D&E Communications

ORIGINAL

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

March 31, 2007

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

P-00981428F1000

Buffalo Valley Telephone Company's
2007 Biennial Network Modernization Plan Report
Docket Nos. ~~P-00981428 and M-00930441~~

Dear Secretary McNulty:

Enclosed for filing on behalf of Buffalo Valley Telephone Company are two copies of the Company's 2007 Biennial Network Modernization Plan Report. Much of the information in this Report is considered **Highly Confidential** to Buffalo Valley Telephone Company. Accordingly, per a Secretarial Letter from the Commission dated March 21, 2007, enclosed are a proprietary version of the Report, in which all Highly Confidential information is so designated, and a non-proprietary version of the Report, in which all Highly Confidential information has been redacted.

Also per the Commission's Secretarial Letter, the Company has provided two proprietary courtesy copies to the Commission's Bureau of Fixed Utility Services, one paper and one electronic.

Sincerely,

Jeanne Price

Jeanne Price
Regulatory Relations Supervisor

DOCUMENT
FOLDER

Enclosures
cc: Janet Tuzinski, Telecommunications Manager - Bureau of Fixed Utility Services [Paper Copy]
Lou Samsel, Bureau of Fixed Utility Services [Electronic Copy]

90

ORIGINAL

NON-PROPRIETARY VERSION

f-00981428F1000

Biennial NMP Implementation Update Report – 2007
for
Buffalo Valley Telephone Company

March 31, 2007
For the period ended 12/31/06

NON-PROPRIETARY VERSION

Contents

NON-PROPRIETARY VERSION

Required Item #1

Executive Summary and Discussion

[file: 1 - Executive Summary and Discussion - 2007.doc]

Biennial NMP Implementation Update Report – 2007

Buffalo Valley Telephone Company

Executive Summary and Discussion

1. Executive Summary

Buffalo Valley Telephone Company ("BVT") is a small rural telephone company with two exchange(s), one host office and three remote offices operating entirely within the Commonwealth of Pennsylvania and serving access lines. The Company's service territory includes Northumberland and Union counties. As of December 31, 2006, BVT served a total of customers, of which were residential customers and were business customers.

BVT's Network Modernization Plan ("NMP") as originally filed set forth BVT's commitment to accelerate the modernization of its network to achieve universal broadband availability within its service territory by no later than December 31, 2015. The original NMP was filed pursuant to Act 67 of 1993, Section 3003 of the Public Utility Code, 66 Pa.C.S. §3003, and Pennsylvania Public Utility Commission ("Commission") Opinions and Orders entered January 20, 2000, March 30, 2000, and December 20, 2000, at Docket No. P-00981428. Act 67 was subject to sunset by operation of law on December 31, 2003. Act 183 was signed into law on November 30, 2004, replacing Act 67. Act 183, Section 3014(b)(1)(ii) granted the Company the option to amend its original NMP as follows:

> (ii) The rural telecommunications carrier shall commit to accelerate 100% broadband availability by December 31, 2008.

Consistent with this statutory provision, the Company elected to commit to accelerate 100% broadband availability by December 31, 2008, and amended its NMP accordingly.

BVT committed to the deployment of technologies necessary to achieve "universal broadband availability" (i.e., provision of broadband capability to any retail telephone customer in the Company's service territory requesting such capability on ten business days' notice to the LEC) by the December 31, 2008 date set forth in Act 183, Chapter 30.

This filing comprises the following tables and related schedules, as set forth on the Pennsylvania Public Utility Commission's website, which update the availability of broadband services within the Company's service area.

As provided herein, BVT is currently meeting its broadband deployment obligations through ADSL technology, along with the necessary investment in facilities and the build out of additional fiber and copper plant, to provide broadband availability to its customer

base. BVT is currently on schedule to meet its deployment obligations. (See supporting schedules.)

Detailed Discussion

2. NMP Key Plan Component Status
See Attachment A

The Company is on schedule in the deployment of a broadband network and expects fully to meet its commitment by December 31, 2008.

