONE &  
TELEGRAPH COMPANY

SECTION 6  
SIXTEENTH REVISED SHEET 4  
CANCELLING FIFTEENTH REVISED SHEET 4

MISCELLANEOUS SERVICE (cont'd)

CUSTOM CALLING FEATURES

These features include Call Forward, Call Forward Remote Activation, Call Waiting, Speed Call 8 numbers, Speed Call 30 numbers, Three-Way Calling, Remote Call Forward, Distinctive Ringing and Call Forward Busy/Don't Answer and are available in those exchanges where the Central Office is equipped to provide them.

Distinctive Ringing service enables a subscriber to assign up to three additional telephone numbers to a single line. Each telephone number is assigned a unique ringing pattern so the called party can identify the telephone number that is being called prior to answering the incoming call. Outgoing calls access only the base telephone number. This service is activated from the central office, thus there is no need for a service call and installation charge. The Telephone Company will allow a maximum of three telephone numbers with Distinctive Ringing to be added to the main telephone number.

Call Forward Busy/Don't Answer service forwards an incoming call to a pre-designated telephone number (which may be an answering machine, central office controlled voice messaging system, or another telephone number) when the called line is busy or if there is no answer within a specified number of rings. This service can be activated or deactivated by the subscriber. When activated, the service is in effect any time an incoming call encounters a busy line or is not answered.

Call Forward Remote Activation allows subscribers to activate or deactivate all types of Call Forward or to change the forward-to destination from a remote location. Call Forward Remote Activation can be accessed from any touch tone telephone simply by dialing the access code and a personal identification number (PIN) assigned by the telephone company. If Call Forwarding is already in effect, the forward-to number can be changed by dialing the access code, the PIN and the new forward-to destination.

The rates for service are as follows, in addition to the service connection charges as applicable in Section 3.

	<u>Business</u>	<u>Residence</u>
1. Call Forward .....	\$ 2.95 (I)	\$ 2.50 (I)
2. Call Waiting .....	3.95 (I)	2.95 (I)
3. Speed Call 8 numbers .....	1.50	1.50
4. Speed Call 30 numbers .....	3.50	3.00
5. Three-Way Calling 1/ .....	2.95 (I)	2.95 (I)
6. Distinctive Ringing .....	3.00 (I)	3.00 (I)
7. Call Forward Busy/Don't Answer .....	2.50 (I)	2.50 (I)
8. Call Forward Remote Activation .....	1.25 (I)	1.25 (I)
9. Remote Call Forward .....	16.00 (I)	11.00 (I)
10. Restrictive Use .....	3.00	2.00
11. Package - 3 features .....	6.50 (I)	4.50 (I)
12. Package - 4 features .....	7.50 (I)	5.00 (I)
13. Package - 5 features .....	8.50 (I)	5.50 (I)

\* Per number up to a maximum of three (3) numbers.

1/ Business and Residence Customers who subscribe to 3-Way Calling Service may choose to be billed on a monthly basis, or on a per usage charge basis of \$0.50 per usage.

(I) Indicates Increase

THE CONESTOGA TELEPHONE &  
TELEGRAPH COMPANY

SECTION 6  
TENTH REVISED SHEET 7A  
CANCELLING NINTH REVISED SHEET 7A

MISCELLANEOUS SERVICE (cont'd)

CLASS CALLING FEATURES (cont'd.)

AVAILABILITY

CLASS calling features may only be used on calls originating and terminating in central offices with the technological capability to provide CLASS service. The specific CLASS calling features are available on a per line basis to all one party residence and business customers within the Telephone Company's service territory. CLASS calling features are not available on pay telephones.

RATES

The following rates and charges are for the provision of these specific CLASS calling features on a per line basis.

	Monthly <u>Residence</u>	Monthly <u>Business</u>	Per <u>Usage</u>
Talking Return Call	\$ 3.75 (I)	\$ 4.75 (I)	\$ 0.50
Last Number Redial	3.50 (I)	3.50 (I)	0.50
Call Trace			1.00*
Priority Ring	3.50 (I)	3.50 (I)	-
Selective Call Forwarding	3.50 (I)	3.90 (I)	-
Select Accept	3.00	4.00	-
Call Block	3.50 (I)	4.00	-

\* Per successful trace.

