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May 25, 2021

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street – Filing Room
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: Joint Application of Consolidated Communications Holdings, Inc., Consolidated Communications of Pennsylvania, LLC, Consolidated Communications Enterprise Services, Inc., Bentleyville Communications Corporation, Marianna & Scenery Hill Telephone Company, BE Mobile Communications, Incorporated, Marianna Tel, Inc., and FairPoint Business Services LLC for Approval of an Intra-Company Consolidation and Abandonment of Certain Related Services; Docket Nos. A-2018-3006524, A-2018-3006525, A-2018-3006526, A-2018-3006527, A-2018-3006528, A-2018-3006529 and A-2018-3006530

Petition Of North Pittsburgh Telephone Company For Approval of An Alternative Form of Regulation and Network Modernization Plan, Docket No. P-00981437

Petition Of The Bentleyville Telephone Company For Approval of A Streamlined Form of Regulation and Network Modernization Plan Docket No. P-00981427

Petition for Alternative Regulation and Network Modernization Plan of Marianna and Scenery Hill Telephone Company, Docket No. P-00981434

Dear Secretary Chiavetta:

Consolidated Communications of Pennsylvania, LLC (“CCPA”) hereby submits to the Pennsylvania Public Utility Commission (Commission) an amended Chapter 30 Alternative Regulation and Network Modernization Plan in compliance with and under the terms of the Secretarial Letter of May 13, 2019 (May 2019 Secretarial Letter) at the above docket.

In the attached amended Plan, CCPA is merging the Chapter 30 Plan approved for its previous operating area (originally that of North Pittsburgh Telephone Company) with that of Bentleyville

Telephone Company and Marianna & Scenery Hill Telephone Company. The corporate merger of these companies was approved by the Commission in the May 2019 Secretarial Letter. The instant submission is the ministerial consolidation of the three companies' previously approved Chapter 30 Plans into one, as CCPA was directed to do in the May 2019 Secretarial Letter

There are no changes proposed to either the Network Modernization or Competitive Services Deregulation portions of the Plans.¹ The language is identical. The Plans were all drafted and filed at the same time in 1999 as part of a collective group named the "Pennsylvania Telephone Association Small Company Group (SCG)." The Commission reviewed and approved the filing on a consolidated basis in an Opinion and Order entered in 2000.² Subsequently, all three companies elected "Option (b)" (full deployment by 2008) as part of their Network Modernization Plans under the new Chapter 30 enacted in 2004 and their plans were revised with identical language.

The Price Stability Plan has been slightly modified in two ways to achieve uniformity. Again, the Plans were created and approved as part of the SCG and were identical when approved in 2000 with the exception that North Pittsburgh did not reserve the opportunity to adopt a rate of return-like "streamlined regulation" but committed to employ price cap regulation. In the attached all of the companies have now irrevocably committed to price cap regulation, which they have been under already for the last 20 years. The consolidated Plan also allows the merged company to use the revenue bank to offset STAS changes, a practice that was approved by the Commission in 2015 for Marianna & Scenery Hill and Bentleyville,³ as well as numerous other rural incumbent companies upon their request.

Finally, the Commission Staff has requested that the Price Stability Plan be modified to consistently refer to a 60 day period for Commission consideration of annual rate changes. The Plan, as written in Part 3, Paragraph A.9, sets 30 days as the time frame for Commission resolution, whereas the immediately following Paragraph A.10 prescribes a 60 day decisional period. The Commission Staff believes that the appropriate interval, and the one observed for CCPA and the predecessor companies, is 60 days. Staff states that this resolution of conflicting language has

¹ Chapter 30 Plans are composed of three basic parts: a commitment to offer broadband service (Network Modernization Plan), the establishment of competitive services (Competitive Services Deregulation Plan) and the establishment of an alternative form of regulation (Price Stability Plan).

² *Armstrong Telephone Company-Pennsylvania et al.*, Docket Nos. P-00981425, P-00981426 through P-00981443, Opinion and Order entered January 20, 2000.

³ *Petition of Marianna and Scenery Hill Telephone Company d/b/a Fairpoint Communications Re Offsetting STAS Through the Service Price Index*, Docket No. P-2015-2480771, Order entered June 11, 2015 and *Petition of Bentleyville Telephone Company d/b/a Fairpoint Communications Re Offsetting STAS Through the Service Price Index*, Docket No. P-2015-2480769, Order entered June 11, 2015.

been undertaken in other company plans. The Company concurs. Therefore, the 60 day period has been inserted into Paragraph A.9 in replacement of 30 days.

The remaining matter concerns the calculations undertaken in the annual Price Stability Index/Service Price Index (PSI/SPI) Report. The specifics of this is not included in any of the Plans, but CCPA would like to clarify this matter as well.

In its PSI/SPI Report filing that follows approval of the merged Chapter 30 Plan, CCPA intends to employ an approach based on relative intrastate revenues to calculate a PSI and SPI starting point for the merged companies going forward. The calculation will use the prior year's filed 2021 reports (as a starting point) utilizing the PSI factor on line 7 of its PSI calculation section and the SPI factor from line 3 of its SPI index section reported in Attachment "A" of its filed 2021 report. Consolidated will then use the individual TOTAL INTRASTATE (Non-Competitive) REVENUE reported revenues per company reported on Attachment "B" of its filed 2021 reports to develop weighting factors per company. Consolidated will apply the individual company weighting factors against the 2021 reported PSI and SPI factors to develop weighted average PSI and SPI factors for the three companies post-merger and will use these factors to file a combined report starting in 2022. This is a one-time calculation that establishes a new, merged PSI and SPI for CCPA going forward. In that filing and thereafter CCPA will employ the GDP-PI figure published for the third quarter of the preceding year. Banks will be consolidated by adding them together in the appropriate vintages of the allowed four year banking period.

With regard to the first PSI/SPI filing post-merger, due in May of 2021, Consolidated has kept those filings separate by each former ILEC while it awaits approval of this merged Chapter 30 plan. Consolidated has filed merged tariffs, but has kept individual rate sections for each of the three ILECs prior to approval. This allows Consolidated to calculate new SPI/PSI factors individually by the former ILECs and separate banked revenues for evaluation of any possible rate adjustments. Consolidated will take a similar approach to its initial STAS filings due in August.

CCPA requests that the Commission approved its merged Chapter 30 Plan and proposed modifications to the annual Price Stability Index/Service Price Index Report.

Pursuant to the attached Certificate of Service, the Office of Consumer Advocate, the Office of Small Business Advocate and the Bureau of Investigation and Enforcement have been served with a copy of this letter and the enclosure.