On the Key Plan Component Status report, the Company provides DSL availability for the period ending 12/31/02, as reported in the Company's first Biennial NMP report, and DSL availability for the period ending 12/31/06. Although the Company did not commit to use any specific technology in order to achieve universal broadband availability in its original NMP, the DSL availability reported in the Company's 2003 Update Report Status was based primarily on the deployment of High bit-rate Digital Subscriber Line (HDSL) technology. The Company reported DSL availability of 98.1%. DSL availability for the period ending 12/31/06 is based on the deployment of Asymmetrical Digital Subscriber Line (ADSL). BVT can currently provide broadband availability on 10 business days' notice as required by Act 183 to 98.7% of all its customers through ADSL technology.

ADSL technology, as the preferred broadband technology since the last status report, provides several key advantages over HDSL. The first advantage is ADSL allows the Company to provision the broadband loop for speeds of 1.544 Mbps or higher enabling the Company to meet or exceed Act 183 requirements. As broadband service requirements increase, the use of this technology will allow the Company to meet these additional service requests. The second advantage is ADSL technology is a more cost effective solution both in the central office line equipment as well as the customer premise equipment, allowing for a more competitive product in the market place. Due to these advantages the Company began an extensive program to upgrade both exchanges to ADSL technology. The Company's first Biennial NMP reported 98.1% broadband availability of which ADSL was less than 10% of the deployed technology. BVT can currently provide broadband to 98.7% using ADSL as the predominant technology.

Broadband availability within 60 days was a reporting requirement in the Company's first Biennial NMP report. BVT reported % broadband availability within 60 days for the period ending 12/31/02. As mentioned above, the % availability was determined on the basis that any plant construction and equipment augmentation could be completed within 60 days. The Company would deploy HDSL or ISDN circuit equipment as the underlying technology to deliver the requested broadband service. BVT's % broadband availability within 60 days for the period ending 12/31/02 was calculated based on a combination of HDSL and ISDN availability. Since ISDN no longer falls under Act 183's definition of broadband; for the period ending 12/31/06, the

Company now reports 98.7% broadband availability in 10 days, pursuant to Act 183, rather than within 60 days.

3. DSL Availability Status
See Attachment B

BVT has two exchanges. Effective 12/31/06, the Company served exchange access lines, , or 98.7% of which qualify for broadband through ADSL technology. % of the access lines in the Company's Mifflinburg exchange are DSL qualified, while % of the access lines in the Company's Lewisburg exchange are DSL qualified.

BVT is a wholesale service provider of ADSL technology. BVT provides ADSL to third party Internet Service Provider(s) who combine the Company's ADSL with their own information service(s) to create a new retail service for sale to its end user customers. As a result, sales by class of customer, speed and exchange are unavailable. As of December 31, 2006, the Company's total DSL sales totaled .

4. Broadband Services Status
See Attachment C

In addition to deploying ADSL technology to achieve "universal broadband availability", BVT also provides broadband at speeds of 1.544 Mbps or greater through the deployment of other technologies, namely high capacity services, both to end users on a retail basis and to carriers on a wholesale basis. For the period ending December 31, 2006, the Company had a total of broadband circuits in service: retail circuits and wholesale circuits (includes broadband via ADSL technology). BVT Exhibit 1, attached, provides detail of all retail sales by customer class, broadband speed and exchange. In summary, the Company's broadband retail customers are who purchase broadband at speeds ranging from . Institutional customers are a subgroup of business class customers and are not tracked separately.

Consistent with the data reported in its 2003 Biennial NMP Report, as of 12/31/06, BVT provides % broadband availability in or adjacent to public rights-of-way abutting all health care facilities, public schools, including the administration offices supporting public schools, and industrial parks of record in the Company's service territory.

5. *Network Modernization Investment Status*
See Attachment D

In this report the Company includes all broadband related investment for the period January 1, 2003, through December 31, 2006, because in its previous Biennial NMP report, filed July 2003 for the period ended December 31, 2002, the Company reported investment through December 31, 2002. For the period January 1, 2003, through December 31, 2006, BVT has invested $ in servers, routers, optical transport equipment, $ in supporting outside plant fiber cable, and $ in supporting outside plant metallic cable. Thus the total broadband related capital expenditures for network modernization from January 1, 2003, through December 31, 2006 was $.

