

*Thomas, Thomas, Armstrong & Niesen*  
*Attorneys and Counsellors at Law*

SUITE 500  
212 LOCUST STREET  
P. O. BOX 9500  
HARRISBURG, PA 17108-9500

[www.ttanlaw.com](http://www.ttanlaw.com)

FIRM (717) 255-7600

FAX (717) 236-8278

ORIGINAL

CHARLES E. THOMAS  
(1913 - 1998)

MICHAEL L. SWINDLER

Direct Dial: (717) 255-7609

E-Mail: [mswindler@ttanlaw.com](mailto:mswindler@ttanlaw.com)

July 10, 2006

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

Re: Docket No. R-00061377  
Denver & Ephrata Telephone & Telegraph Company Supplement No. 251 to Tariff  
PA PUC No. 15 and Supplement No. 10 to Tariff PA PUC No. 16

Docket No. P-00981430F1000  
2006 Annual Price Stability Index/Service Price Index Filing of Denver and Ephrata  
Telephone and Telegraph Company

Dear Secretary McNulty:

Enclosed herewith for filing on behalf of Denver and Ephrata Telephone and Telegraph Company are an original and three (3) copies of its Petition for Reconsideration at the above-referenced dockets. A Certificate of Service is attached thereto.

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

Sincerely,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By



Michael L. Swindler

Enclosures

cc: Certificate of Service (w/enclosure)  
Leonard J. Beurer (w/enclosure)  
Jeanne S. Price (w/enclosure)  
John Rutkowski (w/enclosure)

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SECRETARY'S BUREAU  
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Before The  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Denver & Ephrata Telephone & Telegraph : R-00061377  
Company Supplement No. 251 to Tariff PA :  
PUC No. 15 and Supplement No. 10 to Tariff :  
PA PUC No. 16 :  
2006 Annual Price Stability Index/ Service Price : P-00981430F1000  
Index Filing of Denver and Ephrata Telephone :  
and Telegraph Company :

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SECRETARY'S BUREAU

PETITION FOR RECONSIDERATION

NOW COMES, Denver and Ephrata Telephone and Telegraph Company ("D&E"), by its attorneys, and petitions for reconsideration of the Pennsylvania Public Utility Commission ("Commission") Order entered June 23, 2006 ("June 23 Order"), at the above-referenced dockets. In support thereof, D&E represents and petitions as follows:

**I. INTRODUCTION**

1. D&E is a rural telephone company providing local exchange service in portions of Berks, Lancaster, and Lebanon Counties.
2. On June 20, 2000, D&E implemented its Chapter 30 Plan pursuant to Commission Orders entered January 20, 2000 and March 30, 2000, at Docket No. P-00981430. The Plan included D&E's commitment to deploy universal broadband availability by December 31, 2015. The regulatory quid pro quo for this commitment was the inclusion in the Plan of a Price Stability Mechanism ("PSM"). The PSM incorporated an Annual Price Stability Index/Service Price Index ("PSI/SPI") permitting D&E to change rates on an annual basis. The PSM was intended to

provide D&E with an opportunity to annually increase its revenues on an inflationary basis with a 2% inflation offset:

3. On February 25, 2005, D&E filed an Amended Chapter 30 Plan pursuant to Act 183.<sup>1</sup> This Amended Chapter 30 Plan accelerated D&E's 100% broadband availability commitment from December 31, 2015 to December 31, 2008. To provide D&E with additional revenues to execute this accelerated commitment, the Amended Chapter 30 Plan retained the PSM but eliminated the 2% inflation offset therein consistent with the provisions of Act 183.

4. At the present time, D&E is rapidly deploying the network facilities to achieve universal broadband availability for its service territory by December 31, 2008. Such capital expenditure will greatly enhance, provided funds are available, the robustness of D&E's services. D&E is incurring these expenditures while facing rising competition from wireless carriers and non-facilities based VoIP providers who continue to operate on a far less regulated basis than D&E.