CCPA would welcome the opportunity to answer any questions or respond to any comments that the Commission or its staff might have. Please direct any inquiry to the undersigned.

Respectfully submitted,



Deanne O'Dell, Esq.

DMO/lww

Enclosure

cc Certificate of Service w/enc.
Derek Voglesong (via email to dvogelson@pa.gov)

CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of Consolidated Communications Holdings' amended Chapter 30 Alternative Regulation and Network Modernization Plan upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

Via Email Only

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Dated: May 25, 2021

Deanne M. O'Dell, Esq.

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INTRODUCTION

This Plan was originally filed by North Pittsburgh Telephone Company pursuant to Act 67 of 1993, Section 3003 of the Public Utility Code, 66 Pa.C.S. §3006 and Pennsylvania Public Utility Commission (“Commission”) Opinions and Orders entered January 20, 2000, and March 30, 2000, at Docket Nos. P-00981425, et al., and is amended pursuant to Act 183 of 2004.¹

A corporate reorganization approved by the Commission at Docket Nos. A-2008-2059601 and A-2008-2059603, established Consolidated Communications of Pennsylvania, LLC (“CCPA” or “the Company”), as the successor to NPTC. Pennsylvania Public Utility Commission Secretarial Letter at A-2018-3006524 et seq. dated May 13, 2019 approving the merger of Bentleyville Communications Corporation and Marianna & Scenery Hill Telephone Company into CCPA and directing that the merged entities adopt a single Chapter 30 Plan.

Chapter 30 of the Public Utility Code was originally signed into law on July 8, 1993. See Act 67 (“Act 67”), P.L. 456, codified at 66 Pa.C.S. §§3001-3009. Act 67 sunsetted by operation of law on December 31, 2003. Act 183 of 2004 (hereinafter referred to as “Act 183” or “Chapter 30”) was signed into law on November 30, 2004, to replace Act 67, and codified at 66 Pa.C.S. §§3011-3019. The primary goal of Chapter 30 as newly enacted is to accelerate further the deployment of a universally available “broadband” telecommunications network

¹In an effort to clarify what terms of the Company’s existing Chapter 30 Plan remain in effect and which are superceded by Act 183, the Company has amended both its Alternative Regulation and Network Modernization Plans herein to comport with Act 183. Section 3015(h) of Act 183, however, deems the Company’s Alternative Regulation Plan amended upon approval of the amended NMP. In the event of any oversight, the terms of Act 183 control.

throughout Pennsylvania. In order to achieve the deployment of a broadband network, Chapter 30, as amended, provides an opportunity for the continuation of alternative and streamlined regulation with the opportunity to accelerate the deployment of the Company's broadband network.

Section 3003 of Act 67, 66 Pa.C.S. §3003, specifically authorized local exchange carriers to petition for approval of an alternative form of regulation:

(a) **Petition.**--When a local exchange telecommunications company seeks to be regulated under an alternative form of regulation, it shall submit to the commission a petition requesting the alternative form of regulation. In the petition, the company shall submit its proposal and supporting data for an alternative form of regulation. The petition shall also identify all competitive services which the local exchange telecommunications company proposes at that time.

Act 67 required that a network modernization plan be included as part of an alternative regulation petition under which each local exchange carrier ("LEC") was required to commit to universal broadband availability including "converting 100% of its interoffice and distribution telecommunications network to broadband capability by December 31, 2015." 66 Pa.C.S. §3003(b)(1). Also, Act 67 permitted LECs to request a determination and classification that certain services or other business activities offered were competitive. 66 Pa.C.S. §3005. Services determined to be competitive were no longer subject to Commission regulation unless expressly provided for in Act 67. 66 Pa.C.S. §3009(f).

Consistent therewith, this Plan for Alternative Regulation satisfied the requirements of Section 3003 and the Commission Opinions and Orders entered January 20, 2000, and March 30, 2000, at Docket No. P-00981430. This Plan, as originally approved (and as amended herein), contains the following five parts,

which are interrelated and dependent upon one another:

Part 1 The “Network Modernization Plan” as amended sets forth the Company’s commitments to provide universal broadband availability by December 31, 2008.

Part 2 The “Competitive Services Deregulation Plan” provides for the deregulation of the prices and earnings of competitive services, but preserves the Commission's authority over the quality of those services. In addition, the Competitive Services Deregulation Plan contains safeguards to protect competitors from potential abuses and to insulate basic ratepayers from the economic risk of competitive services.

Part 3 The Price Stability Plan governs rate changes for noncompetitive services for the duration of the respective Plan. It also constrains noncompetitive service price changes and provides for interim tariff rate adjustments.

Part 4 The section entitled “Additional Commitments and Other Terms” describes the Company’s ongoing obligations and commitments regarding service and regulatory reporting requirements.

Part 5 This section, Glossary of Terms, contains a glossary which defines terms used in connection with this Plan.

Act 183 provides the Company with options for the amendment of this Plan. Section 3014(b)(1)(ii) provides the Company with the following amendment option:

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

Pursuant to this option, this Plan, as amended, sets forth the Company's commitment to accelerate 100% broadband availability by December 31, 2008, and amends the Company's Chapter 30 Plan consistent with the provisions of Act 183.

This Plan has been amended to be and has been found by the Commission to be compliant with Act 183 of 2004, 66 Pa. C.S. §§3011-3019.

PART 1 - NETWORK MODERNIZATION PLAN

The amended Network Modernization Plan ("NMP"), which is set forth in Appendix A hereto, sets forth the Company's commitment to accelerate the modernization of its network, leading to full development of universal broadband availability by December 31, 2008.

PART 2 - COMPETITIVE SERVICES DEREGULATION PLAN

The Competitive Services Deregulation Plan ("CSP") provides for the price and earnings deregulation of services found by the Commission to be competitive or declared by the Company to be competitive in accordance with Chapter 30. Certain services have already been deregulated or declared under this Plan to be competitive.

A. Competitive Services

1. The following services were deregulated and shall so continue: Interstate Billing & Collection, Customer Premise Equipment, Inside Wire and Voice Mail.
2. Directory Advertising has been classified as a competitive service. Directory Advertising service had already met all of the preexisting criteria necessary for a determination that the service is competitive and was deemed competitive for similarly situated markets.
3. Competitive services shall not be regulated on any basis whatsoever other than quality of service, including as to rates, tolls, charges, rate structures, rate base, rate of return or earnings. The Commission will retain its existing authority over competitive services for the purpose of service quality standards only as contained in 52 Pa. Code that address the safety, adequacy, reliability and

privacy of telecommunications services and the ordering, installation, suspension, termination and restoration of any telecommunications service. Any review or revision shall take into consideration the emergence of new industry participants, technological advancements, service standards, and consumer demand.

