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July 14, 1987

BERNARD A. RYAN, JR.

RECEIVED

JUL 14 1987

SECRETARYS OFFICE  
Public Utility Commission

HAND DELIVER

Jerry Rich, Secretary  
Pennsylvania Public Utility Commission  
North Office Building  
Harrisburg, PA 17120

Attn: New Filing Section  
Room B-18

RE: Joint Application of Commonwealth Telephone  
Company and United Telephone Company  
of Pennsylvania

Dear Secretary Rich:

I am delivering for filing today the original plus two copies of the Joint Application of Commonwealth Telephone Company and United Telephone Company of Pennsylvania with respect to the purchase by Commonwealth of the property used to serve United's Uhlerstown exchange. A check for \$125.00 for the filing fee for this application is also enclosed.

Would you please acknowledge your receipt of this application by stamping the duplicate copy of this transmittal letter.

Sincerely yours,

*Bernard A. Ryan, Jr.*

DOCUMENT  
FOLDER

BARJr/nf

cc: Raymond B. Ostroski, Esquire  
Daniel T. Dineen, Esquire  
Mr. William Shaner  
Mr. Scott Burnside  
Mr. Peter Unuscavage

DOCKETED  
JUL 13 1987



Bernard A. Ryan, Jr., Esquire  
Dechert Price & Rhoads  
800 N. Third Street  
Harrisburg, PA 17102

For United Telephone Company of Pennsylvania

Daniel T. Dineen, Esquire  
Vice President and General Counsel  
United Telephone Company of Pennsylvania  
1170 Harrisburg Pike  
Carlisle, PA 17013

3. A brief corporate history of Commonwealth Telephone Company is as follows:

Commonwealth Telephone Company (herein sometimes called "Commonwealth") is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania. Letters Patent were issued to it under date of September 27, 1950. For complete data on Commonwealth's incorporation see Application Docket No. 76155, Folder No. 1, made a part hereof by reference thereto.

On October 30, 1953, Tioga County Bell Telephone Company merged into Commonwealth. For a brief corporate history of Tioga County Bell Telephone Company see Application Docket No. 80433.

Commonwealth purchased all of the outstanding securities of Pennsylvania Community Telephone Company on August 18, 1954 and on July 18, 1955 purchased all of the outstanding common stock of Blakeslee and Fernridge Telephone Company. On June 7, 1956, Pennsylvania Community Telephone Company and Blakeslee and Fernridge Telephone Company merged into

Commonwealth. See Application Docket No. 83156. For a brief corporate history of Pennsylvania Community Telephone Company and data on the acquisition of its securities by Commonwealth, see Application Docket Nos. 80209 and 83156 respectively. For data on the acquisition by Commonwealth of the common stock of Blakeslee and Fernridge Telephone Company, see Application Docket No. 82160.

On May 11, 1959, Commonwealth acquired by purchase all of the telephone property and rights of Ferndale Telephone Company. For a brief corporate history of Ferndale Telephone Company and data on its acquisition by Commonwealth, see Application Docket No. 86332.

Commonwealth acquired Leesport Rural Telephone Company, effective as of December 31, 1971, principally through an exchange of 42,660 shares of its common stock for all of the outstanding common and preferred stock of Leesport. For a brief corporate history of Leesport Rural Telephone Company and data on its acquisition by Commonwealth, see Application Docket Nos. 96978 and 96989. Leesport Rural Telephone Company was thereafter merged into Commonwealth pursuant to the Commission's approval of such merger on April 24, 1981. See Application Docket No. 00102711.

Commonwealth acquired Lewisberry Telephone Company, effective as of February 14, 1977, primarily through an exchange of 50,583 shares of its stock for all of the outstanding common

and preferred stock of Lewisberry Telephone Company. For a brief corporate history of Lewisberry Telephone Company and data on its acquisition by Commonwealth, see Application Docket No. 99980 (99981). Lewisberry Telephone Company is presently a wholly-owned subsidiary of the Company.

Commonwealth Telephone is vested with lawful authority to render telephone service of all kinds, including both local exchange and long distance service, in portions of the counties of Luzerne, Lackawanna, Wyoming, Bradford, Susquehanna, Sullivan, Columbia, Schuylkill, Tioga, Lycoming, Monroe, Northampton, Dauphin, Lancaster, Chester, Bucks and Carbon in the Commonwealth of Pennsylvania. The total number of access lines of Commonwealth on December 31, 1986 was 153,945.

4. A brief corporate history of United Telephone Company of Pennsylvania is as follows:

On November 7, 1901 Cumberland Valley Telephone Company was formed by the consolidation of Dauphin County Telephone Company, Adams County Telephone Company, Hanover Telephone Company, Cumberland Valley Telephone and Telegraph Company, and Southern Pennsylvania Telephone Company.

The United Telephone Company of Pennsylvania was incorporated December 28, 1915 as Cumberland Valley Telephone Company of Pa. by virtue of reorganization by the purchasers of all of the real, personal and mixed property and the corporate franchises of Cumberland Valley Telephone Company in accordance

with the provisions of an Act entitled "A Supplement to an Act entitled, 'An Act concerning the sale of railroads, canals, turnpikes, bridges and plank roads,' approved the 8th day of April, one thousand eight hundred sixty-one, extending the provisions of said act to coal, iron, steel, lumber or oil or mining, manufacturing, transportation and telegraph companies in this Commonwealth," approved the 25th day of May, 1878, P. L. 145, and the supplements and amendments thereto.

On May 4, 1931 the name of Cumberland Valley Telephone Company of Pa. was changed to The United Telephone Company of Pennsylvania ("United").

Pursuant to certificates of public convenience issued by the Pennsylvania Public Utility Commission, United is vested with lawful authority to render telephone service of all kinds, including both local exchange and long distance service in various counties throughout Pennsylvania. The total number of access lines of United on December 31, 1986 was 249,071.

5. Commonwealth furnished public service, as of December 31, 1986, to the number of access lines in the classes shown below:

Residential	130,983
Business	<u>22,962</u>
Total	153,945

The residential main stations were divided as follows: 122,378 single and 8,605 two and four party lines. In addition

to the main station access lines designated above, there were 1,722 pay station access lines, 19,938 business access lines and 1,302 PBX access lines.

6. United furnished public service, as of December 31, 1986, to the following number of access lines in the customer classes noted:

Residential	221,599
Business	<u>27,472</u>
Total	249,071

7. Attached hereto as Exhibits A and B respectively are the balance sheet of Commonwealth and the balance sheet of United, both as of March 31, 1987.

8. Attached hereto as Exhibits C and D respectively are an income statement for Commonwealth and an income statement for United for the twelve months ending March 31, 1987.

9. All annual reports, tariffs, certificates of notification, applications for certificates of valuation, applications for approval of the issuance of securities, and securities certificates, filed with your Honorable Commission by Commonwealth and by United and by their respective predecessors, constituents and affiliated companies are made part hereof by reference.

10. Subject to the approval of the Commission and pursuant to the terms of the Purchase Agreement Between Commonwealth Telephone Company and United Telephone Company of

Pennsylvania dated May 8, 1987 (the "Agreement"), a copy of which is attached as Exhibit E, Commonwealth intends to purchase from United the assets used to provide telephone service in United's Uhlerstown exchange located in Bucks County, Pennsylvania. The purchase price under the Agreement is \$597,970 plus United's outstanding accounts receivable from its operations of the Uhlerstown exchange prior to the transfer date, as more specifically described in the Agreement. The 733 customers now served by United in that exchange will thereafter be served by Commonwealth through its existing Ferndale exchange which is directly adjacent to the Uhlerstown exchange. A map showing the boundaries of the Uhlerstown exchange (shaded in red) is attached as Exhibit F.

11. No additional capital will be required by Commonwealth for the purpose of financing the purchase of these facilities from United. Only United is now furnishing telephone service to the public in the area involved in this application and it will cease rendering that service when Commonwealth takes over the facilities being sold pursuant to the Agreement. The tangible and intangible assets and properties that are involved in this transfer are identified in Attachment B to the Agreement (Exhibit E).

12. There will be an expansion in the local calling area to include Commonwealth's Ferndale exchange for the customers in the Uhlerstown Exchange. No changes are planned in

any other service feature now enjoyed by the Uhlerstown exchange customers after the transfer of that exchange to Commonwealth. Commonwealth will charge the same rates that United presently charges for local telephone service to the Uhlerstown subscribers.

13. Approval of this application is necessary or proper for the following reasons:

United's Uhlerstown exchange is isolated from its other telephone operations in Pennsylvania, causing administrative and maintenance difficulties for United in providing service to the customers in that exchange. Commonwealth has existing telephone service facilities directly adjacent to the Uhlerstown exchange from which Commonwealth will be able to provide efficient and effective service to the Uhlerstown customers.

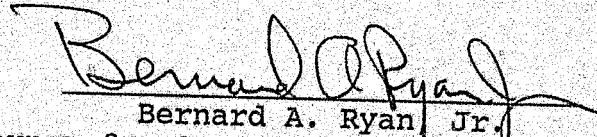
In addition to the increased local calling area referred to in paragraph 12, the customers in the Uhlerstown exchange should also realize substantial savings in their toll charges. After their transfer to Commonwealth, those customers will be within the Philadelphia LATA and will see lower charges for their intrastate, intraLATA toll calls without seeing any increase in their interstate, interLATA calling charges.

United and Commonwealth will both be better able to continue providing quality telephone service at reasonable rates to their respective customers following this natural realignment of their respective service territories.

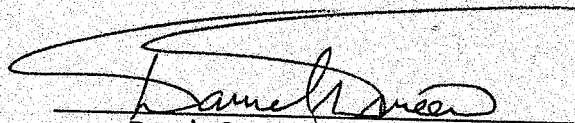
WHEREFORE, Commonwealth Telephone Company and United Telephone Company of Pennsylvania respectfully request the Commission to issue certificates of public convenience pursuant to Section 1102(a) of the Public Utility Code, 66 Pa. C.S. Section 1102(a), as follows:

- (A) To Commonwealth Telephone Company evidencing its right (i) to acquire by purchase from United Telephone Company of Pennsylvania essentially all of the tangible and intangible property used in providing telephone service in the Uhlerstown exchange, and (ii) to begin providing telephone service to the customers in that exchange in place of United Telephone Company of Pennsylvania immediately upon completion of the transfer of those assets; and
- (B) To United Telephone Company of Pennsylvania evidencing its right (i) to transfer by sale to Commonwealth Telephone Company essentially all of the tangible and intangible property used in providing telephone service to its Uhlerstown exchange, and (ii) to discontinue providing telephone service in that exchange area when Commonwealth Telephone Company begins to do

so upon completion of the transfer of those  
assets.



Bernard A. Ryan Jr.  
Attorney for Commonwealth Telephone Company



Daniel T. Dineen  
Attorney for United Telephone Company  
of Pennsylvania

Dated: July 10, 1987.

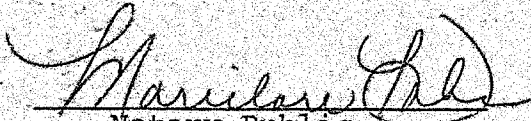
COMMONWEALTH OF PENNSYLVANIA :  
: :  
: SS.  
: :  
COUNTY OF Luzyne :

Malcolm M. Burnside, being duly sworn according to law, deposes and says that he Vice President - Revenues & Sales of Commonwealth Telephone Company and that he is authorized to, and does, make this affidavit on its behalf; that he has read the foregoing application and that the facts set forth therein are true and correct to the best of his knowledge, information and belief.



Sworn to and subscribed  
before me this 13 day  
of July, 1987.

My Commission Expires: 10-19-87



Notary Public

NOTARY PUBLIC  
WILKES-BARRE, LUZERNE COUNTY, PA.  
My Commission Expires: MY COMMISSION EXPIRES OCTOBER

COMMONWEALTH OF PENNSYLVANIA

:  
: SS.  
:  
:

COUNTY OF *Dauphin*

*Daniel T. Dinren*, being duly sworn according to law, deposes and says that he is *Vice President/General Counsel* of United Telephone Company of Pennsylvania and that he is authorized to, and does, make this affidavit on its behalf; that he has read the foregoing application and that the facts set forth therein are true and correct to the best of his knowledge, information and belief.

*Daniel Dinren*

Sworn to and subscribed before me this *14<sup>th</sup>* day of July, 1987.

