



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 Buffalo Valley Telephone Company
Docket Nos. P-00981428F1000 and R-00072193 (Advance Notice of Filing)

Dear Secretary McNulty:

Pursuant to the provisions of its Chapter 30 Alternative Form of Regulation and Network Modernization Plan, Buffalo Valley Telephone Company (BVT) 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. 64 to Telephone - PA P.U.C. No. 7 (Local Exchange Service Tariff)

BVT 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 BVT's filing were provided in BVT'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

DOCKETED
APR 19 2007

BTL

SECRETARY'S
MENU
2007 APR -5 AM 9:25
REC'D

cc: Chairman Wendell F. Holland
Vice-Chairman James H. Cawley
Commissioner Kim Pizzigrilli
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



DE Communications

April 30, 2007

ORIGINAL

124 East Main Street
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VIA HAND DELIVERY

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

**DOCUMENT
FOLDER**

In re: Buffalo Valley Telephone Company
Docket No. P-00981428F1000, PSI/SPI Report for the Year 2007
Docket No. R-00072193, Supplement No. 65 Telephone - PA P.U.C. No. 7
(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. 65 to Tariff Telephone – PA. P.U.C. No. 7 (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

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

SECRETARY'S BUREAU

2007 APR 30 AM 11:25

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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 Buffalo Valley Telephone Company and that in this capacity he is authorized to and does make this Affidavit for Buffalo Valley Telephone 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

BUFFALO VALLEY TELEPHONE COMPANY

Supplement No. 65 – PA PUC Tariff No. 7

Buffalo Valley Telephone Company (BVT) 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, BVT proposes the following changes to its tariff:

- Increase in residential and business dial tone service rates of \$0.55 per line per month.
- Increase in trunk and pay telephone rates by \$0.55 per line or trunk per month.
- Increases to various Custom Calling/CLASS Services Rates.
- Increase in non-published number charge.
- Increase in residential "Suspension of Service at Subscriber's Request" charge (no rate impact to existing customers taking the service through the end of current term).
- 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 BVT's annual revenue is an increase of \$. The Company is banking the remaining portion of the total 2007 Chapter 30 PSI/SPI revenue opportunity.

BVT'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.

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

DOCKETED

MAY 03 2007

DOCUMENT
FOLDER

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. 65 Tariff Telephone - PA P.U.C. No. 7 (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

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

Part 1. 2006 PSI Summary

Calculate 2006 PSI Adjustment, per Chapter 30 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	3.879000
Change in GDP-PI	3.879000
Divided by: GDP-PI, 3rd Qtr 2005	112.567000
Equal: Percentage change in GDP-PI	0.034459
Less: Productivity Offset	-
2007 Adjustment to PSI, per Price Cap Formula	0.034459
Calculate 2007 PSI, per Chapter 30 Plan	
2006 PSI	1.062300
Plus: 2007 PSI Adjustment	0.034459
2007 PSI	1.096759

Part 2. 2007 SPI Summary

2006 SPI	1.062300
Plus: 2007 SPI Adjustment	0.028268
2007 SPI	1.090568

Part 3. 2007 DCI Summary

2007 PSI	1.096759
Less: 2007 SPI	1.090568
2007 DCI	0.006191

Part 4. Banking Report

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

Buffalo Valley 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.

Buffalo Valley 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	46.99%			3.19%	0.014991	0.435100	0.450091
Local Private Line Rev	5040	3.08%			0.00%	-	0.069300	0.069300
Other Local Exchange Rev	5060	9.88%			13.43%	0.013277	0.081800	0.095077
Network Access Rev		35.10%			0.00%	-	0.405600	0.405600
Long Distance Rev		2.29%			0.00%	-	0.060500	0.060500
Other Operating Rev		2.66%			0.00%	-	0.010000	0.010000
TOTAL OPERATING REVENUES		100.00%				0.028268	1.062300	1.090568

