



HTC
Hickory Telephone Co.

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ORIGINAL

March 31, 2007

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
400 North Street
2nd Floor
Commonwealth Keystone Building
Harrisburg, PA 17120

P-00981431 F1000

Hickory Telephone Company's 2007 Biennial Network Modernization Plan Report
Docket Nos. P-00981425 and M-00930441

Dear Secretary McNulty:

Enclosed for filing on behalf of Hickory 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 Hickory 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.

DOCUMENT
FOLDER

Sincerely,

Grier Adamson
Treasurer/CEO

Enclosures

cc: Janet Tuzinski (one copy paper and one CD ROM with electronic files)
Telecommunications Manager - Bureau of Fixed Utility Services

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

108

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**Biennial NMP Implementation Update Report –
2007
for**

Hickory Telephone Company

DOCUMENT
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DOCKETED

APR 05 2007

**March 31, 2007
For the period ended 12/31/2006**

Contents

- 1 – The Executive Summary and Discussion**
- 2 – NMP Key Plan Components Status Sheet**
- 3 – DSL Deployment Sheets**
- 4 – Broadband Deployment Status Sheets**
- 5 – Depreciation and Network Modernization Investment Status**
- 6 – The 13 Guidelines Status and Compliance**

Required Item #1

Executive Summary and Discussion

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

Required Item #2

NMP Key Plan Components Status
Attachment A

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

Required Item #3

DSL Status
Attachment B

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

Required Item #4

Broadband Status
Attachment C

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

Required Item #5

Network Modernization Investment Status
Attachment D

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

Required Item #6

The 13 Guidelines Status and Compliance
Attachment E

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

Biennial NMP Implementation Update Report – 2007

Hickory Telephone Company

Executive Summary and Discussion

1. Executive Summary

Hickory Telephone Company is a small rural telephone company with 1 exchange operating entirely within the Commonwealth of Pennsylvania and serving access lines. The Company's service territory includes a portion of Washington County. As of December 31, 2006, Hickory Telephone Company served a total of customers, of which were residential customers and were business customers.

Hickory Telephone Company's Network Modernization Plan ("NMP") as originally filed set forth Hickory Telephone Company'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-00981425. 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.

Hickory Telephone Company 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, Hickory Telephone Company is currently meeting its broadband deployment

to provide broadband availability to its customer base. Hickory Telephone Company 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 provide DSL service to 90% of its current customers.

The Company can currently provide broadband availability on 10 business days' notice as required by Act 183 to 90% of all its current customers.

3. DSL Availability Status See Attachment B

Hickory Telephone Company has exchange with central office(s) and currently provides broadband through . The Company serves access lines, to both residential and business customers in its serving territory. These lines serve business customers and residence customers.

Hickory Telephone Company's only dsl product is a wholesale DSL service that is certified to provide transmission of data signals equal to or greater than 1.544mbps in the downstream direction and equal to or greater than 128kbps in the upstream direction. Currently, Hickory Telephone Company has wholesale customers. Hickory Telephone Company has no way of knowing what actual speed wholesale customers are offering end users.

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

4. Broadband Services Status See Attachment C

Hickory Telephone Company also supports broadband services to its customer base at speeds of 1.544 Mbps or greater through other channels.

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

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 TPE December 31, 2002, the Company reported investment through December 31, 2002. For the period January 1, 2003, through December 31, 2006, Hickory Telephone Company has invested in Digital Switching Equipment, Trunk Carrier Equipment, and Subscriber Carrier Equipment, in supporting outside plant fiber cable, in aerial cable and drop, aerial wire, buried cable and drop, general purpose computers, and other work equipment. Thus the total broadband investment for network modernization from January 1, 2003, through December 31, 2006 was .

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.