The Company's large investment of equipment and outside plant was largely due to the transition from HDSL technology used in support of the initial Biennial NMP to ADSL as outlined in the latest status report. Additional equipment and supporting outside plant facilities was added to both exchanges, which is comprised of serving wire centers.

6. The Commission's 13 Guidelines
Attachment E

Please see Attachment E for a complete discussion of and responses to the Commission's 13 Guidelines.

NON-PROPRIETARY VERSION

Required Item #2

NMP Key Plan Components Status

[file: 2 - Key Plan Components - 2007.doc]

ATTACHMENT A

ATTACHMENT A

Biennial NMP Progress Report – 2007
Key Plan Components – Buffalo Valley Telephone Company

NMP Key Requirement	Status at Time of Original Plan	2003 Update Report Status TPE 12/31/02	2007 Update Report Status TPE 12/31/06	2009 Update Report Status TPE 12/31/08
DSL Availability (Note 1)	0	98.1%	98.7%	
Broadband Availability 10 Days (Note 2)	0	New in Act 183	98.7%	

Notes:

1. DSL status is reported because DSL is a platform by which the Company is currently complying with its Chapter 30 broadband requirements. The Company has not designated DSL or any other technology or service in either its original or amended NMP as the sole platform by which the Company may meet its Chapter 30 broadband requirements. Other technologies or services that meet the statutory definition of broadband are noted on the attached Broadband Services Status, PUC Required Item # 4.

2. Broadband is defined as a communication channel using any technology and having a bandwidth equal to or greater than 1.544 megabits per second (Mbps) in the downstream direction and equal to or greater than 128 kilobits per second (Kbps) in the upstream direction.

Telephone Company Contact:

Company: Buffalo Valley Telephone Company
Name: Jeanne Price
Telephone: (717) 738-8169
Email: jprice@decommunications.com

NON-PROPRIETARY VERSION

Required Item #3

DSL Status

[file: 3 - DSL Status - 2007.xls]

ATTACHMENT B

NON-PROPRIETARY VERSION

ATTACHMENT B

Biennial Network Modernization Report
DSL Availability Status - Sheet #1
Buffalo Valley Telephone Company

(Complete This Sheet First - Before Starting Availability Sheet #2)

DSL Service -- Exchange Availability and Qualified Lines Status					
Exchanges	Access Lines				
Exchange Name (insert) (a)	Total Exchange ALs (insert) (b)	DSL Qualified ALs (insert) (c)	% DSL Qualified ALs (c)/(b)*100% (d)	% DSL Unavailable ALs 100%-(d) (e)	Exchange DSL Qualification (Y, P, or N)* (f)
Lewisburg					
Mifflinburg					
(add rows as required)					
Total			98.73%		

* Exchange qualification is based upon % of DSL qualified access lines shown in Column (d)

If Column (d) = 100% then Column (f) = Y (for 'Yes')

If Column (d) = 1-99% then Column (f) = P (for 'Partial')

If Column (d) = 0% then Column (f) = N (for 'No')

NON-PROPRIETARY VERSION

ATTACHMENT B

Biennial Network Modernization Report
DSL Availability Status - Sheet #2
(Compete Availability Sheet #1 Before Starting This Sheet)

DSL Service -- Exchange Availability		
Exchanges		
Exchange DSL Availability (Sheet 1, Column f) (a)		Number of Y/P/N Exchanges (count from Sheet 1, Column f) (b)
100% (=Y)		
Partial (=P)		
None (=N)		
Total		

NON-PROPRIETARY VERSION

ATTACHMENT B

Biennial Network Modernization Report
DSL Status - Customers In Service (Sales)

DOCS # 632243

DSL Service -- In Service by Speed Option			
Speed Options <Up/Down>	Residence In Service	Business In Service	Total In Service
Total			