5. On May 3, 2006, D&E filed its annual PSI/SPI Chapter 30 filing ("2006 Filing") under its PSM consistent with its right under its Chapter 30 Plan to annually increase/decrease revenues on the basis of changes in the Gross Domestic Product Price Index. The filing was prepared using the identical procedure previously employed in all of D&E's prior annual PSI/SPI Chapter 30 filings (with the exception of the 2% offset).

6. The rate changes in the 2006 Filing included increases in (i) switched access service charges through a \$1.20 increase in the Carrier Common Line

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<sup>1</sup>See 66 Pa.C.S. §3011 et seq.

("CCL") charge and increases of \$.000939 per Minute of Use ("MOU") for Tandem Switching ("TS") and \$0.00636 MOU for Local Switching ("LS") to bring these rates into parity with interstate rates and (ii) non-basic local service rates for Return Check Charge, Foreign Exchange Mileage charges, and charges for Business Private Line Services for non-mileage related services.

7. The June 23 Order subject to this Petition is critical of the increases placed on D&E's switched access charges. Nevertheless, the Order permitted the proposed rate changes to be implemented if adjusted for a change in D&E's long-established PSI/SPI procedure. Specifically, the Commission directed that D&E change the manner in which it calculated its base revenues for determining its annual revenue entitlement. Pursuant thereto, D&E on June 27, 2006, filed the revised rates consistent with the June 23 Order.<sup>2</sup>

8. D&E herein respectfully seeks reconsideration of the June 23 Order from the standpoint of the mandated change in its PSI/SPI procedure. D&E also seeks reconsideration of the criticisms raised in the June 23 Order regarding increases in its switched access service charges.

## II. RECONSIDERATION REQUEST

### A. Standard of Review

9. The standard of review in connection with a petition seeking reconsideration of a final Commission order is set forth in Phillip Duick et al. v. Pennsylvania Gas and Water Co., 56 Pa. P.U.C. 553, 559 (1982), as follows:

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<sup>2</sup>The revised filing actually reduced D&E's annual Chapter 30 revenue entitlement by \$46,575.

A petition for reconsideration under the provisions of 66 Pa.C.S. §703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part.

D&E respectfully submits that the circumstances surrounding this Petition satisfy the Quick standard and warrant reconsideration of the June 23 Order.

**B. PSI/SPI Calculation Should Be Reconsidered**

10. At pages 4-5 of the June 23 Order, the Commission required D&E to change the procedure it applied in its 2006 Filing to calculate the additional annual Chapter 30 revenue entitlement stating:

As an initial matter, we disagree with the 2005 annual revenues that D&E used in its PSI/SPI calculation. Rather than using actual 2005 year-end revenues, D&E calculated its eligible revenue increase amount using the revenue for the month of December 2005. D&E then annualized the eligible increase by 12 to arrive at the annual rate increase for which it is seeking approval. As such, D&E's calculated annualized 2005 annual revenues are 5% higher than its actual 2005 annual revenues, allowing the Company to increase rates more than it is actually entitled. (Footnote omitted.)

Accordingly, we find the Company's PSI/SPI calculations to be only partially consistent with the terms of the Company's Price Stability Plan formula approved in its Chapter 30 Plan at Docket No. P-00981430F1000. As such, we will require D&E to amend its calculations in Attachments 2 to 4 to its filing based on the actual intrastate revenue for the 12 month period ending December 2005, and adjust the eligible rate increases in Company's Exhibit 1.

11. Contrary to the implication raised in the June 23 Order, there is not anywhere in the Chapter 30 Plan setting forth a specific requirement mandating the base revenue in the PSI/SPI formula to be actual revenue exclusive of known changes in rates and units of demand. D&E's Amended Chapter 30 Plan (page 11) and its initial Chapter 30 Plan both provide only that the base revenue for calculation of its annual PSI/SPI revenue entitlement is "the sum of effective rates

(and units of demand) which were realized during the previous twelve month period." On the basis of this provision, D&E since 2002, with the approval of the Commission's Bureau of Fixed Utility Services, has calculated the base period revenues using December revenues each year and multiplying such revenues by 12. Under this methodology, the calculation results in a base revenue figure reflecting currently effective rates and existing units of demand consistent with D&E's effective Chapter 30 Plan.