4. The Company may price competitive services at its discretion. Tariffs shall not be required by the Commission for competitive services. At its option, the Company may tariff the rates, subject to rules and regulations applicable to the provision of competitive services. The Commission may require the Company to maintain price lists with the Commission applicable to its competitive services. Price changes that are filed in the Company's tariff for competitive services will go into effect on a one-day notice.
5. The Company may petition the Commission for a determination of whether a protected or retail noncompetitive service or other business activity in its service territory or a particular geographic area or exchange or group of exchanges within its service territory is competitive based on the demonstrated availability of like or substitute services or other business activities provided or offered by alternative service providers. The Commission, after notice and hearing, shall enter an order granting or denying the petition within 60 days of the filing date, or within 150 days of filing date where a protest is timely filed, or the petition shall be deemed granted. The Company shall serve a copy of its petition on the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA") and each of the parties to the Commission's proceeding in which the Company's Network Modernization Plan that was in effect on December 31, 2003 was

approved by the Commission. In making its determination, the Commission shall consider all relevant information submitted to it, including the availability of like or substitute services or other business activities, and shall limit its determination to the service territory or the particular geographic area or exchange or group of exchanges in which the service or other business activity has been proved to be competitive. The burden of proving that a protected or retail noncompetitive service or other business activity is competitive rests on the Company. In the event that the Commission declares a service to be competitive in another company's Chapter 30 proceeding or subsequent filing, such declaration shall then also be applied as a rebuttable presumption in any proceeding filed by the Company requesting that the same or similar service be declared competitive under Chapter 30, so long as the markets are substantially similar.

6. Notwithstanding the provisions of Part 2.A.5. of this Plan, the Company may declare any retail nonprotected service as competitive by filing a declaration with the Commission and serving it on the OCA, OSBA and each of the parties to the Commission's proceeding in which the Company's Network Modernization Plan that was in effect on December 31, 2003 was approved by the Commission, provided that the Company may not use this declaration process for any service that the Commission previously has reclassified as noncompetitive under either Part 2.A.7. of this Plan or prior law. A declaration of a retail nonprotected service as competitive shall be effective upon filing by the Company with the Commission.
7. A party may petition the Commission for a determination of whether a service or other business activity previously determined or declared to be competitive is

noncompetitive. The Commission, after notice and hearing, shall enter an order deciding the petition within 60 days of the filing date or 90 days of the filing date where a protest is timely filed, or the petition shall be approved. The petitioner shall serve a copy of the petition on the Company, serving it on the OCA, OSBA and each of the parties to the Commission's proceeding in which the Company's Network Modernization Plan that was in effect on December 31, 2003 was approved by the Commission. In making its determination, the Commission shall consider all relevant information submitted to it, including the availability of like or substitute services or other business activities, and shall limit its determination to the particular geographic area, exchange or density cell in which the service or other business activity has been proved to be noncompetitive. The burden of proving that a competitive service or other business activity should be reclassified as noncompetitive rests on the party seeking the reclassification. If the Commission reclassifies a service or other business activity as noncompetitive, the Commission shall determine a just and reasonable rate for the reclassified service or business activity in accordance with 66 Pa. C.S. §1301 (relating to rates to be just and reasonable).

B. Statutory Protections

1. The Company shall meet the requirements of Chapter 30 with respect to services deemed competitive, i.e., 66 Pa. C.S. §3016.
2. The Company shall not use revenues earned or expenses incurred in conjunction with noncompetitive services to subsidize competitive services. This provision shall not be construed to prevent its marketing and billing of packages containing both noncompetitive and competitive services to customers. 66 Pa. C.S.

§3016(f)(1) and (2). Therefore, this Plan is in compliance with the requirements of Chapter 30.

3. The price that the Company charges for competitive services shall not be less than the costs to provide the services. 66 Pa. C.S. §3016(d)(1). The Company may use comparable cost studies presented by larger or other telephone companies in order to comply with any applicable competitive costing and pricing safeguards to the extent that such requirements apply.

C. Compliance

1. Formal challenge to the Company's compliance with the provisions of the CSP may be made through separate complaint procedures. Any competitor or other party who believes the Company has violated any of the provisions of this CSP may file a complaint with the Commission.

PART 3 - PRICE STABILITY PLAN FOR NONCOMPETITIVE SERVICES

The Price Stability Plan ("PSP") sets forth the principles and procedures applicable to changes in the Company's rates which would otherwise be governed by Chapter 13 of the Pennsylvania Public Utility Code.

Nothing in this Plan shall be construed to limit the requirement of 66 Pa.C.S. §1301 that rates shall be just and reasonable. The annual rate change limitations set forth in the Company's Plan and any other Commission-approved annual rate change limitation shall remain applicable and shall be deemed just and reasonable under §1301.

A. Price Stability Mechanism (PSI and SPI)

1. The Price Stability Mechanism ("PSM") is based upon the Company's rates in

effect on the approval date of the Plan or as otherwise adjusted pursuant to the Global Order, which rates are deemed just, reasonable, nondiscriminatory and otherwise fully in compliance with all Pennsylvania laws.²

2. The Price Stability Index ("PSI") under the PSM determines the allowable change (increase or decrease) in rates for noncompetitive services based upon the annual change in the Gross Domestic Product Price Index ("GDP-PI"), as calculated by the United States Department of Commerce. Changes based upon this formula are then cumulatively tracked using the Service Price Index ("SPI"). The PSM also addresses rate rebalancing, rate restructuring and the introduction of new services.
3. The PSM is a substitution of traditional rate base/rate of return regulation and is the exclusive basis upon which the Company's noncompetitive rates will be regulated on and after the date of Commission approval. All tariff filings for noncompetitive services are subject to review under the terms of this Plan. Chapter 13, Sections 1301 through 1305, inclusive, 1309 and 1312 of the Public Utility Code (the "Code") remain applicable under the provisions of the Plan.
4. Annually, the Company will calculate the new PSI, which will include the added impact of exogenous events, according to the following methodology:

$$PSI_t = PSI_{t-1} (1 + \% \Delta GDP-PI - X \pm Z)$$

which comprises the "PSM formula," where:

PSI _t	The new index that determines the maximum prices for the noncompetitive service category based on the cumulative changes
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²The Company reserves the right prior to the initial PSI and SPI filing to file tariffs to change rates for noncompetitive services. The rates approved by the Commission pursuant to any such rate filings shall constitute the rates upon which the PSM is based and shall be recognized as just, reasonable, non-discriminatory, and otherwise fully in compliance with all Pennsylvania laws.

	in the price cap index for the current twelve month period.
PSI _{t-1}	The current index that determines the current maximum prices for the noncompetitive service category based on the cumulative changes in the price cap index for the previous twelve month period. ³
%Δ GDP- PI	The percentage change in the Gross Domestic Product - Price Index based on a quarter ending not more than eight months prior to the advance notice date of the new annual tariff and the corresponding quarter of the previous year.
X	0% inflation offset
Z	The effect of any exogenous events. Exogenous events are positive or negative changes in the Company's revenues or expenses as defined in the Plan.