My Commission Expires: *10/20/87*

*[Signature]*  
Notary Public

My Commission Expires: *10/20/87*

Balance Sheet of  
Commonwealth Telephone Company  
(March 31, 1987)

EXHIBIT A

COMMONWEALTH TELEPHONE COMPANY  
BALANCE SHEET  
ASSETS

ACCT.	DESCRIPTION	03/31/87	03/31/86
<b>TELEPHONE PLANT LESS RESERVE:</b>			
100.1	Telephone Plant in Service	242560879	230030074
100.2	Telephone Plant under Construction	6961237	4838961
100.3	Property Held for Future Telephone Use	41475	41475
100.4	Telephone Plant Acquisition Adjustment	0	0
	<b>Total Telephone Plant</b>	<b>249563591</b>	<b>234910510</b>
171	Depreciation Reserve	106830901	98291479
	<b>Total Telephone Plant less Reserve</b>	<b>142732690</b>	<b>136619031</b>
<b>INVESTMENTS AND FUNDS:</b>			
101.1	Investments in Affiliated Companies	4759756	4341722
101.2	Advances to Affiliated Companies	0	0
102	Other Investments	3356740	3357448
103	Miscellaneous Physical Property	1226450	933947
104	Sinking Funds	0	0
	<b>Total Investments and Funds</b>	<b>9342946</b>	<b>8633117</b>
<b>CURRENT ASSETS:</b>			
113	Cash	697250	2466649
114	Special Cash Deposits	40039919	35741973
115	Working Funds	24972	38158
116	Temporary Cash Investments	0	0
117.1	Notes Receivable from Affiliated Cos.	0	0
117.2	Other Notes Receivable	0	0
118.a	Due from Customers and Agents	6377781	6605912
118.b	Reserve for Uncollectible Accounts	0	0
120.1	Accts. Receivable from Affiliated Cos.	857875	2451222
120.2	Other Accounts Receivable	8682356	10238467
121.2	Interest and Dividends Receivable	378837	300674
122	Material and Supplies	3625127	3641950
124	Terminal Equipment Inventory	625928	1012967
	<b>Total Current Assets</b>	<b>61302045</b>	<b>62497964</b>
<b>PREPAID ACCOUNTS AND DEFERRED CHARGES:</b>			
130	Prepaid Taxes	0	0
131	Prepaid Insurance	161057	175942
132	Prepaid Directory Expense	653354	679503
133	Other Prepayments	124139	137843
135.1	Discount on Outstanding Long-Term Debt	210200	210566
139	Extraordinary Maintenance & Retirements	339474	411005
139	Other Deferred Charges	351443	191552
	<b>Total Prepaid Accts. &amp; Deferred Chgs.</b>	<b>1838667</b>	<b>1814411</b>
	<b>TOTAL ASSETS</b>	<b>215216348</b>	<b>209564523</b>

COMMONWEALTH TELEPHONE COMPANY  
BALANCE SHEET  
CAPITALIZATION AND LIABILITIES

ACCT.	DESCRIPTION	03/31/87	03/31/86
<b>STOCKHOLDERS' EQUITY:</b>			
150.1	Common Stock	8450862	8450862
150.2	Preferred Stock	423800	1975000
152	Premium on Capital Stock	9270845	9270845
179	Capital Surplus	2042779	2035929
134.22	Capital Stock Expense	-241719	-241719
181	Unappropriated Retained Earnings	64333609	53239301
	<b>Total Stockholders' Equity</b>	<b>84280176</b>	<b>74730218</b>
<b>LONG-TERM DEBT:</b>			
154	Funded Debt	0	0
157	Other Long-Term Debt	79411274	80399809
	<b>Total Long-Term Debt</b>	<b>79411274</b>	<b>80399809</b>
<b>CURRENT AND ACCRUED LIABILITIES:</b>			
158.2	Other Notes Payable	0	0
159.2	Accts. Payable to Affiliated Companies	2093580	2857033
159.2	Other Accounts Payable	11066920	15713256
160	Customers' Deposits	172083	214900
164	Advance Billing and Payments	1435166	1466521
165	Other Current Liabilities	0	0
166	Taxes Accrued	3838457	2822506
167.2	Accrued Interest - Funded Debt	367397	371119
167.3	Accrued Interest - All Other	0	0
167.5	Other Accrued Liabilities	347903	336037
	<b>Total Current and Accrued Liabilities</b>	<b>19321506</b>	<b>23782180</b>
<b>DEFERRED CREDITS:</b>			
168	Premium on Long-Term Debt	0	0
174	Other Deferred Credits	8823332	9844091
176	Accumulated Deferred Income Taxes	23350060	20808225
	<b>Total Deferred Credits</b>	<b>32203392</b>	<b>30652316</b>
	<b>TOTAL CAPITALIZATION AND LIABILITIES</b>	<b>215216548</b>	<b>209564523</b>

Balance Sheet of  
United Telephone Company  
of Pennsylvania  
(March 31, 1987)

EXHIBIT B

THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA  
BALANCE SHEET  
March 31, 1987 and 1986

<u>ASSETS</u>	<u>1987</u>	<u>1986</u>
<b>TELEPHONE PLANT:</b>		
Telephone plant in service	\$420,002,370	\$419,119,482
Telephone plant under construction	8,852,146	8,256,692
Total telephone plant	<u>428,854,516</u>	<u>427,376,174</u>
Less: Depreciation reserve	150,517,068	155,560,256
Net telephone plant	<u>278,337,448</u>	<u>271,815,918</u>
<b>INVESTMENTS:</b>		
Other investments and funds	2,076,751	554,583
Miscellaneous physical property, net of depreciation reserve	<u>1,344,358</u>	<u>520,242</u>
Total investments	<u>3,421,109</u>	<u>1,074,825</u>
<b>CURRENT ASSETS:</b>		
Cash and deposits	(206,902)	287,587
Accounts receivable	23,113,005	26,815,072
Materials and supplies	2,728,156	3,388,283
Prepayments	1,228,392	575,645
Total current assets	<u>26,862,651</u>	<u>31,066,587</u>
<b>DEFERRED CHARGES:</b>		
Unamortized debt expenses	401,830	434,997
Other deferred charges	<u>1,168,897</u>	<u>977,330</u>
Total deferred charges	<u>1,570,727</u>	<u>1,412,327</u>
<b>TOTAL ASSETS</b>	<u><u>\$310,191,935</u></u>	<u><u>\$305,369,657</u></u>

THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA  
BALANCE SHEET  
March 31, 1987 and 1986

<u>CAPITALIZATION AND LIABILITIES</u>	<u>1987</u>	<u>1986</u>
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock	\$ 43,899,500	\$ 43,899,500
Preferred stock	3,000,000	3,000,000
Other capital	6,685,348	6,685,348
Retained earnings	54,492,578	55,718,791
Total stockholders' equity	<u>108,077,426</u>	<u>109,303,639</u>
LONG-TERM DEBT	<u>75,886,486</u>	<u>77,638,159</u>
<b>CURRENT LIABILITIES:</b>		
Current maturities of long-term debt	2,596,193	2,374,498
Notes payable	15,900,000	11,500,000
Accounts payable	13,646,248	12,830,416
Advance billings	1,655,346	1,715,470
Accrued liabilities	8,503,064	8,407,058
Other current liabilities	8,561,099	11,630,156
Total current liabilities	<u>50,861,950</u>	<u>48,457,598</u>
NON-CURRENT LIABILITIES:	<u>956,873</u>	<u>1,290,179</u>
<b>DEFERRED CREDITS:</b>		
Deferred income taxes:		
Operating	54,198,007	48,037,034
Non-operating	94,864	(93,496)
Deferred investment tax credit:		
Operating	18,503,526	19,318,807
Non-operating	134	56,910
Other deferred credits	1,612,669	1,360,827
Total deferred credits	<u>74,409,200</u>	<u>68,680,082</u>
<b>TOTAL CAPITALIZATION AND LIABILITIES</b>	<u><u>\$310,191,935</u></u>	<u><u>\$305,369,657</u></u>

Income Statement of  
Commonwealth Telephone Company  
(12 months ending March 31, 1987)

EXHIBIT C

COMMONWEALTH TELEPHONE COMPANY  
INCOME STATEMENT

ACCT.	DESCRIPTION	12 Months Ended 03/31/87	12 Months Ended 03/31/86
<b>OPERATING REVENUES:</b>			
500	Local Service Revenues	19236851	19358658
510	Toll Service Revenues	64594178	53681551
520	Miscellaneous Revenues	4472716	3880283
530	Uncollectible Operating Revenues	-260379	32689
	<b>Total Operating Revenues</b>	<b>88003366</b>	<b>76953181</b>
<b>OPERATING EXPENSES AND TAXES:</b>			
600	Maintenance Expenses	12062857	12864893
620	Traffic Expenses	7253979	2701443
640	Commercial Expenses	4256816	4351107
660	General Office Salaries and Expenses	12814066	11295519
667	Other Operating Expenses	602927	1877021
	<b>Total Above Expenses</b>	<b>36990645</b>	<b>33889983</b>
600.1	Depreciation Expense	17594690	15559409
609	Extraordinary Retirement	72530	46267
	<b>Total Operating Expenses</b>	<b>54657865</b>	<b>48695659</b>
304	Investment Tax Credit, Net	-1003404	371937
307.10	State Income Tax	1383652	1617164
307.11	Gross Receipts Tax	5751142	2141635
307.12	Capital Stock Tax	778374	800567
	Other State Taxes	508965	563898
306	Federal Income Tax	6167990	5207750
	Other Federal Taxes	1069525	1110846
308	Deferred Federal Income Tax	2211923	599564
	Deferred State Income Tax	573150	136785
309	Income Credit from Deferred Income Taxes	-204118	-192974
	<b>Total Operating Expenses and Taxes</b>	<b>71895064</b>	<b>61052831</b>
	<b>Net Operating Income</b>	<b>16108302</b>	<b>15900350</b>
<b>OTHER INCOME:</b>			
313.1	Interest during Construction	0	0
	Other Income, Net	2394288	1950473
	<b>Total Other Income</b>	<b>2394288</b>	<b>1950473</b>
	<b>Income Available for Fixed Charges</b>	<b>18502590</b>	<b>17850823</b>
<b>FIXED CHARGES:</b>			
335	Interest on Funded Debt	5559654	5738939
336	Other Interest Deductions	183371	559665
338	Amortization of Discount on Funded Debt	8360	8366
340	Other Fixed Charges	0	0
	<b>Total Fixed Charges</b>	<b>5851385</b>	<b>6298970</b>
	<b>NET INCOME</b>	<b>12651205</b>	<b>11551853</b>

Income Statement of  
United Telephone Company of Pennsylvania  
(12 months ending March 31, 1987)

EXHIBIT D

THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA  
 INCOME STATEMENT  
 Twelve Months Ended March 31, 1987

1987

<b>OPERATING REVENUES:</b>	
Local service	\$ 48,162,086
Toll service	39,620,293
Access charge revenue	51,827,368
Miscellaneous	7,332,469
Less uncollectible revenue	<u>670,484</u>
Total operating revenues	<u>146,271,732</u>
 <b>OPERATING EXPENSES:</b>	
Maintenance	23,565,314
Depreciation and amortization	28,913,285
Traffic	3,307,611
Commercial	6,629,637
General office	12,047,029
Other operating	<u>17,738,614</u>
Total operating expenses	<u>92,201,490</u>
Net operating revenues	<u>54,070,242</u>
 <b>OPERATING TAXES:</b>	
State income - current	1,945,652
State income - deferred	1,260,351
Federal income - current	7,682,603
Federal income - deferred	4,645,797
Investment tax credit - net	(731,857)
Gross receipts tax	10,970,913
Capital stock tax	1,247,392
Property tax	341,625
Other operating taxes	<u>2,788,308</u>
Total operating taxes	<u>30,150,784</u>
<b>NET OPERATING INCOME</b>	<u>23,919,458</u>
 <b>NON-OPERATING INCOME</b>	 752,488
<b>INCOME AVAILABLE FOR FIXED CHARGES</b>	<u>24,671,946</u>
 <b>FIXED CHARGES</b>	
Interest on funded debt	6,271,421
Other interest deductions	2,334,089
Amortization of long-term debt expense	33,175
Total fixed charges	<u>8,638,685</u>
Net income before extraordinary charges	16,033,261
Extraordinary charges	<u>(5,070)</u>
 <b>NET INCOME</b>	 <u>\$ 16,038,331</u>

Purchase Agreement  
Between  
Commonwealth Telephone Company  
And  
The United Telephone Company  
of Pennsylvania  
(dated May 8, 1987)

EXHIBIT E

PURCHASE AGREEMENT  
BETWEEN  
COMMONWEALTH TELEPHONE COMPANY  
AND  
THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA

THIS AGREEMENT made and entered into as of May 8, 1987, by and between Commonwealth Telephone Company, a Pennsylvania corporation with offices at 100 Lake Street, Dallas, Pennsylvania 18617 ("CTCO"), and The United Telephone Company of Pennsylvania, a Pennsylvania corporation ("UTCP"), with offices at 1170 Harrisburg Pike, Carlisle, Pennsylvania 17013.

WITNESSETH:

WHEREAS, UTCP owns assets used to provide telephone service in the service territory as shown on the Exchange Map ("Uhlenstown Exchange") and is authorized to provide such service to the Uhlerstown Exchange as is indicated by the Certificate of Public Convenience, both of which are attached hereto as Attachment A and incorporated herein by reference; and

WHEREAS, UTCP desires to sell to CTCO and CTCO desires to purchase from UTCP the assets used to provide telephone service in the Uhlerstown Exchange.

ARTICLE I  
PURCHASE OF PROPERTIES

1. The Purchase. Subject to the terms and conditions set forth in this Agreement, UTCP agrees to convey, assign, transfer and deliver to CTCO all of the tangible and intangible assets and properties, real, personal and mixed, used by UTCP to provide telephone service in the Uhlerstown Exchange, including but not limited to all leases, licenses, permits and rights of way all as more particularly described in Sections A, B and C of Attachment B which is attached hereto and incorporated herein by reference ("Uhlenstown Assets" or "Assets"), but excluding from such transfer all patents, patent rights, trademarks, service marks and trade names and applications for and licenses with respect thereto, and the assets and other items specified in Attachment C which is attached hereto and incorporated herein by reference. CTCO will also purchase from UTCP the outstanding accounts receivable derived from the operation of the Uhlerstown Exchange as more particularly identified in Section D of Attachment B ("Accounts Receivable").

2. Closing. Unless this Agreement is first terminated as provided in Article VII hereof, and subject to the satisfaction of or waiver of the obligations of the parties hereto and all conditions precedent, the closing of the transactions ("Closing") shall take place at the offices of CTCO at

100 Lake Street, Dallas, Pennsylvania 18612, beginning at 10 a.m. local time on September 30, 1987, or at such other time and place as the parties may mutually agree upon in writing ("Closing Date").

A. Conveyance Instruments. At the Closing UTCP shall at its own cost and expense deliver to CTCO all bills of sale, assignments and other documents necessary to convey, assign and transfer the Uhlerstown Assets to CTCO ("Transfer Documents"). The Transfer Documents shall be in form and substance sufficient to vest in CTCO good and valid title to all the Uhlerstown Assets, free and clear of all liens and encumbrances, except liens and encumbrances that are not material in the aggregate and do not materially interfere with the conduct of a telephone business in the Uhlerstown Exchange.