12. This methodology utilized by D&E is consistent with all prior D&E PSI/SPI filings. Each of its prior Chapter 30 filings were approved without any change in the methodology. Further, the methodology is consistent with the methodology employed by other Pennsylvania ILECs in their annual PSI/SPI filings.

13. At the time D&E elected to amend its Chapter 30 Plan following the enactment of Act 183 and elected to accelerate its broadband commitment to provide universal broadband availability within its service territory by December 31, 2008, it did so with the belief that additional annual revenues under its PSM would, as in its prior PSI/SPI annual filings, be calculated using actual revenues for the month of December multiplied by 12. To now deny D&E a portion of its annual Chapter 30 revenue entitlement based upon an unsubstantiated revision to its PSM methodology and after D&E is committing substantial capital dollars to accelerate its network broadband commitment by seven years is not reasonable.

14. The Chapter 30 PSM for the most part has been the only means for D&E to grow the necessary revenues in today's competitive marketplace to accomplish the statute's stated goal of universal broadband availability by 2008. It must be recognized that D&E, a regulated utility, is capitalized in part through debt

capital. Also, in recent years as CLEC and intermodal competition has entered its service territory, it has faced access line losses and its revenues have been relatively flat. Despite these mounting competitive pressures, D&E still must enhance and maintain its network to meet its Chapter 30 commitment and carrier-of-last-resort responsibilities. In addition, D&E must achieve the earnings necessary to satisfy existing debt covenants. Under these circumstances, D&E respectfully believes it is *prejudicial to suddenly change its PSI/SPI procedure to produce lower revenues after it has committed to accelerate its broadband commitment.*

15. D&E also respectfully submits that there is no justification for changing the established procedure and calculating its annual revenue entitlement using a 12-month revenue figure that does not fully reflect on a 12-month basis, currently effective rates and existing units of demand. The end result of the employment of actual revenues over a prior 12-month period disregarding known changes in rates and units of demand does not fully reflect the impact in changes in the Gross Domestic Product Price Index for a full 12-month period. Being more specific, D&E changed its local residential and business one-party rates on August 1, 2005 of the base period. Thus, only 5 months of this rate change were reflected in the actual revenues for the 12-month period ended December 31, 2005. Only through the methodology employed by D&E will the full 12-month impact of the Gross Domestic Product Price Index on this change be reflected in the annual Chapter 30 revenue entitlement. Likewise, if D&E in any year decreases its rates during the base period, a full 12-months of the lower rates would not be reflected in the calculation of the annual Chapter 30 revenue entitlement under the methodology mandated in

the June 23 Order. D&E also submits that its Chapter 30 procedure should be no different than the procedure approved in its prior filings and approved for other rural ILECs in Pennsylvania. To D&E's knowledge, the Commission has not required other ILECs to adopt this new procedural interpretation.

16. Accordingly, D&E believes, for the reasons discussed above, that there are sufficient grounds for reconsideration of the June 23 Order and grounds for changing the PSI/SPI calculation back to the methodology previously employed, approved, and reflected in the 2006 Filing.

**C. Criticisms of Switched Access Charge Increases Should Be Reconsidered**

17. The June 23 Order challenges D&E's decision to increase access charges in lieu of increasing local exchange rates or banking the increases.<sup>3</sup> The Order opines that the switched access charge increases "contradict the policy of implementing switched access service reform" and "undermine the promotion of competitive markets by increasing the gap between access service rates and costs."<sup>4</sup> D&E believes that the criticisms raised in the June 23 Order to its proposed switched access charges are not justified and should also be reconsidered for the reasons discussed below.