In no event shall the PSI_t, excluding the impact of exogenous events, be less than the PSI calculated as of the effective date of the Plan.

If the Department of Commerce should cease or alter the reporting of the GDP-PI during the term of the Plan, then, subject to Commission approval, the Company will substitute an alternative index and make any adjustments to the formula necessary to replicate the current formula as closely as possible.

5. The SPI is an index that represents the current level of prices including price changes from the current and prior years associated with the PSI and tracks the price changes for noncompetitive services related to the PSI. No proposed SPI may exceed, on a total intrastate basis, the PSI accumulated after the effective date of the Plan, except as otherwise expressly provided in this Plan (e.g., exogenous events). As of the effective date of the Plan, the PSI and SPI equal 100.
6. The SPI shall be computed according to the following methodology:

³The PSI applies to the sum of effective rates (and units of demand) which were realized during the previous twelve month period.

$$\text{SPI}_t = \text{SPI}_{t-1} [\sum V_i (P_t/P_{t-1})]$$

Where:

- SPI_t = The proposed new SPI value.
- SPI_{t-1} = The current SPI value as of the last approved tariff filing.
- P_t = The proposed price for rate element “i.”
- P_{t-1} = The current price for rate element “i.”
- V_i = The current estimated revenue weight for rate element “i,” calculated as the ratio of the base period demand for the rate element “i” priced at the existing rate, to the base period demand for all noncompetitive services priced at existing rates.

When a new service is incorporated into the index calculations pursuant to Section C hereof, the demand for the new service during the base period must be included in determining the weights to be used in calculating the SPI.

7. If the Company elects not to increase its rates by the full amount allowed under the terms of the Plan, including exogenous events in a given year, the Company may increase its rates in future years to reflect the full amount of the allowable increases previously deferred. The Company may bank increases for a period not to exceed four (4) consecutive years. The Company may not bank decreases, but may offset increases with decreases for banking purposes.⁴ The Company will not, however, attempt to recover any revenues foregone as a result of deferring the increase in prices.

⁴With respect to changes in the State Tax Adjustment Surcharge (STAS), the Company may offset the rate decrease associated with a negative STAS with monies from the bank as described in *Re North Pittsburgh Telephone Company*, Docket No. R-00061782 (Order entered October 19, 2006) or, alternatively, may offset a negative STAS with an offsetting increase in the SPI as described in *Petition of Marianna & Scenery Hill Telephone Company d/b/a FairPoint Communications Re Offsetting STAS Through the Service Price Index*, Docket No. P-2015-2480771 (Order entered June 11, 2015). These offsetting increases may be implemented either with the annual PSI filing or the annual STAS filing.

8. On or before the anniversary date of the Plan (or the closest Commission working day thereafter) and annually thereafter, the Company shall file with the Commission a PSI and SPI Report. Each such annual filing may be accompanied by tariffs to implement any required or authorized rate changes.
9. The proposed tariff(s) accompanying the PSI and SPI Reports, if any, shall become effective within 60 days of filing (unless otherwise provided herein) and shall be deemed Commission-made rates. Upon a successful complaint, rates may change prospectively only. The Commission shall review the tariff rate change proposals to determine whether they comply with the criteria set forth in Section D below. If the Commission determines that the Company's rate proposals do not comply with this criteria, then the Commission may order the Company to modify them to be in compliance. If the Company's proposals comply with this criteria, then the Commission shall approve them.
10. The Company shall provide fifteen (15) days advance notice of filing to the Commission, which shall generally describe the anticipated filing.⁵ Any and all interventions or complaints shall be due within fifteen (15) days after the initial filing. The initial filing by the Company shall include a full explanation of all reasons for such filing, including work papers. Responses to interrogatories shall be due within fifteen (15) days of service. Twenty (20) days after the filing date, any and all comments by intervenors in support of or in opposition to the filing are due to be filed at the Commission. Responses to such comments may be filed by the Company within fifteen (15) days thereafter. A Commission Order must be

⁵This notice may be provided to the public by the Company through billing insert, bill message or separately mailed notice. Notice will also be served upon the OCA, OSBA, OTS and any other Chapter 30 party, as identified by the Commission Secretary. The notice will be similar in nature to that described in 52 Pa. Code § 53.45 for a general rate case.

entered within sixty (60) days of the filing (or such other time as may be otherwise provided herein), otherwise the tariff(s) shall become effective as filed. The Company may extend the 60-day period to permit for the ADR mediation process. Such rates shall be deemed Commission-made. This procedure, as specified in this paragraph, is hereinafter referred to as the "75-day procedure." An additional fifteen (15) days shall be provided to allow time for hearings, if specifically requested by the OCA, the OTS, the OSBA, a customer, or any other party to the Chapter 30 proceeding, made at the time of complaint or intervention. In addition, if the proposed impact of the filing on local service rates for residential one-party service is an increase greater than \$3.50 per month, then the additional allowance of time for hearings shall be 45 calendar days, rather than 15 calendar days.⁶

11. Except as otherwise noted, any changes or events within the Company's control are excluded as exogenous events. Notwithstanding any other limitation specified herein, the Company, OTS, OCA, OSBA, or other parties in interest may request the Commission to make special revenue adjustments beyond the scope of the PSI to recognize exogenous events ("Z"), including but not limited to the following:
 - a. jurisdictional shifts in cost recovery where interstate revenues or costs actually change;
 - b. subsequent regulatory and legislative changes (state &

⁶The term "local service" is identical to the set of services generically defined as "universal services" by the Commission, including calling within a local area, touch tone and access to emergency services. The rates for such local services to which the \$3.50 is applicable include all associated charges, such as basic local service, extended area service, touch tone, mileage, rate bands, measured local calling and similar rate elements. Restructuring of various rates within the residential class, (e.g., roll-in of mileage charges into basic local service rates) shall not be included in the calculation of the \$3.50 increase for purposes of this sub-part.

federal) which affect revenues and/or costs, to the extent not captured in GDP-PI; and

- c. unique changes in the telephone industry which are not reflected in the overall inflation factor as measured by GDP-PI and are outside the Company's control.