B. Payments and Assumption of Certain Obligations.

(i) At the Closing CTCO shall assume the contracts and obligations of UTCP set forth in Attachment D which is attached hereto and incorporated herein by reference and procure the release and discharge of UTCP therefrom, or indemnify and hold harmless UTCP from and against all such obligations to be assumed.

(ii) At the Closing CTCO shall pay to UTCP Five Hundred Ninety-seven Thousand Nine Hundred Seventy Dollars (\$597,970) for the Uhlerstown Assets. Such payments shall be made by wire transfer in current day federal funds to UTCP's account at Hamilton Bank, Lancaster, Pennsylvania, Account No. 61-122257.

(iii) Prior to the Closing, UTCP shall prepare and deliver to CTCO schedules setting forth the amount of the outstanding Accounts Receivable derived from the operations of the Uhlerstown Exchange as of the most recent practical date within thirty (30) business days before the Closing Date ("Record Date"). At the Closing, CTCO shall pay to UTCP an amount equal to ninety-seven percent (97%) of the Uhlerstown Exchange Accounts Receivable as of the Record Date. Such payments shall be made by wire transfer to UTCP's account as set forth in B(ii) above.

(iv) Within thirty (30) days after the Closing Date, UTCP shall prepare and deliver to CTCO an initial true-up of the Accounts Receivable and within ninety (90) days after the Closing Date UTCP shall prepare and deliver to CTCO a final true-up of the Accounts Receivable. The true-ups will consist of revised schedules setting forth the outstanding Accounts Receivable derived from the operations of the Uhlerstown Exchange from the Record Date through the Closing Date. The parties shall negotiate in good faith and determine the change, if any, in the amount of outstanding receivables. In the event the parties agree that there has been such a change, the cash payment made by CTCO for such Accounts Receivable shall be adjusted to reflect such change and the appropriate party shall promptly pay to the other by wire transfer in current day federal funds the amount required to adjust the payments made for such Accounts Receivable as if the revised schedule had been utilized in determining the payments made at the Closing. Any dispute relating to the computations set forth in the revised schedules which remains unresolved more than thirty (30) days after the

first written notice given by any party to the other of the existence of any such dispute may be submitted by either party to the accounting firm of Coopers and Lybrand, 301 Market Street, Harrisburg, Pennsylvania, for determination by such firm, and the determination of such firm shall be binding on the parties hereto. CTCO and UTCP shall each pay one-half of such accounting firm's fees and expenses in connection with any such determination.

C. Additional Documents. At the Closing the parties shall also deliver such opinions, certificates, documents and instruments referred to in Article VI.

## ARTICLE II REPRESENTATIONS AND WARRANTIES OF UTCP

UTCP as to itself and the Uhlerstown Exchange makes the following representations and warranties:

1. Incorporation; Qualification. UTCP is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has full power and authority, corporate and otherwise, to own its properties and to carry on its business as it is now being conducted.

2. Corporate Power. UTCP has full power, corporate and otherwise, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and has taken or will take all action required by law, its certificate of incorporation, its bylaws or otherwise to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

3. Validity. This Agreement constitutes a legal, valid and binding obligation of UTCP enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally.

4. No Violation of Law, Etc. The execution, delivery and performance by UTCP of this Agreement, and the consummation of the transactions contemplated hereby, do not conflict with, violate or constitute a breach of or a default under, or result in the creation or imposition of any lien, charge, claim, mortgage, security interest or encumbrance upon any of the Assets, under any provision of (a) the Certificate of Incorporation or Bylaws of UTCP (b) any applicable law, regulation, order, writ, award, decree or injunction of any court, arbitrator, commission, board or other administrative agency, or (c) any loan agreement, credit agreement, mortgage, indenture, promissory note, lien, lease or other agreement or instrument to which UTCP is a party or by which any of the Assets may be bound, except such loan agreements, credit agreements, mortgages, indentures, promissory notes, liens or leases for which UTCP will obtain a release.

5. Authorization, etc. All authorizations, consents, certificates of public convenience and necessity, approvals, licenses, franchises, permits, exemptions or other actions by or notices to or filings with any court or administrative or governmental body which are necessary or appropriate to

enable UTCP to carry on the business in which it is presently engaged in the Uhlerstown Exchange have been obtained, taken or made, and are in full force and effect, and there has been no default in any material respect by UTCP or any other party under any of the terms of such authorization, consents, certificates, approvals, licenses, franchises, permits, exemptions, actions, notices or filings.

6. Title. UTCP has, and at the Closing Date will have, good and valid title to all Assets held by it, in each case free and clear of all liens and encumbrances except liens and encumbrances that are not material in the aggregate and do not materially interfere with the conduct of a telephone business and except to the extent that certain of the Assets, since the date of this Agreement, may have been disposed of in the ordinary course of business and except for those liens and encumbrances for which UTCP will have obtained a release prior to Closing as specified in Attachment E which is attached hereto and incorporated herein by reference.

7. Properties and Assets. The Uhlerstown Assets include all plant, materials, fixtures, equipment, machinery and supplies necessary to conduct the business presently being conducted by UTCP in the Uhlerstown Exchange, as set forth in Sections A, B and C of Attachment B. All of such Assets are in substantially good operating condition and repair, normal wear and tear excepted.

8. Net Book Value Statement. CTCO will be provided a Net Book Value statement of the Uhlerstown Assets dated as of the Closing Date which will be prepared in accordance with regulatory accounting principles and delivered to CTCO within thirty (30) days after the Closing Date.

9. No Adverse Change, Etc. Except as disclosed in Attachment F, which is attached hereto and incorporated herein by reference, since December 31, 1986, there has not been: (i) any change in the business, results of operations or financial condition or the manner of conducting the business of the Uhlerstown Exchange other than changes in the ordinary course of business, none of which has had a material adverse effect on such Exchange's business, operations or financial condition; (ii) any damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the Assets or the business or operations of UTCP in the Uhlerstown Exchange; (iii) any amendment or termination by UTCP of any material contract, agreement or license in the Uhlerstown Exchange other than in the ordinary course of business.

10. No Material Claims. Except as disclosed in Attachment G, which is attached hereto and incorporated herein by reference, there are no material claims, actions, suits or proceedings pending or, to the knowledge of UTCP, threatened against the Uhlerstown Assets or which in UTCP's opinion would prevent or hinder the consummation of the transactions contemplated hereby, and UTCP is not a party to or subject to any judgment or decree entered in any judicial, governmental, regulatory or administrative proceeding affecting the Uhlerstown Assets or the business of UTCP in the Uhlerstown Exchange other than administrative orders, if any, entered in the ordinary course of

business which are neither individually nor in the aggregate unduly burdensome to the properties in the Uhlerstown Exchange.

11. Tax Returns and Payments. All tax returns and reports of UTCP required by law to be filed with respect to the business presently being conducted by UTCP in the Uhlerstown Exchange have been duly filed, and all taxes, assessments and other governmental charges now due (other than any still payable without penalty) upon the Uhlerstown Assets have been paid.

12. Material Statements. This Agreement and the documents furnished hereunder by UTCP do not contain any untrue statement of a material fact or omit to state a material fact necessary to be stated in order to make the statements contained herein and therein not misleading; and there is no fact which materially adversely affects or in the future (so far as UTCP now foresees) that will materially adversely affect the Uhlerstown Assets which has not been set forth in this Agreement and the other documents furnished hereunder.

13. Agreements. Except as disclosed in this Agreement or in any of the Attachments to this Agreement, UTCP has no other agreements, contracts, commitments or arrangements for which CTCO will be responsible or obligated to assume as a part of this transaction.

14. Representations and Warranties True and Complete. The representations and warranties made herein by UTCP shall in the aggregate have been true and complete in all material respects when made and as of the Closing, with the same effect as if made at the time of Closing. For the purposes of this Section, such representations and warranties shall be considered to be true and complete in the aggregate in all material respects if there have been no misrepresentations or breaches of warranties that would result in claims (i) for indemnity hereunder in excess of \$5,000.00, or (ii) seeking to prevent the consummation of the transactions contemplated herein.

ARTICLE III  
REPRESENTATIONS AND  
WARRANTIES OF CTCO

CTCO makes the following representations and warranties:

1. Incorporation; Qualification. CTCO is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and has full power and authority, corporate and otherwise, to own its properties and to carry on its business as it is now being conducted.

2. Corporate Power. CTCO has full power, corporate and otherwise, to execute and deliver this Agreement and to consummate the transactions contemplated hereby and has taken or will take all action required by law, its certificate of incorporation, its bylaws or otherwise to authorize the

execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder.

3. Validity. This Agreement constitutes a legal, valid and binding obligation of CTCO, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally.

4. No Violation of Law, Etc. The execution, delivery and performance by CTCO of this Agreement, and the consummation of the transactions contemplated hereby, do not conflict with, violate or constitute a breach of or a default under, any provision of (a) the Certificate of Incorporation or Bylaws of CTCO, (b) any applicable law, regulation, order, writ, award, decree or injunction of any court, arbitrator, commission, board or other administrative agency, or (c) any loan agreement, credit agreement, mortgage, indenture, promissory note, lien, lease or other agreement or instrument to which CTCO is a party or by which any of CTCO's properties may be bound.

#### ARTICLE IV REGULATORY APPROVALS

1. Consents and Approvals. Each of the parties hereto agrees that it will use its best efforts to obtain all consents and approvals required, and to take all other action reasonably required, to carry out the transactions contemplated by this Agreement. Without limiting the foregoing, CTCO and UTCP as soon as practicable shall cause to be filed with the necessary regulatory agencies applications and all necessary supporting data requesting the consent to and approval of such agencies regarding the consummation of the transactions contemplated by this Agreement.

2. Structure. Each of the parties agrees that it will exercise its best efforts to structure and consummate the transactions in such a way as to minimize the impact on the rate bases, revenue requirements and the rates pertaining to the territories involved.

#### ARTICLE V COVENANTS

1. Investigations. UTCP agrees that prior to the Closing Date CTCO and its representatives may make such investigations of the Uhlerstown Assets and the operations of UTCP in the Uhlerstown Exchange, as CTCO may deem necessary or advisable, but such investigations shall not affect any of the representations and warranties hereunder. UTCP will permit CTCO and its representatives to have full access to the premises of the Uhlerstown Exchange and to all books and records pertaining to the Uhlerstown Assets, and will furnish to CTCO and its representatives such financial and operating data and other information with respect to the business and properties of the Uhlerstown Exchange as CTCO or its representatives shall from time to time reasonably request. Any and all information obtained under this Agreement shall be confidential and shall not be communicated to any other person or entity except in connection with the transactions contemplated by this Agreement. The confidentiality obligations of CTCO hereunder shall cease to the extent such information enters the public domain in any manner other

than by CTCO's breach of its obligation set forth in the preceding sentence. Any copies, reproductions or facsimiles of such information made by CTCO under this Agreement shall at the request of UTCP be returned immediately if for any reason the transactions provided for in this Agreement are not consummated on the Closing Date.

2. Trademarks. By reason of the transactions contemplated hereby CTCO will not acquire any right to the use of any trademark or service mark which is used by UTCP, or the words "United" or "United Telephone." Notwithstanding the foregoing, CTCO may continue to utilize in the ordinary course of business for a period of 90 days after the Closing Date any properties that are a part of the Assets and that contain such words, marks or letters. Additionally, CTCO will not be obligated to recall equipment from customers or subscribers in order to remove any such words, marks or letters.

3. Conduct of Business. (a) UTCP covenants and agrees that during the period from the date hereof to the Closing Date it will not, without the prior written consent of CTCO:

(i) Make any sale, assignment, transfer or other conveyance of any of the Uhlerstown Assets or any part thereof except in the usual and ordinary course of business, it being understood that any one transaction with respect to any of the Uhlerstown Assets having a net book value below \$10,000 shall be deemed as being in the ordinary course of business and any one transaction with respect to any of the Uhlerstown Assets having a net book value of \$10,000 or more shall be deemed not in the usual and ordinary course of business; and

(ii) Enter into any agreement, franchise, license, lease, or other arrangement with respect to operations in the Uhlerstown Exchange or amend any existing agreements, franchises, licenses, or leases with respect to such operations, except in connection with transactions entered into in the usual and ordinary course of business; and

(iii) Otherwise conduct or manage its business or affairs in the Uhlerstown Exchange outside the usual and ordinary course of routine operation; and

(iv) Engage in new construction or maintenance of plant except in the ordinary course of business, it being understood that any one transaction which has an expense in excess of \$5,000 shall be deemed not in the usual and ordinary course of business. Any new construction or addition to plant in excess of \$5,000 will be completed pursuant to a separate agreement entered into by UTCP and CTCO.

(b) UTCP further covenants and agrees that during the period from the date hereof to the Closing Date it will:

(1) Maintain, preserve and keep the Uhlerstown Assets in good repair, working order and condition and promptly make all needful and proper repairs, renewals, replacements, additions, betterments and improvements so that at all times the efficiency thereof shall be fully

preserved and maintained provided, however, that this covenant is subject to Article X herein; and

(ii) Properly pay and discharge all valid and due taxes, assessments and governmental charges upon or against the Uhlerstown Assets unless and to the extent that such taxes are being diligently contested in good faith and appropriate reserves therefor have been established, and properly pay and discharge all lawful claims, whether for labor, material, supplies, services or anything else which might or could, if unpaid, become a lien or charge upon the Uhlerstown Assets unless and to the extent that the same are being diligently contested in good faith and by appropriate proceedings and appropriate reserves therefor have been established; and

(iii) Comply with all valid and applicable statutes, rules and regulations, the violation of which would materially and adversely affect the Uhlerstown Assets.

4. Further Assurances. UTCP agrees that it shall, at any time and from time to time after the Closing Date, upon request of CTCO, do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required by CTCO in connection with transfer of the Uhlerstown Assets.

