

ACCESS SERVICE

25. Discount Plans

The following discount plans are available to all customers who purchase the applicable services and meet the requirements for each such discount plan, as set forth in Section 25.1 following for Commitment Discount Plans, 25.2 following for Service Discount Plans, and Section 25.3 following for National Discount Plan.

25.1 Commitment Discount Plans

A Commitment Discount Plan (CDP) provides for the application of a discount to the monthly recurring rates for service(s) included in the CDP based on a Minimum Commitment of channel terminations. For administrative purposes, all services included in CDP are managed as a single plan with separate commitment periods applicable to each service type. Customers may combine certain services together when establishing their commitment levels in accordance with Section 25.1.3 following. Only one (1) CDP is permitted per customer (i.e., one per legal entity).

25.1.1 Availability of a Commitment Discount Plan

- (A) At the customer's request, certain Telephone Company Switched Access Services and Special Access Services as set forth in (E) following are eligible for inclusion in CDP. The types of services included in the CDP are set forth following.
- (B) CDPs for Switched Access Service Direct Trunked Transport are only available in states where Collocated Interconnection as set forth in Section 19 preceding has become operational and either:
- (1) a total within the state of 100 DS1 equivalent Entrance Facility Channel Terminations have been provided in the Zone 1 serving wire centers, access standems and remote nodes; or
 - (2) an average of 25 DS1 equivalent Entrance Facility Channel Terminations have been provided per Zone 1 serving wire center, access standems or remote node in that state.
- (C) Based on the preceding requirements, CDPs for Switched Access Service Direct Trunked Transport are not available under this tariff.
- (D) If a customer subscribes to CDP, all eligible service types must be included in CDP with the exception of the following: (i) DSEF services; and (ii) Special Access DS3 High Capacity/44.736 Mbps Services (Special Access DS3S Services) and Special Access DS1 High Capacity/1.544 Mbps Services (Special Access DS1 Services), as set forth in Section 7.2.9 preceding, that are included in the National Discount Plan (NDP) as set forth in Section 25.3 following. For DSEF services, the customer must choose one of the following options: (1) establish or maintain existing term pricing plans on their DSEF services; or (2) include their DSEF under CDP, in which case their DSEF terminations must be combined with their Special Access DS3 Channel Terminations, as described in 25.1.3(A)(6) following; or (3) include the DSEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.3 following, respectively.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.1 AvailabilityofaCommitmentDiscountPlan (Cont'd)

- (E) Except as otherwise permitted herein, separate commitment periods will be established for each of the following service types which are under the CDP. Each service type has one or more rate elements associated with such service type as set forth below.

<u>ServiceType</u>	<u>RateElementDiscounted</u>
DS3HighCapacity/44.736Mbps Service	ChannelTermination
	ChannelMileage
	DS3toDS1Multiplexing
DedicatedSONETEntranceFacility (DSEF)Service	OpticalTerminations
	ElectricalInterfaces
DS1HighCapacity/ 1.54MbpsService	ChannelTermination
	ChannelMileage
	DS1toVoiceMultiplexing
	DS1toDigitalMultiplexing
	DS1toDS0Multiplexing
	ConversiontoSecondaryChannel CapabilityMultiplexing
	DS0toSubratesMultiplexing
DigitalDataService(DDS)	ChannelTermination
	ChannelMileage
VoiceGradeService	ChannelTermination
	ChannelMileage

ACCESS SERVICE

25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.2 Establishment of a Commitment Discount Plan