The institution of a universal service type fund in Pennsylvania and any requirement that the Company participate as a contributor and/or a recipient shall be a qualifying exogenous event to the extent the Company is either a net contributor to or net recipient from such fund. Conversion of the Company from average schedule settlements to a cost-based or other format shall be qualifying exogenous events. Any changes to Generally Accepted Accounting Principles ("GAAP") that are reflected as changes in regulatory accounting requirements for cost determination and ratemaking purposes that will result in cost changes are an exogenous event. Other examples of exogenous events include the implementation of number portability and IntraLATA presubscription.⁷ Exogenous revenue events shall be flowed through on a dollar-for-dollar basis, utilizing the most recent per book revenue levels, without any investigation or review of earnings. Exogenous expense events shall be flowed through dollar-for-dollar on the basis of review of that single expense item for which an exogenous event is sought without any investigation or review of earnings, utilizing the most recent per book level of such expense. Results shall be adjusted to recognize the impact of any related taxes. The "75-day procedure," as recited above in paragraph 10, shall apply to such exogenous events.

12. Any revenue shortfall or cost incurred, including administrative costs, less other

⁷See paragraph 13, infra.

related revenue increase/cost decreases, if any, associated with a Commission-mandated implementation of new calling scope services such as EAS or extension of basic local exchange services may be recovered by the Company at the time of implementing any extended calling scope service or additional basic local exchange service. This same treatment shall also apply to new Optional Calling Plans.

13. In connection with the implementation of IntraLATA presubscription, the Company shall be permitted to recover related incremental costs as defined by the Commission at Docket No. I-00940034 and in accordance with the methodology set forth in the Global Order. Any revenues received therefrom shall not be included in the calculation of PSI or SPI. Further, the Company will also abide with any Commission policy established regarding toll imputation in the design of their intraLATA toll rates. However, the Company shall not be required to pass any imputation test, unless all toll carriers operating in the same serving area agree or are required to comply with the exact imputation test for its serving area as may be imposed on the Company.
14. The Telecommunications Act of 1996 ("TA-96") was signed into law on February 8, 1996, and is being implemented over time. The regulatory and market changes which will result from TA-96 and applicable regulations have not been incorporated into the Plan. Nothing herein shall be construed to preclude the Company from fully and completely exercising its rights under the Act, which rights are preserved.
15. Should the Company experience a loss of revenue so that its commitment for its Network Modernization Plan is jeopardized, the Company may petition the

Commission for appropriate and timely relief under the "75-day procedure." The Company shall notify the Commission and Chapter 30 parties at Docket No. P-00981425, et al., of such circumstances prior to filing the petition.

B. Rate Restructuring and Rebalancing

16. In addition to the annual PSM filing, the Company may file tariffs proposing to rebalance and/or restructure rates for noncompetitive services. The Company may implement only one rate restructuring/rebalancing filing in the same calendar year which affects residential and small business rates (3 lines or less), exclusive of changes made pursuant to the PSM formula and exogenous events not reflected therein.⁸
17. The Company may also propose tariff rate changes to implement the results of Commission Orders involving generic industry issues.
18. The Commission shall review the tariff proposals to determine that they are within the limits as set forth in Section D below. If the Commission determines that the Company's rate proposals are not within this criteria, then the Commission may order the Company to modify them to produce a tariff which does not exceed this criteria. If the tariff proposals are within these criteria, then the Commission shall approve them.
19. The "75-day procedure" shall apply to all PSM, exogenous events and restructuring and rebalancing filings, with the allowance of time to permit ADR mediation and an additional 15 calendar days to allow time for hearings, if specifically requested by the OTS, OCA, OSBA, a customer, or Chapter 30 party

⁸The Company retains the right to make changes in intraLATA toll rates and services pursuant to the Commission Order entered December 14, 1995, at Docket No. I-00940034.

at Docket No. P-00981425, et al., made at the time of complaint or intervention. Further provided, in the event that the proposed impact of such rate restructuring and rebalancing filing on local services rates for residential one-party service is an increase greater than \$3.50 per month, then the additional allowance of time shall be 45 calendar days, rather than 15 calendar days.⁹ Reductions in residential and small business rates may be initiated more often by the Company. Tariff filings involving a limited number of services with the intent of packaging/restructuring the services may be made. The prices of the packaging/restructuring will not exceed in total the individual service prices of the services comprising those packages. Reductions in residential and small business rates and limited services tariff filings shall become effective on one (1) day's notice to the Commission.

C. New Services

20. The Company may introduce new services at any time.
21. If a new service is offered which falls within the definition of "protected services," then the "75-day procedure" shall apply. Protected services are as follows, unless the Commission has determined the service to be competitive:
 - a. Service provided to residential consumers or business consumers that is necessary to complete a local exchange call;
 - b. Touch-tone service;
 - c. Switched access service;
 - d. Special access service; and
 - e. Ordering, installation restoration and disconnection of these services.

⁹The term "local service" as used in this part is as set forth in footnote 6, *supra*.

3. Any new service which is not a "protected" service shall become effective upon one (1) day's notice to the Commission.
4. Revenues from new services shall be included in the calculation of the PSI and SPI, beginning with the first annual PSM filing after the new service has been in effect for one year.

D. Consumer Protections

1. All rate changes proposed either under the PSM formula, including exogenous events, or under the rate restructuring and rebalancing provisions of this Plan shall be approved if just and reasonable and if a proposed tariff does not cause one of the following to occur and is otherwise in compliance with this Plan:
 - a. The SPI is not greater than the PSI; and
 - b. The proposed changes to basic, local rates for both residential and small business customers (three (3) lines or less), by any combination of filings, will not cause an increase in the rates in existence at the end of the preceding year greater than \$3.50 per month.¹⁰
2. Pursuant to the Global Order entered September 30, 1999, the Commission instituted a transitional universal service funding mechanism, i.e. the Pennsylvania USF, with a projected termination date of December 31, 2003. During the pendency of the Pennsylvania USF, the Company retains the right to change and rebalance its intrastate rates in accordance with the PSP, and if such rates are found to be just and reasonable, they shall be permitted to become effective. Further, should the new rates exceed the \$16.00 monthly residential rate ceiling and applicable business rate ceiling established in the Global Order

¹⁰This cap shall not be applicable where a generic Commission Order requires changes in a Company's rate design and causes a rate increase which exceeds the cap.

for the duration of the Pennsylvania USF, the Company is permitted to recover the revenue difference arising from application of the Global Order rate ceilings from the Pennsylvania USF. By Order entered July 15, 2003, at Docket No. M-00021596, et al., the Commission approved modifications to the Global Order including a continuation of the USF and an increase of the \$16.00 residential cap to \$18.00.