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<sup>3</sup>See June 23 Order at 5-13.

<sup>4</sup>Id. at 11.

**1. D&E Has Significantly Reduced Its Switched Access Charges Pursuant to Commission Policy**

18. In the June 23 Order, the Commission stated "that the proposed increase in access service rates as a vehicle to recover PSI revenues may contradict the policy of implementing switched access services reform."<sup>5</sup> This statement is shortsighted and overlooks the substantial progress made by D&E in reforming its switched access charges. The charges proposed in the 2006 Filing, even after the minor increases therein, compare very favorably to D&E's industry peers. Moreover, no IXC or other carrier opposed the rates contained in the 2006 Filing. In fact, D&E has been a pioneer, commencing with the Global Order,<sup>6</sup> in implementing its switched access service charge reform, as evidenced by reduction in its CCL rate as shown below:

CCL Rate

Global	\$6.11
Pre-2006 PSI	\$4.04
2006 PSI	\$5.24

Further, D&E's TS and LS rates implemented pursuant to the June 23 Order, which are the identical rates proposed in the 2006 Filing, mirror its interstate rates consistent with the policy of this Commission as expressed on page 8 of the June 23 Order.

The subtle access charge revisions proposed in D&E's 2006 Filing do not contradict Commission policy. Despite the Commission's narrow focus on these

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<sup>5</sup>Id.

<sup>6</sup>Joint Petition of Nextlink Pennsylvania, Inc., et al., 196 PUR 4<sup>th</sup> 172 (1999).

increases, the actual trend of D&E's access rates over the longer term is consistent with the Commission's reform policy.

19. As shown, D&E has actually made substantial progress in recent years in achieving switched access service charge reform. In fact, D&E's CCL rate is substantially below that of most other rural ILECs in Pennsylvania. In carrying-out this access charge reform, D&E has transferred the revenue burden to its local exchange rates. As shown below, its R-1 and B-1 local exchange rates have significantly increased:

<u>R-1 Rate</u>	Pre-Global	\$7.37 to 10.47
	Global	\$7.55 to 10.74
	Current	\$15.69 to 17.85
<u>B-1 Rate</u>	Pre-Global	\$14.38 to 20.43
	Global	\$14.38 to 20.43
	Current	\$21.05 to 25.10

In light of the increases already being borne by local customers due in part to D&E's efforts to implement switched access service rate reform, D&E does not believe the *June 23 Order*<sup>7</sup> is justified in concluding D&E should have placed the 2006 PSI revenue entitlement on its local exchange customers.<sup>8</sup>

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<sup>7</sup>June 23 Order at 5.

<sup>8</sup>In discussing the role of the Pennsylvania Universal Service Fund ("PaUSF") in reducing dependency on switched access service revenues, the June 23 Order at 7 states D&E will "collect approximately \$143,232 support for the year 2006 from the PaUSF." This is not correct. Per the Global Order, which established the PaUSF, a rural ILEC's funding cost was to be added to its USF requirement. In this way, each rural ILEC was to be kept net income whole. Unfortunately, over time, D&E's percentage of the amount to contribute to the fund has increased while its entitlement from the fund has not. As a result, for 2006, D&E will actually contribute \$1,815 more into the fund than it receives from the PaUSF. Consequently, the PaUSF is not providing D&E assistance in maintaining the affordability of its local service rates.

**2. The June 23 Order Overlooks the Impact of Intermodal Competition**

20. In concluding that the increases in switched access charges adversely impact the promotion of competitive markets,<sup>9</sup> the June 23 Order appears to erroneously evaluate competition solely from the standpoint of CLEC competition. D&E believes that the Commission has overlooked the existence of intermodal competition and the impact it is having and will have in the days ahead.