(A) ACNA(s) Included in CDP

- (1) At the time of subscription to CDP, the subscribing customer must include all of its ACNA(s) in the CDP plan. The customer also has the option to include the ACNA(s) of one or more Affiliates which it has the right to own or of such ACNA). In this case, the customer's CDP shall include (1) all of the subscribing customer's ACNA(s); and (2) all of the ACNA(s) of the Affiliates that the subscribing customer wishes to include in its CDP. Hereafter, the term "CDP Customer" shall mean collectively the subscribing customer (as defined in Section 2.6 preceding) and all Affiliates (as defined in Section 2.6 preceding) that are included in the same CDP.
- (2) If, at any time subsequent to the establishment of CDP, the CDP Customer, at its option or as required under this Section 25.1.2(A) (2), adds one or more ACNA(s) to its CDP for one of the following reasons, then all such ACNA(s) of the customer and/or its Affiliate(s), as applicable, shall be added to the customer's CDP, in accordance with the terms set forth in Section 25.1.3(C) following.
- (a) CDP Customer, at its option, may include Affiliate(s) in its CDP that are not currently in the CDP Customer's CDP; or
- (b) CDP Customer is required to include ACNA(s) acquired through merger, acquisition, or other transaction that are not currently included in the CDP Customer's CDP. CDP Customer is not required to include ACNA(s) owned by an Affiliate that is not included in the CDP Customer's CDP.
- (3) The CDP Customer must provide written notification to the Telephone Company setting forth the affected ACNA(s) and the name of the Affiliate who owns such ACNA(s) if such ACNA is not an ACNA of the subscribing customer. Notification for (2)(b) preceding is required on or prior to completion of the next scheduled true-up period.
- (4) An ACNA cannot concurrently be included in more than one (1) CDP, regardless of whether or not such CDP is established by a separate legal entity.
- (5) For example, assume that a customer who has one ACNA (ABC) subscribes to CDP. Assume further that such customer has five (5) Affiliates, but only wishes to include three (3) Affiliates in its CDP at the time of establishment of CDP. Assume also that each of the three (3) included Affiliates have one ACNA (ACNA's LLL, MMM and NNN, respectively). In this case, a single CDP will be established for the CDP Customer that includes the following ACNA's: ABC, LLL, MMM and NNN. Assume further that during year 2 of the CDP commitment period, the CDP Customer decides to include its remaining two (2) Affiliates in its CDP. Then, in accordance with this Section 25.1.2, the CDP Customer will include all of the ACNA's of such Affiliates in the CDP.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.2 EstablishmentofaCommitmentDiscountPlan (Cont'd)

(C) (Cont'd)

When a CDP is established, the CDP Customer agrees to the following requirements pertaining to all of its existing term plans (TPPs) as provided under Sections 7.4.13, and 7.4.17 for Special Access Services, Section 7.2.15 for DSEF, and Section 23.1 for Dedicated SONET Ring.

(1) The CDP Customer may continue with any available TPP or Service Discount Plan (SDP) or establish a new TPP/SDP for the following services which are not eligible for inclusion in the CDP. The relevant sections containing the regulations for the TPPs/SDPs for these services are set forth below.

- Digital Video Transport Service (both Hi-Def and 45Mbps) 7.2.5(F) and (G)
- Facilities Management Service 6.8.26, 7.2.13
- Dedicated SONET Broadband Transport 8.2(C)
- Dedicated SONET Entrance Facility (when not included in CDP) 7.2.15
- Dedicated SONET Optical Transport Service 7.2.14
- Dedicated SONET Shared Assurance Network 7.2.14
- Dedicated SONET Shared Single Path 7.2.14
- Dedicated SONET Shared Dual Path 7.2.14
- LAN Extension Service 7.2.11
- Serial Component Video Service 7.2.5(E)
- Supertrunking Video Transport Service 25.2.1
- Dedicated SONET Ring 23.1
- Ethernet Private Line 7.2.16
- Video Service Arrangements 7.2.5
- Any other service not included in 25.1.1 preceding

(2) For Special Access Services which are eligible for inclusion under the CDP, the TPPs will be cancelled in order to include these service(s) in the CDP. TPP termination liability will not apply to such cancelled plan(s).

(3) Special Access DS3 Services and Special Access the NDP asset forth in Section 25.3 following are DS1 Services which are included in not eligible for inclusion in the CDP.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.2 EstablishmentofaCommitmentDiscountPlan (Cont'd)

(C) (Cont'd)