3. The Company shall submit cost data for existing noncompetitive rate changes. Where the Company proposes to decrease the price of any individual rate element for any service offered by the Company, the proposed price for that service shall equal or exceed its Long Run Incremental Cost (LRIC) unless: (1) specifically exempted by the Commission based upon public interest considerations or (2) the Company in good faith prices the service to meet the equally low price of a competitor for an equivalent service. Cost information will only be provided to the OTS, OCA, OSBA and any other applicable governmental party on a proprietary basis. If a formal complaint or investigation is initiated, such cost documentation shall be provided to all interested parties at the direction of the Commission on a proprietary basis.

E. Complaints

1. Complaints under Section 1309 of the Public Utility Code against existing rates may be filed only if such rates fail to comply with the terms of this Plan. Section 1309 shall be the exclusive basis for filing complaints against existing rates and such a complaint may be sustained only if such existing rates do not comply with the terms of this Plan. In proceedings under this part, the burden of proof shall be upon the complainant to show, by a preponderance of the evidence, that the

rates are not just and reasonable under Section 1309. Further, the Commission shall retain the authority to issue complaints or investigations to assure a Company's compliance with this Plan, with the burden of proof resting with the Company.

PART 4 - ADDITIONAL COMMITMENTS AND OTHER TERMS

A. Lifeline Service; Universal Service; Enhanced Services for the Disabled

1. The Company shall implement a revised lifeline program for qualifying low-income residential customers. All eligible telecommunications customers who subscribe to lifeline service shall be permitted to subscribe to any number of other eligible telecommunications carrier telecommunications services at the tariffed rates for such services; however, the Commission's regulations at 52 Pa. Code § 64.01 *et seq.* relating to suspension and termination of residential telephone service shall continue to be applicable. Whenever a prospective customer seeks to subscribe to local exchange telecommunications service, the Company shall explicitly advise the customer of the availability of lifeline service and shall make reasonable efforts, where appropriate, to determine whether the customer qualifies for such service and, if so, whether the customer wishes to subscribe to the service. The Company shall inform existing customers of the availability of lifeline service twice annually by bill insert or message. The notice shall be conspicuous and shall provide appropriate eligibility, benefits and contact information for customers who wish to learn of the lifeline service subscription requirements. The Company shall not be required to provide, after November

30, 2004, any new lifeline service discount that is not fully subsidized by the federal universal service fund.

2. The Company offers "Link Up America," a program designed to promote universal service by providing a discount on service connection charges for qualified low income customers.
3. The Company shall be fully qualified to participate as a recipient in any universal service program instituted by this Commission. Neither any feature in this Plan nor any rule or regulation under Chapter 30 shall disqualify it from full participation in any Pennsylvania universal service program.

B. Ongoing Regulatory Requirements

4. All services provided by the Company within the jurisdiction of the Commission are still subject to all provisions of the Public Utility Code regarding safety, adequacy and reliability of telecommunications services, 66 Pa. C.S. § 1501, and the additional powers and duties of the Commission, 66 Pa. C.S. § 3019.
5. The Company will continue to monitor service quality in compliance with Commission regulations in Chapter 63 unless in conflict with this Plan or Act 183. 52 Pa. Code § 63.1 et seq.
6. The Company shall continue to comply with Chapter 64 of the Commission's regulations as amended from time to time unless in conflict with this Plan or Act 183. 52 Pa. Code § 64.1 et seq.
7. The Extended Area Service regulations established by the Commission at 52 Pa. Code § 63.71 et seq., shall continue to be applicable to the Company, with the exception of conducting the biennial traffic usage studies, unless in conflict with this Plan or Act 183. The requirement to prepare such studies shall be

suspended until the Commission issues regulations or guidelines as to how to conduct more accurate traffic usage studies. The Company's current traffic usage studies from 1997 shall continue to be utilized. The Commission may, on a case-by-case basis, direct that a more current traffic usage study be conducted if, in a formal complaint proceeding, it is determined that a strong community of interest has been demonstrated. The Company will comply with any modifications to the existing EAS regulations as ordered from time to time by the Commission.

8. The Commission retains its authority to audit the accounting and reporting systems of the Company relating to its transactions with affiliates pursuant to Chapter 21 of the Public Utility Code, 66 Pa. C.S. § 2101 et seq. The Company shall file affiliated interest and affiliated transaction agreements unless such agreements involve services declared to be competitive. The filings shall constitute notice to the Commission only and shall not require approval by the Commission.
9. Approval of this Plan shall not operate in any way to foreclose the Company from exercising any of its options pursuant to the subsequent enactment or modification of federal or state law. Moreover, approval of this Plan shall not preclude the Company from filing a petition seeking modifications of the Plan.
10. Should the Commission authorize local exchange service competitors to operate in the Company's service territory utilizing its bundled or unbundled network elements or services under interconnection terms and conditions that do not provide fully compensatory cost recovery, including embedded cost levels, the Company may file a petition seeking Commission approval to alter provisions

contained in the Network Modernization Plan. Prior to filing said petition, the Company shall notify the Commission and Chapter 30 parties at Docket No. P-00981425, et al.

11. The Company is an exempt rural telephone company for purposes of Section 251(f)(1) of TA-96.
12. In the event that the Company effects a change to either its depreciation expenses or depreciation reserves, Commission approval shall not be required. However, in the event of the reinstatement of any form of rate base/rate of return regulation, any impact of such changes on depreciation expense or reserve which occur during the period of the operation of this Plan shall be captured and recognized as a debit (or credit) in the ratemaking formula.
13. The Commission has authority to condition the sale, merger, acquisition or other transaction required to be approved under Section 1102(a)(3), 66 Pa. C.S. § 1102(a)(3), of the Company or any facilities used to provide telecommunications services to ensure that there is no reduction in the advanced service or broadband deployment obligations for the affected property or facilities.