Biennial NMP Progress Report – 2007
Key Plan Components – Hickory 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	40%	90%	
Broadband Availability 10 Days (Note 2)	0	New in Act 183	90%	

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: Hickory Telephone Company
Name: Grier Adamson
Telephone: 724-356-2211
Email: grier@hky.com

Biennial Network Modernization Report
DSL Availability Status - Sheet #2

Hickory Telephone Company

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
Attachment C

Biennial NMP Report
Broadband Services Status
Rural Telecommunication Carriers and Verizon North

DOCS #631375

1.544 Mbps (or greater) Customers in Service				
Broadband speed	Retail	Resale	Wholesale	Total
Totals				

Notes

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

Non-Proprietary
Attachment D

Network Modernization Investment Sheet

Summary of Calculations - 2007

Hickory Telephone Company

Account	Item Name	Investment 2003	Investment 2004	Investment 2005	Investment 2006	Total Additions
Total						

**CHAPTER 30 BIENNIAL UPDATE REPORTING GUIDELINES
FOR LOCAL EXCHANGE CARRIERS**

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:

Act 183 defines broadband as a communication channel using any technology and having a bandwidth equal to or greater than 1.544 Mbps in the downstream direction and equal to or greater than 128 Kbps in the upstream direction. In both the Company's Original and Amended NMP, the Company did not commit to broadband deployment through any specific technology or vendors, since bandwidth products rapidly and continually change. At present the Company provides broadband primarily through the use of _____ and other high speed communication channels that meet or exceed the definitional standards set forth in Act 183. Accordingly, the Company has completed the DSL Availability Status and Broadband Services Status spreadsheets provided by Commission staff on the Commission's website. These spreadsheets provide information by class (residential and business, with institutional being a subclass of business that is not tracked separately) on DSL availability and other broadband purchases by customers. The DSL spreadsheet shows the status of DSL availability, including data by exchange. The Broadband Services Status spreadsheet shows customers actually taking service under the various other forms of broadband available under the Company's tariff. These other communications channels are available, per the Company's tariff, throughout the Company's entire service territory. Those spreadsheets are attached. Please note that while the Company has provided a DSL report in the format posted on the Commission's website, the Company has not designated DSL or any specific technology as the platform by which it will achieve its Chapter 30 broadband requirements.

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:

The results presented in both the DSL and Broadband spreadsheets identify the types of broadband services to which customers are actually subscribing. As for speeds, customers can purchase DSL at the following downstream/upstream speed: All DSL is sold as having at least the speed of downstream and upstream.

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 in its original Chapter 30 Plan information regarding switch upgrades, fiber deployment, intelligent signaling and ISDN availability 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. However, 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 had achieved % digital switching capability and fiber deployment in the 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 CLASSsm (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 has developed a telecommunications network that is based on

This overall network architecture provides the Company the fundamental ability to transport and deliver broadband services to customers in an effective and efficient manner.

The Company is implementing a multi-service platform in the local loop. The Company's network architecture is copper distribution in the last few miles from remote hut and cabinets served over fiber that provides broadband services to residential and business customers, public schools and health care facilities.

Traditional voice switching is migrating to one of the five unregulated competing wireless providers officering service in our service area. The Company expects this process to accelerate with the availability of Number Portability and the continued pricing and regulatory advantages enjoyed by Cellular competitors.

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 percentages of broadband services' availability. Per the Company's Amended NMP, the Company is required to have achieved 100% broadband availability upon 10 business days' notice by December 31, 2008. 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 Network Modernization Plan, the Company has employed Intelligent Network Switching, or 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. The Company currently offers the following services:

- Caller ID
- Calling Name
- Return Call
- Repeat Call
- Call Trace
- Anonymous Call Rejection
- Call Forward Busy
- Call Forward
- Call Forward Don't Answer
- Select Call Rejection
- Call Waiting
- Distinctive Ringing
- Three Way Calling

Each of these CLASS services may be used by those with physical other challenges to meet their communications needs. For example, the company offers “distinctive ringing”, which allows a hearing-impaired customer to differentiate

between calls based upon the pattern of the ring. Select call forward allows a customer to forward calls from specific numbers to a select destination, ensuring that important calls are not overlooked or missed.

In addition to the above CLASS services, 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 visual ringers, extra loud ringers, voice-announce talking Caller ID units, and big button phones.

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.