5. Toll Settlements. UTCP agrees that it will continue to perform the necessary toll separations cost studies for the Uhlerstown Exchange up to the Closing Date and that any toll settlements "true ups" which apply to the period prior to Closing shall be the sole responsibility of UTCP.

6. Accounts Receivable. CTCO agrees that, on and after the Closing Date, it will perform billing and collection services in connection with the purchased Accounts Receivable. UTCP agrees to promptly transfer or deliver to CTCO any cash received directly or indirectly by it in respect of any of the purchased Accounts Receivable.

7. Transitional Matters. CTCO will contract under separate agreement with UTCP to construct the necessary plant to include the Uhlerstown Exchange in the CTCO network by the end of August 1987. UTCP agrees to assist and cooperate with CTCO in the cutover of the Uhlerstown Exchange to the CTCO network.

#### ARTICLE VI CONDITIONS PRECEDENT TO CLOSING

1. Conditions Precedent to the Obligations of UTCP. The obligation of UTCP to transfer the Uhlerstown Assets to CTCO hereunder and consummate the transactions contemplated by this Agreement are subject to, and shall be conditioned upon, the fulfillment (or written waiver by UTCP) at or prior to the Closing of each of the following conditions:

(a) Proceedings and Documents. All corporate and other proceedings on the part of CTCO in connection with the transactions contemplated hereby and by the Transfer Documents and all documents and

instruments incidental to such transactions shall be satisfactory in form and substance to UTCP. UTCP shall have received all such counterpart originals or certified or other copies of such documents and instruments as it may reasonably request.

(b) No Change in Applicable Law. There shall have been no change in the provisions of any applicable law or regulations thereunder or interpretations thereof by appropriate courts or regulatory authorities since the date of this Agreement which would, in the opinion of UTCP, make it illegal for UTCP to consummate the transactions contemplated by this Agreement.

(c) Board of Directors Approval. The Boards of Directors of CTCO and UTCP shall have approved the transactions contemplated by this Agreement.

(d) Consents and Approvals. All consents, approvals, authorizations, permits, certificates and orders with respect to the transactions contemplated by this Agreement required from any person, entity or any court, governmental agency, authority or instrumentality, Federal, state or local, having or asserting jurisdiction over UTCP or CTCO or any of the Uhlerstown Assets, shall have been obtained and be valid and in full force and effect, and no conditions, requirements or qualifications shall have been imposed by any regulatory authority on the transactions or the existing business of UTCP in Pennsylvania, which, in the reasonable opinion of UTCP, are unduly onerous or burdensome to UTCP.

(e) No Litigation. No action, suit, investigation or other proceeding shall be pending before any court or governmental agency which, in the opinion of UTCP, attempts to restrain or prohibit the consummation of the transactions contemplated by this Agreement.

(f) Representations. The representations and warranties of CTCO contained in this Agreement shall be true in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date; and UTCP shall have received on the Closing Date a certificate of CTCO to such effect dated the Closing Date and executed by its President or a Vice President.

(g) Undertakings. Each of the acts and undertakings of CTCO to be performed on or before the Closing Date pursuant to the terms hereof shall have been duly performed.

(h) Mortgage. Upon the execution of this Agreement, UTCP will apply for a release of lien for the Uhlerstown Assets from its mortgage holder, Provident National Bank. The performance of UTCP hereunder is contingent upon UTCP receiving such release from lien on or before the Closing Date. UTCP agrees to make every reasonable effort to obtain the release as hereinabove stated.

(i) Legal Opinion. UTCP shall have received a favorable opinion

of the General Counsel of CTCO, addressed to UTCP, dated the Closing Date and in form and substance satisfactory to UTCP to the effect that:

(i) CTCO is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania and has corporate power and authority to execute, deliver and perform this Agreement.

(ii) The execution and delivery of this Agreement did not, and the consummation of the transactions contemplated by this Agreement will not, conflict with or result in a breach of the terms, conditions or provisions of (a) the Certificate of Incorporation or Bylaws of CTCO, (b) any law, regulation, order, writ, award, decree or injunction of any court, arbitrator, commission, board or other administrative agency known by such General Counsel (after making due investigation with respect thereto) to be applicable to CTCO or (c) any loan agreement, credit agreement, mortgage, indenture, promissory note, lien, lease or other similar agreement or instrument known to such General Counsel (after making due investigation with respect thereto) to which CTCO is a party or by which any of its properties may be bound;

(iii) This Agreement has been duly authorized, executed and delivered by CTCO and constitutes a valid and binding agreement of CTCO enforceable in accordance with its terms except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally;

(iv) To the knowledge of such General Counsel (after making due investigation with respect thereto), no authorizations, consents, certificates of public convenience and necessity, approvals, licenses, franchises, permits, exemptions or other actions by, or notices to or filings with, any Federal or state governmental or regulatory body are, on the Closing Date, legally required to enable CTCO to perform its obligations under this Agreement, except such authorizations, consents, certificates of public convenience and necessity, approvals, licenses, franchises, permits, exemptions, actions, notices and filings which have theretofore been received, obtained or made;

(v) Covering such other matters incident to the transactions contemplated hereby as UTCP may reasonably request.

2. Conditions Precedent to the Obligations of CTCO. The obligation of CTCO to consummate the transactions contemplated by this Agreement are subject to, and shall be conditioned upon, the fulfillment (or written waiver by CTCO) at or prior to the Closing of each of the following conditions:

(a) Proceedings and Documents. All corporate and other proceedings on the part of UTCP in connection with the transactions contemplated hereby and by the Transfer Documents and all documents and instruments incidental to such transactions shall be satisfactory in

form and substance to CTCO. CTCO shall have received all such counterpart originals or certified or other copies of such documents and instruments as CTCO may reasonably request.

(b) No Change in Applicable Law. There shall have been no change in the provisions of any applicable law or regulations thereunder or interpretations thereof by appropriate courts or regulatory authorities since the date of this Agreement which would, in the opinion of CTCO, make it illegal for CTCO to consummate the transactions contemplated by this Agreement.

(c) Board of Directors' Approval. The Boards of Directors of CTCO and UTCP shall have approved the transactions contemplated by this Agreement.

(d) Consents and Approvals. All consents, approvals, authorizations, permits, certificates and orders with respect to the transactions contemplated by this Agreement required from any person, entity or any court, governmental agency, authority or instrumentality, federal, state or local, having or asserting jurisdiction over UTCP or CTCO or any part of the Assets, shall have been obtained and be valid and in full force and effect, and no conditions, requirements or qualifications shall have been imposed by any regulatory authority on the transactions or the existing or proposed business of CTCO in Pennsylvania which, in the reasonable opinion of CTCO, are unduly onerous or burdensome to CTCO.

(e) No Litigation. No action, suit, investigation or other proceeding shall be pending before any court or governmental agency which, in the opinion of CTCO, attempts to restrain or prohibit the consummation of the transactions contemplated by this Agreement.

(f) Representations. The representations and warranties of UTCP contained in this Agreement shall be true in all material respects on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of such date; and CTCO shall have received on the Closing Date a certificate of UTCP to such effect dated the Closing Date and executed on behalf of UTCP by its President or a Vice President.

(g) No Adverse Change. Nothing shall have occurred subsequent to December 31, 1986, that, either in any case or in the aggregate, materially adversely affects or may reasonably be expected to materially adversely affect the operations, business, properties, or condition (financial or otherwise) of the Uhlertown Exchange, and CTCO shall have received a certificate of UTCP to such effect dated the Closing Date and executed on behalf of UTCP by its President or a Vice President.

(h) Undertakings. Each of the acts and undertakings of UTCP to be performed on or before the Closing Date pursuant to the terms hereof shall have been duly performed.

(i) Documents. UTCP shall have furnished CTCO with:

(i) All books, files and records of UTCP relating to its operations in the Uhlerstown Exchange except those which are proprietary material of UTCP or an affiliated corporation (delivery shall be deemed to have been made by having such books, files and records on the premises of CTCO on the Closing Date or within a reasonable time thereafter);

(ii) such duly executed assignments and other instruments of transfer and conveyance of the Uhlerstown Assets in such form as CTCO shall reasonably request; and

(iii) the written consent of any necessary party to the assignment of any franchise, lease, permit or agreement to which UTCP is a party relating to its operations in the Uhlerstown Exchange.

(j) Legal Opinion. CTCO shall have received a favorable opinion of the General Counsel of UTCP, addressed to CTCO, dated the Closing Date and in form and substance satisfactory to CTCO to the effect that:

(i) UTCP is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania, and has corporate power and authority to execute, deliver and perform this Agreement;

(ii) The execution and delivery of this Agreement did not, and the consummation of the transactions contemplated by this Agreement will not, conflict with or result in a breach of the terms, conditions or provisions of, or result in the creation or imposition of any lien, charge, claim, mortgage, security interest or encumbrance upon any of the Uhlerstown Assets under any provision of (a) the Certificates of Incorporation or Bylaws of UTCP, (b) any law, regulation, order, writ, award, decree or injunction of any court, arbitrator, commission, board or other administrative agency known by such General Counsel (after making due investigation with respect thereto) to be applicable to UTCP or (c) any loan agreement, credit agreement, mortgage, indenture, promissory note, lien, lease or other similar agreement or instrument known to such General Counsel (after making due investigation with respect thereto) to which UTCP is a party or by which any of the Uhlerstown Assets may be bound, except such loan agreements, credit agreements, mortgages, indentures, promissory notes, liens or leases for which UTCP has obtained a release for the Uhlerstown Assets;

(iii) This Agreement has been duly authorized, executed and delivered by UTCP and constitutes a valid and binding agreement enforceable in accordance with its terms except as enforceability thereof may be limited by bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally;

(iv) To the knowledge of such General Counsel (after making due investigation with respect thereto), no authorizations, consents, certificates of public convenience and necessity, approvals, licenses, franchises, permits, exemptions or other actions by, or

notices to or filings with, any Federal or state governmental or regulatory body are, on the Closing Date, legally required to enable UTCP to perform its obligations under this Agreement, except such authorizations, consents, certificates of public convenience and necessity, approvals, licenses, franchises, permits, exemptions, actions, notices and filings which have theretofore been received, obtained or made; and

(v) Covering such other matters incident to the transactions contemplated hereby as CTCO may reasonably request.

#### ARTICLE VII TERMINATION

This Agreement and the transactions contemplated hereby may be terminated for the following reasons at any time prior to the Closing, and any such termination shall be without liability of any party to any other party:

- (a) by mutual consent of UTCP and CTCO;
- (b) by UTCP or CTCO if the transactions shall not for any reason have been consummated on or prior to September 30, 1987, or such later date as may be mutually agreed upon pursuant to Article I, Section 2 of this Agreement;
- (c) by UTCP if any of the conditions provided in Section 1 of Article VI of this Agreement have not been met and have not been waived by UTCP; or
- (d) by CTCO if any of the conditions provided in Section 2 of Article VI of this Agreement have not been met and have not been waived by CTCO.

#### ARTICLE VIII BROKERS - FINDERS

No Brokers. The parties hereby represent and warrant that no broker or finder has been employed by any of them in connection with this Agreement and the consummation of the transactions contemplated hereby.

#### ARTICLE IX SURVIVAL OF REPRESENTATIONS AND WARRANTIES

The parties agree that the representations and warranties, covenants and agreements contained in this Agreement survive the Closing and shall be in full force and effect for a period of one year after the Closing Date, provided that (i) the fraudulent concealment of the breach by either party of a representation or warranty contained herein shall toll such period until such breach has or in the exercise of reasonable care should have been discovered and (ii) all such representations and warranties as related to

tax liabilities of UTCP shall survive the closing hereunder for a period of two years.

ARTICLE X  
DESTRUCTION OF UHLERSTOWN ASSETS

The risk of loss for damage to the Uhlerstown Assets by any casualty, other than that due to CTCO's actions or omissions to act, is assumed by UTCP until the Closing Date. In case the Uhlerstown Assets shall suffer damage beyond ordinary wear and tear, which damage is not the fault of CTCO, and such damage substantially and adversely affects the ability of CTCO to use the Assets in a manner contemplated by CTCO, UTCP shall have the option to 1) to repair or rebuild the Uhlerstown Assets to the condition immediately prior to such damage or destruction, provided, however, that UTCP shall not be responsible for repairing or rebuilding improvements made by CTCO to the Uhlerstown Assets; or 2) abate the price payable hereunder proportionately according to the extent of the injury or damage sustained by the Uhlerstown Assets. UTCP will exercise its option within 30 days of the sustainment of said damage.

ARTICLE XI  
INDEMNIFICATION

Mutual Indemnification.

(a) UTCP agrees to indemnify and hold harmless CTCO from and against any and all losses, liabilities, claims, damages, costs and expenses, known or unknown (including without limitation reasonable attorneys' fees and any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) of any kind and nature which arise out of or arise in connection with (i) the incorrectness or breach of any representation or warranty made by UTCP in this Agreement or in the Attachments attached hereto or in any instrument delivered hereunder or (ii) the nonperformance or nonfulfillment by UTCP of any of its covenants to be performed either before or after the Closing Date.

(b) CTCO agrees to indemnify and hold harmless UTCP from and against any and all losses, liabilities, claims, damages, costs and expenses, known or unknown (including without limitation reasonable attorneys' fees and any and all expenses whatsoever reasonably incurred in investigating, preparing or defending against any litigation commenced or threatened or any claim whatsoever) of any kind and nature which arise out of or arise in connection with (i) the incorrectness or breach of any representation or warranty made by CTCO in this Agreement or in the Attachments attached hereto or in any instrument delivered hereunder or (ii) the nonperformance or nonfulfillment by CTCO of any of its covenants to be performed either before or after the Closing Date.

ARTICLE XI  
MISCELLANEOUS

1. Governing Law. This Agreement shall be construed and enforced in

accordance with the laws of the Commonwealth of Pennsylvania.