21. As broadband is reaching the home of every resident of Pennsylvania, intermodal competition for telephone service is rapidly becoming a major competitive factor. In other words, the availability of a broadband connection *creates opportunities for cable companies to provide telecommunications services* through a cable modem and also for non-facilities based (or applications based) VoIP providers to offer telecommunications services over the broadband connection provided by the incumbent local exchange carrier. Sometimes overlooked, this intermodal competition is different from competition between wireline local exchange providers, such as exists when a CLEC enters an ILEC's territory. Because of regulatory parity between CLECs and ILECs, the impact of a wireline competitor is more predictable and creates competition based on services offered and service quality.

22. *Intermodal competition, on the other hand, offers consumers slightly different products at sometimes dramatically different prices.* Cable providers, using their video infrastructure that they constructed over the past several decades, are expanding to offer telephone and internet services. Telecommunications and other

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<sup>9</sup>June 23 Order at 5.

companies offer internet-based phone services that enable customers to call worldwide at significantly reduced prices. IP-based telephone services cost less than traditional wireline service and are feature rich with innovations. In addition, wireless networks evolved beyond expectations to where consumers are replacing their traditional wireline service with cell phones and other wireless communication devices. Surprisingly, consumers appear to be less concerned with reliability than price, especially for non-primary lines.

23. Cell phones and high-speed internet services offered by multiple providers enable mobility and include additional services such as e-mail, instant messaging, and VoIP services that increase consumers' telecommunications options. Businesses are combining voice and data communications onto a single (IP-based) platform and providers are beginning to offer residential customers these economies of scale. Each month, customers switch from their incumbent local exchange service providers to intermodal competitors to realize savings. In short, intermodal competition has proliferated into today's telecommunications marketplace, dramatically changing the landscape for traditional wireline providers by offering differentiated telecommunications and enhanced products with a pricing scheme that is unrelated to network costs.

24. Intermodal competitors are for the most part unregulated and can underprice ILEC competitors because they do not face the costs associated with some or all of the following: carrier-of-last resort obligations, taxes, universal service, access charges and other fees imposed on incumbent carriers such as the LNP and 911 surcharges, obligations to provide TRS and other services to the

disabled, and obligations to meet the Commission's quality of service and customer service regulations.

25. This intermodal competition has resulted in D&E losing over 3,380 access lines over the last three years and the revenues associated with such lines.<sup>10</sup> In recognition of intermodal competition, forecasters are now projecting that ILECs stand the possibility of losing over 70% of their access lines by 2013. The June 23 Order fails to recognize that the majority of this intermodal competition is not impacted by switched access charge reform or further reductions in access charges and that the Commission should not be pursuing ongoing switched access charge reform to promote CLEC competition in the rural service territories.

26. Making matters even more challenging, being unregulated, these intermodal competitors can make rate changes as they please and without any regulatory review, serve whatever segment of the market they so elect, bear no Chapter 30 network commitments or no carrier of last-resort obligations. Further, the VoIP competitors relying on ILEC networks are not even compelled to pay access charges for the use of such networks. In reality, these circumstances adversely impact D&E by creating a very uneven regulatory playing field. In light of these circumstances, D&E respectfully disagrees with the opinion expressed in the June 23 Order that the minor increases to switched access charges in its 2006 Filing are impeding competition and switched access service reform. This opinion

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<sup>10</sup>D&E is also facing the consequences of major losses in interstate revenues arising from the FCC's approval of NECA's changes in average schedule formulas. D&E estimates that the impact of the new formulas and the transition plan on network access revenues will be an approximate \$93,000 reduction for the six-month period beginning July 1, 2006, a reduction of \$524,000 during fiscal year 2007, a reduction of \$927,000 during fiscal year 2008, and an annual reduction of \$1,544,000 thereafter. Faced with these revenue reductions, D&E must have the opportunity to grow revenues consistent with the parameters of its Amended Chapter 30 Plan.

overlooks the reality that D&E has taken great strides to maintain an overall downward trend in access rates despite the challenges borne by its unregulated competitors.