Buffalo Valley 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	0.435100	0.014991	0.450091
Local Private Line Revenue	5040	0.069300	-	0.069300
Other Local Exchange Revenue	5060	0.081800	0.013277	0.095077
Network Access Revenue		0.405600	-	0.405600
Long Distance Revenue		0.060500	-	0.060500
Other Operating Revenue		<u>0.010000</u>	<u>-</u>	<u>0.010000</u>
2006 SPI		<u>1.062300</u>		
Plus: 2007 SPI Adjustment			<u>0.028268</u>	
2007 SPI				<u>1.090568</u>
Plus: 2007 DCI				<u>0.006191</u>
2007 PSI				<u>1.096759</u>

Buffalo Valley Telephone Company
SUPPLEMENT NO. 65
Telephone – PA P.U.C. No. 7

BUFFALO VALLEY TELEPHONE COMPANY

RATES AND RULES

Governing the Furnishing of Telephone Service

IN

Northumberland and Union Counties, Pennsylvania

as shown on Sheet 5

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SECRETARY'S BUREAU

Issued: April 30, 2007

Effective: July 1, 2007

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

NOTICE

This Tariff Supplement makes changes to existing rates.

See Sheet 2

SHEETS AFFECTED BY THIS SUPPLEMENT	CHANGES MADE BY THIS SUPPLEMENT
Section 2, LOCAL EXCHANGE SERVICE, Thirteenth Revised Sheet 1	Increase to Local Exchange Service rates
Section 2A, LOCAL EXCHANGE SERVICE, First Revised Sheet 8	Increase to Non-recurring BRI Service rate
Section 3, LINE CONNECTION, PREMISES WORK AND MISCELLANEOUS CHARGES, Second Revised Sheet 2	Increase to Line Connection charges.
Section 3, LINE CONNECTION, PREMISES WORK AND MISCELLANEOUS CHARGES, First Revised Sheet 7	Increase to Restoral of Service charges.
Section 6, MISCELLANEOUS SERVICE AND EQUIPMENT, Second Revised Sheet 1	Increase to Non-Published Numbers rate.
Section 6, MISCELLANEOUS SERVICE AND EQUIPMENT, Second Revised Sheet 2	Change language of "Suspension of Service at Subscriber's Request" increased rate and allowable duration.
Section 6, MISCELLANEOUS SERVICE AND EQUIPMENT, Fourth Revised Sheet 8 Fifth Revised Sheet 9	Increase various Custom Calling and CLASS Services monthly rates
Section 6, MISCELLANEOUS SERVICE AND EQUIPMENT, Third Revised Sheet 11A	Increase Caller ID service rates
Section 6, MISCELLANEOUS SERVICE AND EQUIPMENT, Sixth Revised Sheet 11B	Increase Caller ID Deluxe service rates and Increase Residential Telemarketing Block monthly service rate

Check Sheet

Section	Sheet	Revised	Section	Sheet	Revised
	Title	Supp. No. 65*	3	7	1st*
	Page		4	1	1st
	2	Supp. No. 65*	4	2	Original
	3	33rd	4	3	1st
	4	61st*	4	4	Original
	4.1	12th*	4	5	Original
	5	Original	4	6	1st
1	1	1st	4	7	1st
1	2	Original	4	8	1st
1	2A	Original	4	9	Original
1	3	2nd	4	10	Original
1	4	4th	4	11	Original
1	5	Original	4	12	Original
1	6	1st	4	13	Original
1	7	19th	4	14	1st
1	8	Original	4	15	1st
1	9	Original	4	16	1st
1	10	Original	4	17	Original
1	11	Original	4	18	Original
1	12	Original	4	19	1st
1	13	Original	4	20	1st
2	1	13th*	4	21	1st
2	2	1st	4A	1	Original
2A	1	Original	4A	2	Original
2A	2	Original	4A	3	Original
2A	3	Original	4A	4	Original
2A	4	Original	4A	5	Original
2A	5	Original	4A	6	Original
2A	6	Original	4A	7	Original
2A	7	Original	5	1	1st
2A	8	1st*	5	2	1st
2A	9	Original	5	2A	Original
2A	10	Original	5	2B	Original
2A	11	Original	5	2C	Original
2A	12	Original	5	3	Original
2A	13	Original	5	4	Original
2A	14	Original	5	5	Original
2A	15	Original	5	6	Original
2A	16	Original	6	1	2nd*
2A	17	Original	6	2	2nd*
2A	18	Original	6	3	2nd
2A	19	Original	6	4	2nd
2A	20	Original	6	5	3rd
2A	21	Original	6	5A	Original
3	1	1st	6	6	3rd
3	2	2nd*	6	7	4th
3	3	1st	6	8	5th*
3	4	1st			
3	5	1st			
3	6	Original			