**THOMAS, THOMAS,
ARMSTRONG & NIESEN**

Attorneys and Counsellors at Law

ORIGINAL

MICHAEL L. SWINDLER
Direct Dial:
717.255.7609
mswindler@ttanlaw.com

April 13, 2007

VIA HAND DELIVERY

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

**DOCUMENT
FOLDER**

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2007 APR 13 AM 10:23
SECRETARY'S BUREAU

In re: Hickory Telephone Company
PSI/SPI Filing for Year 2007
Docket No. P-00981431F1000 (Advance Notice)

Dear Secretary McNulty:

Pursuant to the Alternative Form of Regulation and Network Modernization Plan of Hickory Telephone Company ("Company") at Docket No. P-00981431, the Company respectfully provides the Commission advance notice of its intent to file its Price Stability Index/Service Price Index ("PSI/SPI Filing") for year 2007 on May 1, 2007. The Company's filing will reflect that it is banking the entire allowable PSM increase and will not raise any rates as a result of the filing.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By

Michael L. Swindler

DOCKETED

APR 16 2007

- c: Honorable Wendell F. Holland, Chairman
- Honorable James H. Cawley, Vice Chairman
- Honorable Kim Pizzingrilli, Commissioner
- Honorable Terrance J. Fitzpatrick, Commissioner
- Grier Adamson

BTL

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Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Hickory Telephone Company : Docket No. P-00981431F1000
PSI/SPI Filing for Year 2007 :

CERTIFICATE OF SERVICE

I hereby certify that I have this 13th day of April, 2007, served a true and correct copy of the foregoing Advance Notice of PSI/SPI Filing for Year 2007 on behalf of Hickory Telephone Company, upon the persons and in the manner listed below:

HAND DELIVERY

J. Edward Simms, Esquire
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P. O. Box 3265
Harrisburg, PA 17105-3265

Philip F. McClelland, Esquire
Sr. Assistant Consumer Advocate
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

William R. Lloyd, Jr., Esquire
Small Business Advocate
Office of Small Business Advocate
Suite 1102, Commerce Building
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Michael L. Swindler

Michael L. Swindler
PA Attorney ID No. 43319



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ARMSTRONG & NIESEN

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May 1, 2007

VIA HAND DELIVERY

James J. McNulty, Secretary
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Harrisburg, PA 17105-3265

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MAY 1 2007

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

In re: Hickory Telephone Company
PSI/SPI Filing for Year 2007
Docket No. P-00981431F1000

DOCUMENT
FOLDER

Dear Secretary McNulty:

Pursuant to the Amended Alternative Form of Regulation and Network Modernization Plan ("Chapter 30 Plan") of Hickory Telephone Company at Docket No. P-00981431, enclosed for filing at the above-referenced docket are an original and three (3) copies of each of the following:

- **Proprietary** version of its 2007 PSI/SPI Report with Executive Overview and accompanying supporting Attachment 1 and Proprietary Attachments 2 and 3.
- Public version of its 2007 PSI/SPI Report with Executive Overview and accompanying supporting Attachment 1 (Proprietary Attachments 2 and 3 have been redacted).

Also enclosed are an original and three (3) copies of a Petition for Protective Order, and proposed Protective Order. All parties have been served pursuant to the attached Certificate of Service.

Sincerely,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By


Michael L. Swindler

Enclosures

c: Certificate of Service
Grier Adamson

HTC McNulty Filing Ittr & Cert of Serv (Price Stab Status)

ORIGINAL

SECRETARY'S BUREAU

2007 MAY -1 PM 4:21

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Hickory Telephone Company
Price Stability Index/Service Price
Index Filing for Year 2007

:
:
: Docket No. P-00981431F1000

HICKORY TELEPHONE COMPANY
PRICE STABILITY INDEX/SERVICE PRICE INDEX
FILING

MAY 1, 2007

DOCKETED

MAY 08 2007

DOCUMENT
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PUBLIC VERSION

Hickory Telephone Company
PSI/SPI Filing for the Year 2007

Docket No. P-00981431F1000

EXECUTIVE OVERVIEW

Hickory Telephone Company ("Hickory" or "Company") files its annual Price Stability Index/Service Price Index (PSI/SPI) Report for Year 2007 pursuant to the Company's Amended Alternative Form of Regulation and Network Modernization Plan ("Chapter 30 Plan") and in compliance with Act 183-2004, 66 Pa.C.S. §§ 3011-3019 ("Act 183"). As a company that has amended its Network Modernization Plan pursuant to Section 3014(b)(1) of Act 183 on March 4, 2005, providing for 100% broadband availability by December 31, 2008, the inflation offset in the Company's PSI calculation is zero. The resulting GDP-PI percent change for 2007 is 3.45%, as shown in **Attachment 1**. The Company's intrastate revenues and the allowable revenue increase are set forth in **Proprietary Attachment 2**.