(I) Indicates Increase

SUPPLEMENT NO. 216 TARIFF TELEPHONE - PA. P.U.C. NO. 10

THE CONESTOGA TELEPHONE &  
TELEGRAPH COMPANY

SECTION 6  
EIGHTH REVISED SHEET 8  
CANCELLING SEVENTH REVISED SHEET 8

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MISCELLANEOUS SERVICE (cont'd)

ADVANCED INTELLIGENT NETWORK (AIN) SERVICES

DESCRIPTION - As facilities permit, the following services will be provided when and where available.

TELEMARKETING BLOCKING SERVICE - This service provides customers with control over incoming phone calls by allowing them to select either an "anti-solicitation" or a "do not disturb" mode. End User modifications can be completed via a touch tone phone or the AIN Internet website.

MONTHLY RATES (SUBSCRIPTION)

<u>Services</u>	<u>Residence</u>	<u>Business</u>
Telemarketing Blocking Service	\$3.25 (I)	\$3.25 (I)

(I) Indicates Increase

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Issued: April 30, 2007

Effective: July 1, 2007

SUPPLEMENT NO. 216 TARIFF TELEPHONE - PA. P.U.C. NO. 10

THE CONESTOGA TELEPHONE &  
TELEGRAPH COMPANY

SECTION 6  
FIFTH REVISED SHEET 14B  
CANCELLING FOURTH REVISED SHEET 14B

MISCELLANEOUS SERVICE (cont'd.)

CALLER ID SERVICE (cont'd.)

RATES (cont'd.)

	<u>Non-Recurring Service Charge</u> (per line, per order)	<u>Monthly Charge</u>
Caller ID Deluxe Service:		
Residence	\$15.00	\$7.50 (I)
Business	15.00	7.95 (I)
Centrex		
1-10 Lines	15.00	6.50
11-25 Lines	15.00	6.00
26-50 Lines	15.00	5.00
51-100 Lines	15.00	3.00
> 100 Lines	15.00	2.00
Per Call Block	No Charge	
Per Line Block	No Initial Charge*	

\* A restoral fee will apply for a reconnection of line block that was initially connected, then disconnected, for the same customer at the same address. See Section 3.

(I) Indicates Increase

Issued: April 30, 2007

Effective: July 1, 2007

**CONESTOGA TELEPHONE AND  
TELEGRAPH COMPANY**

Supplement No. 216 to  
Tariff Telephone - PA P.U.C. No. 10  
(Local Exchange Service Tariff)

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

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Issued: April 30, 2007

Effective: July 1, 2007

**CONESTOGA 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.**

Conestoga Telephone and Telegraph Company ("CTT") 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, CTT 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 CTT'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.

**CONESTOGA 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 CTT. 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.**

CTT'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.**

CTT'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.

**CONESTOGA 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 April 1, 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.**

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

**CONESTOGA 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 CTT'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 on an annual basis.**