Buffalo Valley Telephone Company

Twelfth Revised Sheet 4.1
Canceling Eleventh Revised Sheet 4.1

Section	Sheet	Revised
6	9	5th*
6	10	3rd
6	11	3rd
6	11A	3rd*
6	11B	6th*
6	12	2nd
6	13	Original
6	14	8th
6	15	1st
6	16	1st
6	17	4th
6	18	4th
6	19	3rd
6	20	3rd
6	21	4th
6	22	2nd
6	23	1st
6	24	1st
6	25	1st
6	26	Original
7	1	1st
7	2	2nd
7	3	Original
7	4	1st
8	1	Original
8	2	Original
9	1	2nd
9	2	2nd
9	3	Original
9	4	1st
9	5	2nd
9	6	2nd

LOCAL EXCHANGE SERVICE

NETWORK ACCESS WITH PRIMARY TELEPHONE OUTLET

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

Network access with Push Button dialing capability is available at the rates listed below.

A. <u>EXCHANGE:</u>	<u>M O N T H L Y R A T E S</u>					
	<u>PBX Trunk</u>		<u>One Party</u>		<u>Pay Telephone Line</u>	<u>1/</u>
<i>Lewisburg 2/</i>						
Business	\$22.65	(I)	\$18.65	(I)	\$15.85	(I)
Residence	-----		15.05	(I)	-----	
<i>Mifflinburg 3/</i>						
Business	\$22.65	(I)	\$18.65	(I)	\$15.85	(I)
Residence	-----		15.05	(I)	-----	

1/ Two-party, four-party, and multi-party services are no longer offered.

2/ The West Milton locality has merged with the Lewisburg base rate area, resulting in the Lewisburg exchange.

3/ The Hartleton and New Berlin localities have merged with the Mifflinburg base rate area, resulting in the Mifflinburg exchange.

(I) Indicates Increase

Buffalo Valley Telephone Company

Section 2A
 First Revised Sheet 8
 Canceling Original Sheet 8

LOCAL EXCHANGE SERVICE

ISDN BRI (cont'd)

Rates

Usage Allowance:	<u>20 Hours</u>	<u>MONTHLY</u> <u>100 Hours</u>	<u>Unlimited</u>	<u>NONRECURRING</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

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

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

(I) Indicates Increase

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

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

Buffalo Valley Telephone Company

Section 6
Second Revised Sheet 1
Canceling First Revised Sheet 1

MISCELLANEOUS SERVICE AND EQUIPMENT

DIRECTORY LISTINGS

All subscribers, including pay telephones, are entitled to one listing in the official directory published by the Telephone Company.

Additional listings are provided at \$.25 each per month. This charge will continue while the directory containing such listing is in effect. The charge will be terminated: if the main station telephone service is terminated; upon death of listed party; listed party subscribes for service in his own name; or moves to a location where he is not accessible to the subscriber's station.

Acceptable listings are limited to the real names of individuals, partnerships, or corporations and/or names under which such individuals, partnerships or corporations actually conduct their business.

NON-PUBLISHED NUMBERS

A telephone number is "non-published" when it is omitted from the directory and also from the information lists of the Telephone Company. Upon request and at a rate of \$1.00 per month, a subscriber may have a "non-published" number, but such requests are discouraged as far as possible, and the subscriber is required to sign a written statement releasing the Telephone Company from all responsibility for losses arising from such arrangement. Unless the specific call number is given by the person calling, connection will not be established with a telephone having a "non-published" number. (I)

This charge does not apply if the subscriber has another telephone line at the same location which is listed in the directory and information lists.