DSL Service -- DSL to Resellers or Wholesalers			
	Reseller Sales	Wholesaler Sales	Total Sales
Total			

DSL Service -- Total DSL Sales	
	Total of all DSL Above
Total	

NON-PROPRIETARY VERSION

Required Item #4

Broadband Status

[file: 4 - Broadband Status - 2007.xls]

ATTACHMENT C

NON-PROPRIETARY VERSION

ATTACHMENT C

Broadband Services Status
Buffalo Valley Telephone Company

DOCS #631375

1.544 Mbps (or greater) Customers in Service				
Broadband speed	Retail	Resale	Wholesale	Total
DSL - 1.544 Mbps or greater				
DS1 - 1.544 Mbps				
DS3 - 45 Mbps				
10 Mbps				
100 Mbps				
OC-3 - 155 Mbps				
OC-12 - 622 Mbps				
OC-48 - 2.488 Mbps				
OC-192 - 9.953 Gbps				
(insert rows as needed)				
Totals				

Notes

1. DS1 counts do not include DSL customers
2. Modify this table to show actual company broadband offerings

NON-PROPRIETARY VERSION

Required Item #5

Network Modernization Investment Status

[file: 5 - Network Modernization Investment Status - 2007.doc]

ATTACHMENT D

NON-PROPRIETARY VERSION

ATTACHMENT D

Network Modernization Investment Status

Summary of Calculations - 2007

Buffalo Valley Telephone Company

	Annual Capital Expenditures				
Network Element	2003	2004	2005	2006	Total
COE Digital Switching (Acct 2212)					
COE Digital Circuit (Acct 2232)					
Total COE					
CAWF Fiber (Acct 2420)					
CAWF Metallic (Acct 2420)					
Total CAWF					
Total Network Capital Expenditures					

NON-PROPRIETARY VERSION

Required Item #6

The 13 Guidelines Status and Compliance

[file: 6 - The 13 Guidelines - 2007.doc]

ATTACHMENT E

NON-PROPRIETARY VERSION
ATTACHMENT E

CHAPTER 30 BIENNIAL UPDATE REPORTING GUIDELINES
BUFFALO VALLEY TELEPHONE COMPANY

DOCS #486672

From Order at Docket M-00930441 entered May 17, 1999
[Revised by Act 183 of 2004]

1. The biennial updates required pursuant to 66 Pa. C.S. ~~§ 3003(b)(6)~~ *[§ 3014(f)]* should provide specific information on how many customers are buying broadband services. This information should be provided both by class of customer, i.e., business, residential, and institutional, and by region or geographic area within each service territory of the filing local exchange carrier ("LEC").

Response:

Included with this filing are schedules, which provide information on how many customers are buying broadband services on both a wholesale and retail basis. See schedules #632243, DSL Status – Customers In Service (Sales), #631375, and Broadband Services Status. In addition, the Company provides customer information by exchange and class of customer for broadband sales to end users on a retail basis. See BVT Exhibit 1, Broadband Retail Customers In Service by Exchange.

2. Using the same quantity, class, and geographic breakdown outlined in Paragraph No. 1 above, the biennial updates should report the type of broadband services customers are actually subscribing to, including information on the speed of each broadband service being offered by the LEC.

Response:

See attached schedules #631375, Broadband Services Status and BVT Exhibit 1, which outline the type of broadband services customers are subscribing to and the speed of those services. Information on the speed of broadband service through ADSL technology is not provided because ADSL is a wholesale service offering. The Company provides ADSL to third party Internet Service Provider(s) (ISPs) at speeds of 1.544 Mbps to 5.0 Mbps. The speed of broadband service being offered through ADSL technology to the ISP's end users is not available to BVT as a wholesale ADSL service provider.

3. The biennial updates should report present and projected upgrades to switches, fiber deployment, intelligent signaling, and ISDN availability.