C. Reporting Requirements

14. The Commission's filing and audit requirements for the Company shall be limited to the following:
 - i. The Biennial Network Modernization Plan Report filed pursuant to Parts B.1 and 2 of the Amended Network Modernization Plan.
 - ii. An annual financial report consisting of a balance sheet and income statement.
 - iii. An annual deaf, speech-impaired and hearing-impaired relay information report.

- iv. An annual service report.
 - v. Universal service reports.
 - vi. An annual access line report.
 - vii. An annual statement of gross intrastate operating revenues for purposes of calculating assessments for regulatory expenses.
 - viii. An annual State Tax Adjustment (“STAS”) computation for years in which a tax change has occurred, if applicable.¹¹
2. Notwithstanding any other provision of the Public Utility Code (Title 66) to the contrary, no report, statement, filing or other document or information, except as specified in Part 4.C.1 above shall be required of the Company, unless the Commission, upon notice to the Company and an opportunity to be heard, has first made specific written findings supporting conclusions in an entered order that: (i) the report is necessary to ensure that the Company is charging rates that are in compliance with Chapter 30 of the Public Utility Code (66 Pa. C.S. §§ 3011-3019) and its effective alternative form of regulation; and (ii) the benefits of the report substantially outweigh the attendant expense and administrative time and effort required of the Company to prepare it.
3. Nothing in this Plan shall be construed to impede the ability of the Commission to require the submission of further information to support the accuracy of or to seek an explanation of the reports specified in Part 4.C.1 above.

D. Other Provisions

1. When an alternative service provider is offering local exchange

¹¹This includes the State Tax Adjustment Surcharge (STAS) tariff filings pursuant to Commission STAS Guidelines (52 Pa. Code §69.51 et seq.), the State Tax Adjustment Surcharge Order and the Company's STAS tariff. STAS-related changes shall be excluded from the SPI calculation. The Company shall serve copies of its STAS filings on OCA, OSBA, and OTS, coincident with its submission of such filings to the Commission.

telecommunications services within an exchange of the Company, the Company may reduce its prices on services offered within the exchange below the rates set forth in its otherwise applicable tariff in order to meet such competition. The Company may not offset revenue reductions resulting from such competitive pricing by increasing rates charged to other customers through its Price Stability Plan or otherwise.

2. The Company shall offer school customers in its service territory that meet the eligibility standards described in 47 CFR 54.501 (relating to eligibility for services provided by telecommunications carriers) and that agree to enter into a minimum three-year contract with the Company for telecommunications services: i) a 30% discount (or greater discount at the Company's discretion) in the otherwise applicable tariffed distance sensitive per-mile rate element for available intrastate broadband services; and ii) waiver of the associated nonrecurring charges for available intrastate broadband services, where the telecommunications service is used for educational purposes and not for the provision of telecommunications services to the public for compensation. The discount or waiver shall not be required where application of it to a particular service would conflict with applicable law. The Company will assist school customers in applying for E-rate funding under 47 CFR 54.505 (relating to discounts).
3. The Company, at its discretion, may offer and bill to customers, on one bill, bundled packages of services, which include nontariffed, competitive, noncompetitive or protected services, including services of an affiliate, in combinations and at a single price selected by the Company.

4. The Commission may not require the Company to reduce access¹² rates except on a revenue-neutral basis.
5. No person or entity may refuse to pay tariffed access charges for interexchange services provided by the Company.
6. The Company shall not be required to contribute to either the Broadband Outreach and Aggregation Fund or the Education Technology Fund, as established under §§3015(c) and (d) of Act 183 of 2004, 66 Pa.C.S. §§3015(c) and (d).

E. Term of Plan

1. In the event Chapter 30 is modified or is repealed, the Company may seek an appropriate modification or revision of the Plan.
2. In the event that any appellate court, federal court, federal agency or other lawful order causes or has the effect of causing reversal, remand, vacation, amendment or other modification of any Commission order approving this Plan or any aspect of the Plan, the Company retains the right to withdraw from the Plan.
3. No change may be made to this Plan without the express agreement of both the Commission and Company. The Company may subsequently petition the Commission for approval of further modifications to its amended network modernization plan, which the Commission may grant upon good cause shown.

¹²As used in this Plan, the terms "access rates," "access charges" and similar terms, unless the context requires otherwise, shall refer to special access service and switched access service. As used in this Plan, the term "special access service" shall mean service provided by the Company over dedicated, nonswitched facilities to interexchange telecommunications carriers or other large volume users that provides connection between an interexchange telecommunications carrier or private network and a customer's premises. As used in this Plan, the term "switched access service" shall mean service that provides for the use of common terminating, switching and trunking facilities of The Company's public switched network. The term includes, but is not limited to, the rates for local switching, common and dedicated transport and the carrier charge.

4. The terms of this Plan shall govern the regulation of the Company and, consistent with the provisions of this Plan and Chapter 30 of the Public Utility Code (66 Pa. C.S. §§ 3011-3019), shall supersede any conflicting provisions of Title 66 or any other laws of the Commonwealth of Pennsylvania and shall specifically supersede the following provisions of Title 66: all provisions of Chapter 13 (relating to rates and rate making), other than § 1301 (relating to rates to be just and reasonable), § 1302 (relating to tariffs; filing and inspection), § 1303 (relating to adherence to tariffs), § 1304 (relating to discrimination in rates), § 1305 (relating to advance payment of rates; interest on deposits), § 1309 (relating to rates fixed on complaint; investigation of costs of production) and § 1312 (relating to refunds).

PART 5 - GLOSSARY OF TERMS

Definitions. The following words and phrases when used in this Amended Plan shall have the meanings given to them in this section unless the context clearly indicates otherwise:

Access Line - A facility that provides a customer access to the telecommunications network.

Aggregator Telephone - A telephone which is made available to the transient public, customers or patrons, including, but not limited to, coin telephones, credit card telephones and telephones located in hotels, motels, hospitals and universities.

Alternative Form of Regulation - A form of regulation of telecommunications services other than the traditional rate base/rate of return regulation, including a

streamlined form of regulation, as approved by the commission.

Alternative Service Provider - An entity that provides Telecommunications Services in competition with a local exchange telecommunications company.

Bandwidth - The speed at which information is transmitted from point A to point B.

Bit Rate - The speed at which digital signals are transmitted, usually expressed as bits (b) per second (ps).

Bona Fide Retail Request Program - A program established by a local exchange telecommunications company pursuant to Section 3014(c) (relating to network modernization plans).