- (4) Inordertobeeligibleforapplicationofdiscountsonnewservicetypesordered subsequenttotheinitialestablishmentoftheCDP, theCDPCustomermustprovide writtennotificationtotheTelephoneCompanyofanyneweligibleservicetypesit orderssubsequenttotheinitialestablishmentoftheCDPthataretobeincludedinthe CDP.TheCDPCustomermustestablishacommitmentlevelandacommitment periodforeachnewservicetype.
- (a) TheeffectivedateoftheinclusionofnewservicetypesintheCDP,andthe applicationofthediscountpercentageand/orTPPrates,willbeeffectiveas specifiedfollowing:
- (i) IftheCDPCustomerprovideswrittennotificationtotheTelephoneCompany ofaneweligibleservicetypeonorbeforethetwentieth(20th)calendar dayof amonth,thechangesshallbeginthefirst(1st)calendar dayofthemoth followingthemothwhichtheCDPCustomerprovidedsuchnotification. ApplicationofdiscountstothenewservicetypesundertheCDPshallbegin withthefirstbill dayofthebillperiodassociatedwiththeCDPCustomer'sBAN inthemothfollowingthemothwhichtheCDPCustomerprovidedwritten notification.Forexample,assumeaCDPCustomer'sbillperiodbeginsonthe eleventh(11th)calendar dayofeachmoth.Assumealsothatthedata the CDPCustomer notifiedtheTelephoneCompanyofanewservicetype was July6th.Then,thediscounsappliabletothenewservicetypeundertheCDP shallbeginonAugust11th.
- (ii) IftheCDPCustomerprovideswrittennotificationtotheTelephoneCompany ofaneweligibleservicetypeafterthetwentieth(20th)calendar dayofa moth,thechangesshallbeginthefirstcalendar dayofthesecondcalendar mothfollowingthemothwhichtheCDPCustomerprovidedsuch notification.ApplicationofdiscountstothenewservicetypesundertheCDP shallbeginwiththefirstbill dayofthebillperiodassociatedwiththeCDP Customer'sBANinthesecondmothfollowingthemothwhichtheCDP Customerprovidedwrittennotification.Forexample,assumeaCDP Customer'sbillperiodbeginsontheeleventh(11th)calendar dayofeach moth.Assumealsothatthedata theCDPCustomer notifiedtheTelephone Companyofanewservicetype wasJuly30th.Then,thediscounsappliableto thenewservicetypeundertheCDPshallbeginonSeptember11th.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.2 EstablishmentofaCommitmentDiscountPlan (Cont'd)

(C) (Cont'd)

- (5) TheCDPCustomermustestablishseparateplan (includingacommitmentleveland
acommitmentperiod)foreachservicetypespecificin25.1.1preceding.If
customerestablishesaCDPforatleastone(1)ser vicetypelistedinSection25.1.1
precedingandsubscribestootherserviceslistedi nSection25.1.1precedingatany
timethataCDPisineffect,theCDPCustomermay notestablishormaintainaterm
planforanyservicesthatareeligibleforincludi oninCDPwiththefollowinglimited
exceptions:(i)DSEFservicesassetforthinthe followingsentence.IfDSEFservices
areincludedinCDP,thecustomermaynotestablish ormaintainatermplanforDSEF
services;however,theCDPCustomermayincludeDSE FservicesinNDPin
accordancewiththetermssetforthinSection25.3 following;and(ii)SpecialAccess
DS3ServicesandSpecialAccessDS1Servicesinclud edintheNDP.

ACCESSSERVICE

25. DiscountPlans (Cont'd)

25.1 CommitmentDiscountPlans (Cont'd)

25.1.3 PlanCommitmentLevels

(A) MinimumCommitmentLevels

(1) TheCDPrequiresthat a Minimum Commitment of for the purpose of administering the CDP. The total shall be calculated using all such in-service channels provided to the CDP Customer in all of its operating territories under this tariff. The Minimum Commitment shall be expressed as the equivalent number of DS0s for the Channel Termination rate elements of all services involved.

(2) The total number of channel terminations determined above will be converted into an equivalent number of DS0s using the following equivalent table.

<u>Type of Channel Termination</u>	<u>DS0 Equivalent</u>
STS12 level	8,064
STS3 level	2,016
STS1 level	672
DS3 level	672
DS1 level	24
DDS level	1
Voice Grade level	1

(3) When the calculation of the Minimum Commitment of DS0s results in a fraction of a DS0, it shall be rounded up to the next whole DS0.

(4) The customer will not be eligible to participate in CDP if the combined number of equivalent DS0s for all service types specified in Section 25.1.1 preceding at the time of subscription is less than 336.