Not Applicable

Conestoga 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>
<b>Rate Band 2</b>			
Res - 1 Party	\$ 12.46	\$ 12.81	\$ 0.35
Res - Vacation Service	\$ 6.23	\$ 6.41	\$ 0.18
Bus - 1 Party	\$ 15.55	\$ 15.90	\$ 0.35
Bus - Key System	\$ 16.01	\$ 16.36	\$ 0.35
Bus - Pay Telephone	\$ 12.67	\$ 13.02	\$ 0.35
<b>Rate Band 3</b>			
Res - 1 Party	\$ 13.27	\$ 13.62	\$ 0.35
Res - Key System	\$ 14.20	\$ 14.55	\$ 0.35
Res - Vacation Service	\$ 6.64	\$ 6.82	\$ 0.19
Bus - 1 Party	\$ 17.07	\$ 17.42	\$ 0.35
Bus - Key System	\$ 17.72	\$ 18.07	\$ 0.35
Bus - FX Service	\$ 14.51	\$ 14.88	\$ 0.37
Bus - Trunks	\$ 20.66	\$ 21.01	\$ 0.35
Bus - Pay Telephone	\$ 14.19	\$ 14.54	\$ 0.35
<b>Rate Band 4</b>			
Res - 1 Party	\$ 14.17	\$ 14.52	\$ 0.35
Res - Key System	\$ 15.40	\$ 15.75	\$ 0.35
Res - Vacation Service	\$ 7.09	\$ 7.27	\$ 0.19
Bus - 1 Party	\$ 18.78	\$ 19.13	\$ 0.35
Bus - Key System	\$ 19.63	\$ 19.98	\$ 0.35
Bus - FX Service	\$ 15.96	\$ 16.33	\$ 0.37
Bus - Trunks	\$ 23.22	\$ 23.57	\$ 0.35
Bus - Pay Telephone	\$ 15.90	\$ 16.25	\$ 0.35
<b>Rate Band 5</b>			
Res - 1 Party	\$ 15.18	\$ 15.53	\$ 0.35
Res - Key System	\$ 16.76	\$ 17.11	\$ 0.35
Res - Vacation Service	\$ 7.59	\$ 7.77	\$ 0.18
Bus - 1 Party	\$ 20.71	\$ 21.06	\$ 0.35
Bus - Key System	\$ 21.81	\$ 22.16	\$ 0.35
Bus - Trunks	\$ 26.12	\$ 26.47	\$ 0.35
Bus - Pay Telephone	\$ 17.83	\$ 18.18	\$ 0.35

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

<b>B. Custom Calling Features</b>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Impact</u>
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/No 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
Package, three services - Res	\$ 4.00	\$ 4.50	\$ 0.50
Package, three services - Bus	\$ 6.00	\$ 6.50	\$ 0.50
Package, four services - Res	\$ 4.50	\$ 5.00	\$ 0.50
Package, four services - Bus	\$ 7.00	\$ 7.50	\$ 0.50
Caller ID Deluxe - Res	\$ 6.50	\$ 7.50	\$ 1.00
Caller ID Deluxe - Bus	\$ 6.95	\$ 7.95	\$ 1.00
Call Waiting - Res	\$ 2.00	\$ 2.95	\$ 0.95
Call Waiting - Bus	\$ 2.95	\$ 3.95	\$ 1.00
Three-Way Calling	\$ 1.95	\$ 2.95	\$ 1.00
Remote Call Forwarding - Res	\$ 10.00	\$ 11.00	\$ 1.00
Remote Call Forwarding - Bus	\$ 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
Selective Call Forwarding - Res	\$ 3.00	\$ 3.50	\$ 0.50
Selective Call Forwarding - Bus	\$ 3.45	\$ 3.90	\$ 0.45
Last Number Redial	\$ 2.95	\$ 3.50	\$ 0.55

**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 America	\$ 15.00	\$ 20.00	\$ 5.00
Connection Charge - Link Up Installments	\$ 5.00	\$ 6.67	\$ 1.67
Connection Charge - Bus	\$ 45.00	\$ 50.00	\$ 5.00
Installation Charge - BRI	\$ 100.00	\$ 125.00	\$ 25.00
Restoral Charge	\$ 20.00	\$ 25.00	\$ 5.00

**D. Miscellaneous**

Non-Pub Number Charge	\$ 1.00	\$ 1.50	\$ 0.50
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Conestoga 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	0.034459
Chapter 30 Price Cap Formula Monthly Revenue Adjustment	\$ -
times 12 Months	12
Chapter 30 Price Cap Formula Annual Revenue Adjustment	-