27. Line loss due to intense price competition from intermodal competitors inversely increases ILEC reliance on universal service, which directly contradicts Chapter 30's intent for the incumbents to fund ubiquitous advanced services. Chapter 30 requires that D&E expedite broadband deployment and incur related expenses. At the same time, intermodal competition is curbing the prices that D&E may charge for local telephone service and resulting in D&E losing access lines. The Chapter 30 legislation provides a means for D&E to recover some of the costs associated with upgrading its network to provide ubiquitous broadband, however, the Commission has criticized D&E's lawful attempt to inure to the incentives included in Chapter 30 and denounces D&E for responding effectively to the marketplace in making lawful rate adjustments to its switched access and not local rates. If D&E were to raise its local rates, it would incur greater access line loss and hence revenue losses that would feed a greater dependence on universal service support. Heavier reliance on universal service support undermines Chapter 30's goal of creating incentives for the carriers themselves to fund network upgrades necessary to ensure that all Americans have access to advanced services and impacts funding availability for all carriers serving high-cost areas.

The Commission correctly recognized this in the June 23 Order:

Increases in local rates that produce the kind of access services line losses the Company wants to avoid could contravene the Commission's legal obligation to preserve universal service in Pennsylvania and unnecessarily increase funding demands on PaUSF in advance of any national intercarrier compensation reform.

June 23 Order at 12 (emphasis added).

28. Consistent with a primary goal of Act 183, D&E has committed to providing 100% broadband availability to its service territory by December 31, 2008. D&E made this commitment with the belief that its Chapter 30 Plan with the elimination of the 2% inflation offset would provide it with the opportunity to obtain the revenues necessary to carry-out this broadband commitment. However, as stated, intermodal competition is drastically impeding D&E's ability to obtain revenues necessary to carry-out its public obligations and its accelerated broadband commitment.

29. D&E's average monthly R-1 rate is \$17.51 and its highest R-1 rate band rate is \$17.85. After careful consideration, D&E concluded that increases in local rates would only accelerate further access line losses and result in further revenue erosion.

30. The switched access charge increases proposed in the D&E 2006 Filing are the only realistic option for D&E to collect the additional revenues due to it under its Chapter 30 PSM formula. The switched access increases will in no way impede competition, particularly the competition D&E is facing and will continue to face from wireless, cable, and VoIP competitors.

31. With the ongoing losses in access lines due to the competitive forces in the marketplace and the aforesaid revenue losses resulting from changes in the average schedule formulas as described *supra* n. 8, D&E respectfully submits that at this time, minor increases in its switched access charges are the only way for it to achieve the revenues necessary to offset the ongoing costs of providing public

service including the rising costs associated with its accelerated Chapter 30 network modernization program. Increasing local rates and/or banking are not viable options in today's competitive business environment.

**3. The Switched Access Charge Increases Do Not Violate Any Commission Order**

32. The June 23 Order<sup>11</sup> questions whether any increase in switched access charges at this time may contravene prior Commission orders including its stay of Docket No. I-00040105. D&E respectfully submits that no prior order of this Commission precludes D&E from making upward changes in its switched access charges particularly following the decreases made by D&E therein following the Global proceeding. In fact, Act 183 recently reaffirmed the application of D&E's Chapter 30 Plan and its right thereunder to change its switched access charges.

33. Moreover, D&E's Chapter 30 plan is not inconsistent with this Commission's stay of its Phase II access charge investigation.<sup>12</sup> The FCC noted that the changing competitive environment has raised a number of regulatory issues for the FCC to resolve.<sup>13</sup> The FCC recognized that even if there were economic or technical differences among the different types of services that warranted different termination rates, the increased use of alternative services makes it difficult to sustain current regulatory distinctions.<sup>14</sup> "As the demand for these new services

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<sup>11</sup> June 23 Order at 6-11.

<sup>12</sup> Joint Procedural Stipulation regarding Access Charge Investigation per Global Order of September 30, 1999, Order entered July 15, 2003, Docket Nos. M-00021596 et al.