Response:

The Company was required to identify information regarding switch upgrades, fiber deployment, intelligent signaling and ISDN availability in its original Chapter 30 Plan pursuant to Section 3003(b)(1) of Act 67. Section 3003 of Act 67 was repealed and replaced by Section 3014 of Act 183, which addresses current network modernization requirements and no longer requires these specific parameters. Accordingly, these specific technological, network and/or architectural parameters no longer exist in the Company's Amended NMP. The Company's progress on switch upgrades, fiber deployment between central offices, intelligent signaling and ISDN availability through December 31, 2002 was provided in the Company's 2003 Biennial NMP Report. As reported at that time, the Company achieved % digital switching capability and fiber deployment in its central office. The Company had also implemented intelligent network signaling allowing the Company to offer its customers a wide variety of sophisticated call management and processing services, often marketed under the trade name CLASS^{sm} (Custom Local Area Signaling Services) features or services. Where ISDN was requested, it, or a technologically equivalent transmission capability, as provided under the Company's NMP, was provided.

4. The biennial updates should explain the LEC's planned architecture for its broadband network. If the LEC's architecture has been revised substantially from the last biennial update because of changing technology or market environment, the LEC should provide a specific description of the new architecture and the reasons for the change.

Response:

The Company's architecture for its broadband network is based predominantly on the use of ADSL technology. This is a change from what was initially reported in the Company's initial NMP. The key drivers for this change to ADSL technology are ADSL supports speeds of 1.544 Mbps or greater and has more cost effective line equipment and customer premise equipment providing a more competitive product in the market place.

5. The biennial updates should project the LEC's deployment schedule.

Response:

The attached Biennial Progress Report of Key Plan Components and Broadband Services Status excel spreadsheet show the Company's current percentage of broadband services' availability. The Company is required to have achieved 100% broadband availability upon 10 business days' notice by December 31, 2008 in accordance with the Company's Amended NMP. As demonstrated in the attached schedules, the Company is on schedule to meet that deployment obligation.

6. The biennial updates should identify broadband availability in or adjacent to public rights-of-way abutting health care facilities, public schools, and industrial parks. For reporting purposes, "public schools" shall include all public school districts within the Commonwealth of Pennsylvania, all intermediate units, all charter schools, and all area vocational-technical schools.

Response:

The Company provides % broadband availability in or adjacent to public rights-of-way abutting all health care facilities, public schools, including the administration offices supporting public schools, and industrial parks of record in the Company's service territory.

7. The biennial updates should describe how the LEC is meeting the commitment made in its Chapter 30 network modernization plan to achieve reasonably balanced broadband availability to urban, suburban, and rural areas within its service territory consistent with each company's approved Chapter 30 plan.

Response:

The Company was designated a rural carrier by the PA PUC at Docket No. M-00960799. Therefore, all the Company's technical efforts are aimed at enhancing telecommunications services provided to rural Pennsylvania.

8. ~~Consistent with the reporting obligations contained in 52 Pa. Code §§ 73.1-73.9, for LEC's providing telephone service with over 50,000 access lines or which have grossed intrastate operating revenues in excess of $20 million per year, the biennial updates should provide the level of capital investment being made to develop the broadband network. Specifically, information regarding the historical, current, and projected levels of capital investment in the network as well as updated depreciation report information should be provided. A LEC may coordinate its reporting obligations required by Chapter 73 to comply with this paragraph so long as the LEC complies with the notification requirement contained in 52 Pa. Code § 73.8(6).~~

[Moot – Act 183 eliminates Chapter 73 reporting requirements in the subsequent Final Rulemaking Order at L-00050176 entered August 21, 2006.]

9. ~~For LEC's providing telephone service with less than 50,000 access lines or which have gross intrastate operating revenues less than $20 million per year, the biennial updates should contain information similar to what is required under 52 Pa. Code §§ 73.4 and 73.8. These small LECs may meet with Commission Staff to determine the precise information to be provided so as to balance the Commission's specific informational needs with the LEC's need to minimize any administrative burdens created by the production of this information.~~

[Moot – Act 183 eliminates Chapter 73 reporting requirements in the subsequent Final Rulemaking Order at L-00050176 entered August 21, 2006.]

10. The biennial updates should report on joint ventures.

Response:

The Company has no joint ventures.