When existing service for the same customer requires a number change in order to establish or continue "non-published" service, a charge applies as shown in Section 3.

Pay telephone service customers will not be charged for a non-published telephone number.

(I) Indicates Increase

MISCELLANEOUS SERVICE AND EQUIPMENT (cont'd)

* * * *

BRIDGED LINE SERVICE

When, at the subscriber's request, two one-party lines are bridged for simultaneous ringing, the one-party rate for each line applies.

* * * *

SUSPENSION OF SERVICE AT SUBSCRIBER'S REQUEST

Upon request from a residence subscriber, service will be suspended for a period of not less than one month nor longer than seven (7) months in a period of any consecutive twelve months, for a charge equivalent to one-half the rate for local service mileage and listings other than foreign listings.

(C)

The Telephone Company assumes no responsibility to intercept calls and provide information on inward calls.

A restoral charge will be applied when service is returned to normal working conditions. See Section 3.

(C) Indicates Change

Buffalo Valley Telephone Company

Section 6
Fifth Revised Sheet 8
Canceling Fourth Revised Sheet 8MISCELLANEOUS SERVICE AND EQUIPMENT (cont'd)CUSTOM CALLING SERVICE AND CLASS SERVICE (cont'd)

4. Nonrecurring Charges

A one-time, nonrecurring charge applies to the connection of Custom Calling and CLASS Services. This charge does not apply when a Line Connection Charge is incurred. One charge applies per line, per order regardless of the number of services being changed or added.

	<u>Residence</u>	<u>Business</u>
Order Charge, Per Line	\$7.00	\$8.00

5. Monthly Rates (Subscription)

a. Custom Calling Service will be furnished at the following rates.

<u>Services</u>	<u>Business</u>	<u>Residence</u>
3-Way Calling 1/	\$ 2.95 (I)	\$ 2.95 (I)
Call Forward	\$ 2.95 (I)	\$ 2.50 (I)
Call Forward Busy/Don't Answer	\$ 2.50 (I)	\$ 2.50 (I)
Call Forward Remote Activation	\$ 1.25 (I)	\$ 1.25 (I)
Call Pick Up	\$ 1.75	\$.95
Call Transfer	\$ 2.95 (I)	\$ 2.95 (I)
Call Waiting	\$ 3.95 (I)	\$ 2.95 (I)
Datapath Service	\$10.00	\$10.00
Make Set Busy	\$ 1.75	\$.95
Distinctive Ringing	\$ 3.00 (I)	\$ 3.00 (I)
Speed Call.8 numbers	\$ 1.50	\$ 1.50
Speed Call.30 numbers	\$ 3.50	\$ 3.00
Remote Call Forward	\$16.00 (I)	\$11.00 (I)
Restrictive Use	\$ 3.00	\$ 2.00

Toll charges apply to each call forwarded or conferenced to a location beyond the flat rate local calling area of the line with which the Custom Calling Service is associated.

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

MISCELLANEOUS SERVICE AND EQUIPMENT (cont'd)

CUSTOM CALLING SERVICE AND CLASS SERVICE (cont'd)

5. Monthly Rates (Subscription) (cont'd)

- b. The following Subscription Discount Rates apply, per service, to monthly rates for packages of Customer Calling Services.

	Discount Rates	
	<u>Business</u>	<u>Residence</u>
Package, three services, per line	6.50 (I)	4.50 (I)
Package, four services, per line	7.50 (I)	5.00 (I)
Package, five or more services, per line	8.50 (I)	5.50 (I)

- c. CLASS Service will be furnished at the following rates:

<u>Services</u>	<u>Business</u>	<u>Residence</u>
Call Block	4.00	3.50 (I)
Priority Ring	3.50 (I)	3.50 (I)
Last Number Redial	2.95	2.95
Talking Return Call	4.75 (I)	3.75 (I)
Select Accept	4.00	3.00
Selective Call Forwarding	3.45	3.00

- d. Usage Rates

	Usage Rates	
	<u>Business</u>	<u>Residence</u>
Call Trace, per successful attempt	1.00	1.00
Last Number Redial (1)	0.50	0.50
Talking Return Call (1)	0.50	0.50

NOTES:

- (1) Rate applies per each activation.