2. Headings. The Article headings in this Agreement are for convenience and reference purposes only and should not affect in any way the meaning and interpretation of this Agreement.

3. Notices. All notices or other communications given hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or sent by certified or registered mail to the respective parties' addresses set forth in the first paragraph of this Agreement, or to such other addresses as the parties may designate from time to time by written notice to the other parties.

4. Entire Agreement. This Agreement represents the entire understanding of the parties hereto relative to the subject matter hereof, supersedes all other and prior agreements between the parties, and the terms and provisions of this Agreement may not be modified or amended, except in writing.

5. Successors. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

6. Counterparts. This Agreement may be executed simultaneously in two or more counterparts or any number of duplicate originals, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

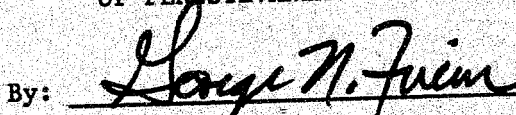
COMMONWEALTH TELEPHONE COMPANY

By: 

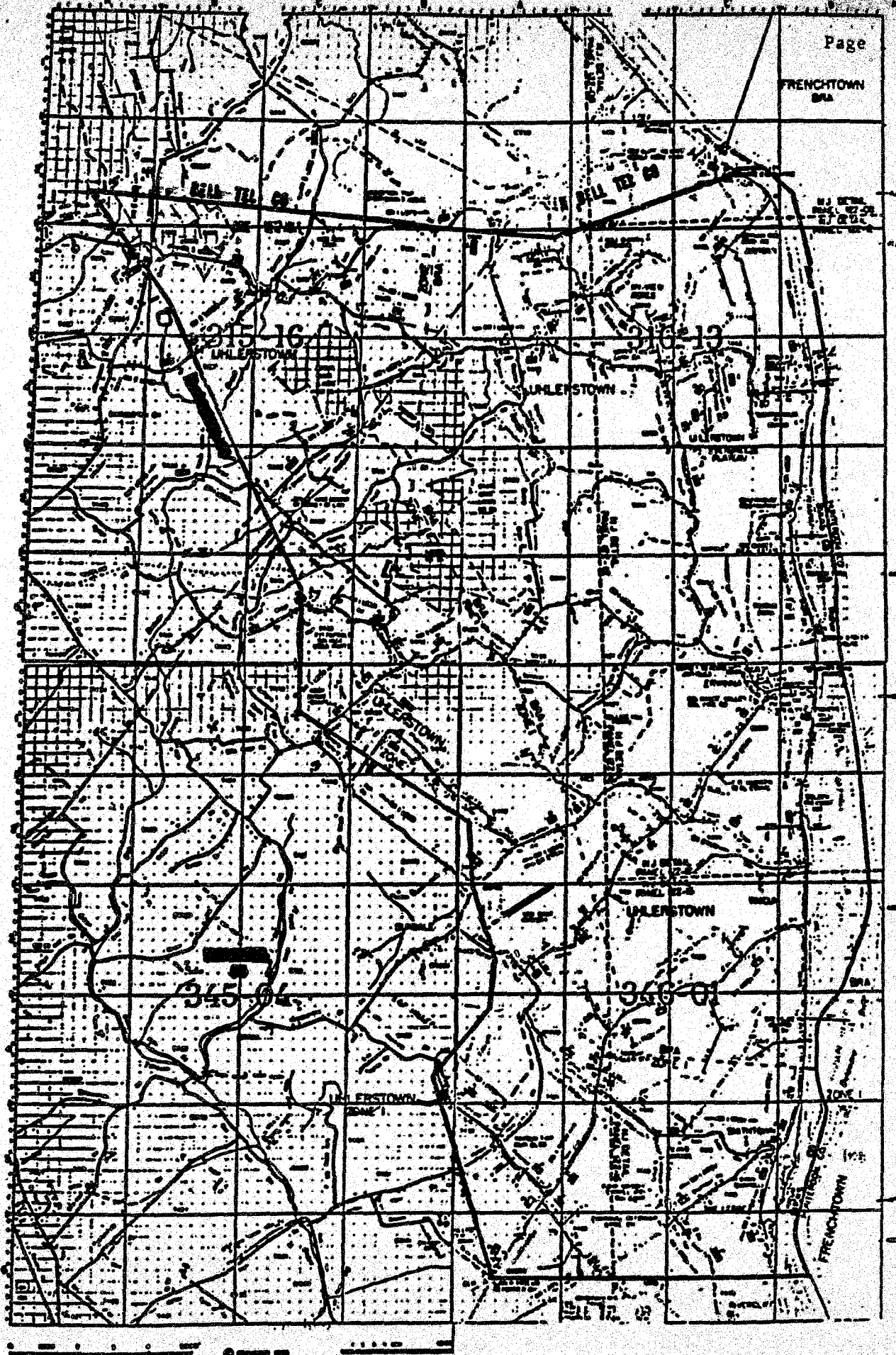
Title: Executive Vice President

THE UNITED TELEPHONE COMPANY  
OF PENNSYLVANIA

By:



Title: Vice President-Finance &  
Administration



DCSO-35

3-1-60.34 272

A. 87733

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

IN THE MATTER OF THE APPLICATION OF

THE UNITED TELEPHONE COMPANY OF  
PENNSYLVANIA, under Section 202(b),  
Article II, of the Public Utility Law,  
for approval of the Restatement of its  
Articles of Incorporation.

CERTIFICATE  
OF  
PUBLIC CONVENIENCE

The Pennsylvania Public Utility Commission hereby certifies that after an investigation and/or hearing had on the above entitled application, it has, by its report and order made and entered, a copy of which is attached hereto and made a part hereof, found and determined that the granting of said application is necessary or proper for the service, accommodation, convenience and safety of the public, and this certificate is issued evidencing its approval of the said application as set forth in said report and order.

In Testimony Whereof, The PENNSYLVANIA PUBLIC UTILITY COMMISSION has caused these presents to be signed and sealed, and duly attested by its Secretary at its office in the city of Harrisburg this 21st day of November 1960.

PENNSYLVANIA  
PUBLIC UTILITY COMMISSION

Attest:



*[Handwritten signature]*

Chairman

*William P. [Signature]*  
Secretary

Before the  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

In re: Application of  
THE UNITED TELEPHONE COMPANY  
OF PENNSYLVANIA  
for a Certificate of Public  
Convenience under the provisions  
of Section 202(b) for approval  
of the Amendment and Restatement  
of its Articles of Incorporation.

Application Docket  
No. \_\_\_\_\_

To the PENNSYLVANIA PUBLIC UTILITY COMMISSION:

1. The name and address of the applicant are:

The United Telephone Company of Pennsylvania  
227 Walnut Street  
Harrisburg, Pennsylvania

2. The names and address of applicant's attorneys are:

John C. Kelley, Esq.  
Hull, Leiby and Metzger  
203-216 Walnut Street  
Harrisburg, Pennsylvania

3. The applicant is incorporated and existing under the Act of the General Assembly of the Commonwealth of Pennsylvania approved the 29th day of April, 1874, P.L. 73, and the several amendments and supplements thereto.

4. The applicant was incorporated in 1915. It now furnishes telephone service to the public in fifteen counties, its operating territory being clearly defined in its tariffs filed with your Honorable Commission and to which reference is hereby made.

5. The applicant desires to amend and restate its Articles of Incorporation as authorized and provided by the Act of the General Assembly of the Commonwealth of Pennsylvania approved June 14, 1907, P.L. 321. There is attached hereto the proposed Amendment and Restatement of Articles of Incorporation reciting the corporate action taken by the Board of Directors and the shareholders of the applicant, including:

a copy of the resolution of the shareholders amending and restating the Articles of Incorporation.

6. No other corporation, partnership or individual is now furnishing telephone service to the public in the territory served by applicant except The Bell Telephone Company of Pennsylvania. However, applicant has served a copy of this application upon all corporations, partnerships and individuals known to furnish public utility telephone service in the territory contiguous to that served by applicant, the service having been made as listed on Exhibit B attached hereto; and applicant has also served a copy of this application upon The Bell Telephone Company of Pennsylvania.

7. The amendment and restatement of the Articles of Incorporation is entirely an internal corporate matter. It will result in no change in the territory served by the applicant; will require no change in its physical facilities; will involve no change of customers or change in the applicant's tariffs; and will involve no additional financing. The primary reason for the restatement is that the charter of the company, consisting of all corporate actions requiring charter amendment, such as change in the authorized and issued stock and indebtedness of the company, property acquisitions, change of name, etc., has resulted in an accumulation of a current charter of approximately 650 pages. This charter is unwieldy, unworkable, and its reproduction and distribution to interested parties a burdensome expense. The sole purpose of the amendment and restatement, as authorized by the aforesaid Act of the General Assembly, is to simplify and codify the company's existing charter rights, adding thereto a very small portion of Somerset County and clarifying the boundaries in Bucks County, all of which will affect only charter powers, without in any way affecting or changing operating territory.

8. The granting of the application will be for the safety, accommodation and convenience of the public.

WHEELPOEL, applicant prays your Honorable Commission to issue its Certificate of Public Convenience under the provisions of the Public Utility Law as herein prayed for.

Respectfully submitted,

THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA

(SEAL)

By

/s/ L. E. THURSTON  
L. E. Thurston, President

Attest:

/s/ CHARLES B. FISHEL  
Charles B. Fishel, Secretary

COMMONWEALTH OF PENNSYLVANIA :  
COUNTY OF DAUPHIN : EG.  
:

Before me a Notary Public in and for said County and Commonwealth personally appeared L. E. THURSTON, who, being duly sworn according to law, deposes and says that he is President of THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA, the applicant herein, and that the facts contained in the application are true and correct to the best of his knowledge, information and belief.

/s/ L. E. THURSTON

L. E. Thurston, President

Sworn to and subscribed before me this 7th day of October, 1950.

/s/ WILHELMINA POTTEIGER

Notary Public

(NOTARIAL  
SEAL)

My Commission Expires:  
June 18, 1952  
Harrisburg, Pa. Dauphin County

AMENDMENT AND RESTATEMENT OF ARTICLES OF INCORPORATION  
OF  
THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA

TO THE GOVERNOR OF THE COMMONWEALTH OF PENNSYLVANIA:

SIR:

In compliance with the requirements of the Act of the General Assembly of the Commonwealth of Pennsylvania of June 14, 1957, P. L. 321, entitled an act "Authorizing corporations subject to the Corporation Amendment Act of One Thousand Eight Hundred and Eighty-Three, to restate their articles of incorporation in their entirety," THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA hereby amends and restates its Articles of Incorporation and certifies under its corporate seal:

1. The name of the corporation is THE UNITED TELEPHONE COMPANY OF PENNSYLVANIA, with its principal office located at 227 Walnut Street, Harrisburg, Dauphin County, Pennsylvania.

2. On November 7, 1901 Cumberland Valley Telephone Company was formed by the consolidation of Dauphin County Telephone Company, Adams County Telephone Company, Hanover Telephone Company, Cumberland Valley Telephone and Telegraph Company, and Southern Pennsylvania Telephone Company.

The United Telephone Company of Pennsylvania was incorporated December 28, 1915 as Cumberland Valley Telephone Company of Pa. by virtue of re-organization by the purchasers of all of the real, personal and mixed property and the corporate franchises of Cumberland Valley Telephone Company in accordance with the provisions of an Act entitled "A Supplement to an Act entitled, 'An Act concerning the sale of railroads, canals, turnpikes, bridges and plank roads,' approved the 8th day of April, one thousand eight hundred sixty-one, extending the provisions of said act to coal, iron, steel, lumber or oil or mining, manufacturing, transportation and telegraph companies in this Commonwealth," approved the 25th day of May, 1878, P. L. 145, and the supplements and amendments thereto.

EXHIBIT A

On May 4, 1931 the name of Cumberland Valley Telephone Company of Pa. was changed to The United Telephone Company of Pennsylvania.

3. A duly held meeting of the shareholders of said corporation to take action on the proposed amendment and restatement of the Articles of Incorporation was held on May 4, 1959 at the principal office of the corporation.

4. At the time of the meeting of the shareholders on May 4, 1959, there were issued and outstanding 153,508 shares of Common stock, constituting all of the voting stock of the corporation. At the said meeting of the shareholders held May 4, 1959, a resolution was adopted authorizing the amendment and restatement of the Articles of Incorporation, at which time 153,508 shares of Common capital stock were voted in favor of the resolution and no shares were voted against the resolution, which resolution was modified by unanimous authorization by the holders of all of the voting shares of the capital stock of the corporation, dated August 26, 1960, the following resolution being thus adopted, viz:

RESOLVED, That the Charter of The United Telephone Company of Pennsylvania be amended and restated in its entirety as follows:

1. The name of the Company is The United Telephone Company of Pennsylvania.
2. The corporation is formed for the purpose of supplying telephone service to the public and doing all things incidental and necessary therefor in all or portions of the counties of:

Adams	Franklin
Bedford	Fulton
Blair	Huntingdon
Bucks	Juniata
Centre	Mifflin
Clinton	Somerset
Cumberland	Perry
Dauphin	York

as more fully shown on the map attached hereto.