11. The biennial updates should report on the status of products and services that enhance the quality of life for those with disabilities.

Response:

Since the inception of its NMP, the Company has employed Intelligent Network Switching (INS). INS utilizes common channel Signaling System #7, or SS-7 technology. This technology allows the Company to offer subscribers use of various sophisticated features not available before INS. The range of SS-7 enabled features offered by the Company is broad, as reported by the Company in its initial NMP report.

Each of these CLASS^{sm} services may be used by those with physical or other challenges to meet their communications needs. For example, the Company offers Distinctive Ringing, which enables a hearing-impaired customer to differentiate between calls based upon the pattern of the ring. In addition, the Company offers options for adaptive equipment that assists the visually, hearing and physically disabled in meeting their communications needs. For example, the Company offers TTY machines and Caller ID units to name just a few.

Finally, the ubiquitous deployment of broadband by the Company will ensure that persons who are rendered home bound by their disabilities will be able to participate in the global market to satisfy business or personal needs or simply for pleasure all through access to the Internet.

12. As provided in the Order approving these guidelines, the acceptance and approval of a network modernization plan and subsequent biennial reports required by Chapter 30, will not eliminate the obligation of a LEC to provide any other reports required in any other chapter of the Public Utility Code or in the Commission's existing regulations.

No response required.

13. Proprietary information will be protected so as not to impact adversely competitively sensitive information in the biennial updates by allowing a LEC to file under seal when appropriate; provided, however, that the Office of Consumer Advocate, the Office of Small Business Advocate, and the Office of Trial Staff will have access to this competitively sensitive information subject only to the public advocates entering into appropriate proprietary agreements with the producing LEC.

No response required.

NON-PROPRIETARY VERSION
BVT Exhibit 1

Broadband Retail Customers In Service By Exchange
Buffalo Valley Telephone Company

Exchange	Speed	Residence	Business	Total
Lewisburg				
Lewisburg				
	Lewisburg Total			
Mifflinburg				
Mifflinburg				
	Mifflinburg Total			
	Total Retail Customers in Service:			
	Total Wholesale Customers in Service:			
	Grand Total Customers in Service:			

D&E Communications

ORIGINAL

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

June 13, 2007

RECEIVED
2007 JUN 14 AM 10:53
SECRETARY'S BUREAU

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

1-00981428 F1002

Buffalo Valley Telephone Company's
2007 Biennial Network Modernization Plan Report
Docket Nos. P-00981428 and M-00930441
****REPLACEMENT PAGES****

Dear Secretary McNulty:

Enclosed for filing on behalf of Buffalo Valley Telephone Company are **REPLACEMENT PAGES** of the Company's Non-Proprietary Version of the 2007 Biennial Network Modernization Plan Report. The following revised pages are being filed pursuant to a request of the Law Bureau and Bureau of Fixed Utility Services:

- Non-Proprietary Version – Executive Summary and Discussion
- Non-Proprietary Version – Attachment B, Sheet #1
- Non-Proprietary Version – Attachment B, Sheet #2

Kindly acknowledge receipt of this filing by stamping the enclosed copy of this letter. A postage paid envelope is provided for your convenience.

Should you have questions regarding this filing, please contact me at the number below.

Sincerely,

Jeanne Price

Jeanne Price
Regulatory Relations Supervisor

DOCUMENT
FOLDER

Enclosures

cc: Carl Hisiro, Law Bureau
Lou Samsel, Bureau of Fixed Utility Services

54

NON-PROPRIETARY VERSION

P-00981428F1000

Biennial NMP Implementation Update Report – 2007

Buffalo Valley Telephone Company

Executive Summary and Discussion

1. Executive Summary

Buffalo Valley Telephone Company ("BVT") is a small rural telephone company with two exchange(s), one host office and three remote offices operating entirely within the Commonwealth of Pennsylvania and serving 20,222 access lines. The Company's service territory includes Northumberland and Union counties. As of December 31, 2006, BVT served a total of customers, of which were residential customers and were business customers.