(I) Indicates Increase

MISCELLANEOUS SERVICE AND EQUIPMENT (cont'd)

CALLER ID SERVICE (cont'd.)

6. 800/900 Privacy Notice Requirements

The technological capability has not been developed which would allow a caller to withhold display of the caller's telephone number and name on a per call or per line basis from the display instrument of an individual receiving a call at an "800" or "900" access code service number. Until such capability is developed, the Telephone Company shall provide telephone subscribers with annual notice developed with the approval of the Bureau of Public Liaison that use of an "800" or "900" number may result in the disclosure of the subscriber's telephone number and name or other identifying information to the called party.

AVAILABILITY OF SERVICE

Caller ID and Caller ID Deluxe require special central office equipment and are provided as facilities permit. Caller ID and Caller ID Deluxe work only on calls which originate from and terminate in central offices which are equipped to provide this service or between central offices that are equipped with SS7 connectivity. Caller ID and Caller ID Deluxe are available to all customers in the Telephone Company's service territory. The Company will not allow the display of telephone numbers and names from exchanges where the originating telephone company has not offered Caller ID and Caller ID Deluxe blocking options.

RATES

The following rates and charges are for the provision of Caller ID and Caller ID Deluxe on a per line, per order basis.

	<u>Non-Recurring*</u> <u>Service Charge</u>	<u>Monthly Charge</u>	
	(per line, per order)		
Caller ID Service:			
Residence	\$15.00	\$7.50	(I)
Business	15.00	7.95	(I)
1 - 10 lines	15.00	6.50	
11 - 25 lines	15.00	5.00	
26 - 50 lines	15.00	4.00	
51 -100 lines	15.00	3.00	
> 100 lines	15.00	2.00	
PBX		8.50	

* Non-recurring service charges will be waived for one (1) calendar year from the effective date of the tariff.

(I) Indicates Increase

Buffalo Valley Telephone Company

Section 6
Sixth Revised Sheet 11B
Canceling Fifth Revised Sheet 11B

MISCELLANEOUS SERVICE AND EQUIPMENT (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	7.50	
11 - 25 lines	15.00	6.00	
26 - 50 lines	15.00	5.00	
51 -100 lines	15.00	4.00	
> 100 lines	15.00	3.00	
PBX		9.50	
Per Call Block		No Charge	
Per Line Block		No Initial Charge**	

* Non-recurring service charges will be waived for one (1) calendar year from the effective date of the tariff.

** A reconnection fee will apply for a reconnection of line block that was initially connected, then disconnected, for the same customer at the same address. The fee will be \$12.00 for residence and Centrex customers and \$20.00 for business customers.

ADVANCED INTELLIGENT NETWORK (AIN) SERVICE

As Facilities permit, the following services will be provided when and where available.

DESCRIPTION

1. 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.

RATES

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

(I) Indicates Increase

**BUFFALO VALLEY
TELEPHONE COMPANY**

Supplement No. 65 to
Tariff Telephone - PA P.U.C. No. 7
(Local Exchange Service Tariff)

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

Issued: April 30, 2007

Effective: July 1, 2007

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

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

1. The specific reasons for each change.

Buffalo Valley Telephone Company ("BVT") 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, BVT 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 BVT'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.

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

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

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

BVT'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.

BVT'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.