(5) The CDP Customer agrees to establish an initial Minimum Commitment of at least seventy-five percent (75%) of the total number of DS and/or Voice Grade channel terminations which are in-service at the time of subscription to CDP. For all other services, the CDP Customer agrees to establish an initial Minimum Commitment of at least ninety percent (90%) of the total number of channel terminations for the service type or combined service types which are in-service at the time of subscription to CDP. For example, at the time of subscribing to CDP, if the CDP Customer has in-service 1,000 DS-0 equivalent DDS channel terminations, then the CDP Customer's initial Minimum Commitment under CDP for DDS service cannot be less than 750 DS-0 equivalent channel terminations.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.3 PlanCommitmentLevels (Cont'd)(A) MinimumCommitmentLevels (Cont'd)

- (6) Subject to Section 25.1.2(C)(5) preceding, Dedicated SONET Entrance Facility (DSEF) CDPCustomers must combine their DSEF terminations with their Special Access DS3 Channel Termination to establish their commitment level. If a CDPCustomer chooses to include DSEF in CDP after initially establishing CDP, the DS3 portion of the new commitment level will remain the same. Ninety percent (90%) of the then in-service DSEF terminations will be added to the DS3 commitment level to create a new combined DS3 and DSEF commitment level. When DSEF is combined with Special Access Services, and the Special Access Services are subsequently included in NDP (as set forth in Section 25.3 following), the combined commitment level will be reduced in accordance with Section 25.1.8(E)(2)(a) following.
- (7) (Reserved)
- (8) If the CDPCustomer fails to maintain its Minimum Commitment for DDS and/or Voice Grades service, the CDPCustomer may opt to reduce its existing commitment level for DDS and/or Voice Grades service by fifteen percent (15%). The CDPCustomer may only exercise this option one (1) time each year. The CDPCustomer must notify the Telephone Company of its desire to reduce the existing commitment level within thirty (30) days of receiving the results of the true-up process provided by the Telephone Company in accordance with Section 25.1.7 following.
- (9) The CDPCustomer may increase the Minimum Commitment coincident with the results of the true-up process as set forth in Section 25.1.7 following. The increased commitment will apply for the balance of the commitment period or until such time as a subsequent adjustment to the Minimum Commitment is requested or required under the terms of this Section 25.1.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.3 PlanCommitmentLevels (Cont'd)(B) Upgrades

- (1) TheCDPCustomermayupgradeservicesinaccord ancewiththissection.
- (a) UpgradetoaHigherBandwidth/CapacityService IncludedinCDP
- TheCDPCustomermayupgradeone(1)ormoreservi ceswhichareincludedinCDP (underanindividualservicetypeorcombinedservi cetype)toahigher bandwidth/capacityservicethatisalsoincludedin CDP.Inthiscase,theMinimum Commitmentsontheindividualservicetypesorcomb inedservicetypeswillbe adjustedaccordingly.Upgradesaresubjecttothe requirementssof(B)(2)following.
- Forexample,ifDS1servicesareupgradedtoDS3 service,theMinimum CommitmentfortheDS1serviceswillbereducedby ninetypersent(90%)ofthetotal equivalentDS0countoftheDS1(s)involvedinthe upgrade,andtheMinimum CommitmentfortheDS3servicewillbeincreasedby ninetypersent(90%)ofthetotal equivalentDS0countoftheDS3(s)beingadded.
- (b) UpgradetoaHigherBandwidth/CapacityService IncludedinNDP
- TheCDPCustomermayupgradeone(1)ormoreservi ceswhichareincludedinCDP (underanindividualservicetypeorcombinedservi cetype)toahigher bandwidth/capacityservice,andsuchupgradedservi ceisthenincludedinNDPAsset MinimumCommitmentontheindividual edbyseventy-fivepercent(75%)or entDS0countassociatedwiththe equirementsof(B)(2)following.
- Forexample,iftheCDPCustomerupgradesDigital DataServicetoaSpecialAccess DS1Service,andsuchSpecialAccessDS1Serviceis includedinNDP,the commitmentlevelforDDSserviceswillbereducedb yseventy-fivepercent(75%)of the totalequivalentDS0countoftheDDSservice(s) whichareupgraded.
- (c) UpgradetoTelephoneCompanyProvidedOpticalS ervice
- TheCDPCustomermayupgradeone(1)ormoreservi ceswhichareincludedinCDP (underanindividualservicetypeorcombinedservi cetype)toahigher bandwidth/capacityTelephoneCompanyprovidedoptic alservice.Inthiscase,the MinimumCommitmentontheindividualservicetypeo rcombinedservicetypewillbe adjusted.Upgradesaresubjecttotherequirements of(B)(2)following.
- Forexample,ifDSEFisupgradedtoTelephoneCo mpanyprovidedopticalservice, thecommitmentforSpecialAccessDS3ChannelTermi nationsshallbereducedby ninetypersent(90%)ofthetotalequivalentDS0co untoftheDSEFservicesinvolvedin theupgrade.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.3 PlanCommitmentLevels (Cont'd)(B) Upgrades (Cont'd)