BVT's Network Modernization Plan ("NMP") as originally filed set forth BVT's commitment to accelerate the modernization of its network to achieve universal broadband availability within its service territory by no later than December 31, 2015. The original NMP was filed pursuant to Act 67 of 1993, Section 3003 of the Public Utility Code, 66 Pa.C.S. §3003, and Pennsylvania Public Utility Commission ("Commission") Opinions and Orders entered January 20, 2000, March 30, 2000, and December 20, 2000, at Docket No. P-00981428. Act 67 was subject to sunset by operation of law on December 31, 2003. Act 183 was signed into law on November 30, 2004, replacing Act 67. Act 183, Section 3014(b)(1)(ii) granted the Company the option to amend its original NMP as follows:

> (ii) The rural telecommunications carrier shall commit to accelerate 100% broadband availability by December 31, 2008.

Consistent with this statutory provision, the Company elected to commit to accelerate 100% broadband availability by December 31, 2008, and amended its NMP accordingly.

BVT committed to the deployment of technologies necessary to achieve "universal broadband availability" (i.e., provision of broadband capability to any retail telephone customer in the Company's service territory requesting such capability on ten business days' notice to the LEC) by the December 31, 2008 date set forth in Act 183, Chapter 30.

This filing comprises the following tables and related schedules, as set forth on the Pennsylvania Public Utility Commission's website, which update the availability of broadband services within the Company's service area.

As provided herein, BVT is currently meeting its broadband deployment obligations through ADSL technology, along with the necessary investment in facilities and the build out of additional fiber and copper plant, to provide broadband availability to its customer

base. BVT is currently on schedule to meet its deployment obligations. (See supporting schedules.)

Detailed Discussion

2. NMP Key Plan Component Status
See Attachment A

The Company is on schedule in the deployment of a broadband network and expects fully to meet its commitment by December 31, 2008.

On the Key Plan Component Status report, the Company provides DSL availability for the period ending 12/31/02, as reported in the Company's first Biennial NMP report, and DSL availability for the period ending 12/31/06. Although the Company did not commit to use any specific technology in order to achieve universal broadband availability in its original NMP, the DSL availability reported in the Company's 2003 Update Report Status was based primarily on the deployment of High bit-rate Digital Subscriber Line (HDSL) technology. The Company reported DSL availability of 98.1%. DSL availability for the period ending 12/31/06 is based on the deployment of Asymmetrical Digital Subscriber Line (ADSL). BVT can currently provide broadband availability on 10 business days' notice as required by Act 183 to 98.7% of all its customers through ADSL technology.

ADSL technology, as the preferred broadband technology since the last status report, provides several key advantages over HDSL. The first advantage is ADSL allows the Company to provision the broadband loop for speeds of 1.544 Mbps or higher enabling the Company to meet or exceed Act 183 requirements. As broadband service requirements increase, the use of this technology will allow the Company to meet these additional service requests. The second advantage is ADSL technology is a more cost effective solution both in the central office line equipment as well as the customer premise equipment, allowing for a more competitive product in the market place. Due to these advantages the Company began an extensive program to upgrade both exchanges to ADSL technology. The Company's first Biennial NMP reported 98.1% broadband availability of which ADSL was less than 10% of the deployed technology. BVT can currently provide broadband to 98.7% using ADSL as the predominant technology.

Broadband availability within 60 days was a reporting requirement in the Company's first Biennial NMP report. BVT reported % broadband availability within 60 days for the period ending 12/31/02. As mentioned above, the % availability was determined on the basis that any plant construction and equipment augmentation could be completed within 60 days. The Company would deploy HDSL or ISDN circuit equipment as the underlying technology to deliver the requested broadband service. BVT's % broadband availability within 60 days for the period ending 12/31/02 was calculated based on a combination of HDSL and ISDN availability. Since ISDN no longer falls under Act 183's definition of broadband; for the period ending 12/31/06, the

Company now reports 98.7% broadband availability in 10 days, pursuant to Act 183, rather than within 60 days.