This filing is made pursuant to the Price Stability Mechanism (PSM) in the Company's approved Chapter 30 Plan, which sets forth the procedure for an annual PSI/SPI filing that reflects the change in the Gross Domestic Product - Price Index on a year-to-year basis. Rather than implement any rate increases at this time, Hickory proposes to bank the total allowable increase as authorized under and in compliance with the Company's Chapter 30 Plan. The Company's banked revenue increases are set forth in **Proprietary Attachment 3**.

Hickory avers that its PSI/SPI filing for the year 2007 is in compliance with its Chapter 30 Plan and respectfully requests that it be approved by the Commission.

**HICKORY TELEPHONE COMPANY
PSI/SPI FILING FOR YEAR 2007
PSI/SPI CALCULATION**

Date: May 1, 2007

Price Stability Index (PSI)		<u>2007</u>
1.	Gross Domestic Product Price Index (GDP-PI) for the 3Q06 ¹	116.446
2.	GDP-PI for 3Q05 ²	<u>112.567</u>
		3.879
3a.	GDP-PI [(line 1 - line 2) divided by line 2]	0.0345
3b.	GDP-PI Percent Change	3.45%
4.	Less Productivity Offset ³	<u>00.0</u>
5.	Change to PSI [line 3b - line 4]	3.45
6.	Prior Year PSI	<u>102.92</u>
7.	New PSI	106.37
Service Price Index (SPI)		
1.	Prior Year SPI	102.48
2.	Change to SPI ⁴	<u>0.00</u>
3.	New SPI	102.48

¹Source: U.S. Department of Commerce, Bureau of Economic Analysis for the quarter ending not more than eight months prior to the advance notice date of the annual PSM filing and the corresponding quarter of the previous year. (See <http://www.bea.gov/national/nipaweb/TableView/asp> (Table 1.4.4)).

²Source: U.S. Department of Commerce, Bureau of Economic Analysis. As reported in the Company's PSI/SPI Report For Year 2006.

³Under Act 183 of 2004, Section 3014(b)(1)(ii), the Company filed an Amended Network Modernization Plan to commit to accelerate 100% broadband availability by December 31, 2008. In making this election, the productivity (inflation) offset shall be zero per Section 3015(a)(1)(i) of the Act.

⁴Proposed revenue adjustment divided by total intrastate revenues x 100.

Attachment 2
Redacted

PUBLIC VERSION

Attachment 3
Redacted

PUBLIC VERSION

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Hickory Telephone Company PSI/SPI : Docket No. P-00981431F1000
Filing for Year 2007 :

CERTIFICATE OF SERVICE

I hereby certify that I have this 1st day of May, 2007, served a true and correct copy of the foregoing PSI/SPI Filing for the Year 2007 on behalf of Hickory Telephone Company, upon the persons and in the manner listed below:

HAND DELIVERY

Robert Eckenrod, Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
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Harrisburg, PA 17105-3265

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May 17, 2007

VIA HAND DELIVERY

James J. McNulty, Secretary
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Harrisburg, PA 17105-3265

DOCUMENT
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SECRETARY'S BUREAU
2007 MAY 17 PM 3:34

In re: Hickory Telephone Company
PSI/SPI Filing for Year 2007
Docket No. P-00981431F1000 (Revised Attachment 1)

Dear Secretary McNulty:

Enclosed for filing at the above-referenced docket are an original and six (6) copies of **Revised Attachment 1** to replace the attachment included in the proprietary and public versions of the May 1, 2007 filing. This revision corrects the Company's PSI and SPI calculations at the request of the Commission's Bureau of Fixed Utility Services.

