

June 15, 2007

**Via Hand Delivery**

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

SECRETARY'S BUREAU  
2007 JUN 16 AM 11:19

In re: The North-Eastern Pennsylvania Telephone Company 2007 Biennial Network  
Modernization Plan Report for the Period Ending December 31, 2006  
Docket No. P-00981435 F1000

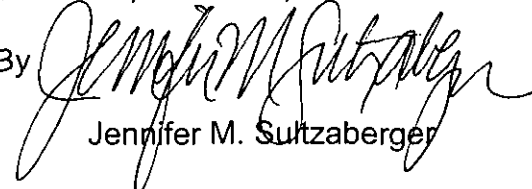
Dear Secretary McNulty:

Enclosed for filing on behalf of The North-Eastern Pennsylvania Telephone Company are revised pages of the Company's March 31, 2007 filing. These revised replacement pages are being filed as a result of our discussions with members of the Law Bureau and the Bureau of Fixed Utility Services staff concerning the confidential designation of certain information contained within the Biennial Network Modernization Plan Report.

If you have any questions, please contact the undersigned.

Very truly yours,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By   
Jennifer M. Sultzaberger

Enclosures

cc: Lou Samsel (w/encl.)  
Carl Hisiro (w/encl.)  
Thomas A. Mendicino (w/encl.)

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Biennial NMP Implementation Update Report – 2007

The North-Eastern Pennsylvania Telephone Company

Executive Summary and Discussion

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1. Executive Summary

The North-Eastern Pennsylvania Telephone Company (NEP) is a small rural telephone company with 8 exchanges operating entirely within the Commonwealth of Pennsylvania and serving 11,947 access lines. The Company's service territory includes portions of Lackawanna, Susquehanna and Wayne counties. As of December 31, 2006, NEP served a total of customers, of which were residential customers and were business customers.

NEP's Network Modernization Plan ("NMP") as originally filed set forth NEP'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-00981435F1000. 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.

NEP 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, NEP is currently meeting its broadband deployment obligations through digital technology, along with the necessary investment in facilities and the build

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out of fiber plant, to provide broadband availability to its customer base. NEP 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, an Option 1 company, is on schedule in the deployment of a broadband network and expects fully to meet its commitment by December 31, 2008.

The Company can currently provide broadband availability on 10 business days' notice as required by Act 183 to % of all its current customers.

### 3. DSL Availability Status See Attachment B

NEP has exchanges with central offices and currently provides broadband through digital technology. The Company serves 11,947 access lines, to both residential and business customers in its service territory. These lines serve business customers and residential customers.

As of 12/31/06, residential customers have purchased DSL through NEP's broadband technology, at a download speed of residential customers have purchased DSL at a download speed of and residential customers have purchased DSL at a download speed of (all upload speeds are ). Also as of 12/31/06, business customers have purchased DSL at a download speed of , business customers have purchased DSL at a download speed of and business customers have purchased DSL at a download speed of (again all upload speeds are ). A majority of both residential and business customers prefers a download speed of .

Institutional customers are a subgroup of business class customers and are not tracked separately.

### 4. Broadband Services Status See Attachment C

NEP also supports broadband services to its customer base at speeds of 1.544 Mbps or greater through DSL and other channels.

Commission's 13 Guidelines.



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ATTACHMENT B

Biennial Network Modernization Report  
 DSL Availability Status - Sheet #2  
 (Complete 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 exchanges.