A. Dialtone	Units	Current Rate	Proposed Rate	Current Monthly Revenue	Proposed Monthly Revenue	Monthly Revenue Impact	Annual Revenue Impact
<b>Rate Band 2</b>							
Res - 1 Party		\$ 12.46	\$ 12.81	\$ -	\$ -	\$ -	\$ -
Res - Vacation Service		\$ 6.23	\$ 6.41	\$ -	\$ -	\$ -	\$ -
Bus - 1 Party		\$ 15.55	\$ 15.90	\$ -	\$ -	\$ -	\$ -
Bus - Key System		\$ 16.01	\$ 16.36	\$ -	\$ -	\$ -	\$ -
Bus - Pay Telephone		\$ 12.67	\$ 13.02	\$ -	\$ -	\$ -	\$ -
<b>Rate Band 3</b>							
Res - 1 Party		\$ 13.27	\$ 13.62	\$ -	\$ -	\$ -	\$ -
Res - Key System		\$ 14.20	\$ 14.55	\$ -	\$ -	\$ -	\$ -
Res - Vacation Service		\$ 6.64	\$ 6.82	\$ -	\$ -	\$ -	\$ -
Bus - 1 Party		\$ 17.07	\$ 17.42	\$ -	\$ -	\$ -	\$ -
Bus - Key System		\$ 17.72	\$ 18.07	\$ -	\$ -	\$ -	\$ -
Bus - FX Service		\$ 14.51	\$ 14.88	\$ -	\$ -	\$ -	\$ -
Bus - Trunks		\$ 20.66	\$ 21.01	\$ -	\$ -	\$ -	\$ -
Bus - Pay Telephone		\$ 14.19	\$ 14.54	\$ -	\$ -	\$ -	\$ -
<b>Rate Band 4</b>							
Res - 1 Party		\$ 14.17	\$ 14.52	\$ -	\$ -	\$ -	\$ -
Res - Key System		\$ 15.40	\$ 15.75	\$ -	\$ -	\$ -	\$ -
Res - Vacation Service		\$ 7.09	\$ 7.27	\$ -	\$ -	\$ -	\$ -
Bus - 1 Party		\$ 18.78	\$ 19.13	\$ -	\$ -	\$ -	\$ -
Bus - Key System		\$ 19.63	\$ 19.98	\$ -	\$ -	\$ -	\$ -
Bus - FX Service		\$ 15.96	\$ 16.33	\$ -	\$ -	\$ -	\$ -
Bus - Trunks		\$ 23.22	\$ 23.57	\$ -	\$ -	\$ -	\$ -
Bus - Pay Telephone		\$ 15.90	\$ 16.25	\$ -	\$ -	\$ -	\$ -

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

**A. Dialtone (cont'd)**

	Units	Current Rate	Proposed Rate	Current Monthly Revenue	Proposed Monthly Revenue	Monthly Revenue Impact	Annual Revenue Impact
<b>Rate Band 5</b>							
Res - 1 Party		\$ 15.18	\$ 15.53	\$ -	\$ -	\$ -	\$ -
Res - Key System		\$ 16.76	\$ 17.11	\$ -	\$ -	\$ -	\$ -
Res - Vacation Service		\$ 7.59	\$ 7.77	\$ -	\$ -	\$ -	\$ -
Bus - 1 Party		\$ 20.71	\$ 21.06	\$ -	\$ -	\$ -	\$ -
Bus - Key System		\$ 21.81	\$ 22.16	\$ -	\$ -	\$ -	\$ -
Bus - Trunks		\$ 26.12	\$ 26.47	\$ -	\$ -	\$ -	\$ -
Bus - Pay Telephone		\$ 17.83	\$ 18.18	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -

**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/No Answer		\$ 1.95	\$ 2.50	\$ -	\$ -	\$ -	\$ -
Priority Ringing		\$ 2.95	\$ 3.50	\$ -	\$ -	\$ -	\$ -
Call Block - Res		\$ 3.00	\$ 3.50	\$ -	\$ -	\$ -	\$ -
Distinctive Ringing		\$ 2.50	\$ 3.00	\$ -	\$ -	\$ -	\$ -
Package, three services - Res		\$ 4.00	\$ 4.50	\$ -	\$ -	\$ -	\$ -
Package, three services - Bus		\$ 6.00	\$ 6.50	\$ -	\$ -	\$ -	\$ -
Package, four services - Res		\$ 4.50	\$ 5.00	\$ -	\$ -	\$ -	\$ -
Package, four services - Bus		\$ 7.00	\$ 7.50	\$ -	\$ -	\$ -	\$ -
Caller ID Deluxe - Res		\$ 6.50	\$ 7.50	\$ -	\$ -	\$ -	\$ -
Caller ID Deluxe - Bus		\$ 6.95	\$ 7.95	\$ -	\$ -	\$ -	\$ -
Call Waiting - Res		\$ 2.00	\$ 2.95	\$ -	\$ -	\$ -	\$ -
Call Waiting - Bus		\$ 2.95	\$ 3.95	\$ -	\$ -	\$ -	\$ -
Three-Way Calling		\$ 1.95	\$ 2.95	\$ -	\$ -	\$ -	\$ -
Remote Call Forwarding - Res		\$ 10.00	\$ 11.00	\$ -	\$ -	\$ -	\$ -
Remote Call Forwarding - Bus		\$ 15.00	\$ 16.00	\$ -	\$ -	\$ -	\$ -
Call Forward Remote Activation		\$ 0.95	\$ 1.25	\$ -	\$ -	\$ -	\$ -
Telemarketing Blocking Service		\$ 2.95	\$ 3.25	\$ -	\$ -	\$ -	\$ -
Selective Call Forwarding - Res		\$ 3.00	\$ 3.50	\$ -	\$ -	\$ -	\$ -
Selective Call Forwarding - Bus		\$ 3.45	\$ 3.90	\$ -	\$ -	\$ -	\$ -
Last Number Redial		\$ 2.95	\$ 3.50	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -

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

<b>C. Non-recurring Charges</b>	<u>Units</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Current Monthly Revenue</u>	<u>Proposed Monthly Revenue</u>	<u>Monthly Revenue Impact</u>	<u>Annual Revenue Impact</u>
Conn. Chg. - Res		\$ 30.00	\$ 40.00	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Res - Installments		\$ 10.00	\$ 13.33	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Link Up America		\$ 15.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Link Up - Installments		\$ 5.00	\$ 6.67	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Bus		\$ 45.00	\$ 50.00	\$ -	\$ -	\$ -	\$ -
Installation Chg. - BRI		\$ 100.00	\$ 125.00	\$ -	\$ -	\$ -	\$ -
Restoral Chg.		\$ 20.00	\$ 25.00	\$ -	\$ -	\$ -	\$ -
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>D. Miscellaneous</b>							
Non-Pub Number Chg.		\$ 1.00	\$ 1.50	\$ -	\$ -	\$ -	\$ -
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Annual Revenue Impact</b>							<b>\$ -</b>
<b>Chapter 30 Price Cap Formula Annual Revenue Adjustment</b>							<b>\$ -</b>
<b>Over (Under) Revenue Recovery</b>							<b>\$ -</b>

Conestoga 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)
	<b>INCOME</b>		
	<b>TELEPHONE OPERATING INCOME</b>		
	Operating Revenues		
1	Local Network Services Revenue		
2	Network Access Services Revenue		
3	Long Distance Toll Revenue		
4	Miscellaneous Revenue		
5	Uncollectible Revenue		
6	<b>Total Operating Revenues</b>		
	Operating Expenses		
7	Plant Specific Expense		
8	Plant Non-Specific Expense		
9	Customer Operations		
10	Corporate Operations		
11	<b>Total Operating Expenses</b>		
12	<b>NET OPERATING REVENUES</b>		
	<b>OTHER OPERATING INCOME AND EXPENSE</b>		
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	<b>Total Other Operating Income and Expenses</b>		
	<b>OPERATING TAXES</b>		
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	<b>Total Operating Taxes</b>		
25	<b>NET OPERATING INCOME</b>		
	<b>NONOPERATING INCOME AND EXPENSES</b>		
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	<b>Subtotal Nonoperating Income and Expense</b>		
	<b>NONOPERATING TAXES</b>		
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	<b>Subtotal Nonoperating Taxes</b>		
41	<b>Total Nonoperating Income</b>		
42	<b>INCOME AVAILABLE FOR FIXED CHARGES</b>		
	<b>INTEREST AND RELATED ITEMS</b>		
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	<b>Total Interest and Related Items</b>		
48	<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>		
	<b>EXTRAORDINARY ITEMS</b>		
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	<b>Total Extraordinary Items</b>		
	<b>JURISDICTIONAL DIFFERENCES AND NONREGULATED INCOME ITEMS</b>		
54	7910 Income Effect of Jurisdictional Ratemaking Differences-Net		
55	7990 Nonregulated Net Income		
56	<b>Total Jurisdictional Differences and Extraordinary Items</b>		
57	<b>NET INCOME</b>		