**BUFFALO VALLEY TELEPHONE 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.

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

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

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

1. The specific reasons for each increase or decrease.

Implementation of the proposed changes will keep BVT'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

Buffalo Valley Telephone Company
Chapter 30 PSM Filing
Summary of Rate Changes
For the Year 2007

	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Rate Impact</u>
A. Dialtone			
Res - 1 Party	\$ 14.50	\$ 15.05	\$ 0.55
Bus - 1 Party	\$ 18.10	\$ 18.65	\$ 0.55
Bus - Vacation Service	\$ 9.05	\$ 9.33	\$ 0.28
Bus - FX Service	\$ 15.39	\$ 15.85	\$ 0.46
Bus - Trunks	\$ 22.10	\$ 22.65	\$ 0.55
Bus - Pay Telephone	\$ 15.30	\$ 15.85	\$ 0.55
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/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
Caller ID - Res	\$ 6.50	\$ 7.50	\$ 1.00
Caller ID Deluxe - Res	\$ 6.50	\$ 7.50	\$ 1.00
Caller ID - Bus	\$ 6.95	\$ 7.95	\$ 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
Call Transfer - Bus	\$ 1.75	\$ 2.95	\$ 1.20
C. Non-recurring Charges			
Connection Charge - Res	\$ 30.00	\$ 40.00	\$ 10.00
Connection Charge - Link Up America	\$ 15.00	\$ 20.00	\$ 5.00
Connection Charge - Res - Installments	\$ 10.00	\$ 13.33	\$ 3.33
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
D. Miscellaneous			
Non-Pub Number Charge	\$ 0.50	\$ 1.00	\$ 0.50

Buffalo Valley Telephone 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	-

	<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>
A. Dialtone							
Res - 1 Party		\$ 14.50	\$ 15.05	\$ -	\$ -	\$ -	\$ -
Bus - 1 Party		\$ 18.10	\$ 18.65	\$ -	\$ -	\$ -	\$ -
Bus - Vacation Service		\$ 9.05	\$ 9.33	\$ -	\$ -	\$ -	\$ -
Bus - FX Service		\$ 15.39	\$ 15.85	\$ -	\$ -	\$ -	\$ -
Bus - Trunks		\$ 22.10	\$ 22.65	\$ -	\$ -	\$ -	\$ -
Bus - Pay Telephone		\$ 15.30	\$ 15.85	\$ -	\$ -	\$ -	\$ -
				\$ -	\$ -	\$ -	\$ -
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	\$ -	\$ -	\$ -	\$ -
Caller ID - Res		\$ 6.50	\$ 7.50	\$ -	\$ -	\$ -	\$ -
Caller ID Deluxe - Res		\$ 6.50	\$ 7.50	\$ -	\$ -	\$ -	\$ -
Caller ID - Bus		\$ 6.95	\$ 7.95	\$ -	\$ -	\$ -	\$ -
Caller ID Deluxe - Bus		\$ 6.95	\$ 7.95	\$ -	\$ -	\$ -	\$ -

Buffalo Valley Telephone Company
Chapter 30 PSM Filing
Calculations of Revenue Impacts
For the Year 2007

	<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>
B. Custom Calling Features (cont'd)							
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	\$ -	\$ -	\$ -	\$ -
Call Transfer - Bus		\$ 1.75	\$ 2.95	\$ -	\$ -	\$ -	\$ -
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
C. Non-recurring Charges							
Conn. Chg. - Res		\$ 30.00	\$ 40.00	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Link Up America		\$ 15.00	\$ 20.00	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Res - Installments		\$ 10.00	\$ 13.33	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Bus		\$ 45.00	\$ 50.00	\$ -	\$ -	\$ -	\$ -
Conn. Chg. - Bus - Installments		\$ 15.00	\$ 16.67	\$ -	\$ -	\$ -	\$ -
Restoral Chg.		\$ 20.00	\$ 25.00	\$ -	\$ -	\$ -	\$ -
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
D. Miscellaneous							
Non-Pub Number Chg.		\$ 0.50	\$ 1.00	\$ -	\$ -	\$ -	\$ -
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Annual Revenue Impact							\$ -
Chapter 30 Price Cap Formula Annual Revenue Adjustment							\$ -
Over (Under) Revenue Recovery							\$ -

Buffalo Valley Telephone 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 (AFUD)	-	-
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-	-	-
55	7990 Nonregulated Net Income		
56	Total Jurisdictional Differences and Extraordinary Items		
57	NET INCOME		