All parties have been served pursuant to the attached Certificate of Service.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By


Michael L. Swindler

Enclosures

c: Certificate of Service
David E. Ehrhart, FUS
Grier Adamson

HTC McNulty Filing Hr. A.GOS (Revised Attachment 1)

BTL

520


Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Hickory Telephone Company PSI/SPI : Docket No. P-00981431F1000
Filing for Year 2007 :

CERTIFICATE OF SERVICE

I hereby certify that I have this 17th day of May, 2007, served a true and correct copy of the foregoing document on behalf of Hickory Telephone Company, upon the persons and in the manner listed below:

HAND DELIVERY

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Oakton, VA 22185

SECRETARY'S BUREAU

2007 MAY 17 PM 3:34



Michael L. Swindler
PA Attorney ID No. 43319

2007 MAY 17 PM 3:34

SECRETARY'S BUREAU

HICKORY TELEPHONE COMPANY
PSI/SPI FILING FOR YEAR 2007
PSI/SPI CALCULATION

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Date: May 17, 2007 (Revised)

Price Stability Index (PSI)	<u>2007</u>
1. Gross Domestic Product Price Index (GDP-PI) for the 3Q06 ¹	116.446
2. GDP-PI for 3Q05 ²	<u>112.567</u>
	3.879
3a. GDP-PI [(line 1 - line 2) divided by line 2]	0.0345
3b. GDP-PI Percent Change	3.45%
4. Less Productivity Offset ³	<u>0.00</u>
5. Change to PSI [line 3b - line 4]	3.45
6. Prior Year PSI	102.92
7. New PSI [line 6 x (1 + line 3a)]	106.47

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MAY 20 2007

Service Price Index (SPI)	
1. Prior Year SPI	102.48
2. Estimated Revenue Weight ⁴	1.00
3. New SPI [line 1 x line 2]	102.48

¹Source: U.S. Department of Commerce, Bureau of Economic Analysis for the quarter ending not more than eight months prior to the advance notice date of the annual PSM filing and the corresponding quarter of the previous year. (See <http://www.bea.gov/national/nipaweb/TableView/asp> (Table 1.4.4)).

²Source: U.S. Department of Commerce, Bureau of Economic Analysis. As reported in the Company's PSI/SPI Report For Year 2006.

³Under Act 183 of 2004, Section 3014(b)(1)(ii), the Company filed an Amended Network Modernization Plan to commit to accelerate 100% broadband availability by December 31, 2008. In making this election, the productivity (inflation) offset shall be zero per Section 3015(a)(1)(i) of the Act.

⁴Proposed total intrastate revenue divided by current total intrastate revenue.

DATE: May 8, 2007

SUBJECT: P-00981423F1000; P-00981432F1000
P-00981431F1000; P-00981435F1000;
P-00981437F1000

TO: Bureau of Fixed Utility Services

FROM: James J. McNulty, Secretary *ddt*

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**2007 Annual Price Stability Index and
Service Price Index Reports**

DOCKETED

MAY 08 2007

Attached please find a copy of Annual Price Stability Index and Service Price Index Reports filed by the following companies:

Windstream PA:	P-00981423F1000
Lackawaxen Telecomms:	P-00981432F1000
Hickory Telephone:	P-00981431F1000
North-Eastern PA Tel:	P-00981435F1000
North Pittsburgh Tel:	P-00981437F1000.

Please note this matter contains confidential material. A Petition for Protective Order accompanied the filing and has been assigned to the Law Bureau at separate "P" docket numbers.

This matter is assigned to your Bureau for appropriate action.

Enclosures

cc: Office of Trial Staff: non-confidential material only

ddt



THOMAS, THOMAS,
ARMSTRONG & NIESEN

Attorneys and Counsellors at Law

ORIGINAL

JENNIFER M. SULTZABERGER
A. D. D. No. 717.255.7236
jms@ttanlaw.com

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

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SECTION OF JUNE 15
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In re: Hickory Telephone Company 2007 Biennial Network Modernization Plan Report
for the Period Ending December 31, 2006
Docket No. P-00981431 FIDCO

Dear Secretary McNulty:

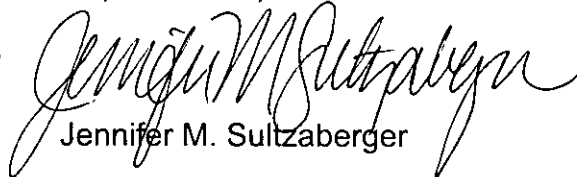
Enclosed for filing on behalf of Hickory Telephone Company are revised pages of the Company's March 31, 2007 filing. These revised replacement pages are being filed as a result of our discussions with members of the Law Bureau and the Bureau of Fixed Utility Services staff concerning the confidential 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.)
Grier Adamson (w/encl.)