<sup>13</sup> Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92, Further Notice of Proposed Rulemaking at ¶ 20 (FCC 05-33, rel. March 3, 2005).

<sup>14</sup> Id. at ¶ 22.

and offerings continues to grow, so will the challenges associated with determining the appropriate intercarrier compensation."<sup>15</sup> D&E certainly should not be punished for making lawful changes to its access rates in recognition of the same dynamic changes in the industry that the FCC is striving to reconcile itself by considering many possible solutions.

34. Furthermore, the FCC is taking significant steps to rationalize the universal service program to account for new providers that rely on the public switched network to deliver voice communications. Most recently, the FCC concluded that VoIP providers that rely on the public switched network are "providers of interstate telecommunications" for purposes of contributing to universal service.<sup>16</sup> The FCC is carefully considering the impact of intermodal competition in both the ongoing universal service and intercarrier compensation proceedings to make necessary adjustments to ensure that networks are maintained. D&E's lawful adjustments to its switched access rates at this time do not contravene this Commission's or the FCC's efforts to ensure rational compensation to maintain networks that will be broadband capable by 2008.

### III. CONCLUSION

35. Based upon the reasons described herein, D&E respectfully requests reconsideration of the June 23 Order and that its 2006 Filing be approved as filed inclusive of the methodology employed in calculating the base revenues and the changes proposed in its intrastate switched access charges. This approval will

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<sup>15</sup>Id.

<sup>16</sup>Universal Service Contribution Methodology, WC Docket Nos. 06-122, 04-36, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, Report and Order and Notice of Proposed Rulemaking (FCC 06-94, rel. June 27, 2006)

result in D&E's intrastate switched access charges being in parity with its interstate access charges and its CCL charge remaining below the level authorized in the Global Order.

WHEREFORE, Denver and Ephrata Telephone and Telegraph Company respectfully prays that reconsideration of the June 23, 2006 Order be granted consistent with this Petition.

Respectfully submitted.

THOMAS, THOMAS, ARMSTRONG & NIESEN



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Regina L. Matz  
PA Attorney ID No. 42498  
Michael L. Swindler  
PA Attorney ID No. 43319  
Holly Rachel Smith  
PA Attorney ID No. 202006

Attorneys for Denver and Ephrata Telephone  
and Telegraph Company

THOMAS, THOMAS, ARMSTRONG & NIESEN  
212 Locust Street  
P.O. Box 9500  
Harrisburg, PA 17108-9500  
(717) 255-7600

Dated: July 10, 2006

Before the  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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PA PUC  
SECRETARY'S BUREAU

CERTIFICATE OF SERVICE

I hereby certify that I have this 10<sup>th</sup> day of July, 2006, served a true and correct copy of the foregoing Petition for Reconsideration, upon the persons listed below by first class mail, postage prepaid:

Office of Trial Staff  
2 West, Commonwealth Keystone Bldg.  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Office of Consumer Advocate  
555 Walnut Street  
Forum Place, 5<sup>th</sup> Floor  
Harrisburg, PA 17101-1923

Office of Small Business Advocate  
Suite 1102, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Robert C. Barber, Esquire  
AT&T Communications of PA, Inc.  
Room 3-D  
3033 Chain Bridge Road  
Oakton, VA 22185



Michael L. Swindler

COMMONWEALTH OF PENNSYLVANIA

**DATE:** July 11, 2006

**SUBJECT:** R-00061377  
P-00981430F1000

**TO:** Office of Special Assistants

**FROM:** James J. McNulty, Secretary *KB*

Denver & Ephrata Telephone & Telegraph Company

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Attached is a copy of a Petition for Reconsideration, filed by Denver and Ephrata Telephone and Telegraph Company in connection with the above docketed proceeding.

This matter is assigned to your Office for appropriate action.

Attachment

cc: FUS  
OTS

ksb