3. DSL Availability Status
See Attachment B

BVT has two exchanges. Effective 12/31/06, the Company served 20,222 exchange access lines, 19,965, or 98.7% of which qualify for broadband through ADSL technology. % of the access lines in the Company's Mifflinburg exchange are DSL qualified, while % of the access lines in the Company's Lewisburg exchange are DSL qualified.

BVT is a wholesale service provider of ADSL technology. BVT provides ADSL to third party Internet Service Provider(s) who combine the Company's ADSL with their own information service(s) to create a new retail service for sale to its end user customers. As a result, sales by class of customer, speed and exchange are unavailable. As of December 31, 2006, the Company's total DSL sales totaled .

4. Broadband Services Status
See Attachment C

In addition to deploying ADSL technology to achieve "universal broadband availability", BVT also provides broadband at speeds of 1.544 Mbps or greater through the deployment of other technologies, namely high capacity services, both to end users on a retail basis and to carriers on a wholesale basis. For the period ending December 31, 2006, the Company had a total of broadband circuits in service: retail circuits and wholesale circuits (includes broadband via ADSL technology). BVT Exhibit 1, attached, provides detail of all retail sales by customer class, broadband speed and exchange. In summary, the Company's broadband retail customers are who purchase broadband at speeds ranging from . Institutional customers are a subgroup of business class customers and are not tracked separately.

Consistent with the data reported in its 2003 Biennial NMP Report, as of 12/31/06, BVT provides % broadband availability in or adjacent to public rights-of-way abutting all health care facilities, public schools, including the administration offices supporting public schools, and industrial parks of record in the Company's service territory.

5. Network Modernization Investment Status
See Attachment D

In this report the Company includes all broadband related investment for the period January 1, 2003, through December 31, 2006, because in its previous Biennial NMP report, filed July 2003 for the period ended December 31, 2002, the Company reported investment through December 31, 2002. For the period January 1, 2003, through December 31, 2006, BVT has invested $ in servers, routers, optical transport equipment, $ in supporting outside plant fiber cable, and $ in supporting outside plant metallic cable. Thus the total broadband related capital expenditures for network modernization from January 1, 2003, through December 31, 2006 was $.

The Company's large investment of equipment and outside plant was largely due to the transition from HDSL technology used in support of the initial Biennial NMP to ADSL as outlined in the latest status report. Additional equipment and supporting outside plant facilities was added to both exchanges, which is comprised of serving wire centers.

6. The Commission's 13 Guidelines
Attachment E

Please see Attachment E for a complete discussion of and responses to the Commission's 13 Guidelines.

NON-PROPRIETARY VERSION

ATTACHMENT B

Biennial Network Modernization Report
DSL Availability Status - Sheet #1
Buffalo Valley Telephone Company

(Complete This Sheet First - Before Starting Availability Sheet #2)

DSL Service -- Exchange Availability and Qualified Lines Status					
Exchanges	Access Lines				
Exchange Name (insert) (a)	Total Exchange ALs (insert) (b)	DSL Qualified ALs (insert) (c)	% DSL Qualified ALs (c)/(b)*100% (d)	% DSL Unavailable ALs 100%-(d) (e)	Exchange DSL Qualification (Y, P, or N)* (f)
Lewisburg					
Mifflinburg					
(add rows as required)					
Total	20,222	19,965	98.73%	1.27%	P

* Exchange qualification is based upon % of DSL qualified access lines shown in Column (d)
If Column (d) = 100% then Column (f) = Y (for 'Yes')
If Column (d) = 1-99% then Column (f) = P (for 'Partial')
If Column (d) = 0% then Column (f) = N (for 'No')

REVISED

NON-PROPRIETARY VERSION

ATTACHMENT B

Biennial Network Modernization Report
DSL Availability Status - Sheet #2

(Compete Availability Sheet #1 Before Starting This Sheet)

DSL Service -- Exchange Availability	
Exchanges	
Exchange DSL Availability (Sheet 1, Column f) (a)	Number of Y/P/N Exchanges (count from Sheet 1, Column f) (b)
100% (=Y)	
Partial (=P)	*
None (=N)	
Total	*

* Represents total number of exchanges.

REVISED