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Biennial NMP Implementation Update Report – 2007

Hickory Telephone Company

Executive Summary and Discussion

1. Executive Summary

Hickory Telephone Company is a small rural telephone company with 1 exchange operating entirely within the Commonwealth of Pennsylvania and serving 1,340 access lines. The Company's service territory includes a portion of Washington County. As of December 31, 2006, Hickory Telephone Company served a total of customers, of which were residential customers and were business customers.

Hickory Telephone Company's Network Modernization Plan ("NMP") as originally filed set forth Hickory Telephone Company'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-00981425. 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.

Hickory Telephone Company 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, Hickory Telephone Company is currently meeting its broadband deployment

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to provide broadband availability to its customer base. Hickory Telephone Company 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 provide DSL service to 90% of its current customers.

The Company can currently provide broadband availability on 10 business days' notice as required by Act 183 to 90% of all its current customers.

3. DSL Availability Status See Attachment B

Hickory Telephone Company has exchange with central office(s) and currently provides broadband through . The Company serves 1,340 access lines, to both residential and business customers in its serving territory. These lines serve business customers and residence customers.

Hickory Telephone Company's only dsl product is a wholesale DSL service that is certified to provide transmission of data signals equal to or greater than 1.544mbps in the downstream direction and equal to or greater than 128kbps in the upstream direction. Currently, Hickory Telephone Company has wholesale customers. Hickory Telephone Company has no way of knowing what actual speed wholesale customers are offering end users.

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

4. Broadband Services Status See Attachment C

Hickory Telephone Company also supports broadband services to its customer base at speeds of 1.544 Mbps or greater through other channels.

Revised Non-Proprietary
Attachment B

Biennial Network Modernization Report
DSL Availability Status - Sheet #2

Hickory Telephone Company

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.



THOMAS, THOMAS,
ARMSTRONG & NIESEN

Attorneys and Counsellors at Law

ORIGINAL

MICHAEL L. SWINDLER
Direct Dial: 717.255.7609
mswindler@ttanlaw.com

July 3, 2007

VIA HAND DELIVERY

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

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In re: Hickory Telephone Company
PSI/SPI Filing for Year 2007
Docket Nos. P-00072282 and P-00981431F1000

Dear Secretary McNulty:

Pursuant to the Order of the Pennsylvania Pubic Utility Commission entered June 25, 2007 at the above-referenced dockets, enclosed for filing on behalf of Hickory Telephone Company are an original and three (3) copies of the following:

- Revised Public Version of its 2007 PSI/SPI Report with Executive Overview and accompanying supporting Attachment 1, Attachment 2 and Attachment 3 (disaggregated revenue information has been redacted).

All parties have been served pursuant to the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By


Michael L. Swindler

Enclosures

c: Certificate of Service
Grier Adamson

070703 HTC McNulty Filing Ittr & Cert of Serv (Price Stub Status & Protctiv Order)

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Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Hickory Telephone Company :
Price Stability Index/Service Price : Docket No. P-00981431F1000
Index Filing for Year 2007 :

HICKORY TELEPHONE COMPANY
PRICE STABILITY INDEX/SERVICE PRICE INDEX
FILING

MAY 1, 2007

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PUBLIC VERSION

(REVISED JULY 3, 2007)

Hickory Telephone Company
PSI/SPI Filing for the Year 2007

Docket No. P-00981431F1000

EXECUTIVE OVERVIEW (REVISED)

Hickory Telephone Company ("Hickory" or "Company") files its annual Price Stability Index/Service Price Index (PSI/SPI) Report for Year 2007 pursuant to the Company's Amended Alternative Form of Regulation and Network Modernization Plan ("Chapter 30 Plan") and in compliance with Act 183-2004, 66 Pa.C.S. §§ 3011-3019 ("Act 183"). As a company that has amended its Network Modernization Plan pursuant to Section 3014(b)(1) of Act 183 on March 4, 2005, providing for 100% broadband availability by December 31, 2008, the inflation offset in the Company's PSI calculation is zero. The resulting GDP-PI percent change for 2007 is 3.45%, as shown in **Attachment 1**. The Company's intrastate revenues and the allowable revenue increase are set forth in **Attachment 2**, with disaggregated revenue information only in the Proprietary Version.