3. The principal office of the corporation is 227 Walnut Street, Harrisburg, Pennsylvania.
4. The corporation is to exist perpetually.
5. The names and addresses of the first directors of the corporation are:

UHLERSTOWN EXCHANGE

A. RIGHT OF WAY AGREEMENTS, LICENSES AND PERMITS

1. Right of Way Agreement between The United Telephone Company of Pennsylvania and The Institute for the Achievement of Human Potential dated June 23, 1982 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2515 at Page 1006.
2. Right of Way Agreement between The United Telephone Company of Pennsylvania and Bertram and Eleanor Alper dated March 9, 1965 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1790 at Page 454.
3. Right of Way Agreement between The United Telephone Company of Pennsylvania and Frederick A. Finger dated August 14, 1964 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1773 at Page 647.
4. Right of Way Agreement between The United Telephone Company of Pennsylvania and Benjamin and Kathryn Toy dated June 20, 1959 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1500 at Page 250.
5. Right of Way Agreement between The United Telephone Company of Pennsylvania and John and Yolanda Palzca dated June 11, 1959 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1500 at Page 248.
6. Right of Way Agreement between The United Telephone Company of Pennsylvania and Harold and Ruth Errickson dated June 9, 1959 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1500 at Page 246.
7. Right of Way Agreement between The United Telephone Company of Pennsylvania and Henry Dantzig dated August 3, 1959 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1500 at Page 244.
8. Right of Way Agreement between Bucks United Telephone Company\* and Earl Schaible dated March 17, 1955 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1292 at Page 575.
9. Right of Way Agreement between Bucks United Telephone Company and Frank Exley and Lena Exley, his wife, dated March 17, 1955 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1292 at Page 573.
10. Right of Way Agreement between Bucks United Telephone Company and Frank Exley and Lena Exley, his wife, dated March 17, 1955 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1292 at Page 571.
11. Right of Way Agreement between Bucks United Telephone Company and Charles and Louise Major dated February 24, 1953 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1089 at Page 298.

\*Bucks United was acquired by The United Telephone Company of Pennsylvania April 1, 1957.

12. Right of Way Agreement between Bucks United Telephone Company and Robert and Ann Goulding dated April 8, 1954 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1292 at Page 569.
13. Right of Way Agreement between Bucks United Telephone Company and John Schwartz dated April 24, 1954 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1292 at Page 567.
14. Right of Way Agreement between Bucks United Telephone Company and Fredy Mann dated June 8, 1954 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1292 at Page 565.
15. Right of Way Agreement between Bucks United Telephone Company and Fredy Mann dated June 16, 1953 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1160 at Page 465.
16. Right of Way Agreement between Bucks United Telephone Company and George E. Free dated June 16, 1953 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1160 at Page 467.
17. Right of Way Agreement between Bucks United Telephone Company and Robert and Doris Goulding dated September 10, 1952 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1059 at Page 551.
18. Right of Way Agreement between The United Telephone Company of Pennsylvania and Roy G. Weaver dated September 20, 1977 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2258 at Page 819.
19. Right of Way Agreement between The United Telephone Company of Pennsylvania and Daniel F. Buckley dated September 20, 1977 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2258 at Page 821.
20. Right of Way Agreement between The United Telephone Company of Pennsylvania and Charles and Maeve Marias dated May 8, 1979 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2376 at Page 136.
21. Right of Way Agreement between The United Telephone Company of Pennsylvania and William and Marlene Bieber dated November 16, 1970 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1992 at Page 411.
22. Right of Way Agreement between The United Telephone Company of Pennsylvania and Otto and Mary Bohlman dated December 8, 1970 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1992 at Page 791.
23. Right of Way Agreement between The United Telephone Company of Pennsylvania and John and Lillian Cochran dated December 8, 1970 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1992 at Page 409.

24. Right of Way Agreement between The United Telephone Company of Pennsylvania and Margaret Stein dated December 9, 1970 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1992 at Page 789.
25. Right of Way Agreement between The United Telephone Company of Pennsylvania and Patricia and William Feller dated January 11, 1974 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2119 at Page 559.
26. Right of Way Agreement between The United Telephone Company of Pennsylvania and James D. Tyler and Walter P. Laughlin dated January 11, 1974 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2119 at Page 557.
27. Right of Way Agreement between The United Telephone Company of Pennsylvania and Roy G. Weaver dated June 15, 1977 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2252 at Page 851.
28. Right of Way Agreement between The United Telephone Company of Pennsylvania and Paul E. Rook dated July 17, 1981 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2457 at Page 398.
29. Right of Way Agreement between The United Telephone Company of Pennsylvania and Peter A. Kulish dated May 8, 1979 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2376 at Page 1062.
30. Right of Way Agreement between The United Telephone Company of Pennsylvania and Stephen Grey Cook dated (unknown) and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2376 at Page 138.
31. Right of Way Agreement between The United Telephone Company of Pennsylvania and Philadelphia Council, Boy Scouts of America dated June 19, 1967 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1940 at Page 27.
32. Right of Way Agreement between The United Telephone Company of Pennsylvania and Mary Amadon and Esther Geremia dated (unknown) and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1929 at Page 641.
33. Right of Way Agreement between The United Telephone Company of Pennsylvania and Lewis and Erma Bohlman dated March 21, 1970 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1970 at Page 191.
34. Right of Way Agreement between The United Telephone Company of Pennsylvania and Franz and Johanna Schrey dated March 21, 1970 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1970 at Page 193.

35. Right of Way Agreement between The United Telephone Company of Pennsylvania and Gladys Powell dated April 4, 1979 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1929 at Page 639.
36. Right of Way Agreement between The United Telephone Company of Pennsylvania and Ralph and Anna Harrop dated April 7, 1967 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1861 at Page 1185.
37. Right of Way Agreement between The United Telephone Company of Pennsylvania and Percival G. K. Hocking dated November 23, 1985 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2647 at Page 758.
38. Right of Way Agreement between The United Telephone Company of Pennsylvania and William Cahill dated September 20, 1977 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2258 at Page 817.
39. Right of Way Agreement between Bucks United Telephone Company and Elizabeth Oberacker dated September 11, 1952 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1059 at Page 549.
40. Right of Way Agreement between Bucks United Telephone Company and Waibling, Inc. dated September 11, 1952 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 1059 at Page 554.
41. Right of Way Agreement between Bucks United Telephone Company and Robert and Carrie Griffith dated June 11, 1945--not recorded.
42. Right of Way Agreement between The United Telephone Company of Pennsylvania and William and Florence Loudon dated August 25, 1966 and recorded originally in the Recorder of Deeds Office for Bucks County in Deed Book 1843 at Page 844 and revised and rerecorded in Deed Book 1862, Page 178.
43. Right of Way Agreement between The United Telephone Company of Pennsylvania and Peter Kulish and Holly Kulish, and Stephen Grey Cook and Anita L. Cook, and Ralph Schlectic and Gladys Schlectic dated July 11, 1977 and recorded in the Recorder of Deeds Office for Bucks County in Deed Book 2246 at Page 937.
44. Right of Way Agreement between New Jersey Telephone Company and Edward and Saidie Lamberite dated July 25, 1946--not recorded.
45. Right of Way Agreement between Bucks United Telephone Company and the Commonwealth of Pennsylvania dated March 16, 1954, not recorded.
46. Right of Way Agreement between Bucks United Telephone Company and the Commonwealth of Pennsylvania dated February 1, 1955, not recorded.
47. Right of Way Agreement between Bucks United Telephone Company and the Commonwealth of Pennsylvania dated September 1, 1949, not recorded.

48. License Agreement between Bucks United Telephone Company and the Commonwealth of Pennsylvania dated March 16, 1954, not recorded.
49. Right of Way Agreement between The United Telephone Company of Pennsylvania and the Commonwealth of Pennsylvania dated April 16, 1962, not recorded.
50. Permit to The United Telephone Company of Pennsylvania from the Commonwealth of Pennsylvania dated May 18, 1977.
51. Permit to The United Telephone Company of Pennsylvania from the Pennsylvania Game Commission dated June 24, 1964.

B. Station Apparatus and House Cable

<u>Description</u>	<u>Total Units (approximate)</u>
1. Telephone Sets-Nonregulated Lease	306
2. Ancillary Equipment-Nonregulated Lease (Bells, Buzzers, Keys, etc.)	40
3. Key System - Telephone Sets-Nonregulated Lease	17
4. Key Service Unit-Nonregulated Lease	2
5. Ancillary Key Equipment-Nonregulated Lease (Bells, Buzzers, Keys, etc.)	15
6. Subscriber Line Condition Equipment (In-place)	13
7. Public Telephone Booths	4
8. Station Connection Single Line	306
9. Key Station Connection	17
10. Station Connection Booth	4
11. House Cable (buildings)	6

C. Outside Plant--Consisting of service drops, poles, aerial cable, buried cable, wires, aerial load coil and other appurtenances presently owned by The United Telephone Company of Pennsylvania within the boundaries of the Uhlerstown Exchange on the following designated lines:

K000-K010	L000-L013
K013-K019	L015-L022
K021-K024	L024-L029
K026	L031
K031	L033-L037
K032	L039-L041
K035	L044-L048
K036	L051
K038-K044	L053
K046-K048	L055
K050-K052	L057
K054	L060-L065
K056	
K057	
K059-K068	M000
K070	
K072-K076	
K078-K097	
K099-K117	
K119-K126	
K128-K130	
K132-K138	
K141	
K144	

D. Accounts Receivable

1. Telephone Subscriber Billing Receivables which include but are not limited to:

- Local Telephone Service and Ancillary Services
- End User Customer Line Charges
- Interexchange Services
- Late Payment Charges
- NSF Check Charges
- Directory Advertising/Assistance (includes Directory Advertising Charges through January 31, 1988)
- Equipment Rental/Maintenance Contract Charges
- Taxes and Surcharges

2. WATS Telephone Service Billing Receivables which include but are not limited to:

- Access Line Charge and Associated Usage
- Directory Assistance
- Taxes and Surcharges

3. Miscellaneous Receivables which include but are not limited to:

Property Damage Billings  
Attachment Rentals  
Maintenance Contracts  
Installation and Repair Billings  
Joint Trenching Billings  
Equipment Sales  
White Page Directory Listings  
Work Order Billings

ASSETS EXCLUDED FROM SALE

Uhlerstown Exchange

1. Outside Plant

K-Line Pole 62

Equipment mounted on pole consisting of:

- 1 Repeater Shelf e/w
- 2 Repeater Cards

K-3 Line Pole 19

Equipment mounted on pole consisting of:

- 5 Repeater Shelves e/w
- 31 Channel Cards
- 2 Power Supplies
- 1 Equipment Cabinet - Large
- 21 Signal Bypass Cards
- 1 Transceiver Card
- 21 FDS Signal Cards
- 3 Channel Unit FDS C07 Cards

K-14 Line Pole 45

Equipment mounted on pole consisting of:

- 1 Equipment Cabinet - Medium
- 2 Repeater Shelves
- 16 Channel Cards
- 2 Power Supplies

2. All patents, patent rights, trademarks, service marks and trade names and applications for and licenses with respect thereto.
3. Any assets disposed of in the ordinary course of business between the date of the Agreement and the closing.
4. Public coin telephone sets and related equipment.

UHLERSTOWN SALE

<u>Type of Contract</u>	<u>Party of Interest</u>	<u>Date Contract Initiated</u>	<u>Date Contract Terminated</u>	<u>Assignment</u>
Joint Use of Wood Poles	Metropolitan Edison Company	Sept. 4, 1981	60 Day Notice	XVII(b)
Joint Use of Wood Poles	Service Electric Cable TV of NJ	No Contract (see Appendix 1)	At-will	At-will

UNITED TELEPHONE SYSTEM--EASTERN GROUP

M E M O R A N D U M

TO: J. Beckman  
FROM: J. Appleby  
DATE: March 10, 1987  
SUBJECT: Uhlerstown Sale

The Service Electric Cable TV of New Jersey is attached to the following United Telephone Company poles:

<u>Line</u>	<u>Pole Numbers</u>
K	2, 3½, 18, 23, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 42½, 43, 44, 44½, 45, 45½, 46½, 53, 54, 55, 55½, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 72, 73, 74, 74½, 75, 76, 77, 78, 79, 80, 81, 82
K-2	1½, 1¾
K-3	10, 11½, 14, 15, 16, 17
K-10	2, 3, 5, 6, 7
L	9, 10, 11, 12, 13, 14, 14½, 15, 15½, 16, 17, 18, 19, 20, 20½
L-2	½, 15½

TOTAL 83 Poles

We do not have a signed agreement for these poles. They were picked up on a field survey in 1983. We bill Service Electric Cable TV of New Jersey and they pay the bill. There are no outstanding invoices as of March 6, 1987.

*J. Appleby*  
Eng/Ntwk-OSP Construction

JWA/crk

Provident National Bank  
17th and Chestnut Streets  
P. O. Box 7648  
Philadelphia, PA 19101

(formerly Provident Trust Company of Philadelphia)

Since December 31, 1986 there has not been:

- (1) Any change in the business, results of operations or financial condition or the manner of conducting the business of the Uhlerstown Exchange other than changes in the ordinary course of business, none of which has had a material adverse effect on such Exchange's business, operations or financial conditions;
- (2) Any damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the assets or the business or operations of UTCP in the Uhlerstown Exchange;
- (3) Any amendment or termination by UTCP of any material contract, agreement or license in the Uhlerstown Exchange other than in the ordinary course of business.
- (4) It is anticipated that the Tax Reform Act of 1986 may have an effect upon UTCP's current rates in the Uhlerstown Exchange.