Broadband - A communication channel using any technology and having a bandwidth equal to or greater than 1.544 megabits per second in the downstream direction and equal to or greater than 128 kilobits per second (kbps) in the upstream direction.

Broadband Availability - Access to broadband service by a retail telephone customer.

Broadband Outreach and Aggregation Program - A program established by the Department of Community and Economic Development pursuant to Section 3014(l) (relating to network modernization plans).

Business Attraction or Retention Program - A program established by a local exchange telecommunications company pursuant to Section 3014(d) (relating to network modernization plans).

Central Office (CO) - A local exchange telecommunications company switch used to provide local exchange telecommunications service.

Commission - The Pennsylvania Public Utility Commission.

Common Channel Signaling - An intelligent network signaling system used for communication between central office switches.

Community - Those customers of a local exchange telecommunications company served by an existing or planned remote terminal or, where no remote terminal exists or is planned, a central office switch.

Competitive Service - A service or business activity determined to be competitive by the Commission on or prior to December 31, 2003, and a service or business activity determined or declared to be competitive pursuant to Section 3016 (relating to competitive services).

Customer - A residential or business subscriber to a company's telecommunications services.

Customer Premise Equipment (CPE) - Terminal equipment that is connected to the telephone network, such as telephones and facsimile machines.

Eligible Telecommunications Carrier - A carrier designated by the Pennsylvania Public Utility Commission pursuant to 47 CFR 54.201 (relating to definition of eligible telecommunications carriers, generally) or successor regulation, as eligible to receive support from the Federal Universal Service Fund.

Eligible Telecommunications Customer - A customer of an eligible telecommunications carrier who qualifies for Lifeline service discounts pursuant to the requirements of 47 CFR 54.409 (relating to consumer qualification for Lifeline) or successor regulation.

FCC - The Federal Communications Commission.

Gross Domestic Product Price Index (GDP-PI) - The GDP-PI is the measure of the change in the market prices of output in the economy as prepared by the United States Department of Commerce and published in the Survey of Current Business, or its successor.

Health Care Facility - The term shall have the same meaning given to it in the act of July 19, 1979 (P.L.130, No.48), known as the Health Care Facilities Act.

Inflation Offset - The part of the price change formula in the price stability mechanism that reflects an offset to the gross domestic product price index or successor price index.

Interexchange Services - The transmission of interLATA or intraLATA toll messages or data outside the local calling area.

Interexchange Telecommunications Carrier - A carrier other than a local exchange telecommunications company authorized by the Commission to provide interexchange services.

Kilobits per second (Kbps) - A transmission speed of 1,000 bits of information per second.

Lifeline Service - A discounted rate local service offering, as defined in 47 CFR 54.401 (relating to Lifeline defined) or successor regulation, but excluding any offering funded in part by Federal Universal Service Fund Tier Three funding under 47 CFR 54.403 (relating to Lifeline support amount) or successor regulation.

Link-Up America - The Link-Up America program offers a reduction in the cost of the connection charge of one telephone line to qualified low-income individuals.

Local Access Transport Area (LATA) - A geographic area in which the Company may provide telecommunications service.

Local Exchange Telecommunications Company (LEC) - An incumbent carrier authorized by the Commission to provide local exchange telecommunications services. The term includes a rural telecommunications carrier and a nonrural telecommunications carrier.

Local Exchange Telecommunications Service - The transmission of messages or communications that originate and terminate within a prescribed local calling area.

Local Loop - The physical component of the network that connects the customer to the Company's central office switch, i.e., a Dial Tone Line.

Long Run Incremental Cost (LRIC) - The cost the company would incur (save) if it increases (decreases) the level of production of an existing or new service or group of services. LRIC consists of costs associated with adjusting future-production capacities that are causally related to the rate elements being studied.

Megabits per second (mbps) - A transmission speed of 1,000,000 bits of information per second.

Network Modernization Plan - A plan for the deployment of broadband service by a local exchange telecommunications company under Chapter 30 or any prior law of this Commonwealth.

Noncompetitive Service - A regulated telecommunications service or business activity that has not been determined or declared to be competitive.

Nonprotected Service - Any telecommunications service provided by a local exchange telecommunications company that is not a protected service.

Political Subdivision - Any county, city, borough, incorporated town, township, municipality, municipal authority or county institution district.

Price Stability Index (PSI) - PSI is an index used to limit or otherwise place a ceiling on price changes, in the aggregate, for noncompetitive services.

Price Stability Mechanism (PSM) - A formula which may be included in a Commission-approved alternative form of regulation plan that permits rates for noncompetitive services to be adjusted upward or downward.

Protected Service - The following telecommunications services provided by a local exchange telecommunications company, unless the Commission has determined the service to be competitive:

- (1) Service provided to residential consumers or business consumers that is necessary to complete a local exchange call.
- (2) Touch-tone service.
- (3) Switched access service.
- (4) Special access service.
- (5) Ordering, installation, restoration and disconnection of these services.

Remote Terminal - A structure located outside of a central office which houses electronic equipment and which provides transport for telecommunications services to and from a central office.

Revenue Neutral - A combination of rate changes that are not designed to produce any increase or decrease in revenues to the local exchange telecommunications company.

Rural Telecommunications Carrier - A local exchange telecommunications

company that is a rural telephone company as defined in section 3 of the Telecommunications Act of 1996 (Public Law 104-104, 110 Stat. 56).

Service Price Index (SPI) - An index to be developed for noncompetitive services and will not be applicable to Competitive Services. The SPI is the cumulative price change from current and prior years associated with the PSI and tracks these price changes of noncompetitive services related to the PSI.

Special Access Service - Service provided over dedicated, nonswitched facilities by local exchange telecommunications companies to interexchange carriers or other large volume users which provides connection between an interexchange carrier or private network and a customer's premises.

Switched Access Service - A service which provides for the use of common terminating, switching and trunking facilities of a local exchange telecommunications company's public switched network. The term includes, but is not limited to, the rates for local switching, common and dedicated transport and the carrier charge.

Telecommunications Act of 1996 - The Telecommunications Act of 1996 (Public Law 104-104, 110 Stat. 56).

Telecommunications Carrier - An entity that provides telecommunications services subject to the jurisdiction of the Commission.

Telecommunications Service - The offering of the transmission of messages or communications for a fee to the public.

Touch Tone - A central office-based service which permits the origination of calls through tone-signaling "CPE."

Universal Broadband Availability - Access to broadband service by each telephone customer of a local exchange telecommunications company.

43telephone customer of a local exchange telecommunications company.