This filing is made pursuant to the Price Stability Mechanism (PSM) in the Company's approved Chapter 30 Plan, which sets forth the procedure for an annual PSI/SPI filing that reflects the change in the Gross Domestic Product - Price Index on a year-to-year basis. Rather than implement any rate increases at this time, Hickory proposes to bank the total allowable increase as authorized under and in compliance with the Company's Chapter 30 Plan. The Company's banked revenue increases are set forth in **Attachment 3**.

Hickory avers that its PSI/SPI filing for the year 2007 is in compliance with its Chapter 30 Plan and respectfully requests that it be approved by the Commission.

**HICKORY TELEPHONE COMPANY
PSI/SPI FILING FOR YEAR 2007
PSI/SPI CALCULATION**

Date: May 17, 2007 (Revised)

Price Stability Index (PSI)		2007
1.	Gross Domestic Product Price Index (GDP-PI) for the 3Q06 ¹	116.446
2.	GDP-PI for 3Q05 ²	<u>112.567</u>
		3.879
3a.	GDP-PI [(line 1 - line 2) divided by line 2]	0.0345
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¹Source: U.S. Department of Commerce, Bureau of Economic Analysis for the quarter ending not more than eight months prior to the advance notice date of the annual PSM filing and the corresponding quarter of the previous year. (See <http://www.bea.gov/national/nipaweb/TableView/asp> (Table 1.4.4)).


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⁴Proposed total intrastate revenue divided by current total intrastate revenue.

**HICKORY TELEPHONE COMPANY
PSI/SPI FILING FOR YEAR 2007
TOTAL INTRASTATE REVENUES**

Date: May 1, 2007

INTRASTATE REVENUE	Account	2006 Intrastate Revenue	Percent to Total	Proposed Intrastate Revenue Adjustment	2006 Intrastate Revenue Adjusted
Basic Local Service	5000				
LOC Surcharge	5020				
Other Local Exchange #	5060				
Intrastate Access	5084				
Toll Revenue	5100				
VG Lata	5122				
Misc Revenue	5200				
ISDN	5640				
TOTAL INTRASTATE OPERATING REVENUES		\$856,605	100.00		\$856,605
ALLOWABLE ADJUSTMENT					
2006 Intrastate Revenues		\$856,605			
GDP-PI % Change		.0345			
Allowable Revenue Adjustment		\$ 29,553			
ADJUSTMENT ALLOCATION					
Total Allowable Adjustment		\$ 29,553			
Proposed Revenue Adjustment		0			
Remaining Allowable Revenue Adjustment		29,553			
Proposed Banked Amount		\$ 29,553			

HICKORY TELEPHONE COMPANY
PSI/SPI FILING FOR YEAR 2007
PRICE STABILITY INDEX BANK STATUS REPORT

<u>PSI/SPI FILING</u>	<u>EXPIRATION</u>	<u>BANKED ANNUAL REVENUE</u>
2006	Use by 2010	\$ 3,410
2007	Use by 2011	<u>\$29,553</u>
TOTAL BANKED REVENUE		\$32,963

Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Hickory Telephone Company PSI/SPI : Docket Nos. P-00072282
Filing for Year 2007 : and P-00981431F1000
:

CERTIFICATE OF SERVICE

I hereby certify that I have this 3rd day of July, 2007, served a true and correct copy of the foregoing PSI/SPI Filing for the Year 2007 (Revised Public Version) on behalf of Hickory Telephone Company, upon the persons and in the manner listed below:

HAND DELIVERY

Robert Eckenrod, Prosecutor
Office of Trial Staff
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
P. O. Box 3265
Harrisburg, PA 17105-3265

Joel H. Cheskis, Esquire
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Office of Consumer Advocate
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Steven Gray, Esquire
Assistant Small Business Advocate
Office of Small Business Advocate
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Harrisburg, PA 17101

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

FIRST CLASS MAIL, POSTAGE PREPAID

Robert Barber, Esquire
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3033 Chain Bridge Road
Oakton, VA 22185



Michael L. Swindler
PA Attorney I.D. No. 43319