UHLERSTOWN

The following administrative matters and lawsuits affect the Uhlerstown Exchange:

A. Lawsuits

None

B. Commission Complaints--Uhlerstown

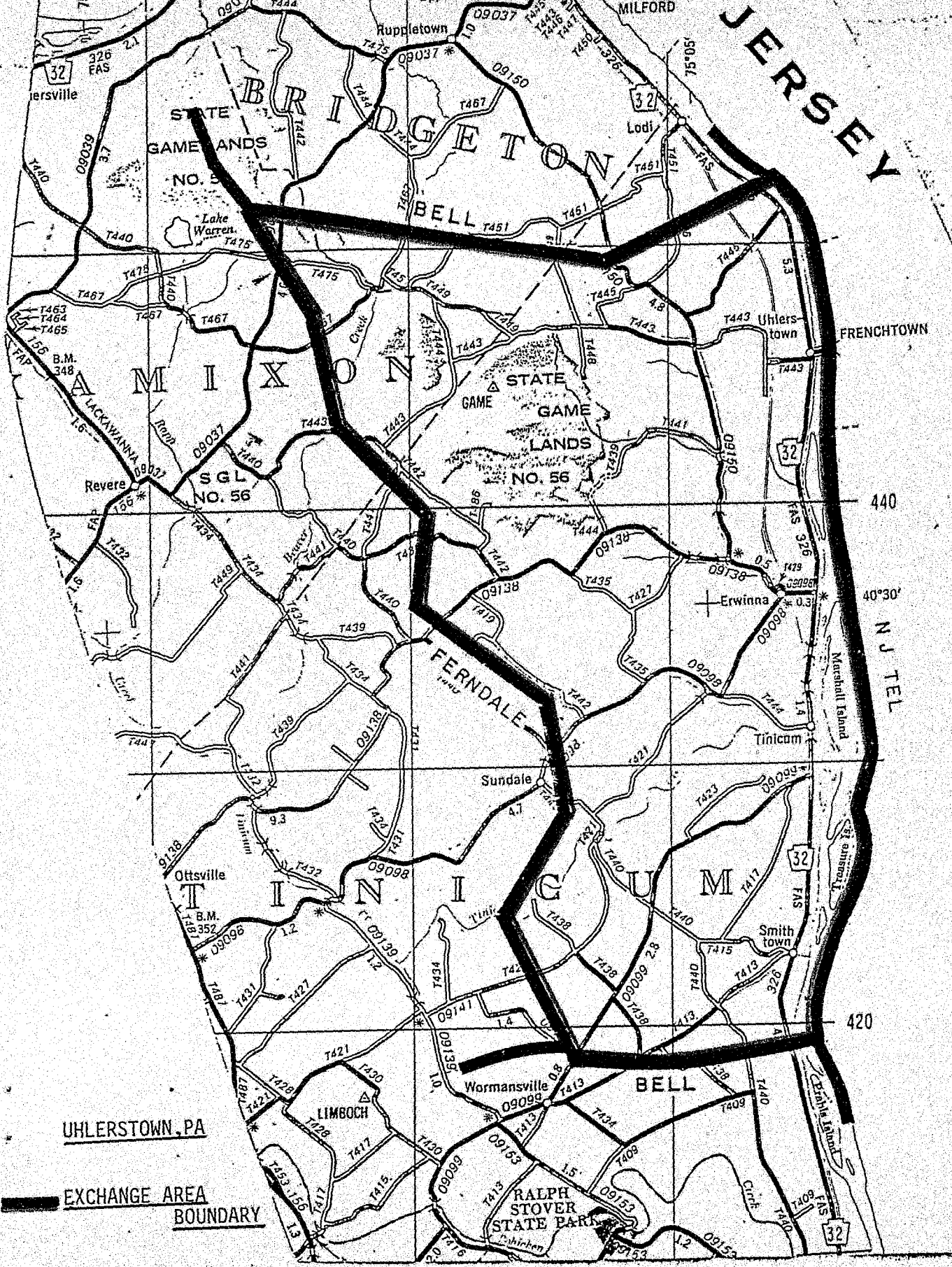
A Formal Pennsylvania Public Utility Commission Complaint has been filed regarding service being provided in United's Uhlerstown Exchange. The Complainant, Alfred Day, is requesting that he be served by Bell of Pennsylvania since the Complainant's residence is located almost on the Exchange Boundary. United has filed an Answer and Motion to Dismiss which were subsequently denied. Bell has been joined as an indispensable party in this Complaint.

C. Regulatory Matters

1. As a result of the tax savings associated with the Tax Reform Act of 1986, United has filed with the Commission a proposed tariff design to reduce various rates to recognize said savings. UTC's Uhlerstown customers will be affected by such rate reductions if approved by the Commission.
2. As a result of Pa. PUC Order I-840386, there will be a removal of the installation and maintenance of inside wire from The United Telephone Company of Pennsylvania tariff.
3. In accordance with Pa. PUC Docket No. M-85009, there will be a removal of company provided equipment from The United Telephone Company of Pennsylvania tariff.

Map Of  
Uhlerstown Exchange

EXHIBIT F





COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P. O. BOX 3265, HARRISBURG, Pa. 17120

July 16, 1987

IN REPLY PLEASE  
REFER TO OUR FILE  
A-310800F002

Bernard A. Ryan, Jr., Esquire  
Dechert, Price & Rhoads  
800 North Third Street  
Harrisburg, PA 17102



**DOCKETED**

**JUL 16 1987**

bc

Application of Commonwealth Telephone Company and United Telephone Company of Pennsylvania for approval of (1) the transfer, by sale, of certain telephone equipment of the latter to the former, (2) the right of the Commonwealth Telephone Co. to begin to offer or furnish telephone service to the public in the Uhlerstown exchange located in Bucks County and (3) the abandonment by the United Telephone Company of Pennsylvania of all telephone service to the public in the Uhlerstown exchange.

Dear Mr. Ryan:

Receipt is acknowledged of your letter of July 14, 1987, together with an original and two copies of the application of Commonwealth Telephone Company and United Telephone Company of Pennsylvania, which has been captioned and docketed to the above number.

It will be necessary for you to serve copies of the application upon the authorities of Bucks County and their Planning Commissions, if any, and file proof of such service with the Commission.

You are directed upon receipt of this letter to publish the enclosed notice once during each of the weeks of July 27 and August 3, 1987, in a newspaper having a general circulation in the areas involved and file proof of publication with the Commission on or before August 14, 1987.

The matter will receive the attention of the Commission, and you will be advised of any further necessary procedure.

Very truly yours,

for Jerry Rich  
Secretary

JEP:bjc

Enclosure

DOCKETED

PENNSYLVANIA PUBLIC UTILITY COMMISSION

JUL 16 1987

NOTICE TO BE PUBLISHED

bc

Notice is hereby given that application has been made to the Pennsylvania Public Utility Commission, under the provisions of the Public Utility Code, by Commonwealth Telephone Company and United Telephone Company of Pennsylvania for approval of (1) the transfer, by sale, of certain telephone equipment of the latter to the former, (2) the right of the Commonwealth Telephone Company to begin to offer or furnish telephone service to the public in the Uhlerstown exchange located in Bucks County and (3) the abandonment by the United Telephone Co. of Pennsylvania of all telephone service to the public in the Uhlerstown exchange. (A-310800F002)

Notice is hereby also given that this application may be considered by the Commission without a hearing. Protests or petitions to intervene may, however, be filed with the Public Utility Commission, Harrisburg, on or before August 14, 1987, pursuant to Title 52 of the Pennsylvania Code.



COMMONWEALTH TELEPHONE COMPANY  
AND  
UNITED TELEPHONE COMPANY OF  
PENNSYLVANIA

Counsel for the applicant:

For Commonwealth Telephone Co.:

Bernard A. Ryan, Jr., Esquire  
Dechert, Price & Rhoads  
800 North Third Street  
Harrisburg, PA 17102

and

Raymond B. Ostroski, Esquire  
c/o C-TEC Corporation  
46 Public Square  
P.O. Box 3000  
Wilkes-Barre, PA 18703

For United Telephone Co. of PA:

Daniel T. Dineen, Esquire  
Vice Pres. & General Counsel  
United Telephone Co. of PA  
1170 Harrisburg Pike  
Carlisle, PA 17013



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
P. O. BOX 3265, HARRISBURG, Pa. 17120

July 17, 1987

IN REPLY PLEASE  
REFER TO OUR FILE

A-310800F002  
A-310800F003

Bernard A. Ryan, Jr., Esquire  
Dechert, Price & Rhoads  
800 North Third Street  
Harrisburg, PA 17102

Application of Commonwealth Telephone Company and United  
Telephone Company of Pennsylvania

Application of Commonwealth Telephone Company and United  
Telephone Company of New Jersey, Inc.

Dear Mr. Ryan:

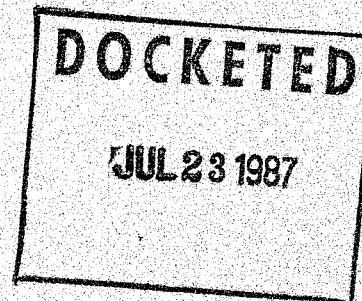
It will be necessary for you to notify the customers in the above  
entitled applications and file proof of notification with the Commission.

Very truly yours,

for Jerry Rich  
Secretary



JEP:bjc





RECEIPT

The addressee named hereunder has paid Pennsylvania Public Utility Commission for the following bill, subject to final collection of check or money order tendered for such payment.

Bernard A. Ryan, Jr.  
Dechert, Price & Rhoads  
800 North Third St.  
Harrisburg, PA 17102

Date July 17, 1987

CR 125530 A

**DOCUMENT  
FOLDER**

**DOCKETED**  
  
JUL 22 1987

In re applicatoin of Commonwealth Telephone Co. and  
United Telephone Co.  
A-310800F002.....\$125.00

Revenue account 001780-017601-102 (ck)  
ck 057681 \$125.00 Currency \_\_\_\_\_  
Checks \_\_\_\_\_  
Utility account 50:26

C. Joseph Meisinger  
For Department of Revenue



LAW OFFICES OF

DECHERT PRICE & RHOADS

800 NORTH THIRD STREET

HARRISBURG, PENNSYLVANIA 17102

TELEX 84 5324 • BARDEF

(717) 233-7947

3400 CENTRE SQUARE WEST  
1500 MARKET STREET  
PHILADELPHIA, PA 19102  
(215) 972-3400

250 AVENUE LOUISE  
1050 BRUSSELS, BELGIUM  
(02) 647 86 65

52 BEDFORD SQUARE  
LONDON WC1B 3EX, ENGLAND  
01. 631. 3383

477 MADISON AVENUE  
NEW YORK, NY 10022  
(212) 308-4400

1730 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, DC 20006  
(202) 783-0200

July 20, 1987

BERNARD A. RYAN, JR.

Mr. Carl F. Fonash  
Chairman  
Bucks County Commissioners  
Bucks County Courthouse  
Broad and Court Streets  
Doylestown, PA 18901

Mr. Robert Moore  
Executive Director  
Bucks County Planning Commission  
Alms House  
Neshaminy Manor Center  
Doylestown, PA 18901

RE: Transfer of Uhlerstown Telephone Service  
Exchange to Commonwealth Telephone Company

Dear Messrs. Fonash and Moore:

I represent Commonwealth Telephone Company. In accordance with the instructions I received from the Secretary of the Pennsylvania Public Utility Commission, I am enclosing a copy of the Joint Application that was filed with the Commission last week concerning the proposed purchase by Commonwealth Telephone Company of the equipment used to provide telephone service to the customers in the Uhlerstown exchange of United Telephone Company of Pennsylvania.

Upon receipt of the approval of the Public Utility Commission for that purchase, Commonwealth Telephone Company will replace United Telephone Company of Pennsylvania as the provider of telephone service to the people who reside in that exchange. As noted in paragraph 12 of the Joint Application, there will be no change in the rates those customers now pay for their local telephone service, but their local calling area will be increased to include Commonwealth's Ferndale exchange. In addition, those customers should realize significant savings in their toll charges; after the transfer they will be within the Philadelphia LATA which will mean lower charges for their intrastate, intraLATA toll calls.

If either of you, or other members of the governmental agencies you serve, have any questions about this Joint

July 20, 1987  
Page two

Application, please let me know and I will be happy to provide whatever additional information you need.

Sincerely yours,

BARJr/nf

bcc: Raymond B. Ostroski, Esquire  
Daniel T. Dineen, Esquire  
Mr. William Shaner

**ORIGINAL**

LAW OFFICES OF

**DECHERT PRICE & RHOADS**

3400 CENTRE SQUARE WEST  
1500 MARKET STREET  
PHILADELPHIA, PA 19102  
(215) 972-3400

250 AVENUE LOUISE  
1050 BRUSSELS, BELGIUM  
(02) 847 85 85

52 BEDFORD SQUARE  
LONDON WC1B 3EX, ENGLAND  
01. 631. 3363

800 NORTH THIRD STREET  
HARRISBURG, PENNSYLVANIA 17102

TELEX 84 5324 • BARDEP

(717) 233-7947

477 MADISON AVENUE  
NEW YORK, NY 10022  
(212) 308-4400

1730 PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, DC 20006  
(202) 753-0200

August 7, 1987

**RECEIVED**

**AUG 7 1987**

**SECRETARYS OFFICE**  
**Public Utility Commission**

HAND DELIVER

Mr. Peter Unuscavage  
Bureau of Safety and Compliance  
Pennsylvania Public  
Utility Commission  
North Office Building  
Harrisburg, PA 17120

**DOCUMENT**  
**FOLDER**

RE: Application of Commonwealth Telephone Company  
and United Telephone Co. of Pennsylvania etc.  
(Uhlertown Exchange - A 310800F002).  
Application of Commonwealth Telephone Company  
and United Telephone Co. of New Jersey, Inc. etc  
(Belvidere Exchange - A 310800F003)

Dear Mr. Unuscavage:

I am writing to provide you with certain additional information you have requested in connection with your review of these two applications:

1. Schedules showing the original cost, accumulated reserve for depreciation and the net book value of the Uhlertown and Belvidere facilities that are to be transferred to my client, Commonwealth Telephone Company, are attached as Exhibits A and B respectively.

2. The prices to be paid by Commonwealth Telephone Company for the facilities it is acquiring in these transactions exceed their depreciated costs on the books of the present owners. Those prices are, however, fair and reasonable ones for the facilities that will be transferred to my client and were set through arms length negotiations between my client and the sellers, neither of which is an affiliate of Commonwealth Telephone Company.

**DOCKETED**  
**AUG - 1987**

Mr. Peter Unuscavage  
August 7, 1987  
Page two

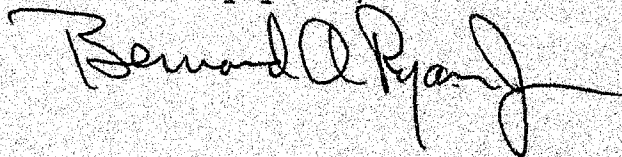
3. These transactions will be recorded on the books of Commonwealth Telephone Company and the two United companies in accordance with the Uniform System of Accounts. After the transfers have been made, the companies will provide you with the journal entries that will be made on their respective books to reflect these transactions.

4. An update should be made to the information set forth on Attachment G to the Uhlerstown application (A-310800F002). The complaint proceeding against United Telephone Company of Pennsylvania (docketed at C-861108) that is described in paragraph B of that Attachment is no longer active. The complainant withdrew that complaint because his objection was satisfied. By letter dated July 2, 1987, the parties were advised by Jerry Rich, Secretary of the Commission, that he had marked that case closed.

5. I am enclosing as Exhibit C schedules showing the expected savings in toll charges for the Uhlerstown and Belvidere customers as a result of the anticipated change from the New Jersey to the Philadelphia LATA for those customers. Since there are approximately 1000 customers in the two exchanges, the average savings in toll charges will be approximately \$65.00 each year per customer. In addition, there will be savings for these customers as a result of the expansion of their local service areas following their transfer to Commonwealth Telephone Company. We expect Belvidere customers to realize additional savings of \$5,101.06 on their calls to Bangor and the Uhlerstown customers to save an additional \$21,389.52 on their calls to Ferndale.

I believe I have now provided you with all of the additional information you requested for these two applications. I will be away from my office on vacation for the next two weeks, returning on Monday, August 24. If you need anything more to proceed with your review while I am away, I suggest you call Bill Shaner directly (1-675-5312).

Sincerely yours,



BARJR/nf

cc: Pamela Sarvey, Esquire  
Office of the Consumer Advocate

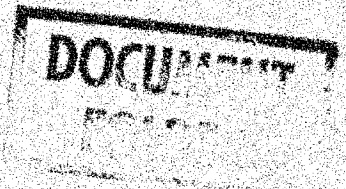
Uhlerstown, PA UHTW 215-294

Station Apparatus Investment as of 06/30/87

Acct.	Description	Original Cost	Accum Reserve	Net Book
904.1	Tel-Set - Non-Reg Lease	\$ 4,273.44	\$ 3,982.85	\$ 290.59
904.9	Non Set - Non-Reg Lease	262.08	239.25	22.83
904.2	Key Non-Reg Lease	2,013.59	1,833.78	179.81
231.9	Sub Line Cond (In Place)	1,516.30	596.06	920.24
235.1	Pub Tel Coin	4,236.70	3,934.63	302.07
235.3	Pub Tel Booth	1,422.01	1,320.62	101.39
232.1	Sta Conn-Single Line	24,897.90	15,929.68	8,968.22
232.3	Sta Conn-Key	4,452.13	2,470.49	1,981.64
		<u>\$ 43,074.15</u>	<u>\$ 30,307.36</u>	<u>\$ 12,766.79</u>

Outside Plant Investment as of 06/30/87

241.1	Pole Lines	\$ 84,031.38	\$ 28,110.89	\$ 55,920.49
242.1	Aerial Cable	485,319.50	124,869.81	360,449.69
242.3	Buried Cable	51,322.45	10,060.80	41,261.65
243	Aerial Wire	25,892.30	20,005.12	5,887.18
		<u>\$646,565.63</u>	<u>\$183,046.62</u>	<u>\$463,519.01</u>



Belvidere, PA BLVP 215-498

Station Apparatus Investment as of 06/30/87 (West Jersey)

<u>Acct.</u>	<u>Description</u>	<u>Original Cost</u>	<u>Accum Reserve</u>	<u>Net Book</u>
904.1	Tel Set - Non-Reg Lease	\$ 774.16	\$ 724.15	\$ 50.01
904.9	Non Set - Non-Reg Lease	24.82	22.06	2.76
231.9	Sub Line Cond (In Place)	493.30	324.74	168.56
235.1	Pub Tel - Coin	1,477.02	1,228.28	248.74
235.3	Pub Tel - Booth	545.72	453.83	91.89
232.1	Sta Conn - Single Line	4,296.32	3,846.50	449.82
		<u>\$ 7,611.34</u>	<u>\$ 6,599.56</u>	<u>\$ 1,011.78</u>

Outside Plant Investment as of 06/30/87

241.1	Pole Lines	\$ 46,795.80	\$ 17,021.54	\$ 29,774.26
242.1	Aerial Cable	131,204.66	51,712.12	79,492.54
243	Aerial Wire	11,877.20	9,259.18	2,618.02
		<u>\$189,877.66</u>	<u>\$ 77,992.84</u>	<u>\$111,884.82</u>

Belvidere and Uhlerstown Exchanges

Change From North Jersey LATA to Philadelphia LATA

Customer Toll Savings Due to This Change

Data as of 5-16-87

	<u>Intrastate IntraLATA Savings</u>	<u>Interstate InterLATA Savings</u>
Belvidere, PA	\$ 7,944.00	\$ 4,205.16
Uhlerstown, PA	<u>38,335.08</u>	<u>15,003.12</u>
Total Savings	\$46,279.08	\$19,208.28
Grand Total	\$65,487.36	

7/22/87:LB

Exhibit C

Belvidere, PA Exchange

Change From North Jersey LATA to Philadelphia LATA

Customer Toll Savings Due to This Change on Selected New Intrastate IntralATA Nearby Points

Data as of 5-16-87 Billing

	<u>Allentown PA</u>	<u>Bethlehem PA</u>	<u>Catasauqua PA</u>	<u>Easton PA</u>	<u>Nazareth PA</u>	<u>Pen Argyl PA</u>
Total Customers	192	192	192	192	192	192
Total Customers Who Made Calls	65	64	16	137	65	192
Total Calls	238	228	43	1,604	225	192
Present Toll Rate	\$ .37	\$ .33	\$ .37	\$ .32	\$ .32	\$ .32
Total Toll Revenue	\$220.20	\$181.97	\$28.36	\$1,074.72	\$188.51	\$132.05
Proposed Toll Rate	\$ .27	\$ .23	\$ .27	\$ .20	\$ .20	\$ .16
% Toll Rate Decrease	27.0	30.3	27.0	37.5	37.5	50
Toll Savings	\$ 59.45	\$ 55.14	\$ 7.66	\$ 403.02	\$ 70.69	\$ 66.03
Average Savings Per Customer	\$ .91	\$ .86	\$ .48	\$ 2.94	\$ 1.09	\$ 1.38
Annualized Savings	\$713.40	\$661.68	\$91.92	\$4,836.36	\$848.28	\$792.00
Average Annualized Savings Per Customer	\$ 10.98	\$ 10.34	\$ 5.75	\$ 35.30	\$ 13.05	\$ 16.51

Notes: 1. The Belvidere to Bangor toll route is not included due to the projected EAS after acquisition. Annual toll savings on this route for the 125 customers who called Bangor amounts to \$5,101.06 or \$40.81 per average customer.

2. On May 31, 1987, Intrastate-InterLATA toll rates were increased in the first three rate steps; rate steps 1 & 2 from \$.32 to \$.34; rate step 3 from \$.33 to \$.37. Because of this, savings to the Belvidere customers will be greater in the future.

Belvidere, PA Exchange

Change From North Jersey LATA to Philadelphia LATA

Customer Toll Savings Due to This Change on Selected New Interstate InterLATA Nearby Points

Data as of 5-16-87 Billing

	Blairstown NJ		Columbia NJ		Great Meadows NJ		Hackettstown NJ		Phillipsburg NJ		Washington NJ	
	192	192	192	192	192	192	192	192	192	192	192	192
Belvidere, PA To:												
Total Customers	192	192	192	192	192	192	192	192	192	192	192	192
Total Customers Who Made Calls	22	16	15	34	34	98	98	98	98	98	98	78
Total Calls	98	34	26	207	207	533	533	533	533	533	533	449
Present Toll Rate	\$ .43	\$ .36	\$ .36	\$ .43	\$ .43	\$ .43	\$ .43	\$ .43	\$ .43	\$ .43	\$ .43	\$ .36
Total Toll Revenue	\$ 83.27	\$ 25.50	\$ 16.15	\$ 171.03	\$ 171.03	\$ 392.48	\$ 392.48	\$ 392.48	\$ 392.48	\$ 392.48	\$ 392.48	\$ 300.78
Proposed Toll Rate	\$ .28	\$ .23	\$ .23	\$ .28	\$ .28	\$ .28	\$ .28	\$ .28	\$ .28	\$ .28	\$ .28	\$ .23
% Toll Rate Decrease	34.9	36.1	36.1	34.9	34.9	34.9	34.9	34.9	34.9	34.9	34.9	36.1
Toll Savings	\$ 29.06	\$ 10.29	\$ 5.83	\$ 59.69	\$ 59.69	\$ 136.98	\$ 136.98	\$ 136.98	\$ 136.98	\$ 136.98	\$ 136.98	\$ 108.58
Average Savings Per Customer	\$ 1.32	\$ .64	\$ .39	\$ 1.76	\$ 1.76	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.40	\$ 1.39
Annualized Savings	\$348.72	\$123.48	\$69.96	\$716.28	\$716.28	\$1,643.76	\$1,643.76	\$1,643.76	\$1,643.76	\$1,643.76	\$1,643.76	\$1,302.96
Average Annualized Savings Per Customer	\$ 15.85	\$ 7.72	\$ 4.66	\$ 21.07	\$ 21.07	\$ 16.77	\$ 16.77	\$ 16.77	\$ 16.77	\$ 16.77	\$ 16.77	\$ 16.70

7/22/87:LB

Uhterstown, PA Exchange

Change From North Jersey LATAs to Philadelphia LATAs

Customer Toll Savings Due to This Change on Selected New Intrastate IntralATA Nearby Points

Data as of 5-16-87 Billing

	Uhterstown, PA To:	Bedminster PA	Carversville PA	Doylertown PA	Easton PA	Plumsteadville PA	Quakertown PA	Riegelsville PA	Springtown PA
Total Customers	752	752	752	752	752	752	752	752	752
Total Customers Who Made Calls	88	271	505	191	365	242	127	640	1,010
Total Calls	269	1,437	4,783	679	2,189	970	97		
Present Toll Rate	\$ .32	\$ .32	\$ .32	\$ .32	\$ .32	\$ .32	\$ .32	\$ .32	\$ .32
Total Toll Revenue	\$ 189.44	\$ 971.22	\$ 3,009.07	\$ 555.77	\$ 1,262.11	\$ 684.90	\$ 438.07	\$ 875.40	\$ 328.48
Proposed Toll Rate	\$ .16	\$ .16	\$ .20	\$ .20	\$ .20	\$ .20	\$ .20	\$ .16	\$ .20
% Toll Rate Decrease	50	50	37.5	37.5	37.5	37.5	37.5	50	37.5
Toll Savings	\$ 94.72	\$ 485.61	\$ 1,128.40	\$ 208.41	\$ 473.29	\$ 256.84	\$ 219.04	\$ 328.48	\$ 1.57
Average Savings Per Customer	\$ 1.08	\$ 1.79	\$ 2.22	\$ 1.09	\$ 1.30	\$ 1.06	\$ 1.72	\$ 1.57	\$ 1.57
Annualized Savings	\$1,136.64	\$5,827.32	\$13,540.80	\$2,500.92	\$5,679.48	\$3,082.08	\$2,628.48	\$3,939.36	\$3,939.36
Average Annualized Savings Per Customer	\$ 12.92	\$ 21.50	\$ 26.81	\$ 13.09	\$ 15.56	\$ 12.74	\$ 20.70	\$ 20.00	\$ 20.00

Notes: 1. The Uhterstown to Ferrndale toll route is not included due to the projected EAS after acquisition. Annual toll savings on this route for the 499 customers who called Uhterstown amounts to \$21,389.52 or \$42.86 per average customer.

2. On May 31, 1987, Intrastate-InterLATA toll rates were increased in the first three rate steps; rate steps 1 & 2 from \$.32 to \$.34; rate step 3 from \$.33 to \$.37. Because of this, savings to the Uhterstown customers will be greater in the future.

Uhterstown, PA Exchange  
Change From North Jersey LATA to Philadelphia LATA

Customer Toll Savings Due to This Change on Selected New Interstate InterLATA Nearby Points

Data as of 5-16-87 Billing

	Uhterstown, PA To:		Bloomsbury NJ		Clinton NJ		Flemington NJ		Hampton NJ		High Bridge NJ		Milford NJ		Phillipsburg NJ		
Total Customers			752		752		752		752		752		752		752		752
Total Customers Who Made Calls			31		156		335		25		28		297		98		
Total Calls			91		622		1,779		36		80		1,490		309		
Present Toll Rate			\$ .36		\$ .43		\$ .43		\$ .43		\$ .43		\$ .36		\$ .43		
Total Toll Revenue			\$ 79.72		\$ 579.99		\$ 1,407.35		\$ 57.30		\$ 166.26		\$ 998.47		\$ 256.02		
Proposed Toll Rate			\$ .23		\$ .28		\$ .28		\$ .28		\$ .28		\$ .23		\$ .28		
% Toll Rate Decrease			36.1		34.9		34.9		34.9		34.9		36.1		34.9		
Toll Savings			\$ 28.85		\$ 202.42		\$ 491.17		\$ 20.00		\$ 58.02		\$ 360.45		\$ 89.35		
Average Savings Per Customer			\$ .93		\$ 1.30		\$ 1.47		\$ .80		\$ 2.07		\$ 1.21		\$ .91		
Annualized Savings			\$346.20		\$2,429.04		\$5,894.04		\$240.00		\$696.24		\$4,325.40		\$1,072.20		
Average Annualized Savings Per Customer			\$ 11.17		\$ 15.57		\$ 17.59		\$ 9.60		\$ 24.86		\$ 14.56		\$ 10.94		

7/22/87:LB