- (2) Upgradesaresubjecttoallofthefollowingco nditionsbeingmet:
- (a) Boththeexistingandnewservicesareprovided solelybytheTelephoneCompany.
- (b) Thejurisdictionoftheservicechanges .
- (c) Totalbandwidthoftheupgradedserviceisequa ltoorgreaterthantotal bandwidthofthediscontinuedservice.
- (d) Disconnectandnewordersmustbeplacedatthe sametimewithduedatesthat are withinninety(90)daysofeachother.
- (e) Thecommitmentperiodoftheupgradedservicemeetsoneofthefollowing requirements:
- (1) UpgradetoaHigherBandwidth/CapacityService IncludedinCDPorUpgradeto TelephoneCompanyProvidedOpticalService
Thecommitmentperiodfortheupgradedserviceis equaltoorgreaterthanthe commitmentperiodforthediscontinuedservice,exceptwhenanequaltoor greaterthancommitmentperiodisnotavailable, in whichcasetheserviceto derthelongestavailable commitmentperiod.
- (2) UpgradetoaHigherBandwidth/CapacityService IncludedinNDP
Thecommitmentperiodfortheupgradedserviceis the5-yeartermoftheNDP.
- (3) Nolaterthanthirty(30)daysaftertheTeleph oneCompanyprovidestheresultsofits true-upprocessassetforthetinSection25.1.7following, theCDPCustomer must providewrittennotificationtotheTelephoneCompa nywhichincludesordernumber (PON)ofthedisconnectedservice andthePONofthenew(replacing)serviceforany upgrade(s)forwhichwritten notificationhadnotpreviouslybeensubmittedbyC DPCustomer,andwhichupgrade tookplacesincethelasttrue-up.
- (4) TheeffectivedateusedtoadjustMinimumComm itmentlevelsforupgradedservicesis theeffectivedateonwhichtheorderstoaccomplis htheupgradearecompletedbythe TelephoneCompany.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.3 PlanCommitmentLevels (Cont'd)(C) ModificationstoanExistingCDP

- (1) When a CDPCustomer adds one or more ACNA(s) to its CDP (as permitted or required under Section 25.1.2(A)(2) preceding), and such ACNA(s) is not already included in a different CDP, then the CDPCustomer must include such ACNA(s) in its CDP in accordance with the terms of Section 25.1.3(C)(4) following; or
- (2) When a CDPCustomer adds one or more ACNA(s) to its CDP (as permitted or required under Section 25.1.2(A)(2) preceding), and such ACNA(s) is already included in another CDP, then the CDPCustomer must include such ACNA(s) in its CDP in accordance with the terms of Section 25.1.3(C)(5) following.
- (3) The CDPCustomer must provide the Telephone Company with a list of ACNA(s) that the CDPCustomer is adding (as set forth in (C)(1) and (2) preceding). Whether or not the acquired ACNA(s) is already included in a CDP, the Telephone Company shall determine whether (i) the CDPCustomer's CDP is modified to include such acquired ACNA(s); (ii) the CDPCustomer's CDP is consolidated with the CDP associated with each acquired ACNA(s); or (iii) a new CDP is established that includes the CDPCustomer's existing ACNA(s) and the added ACNA(s).
- (4) Addition of Affiliate(s) to an Existing CDP
Where a CDPCustomer seeks to add one or more Affiliate(s) to its CDP in accordance with Section 25.1.3(C)(1) preceding (i.e., addition of optional and such ACNA(s) is not already included in another CDP), the CDPCustomer's CDP shall be modified to include the eligible services of such added ACNA(s). The CDPCustomer must include all of the ACNA(s) of such Affiliate(s) in the CDP.
- (a) The addition of such ACNA(s), and the application of the terms and conditions applicable under the existing CDP, including the discount percentage and/or TPP rates, will be effective as specified in Section 25.1.8(B)(2) following.
- (b) The CDPCustomer agrees to add at least seventy-five percent (75%) of the total number of DDS and/or Voice Grade channel terminations, which are in-service for such ACNA(s) as of the date of Telephone Company receipt of the written notification, to its existing Minimum Commitment level. For all other services, the CDPCustomer agrees to add at least ninety percent (90%) of the total number of channel terminations for the service type or combined service types, which are in-service for such Affiliate ACNA(s) as of the date of Telephone Company receipt of the written notification, to its existing Minimum Commitment level.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.3 PlanCommitmentLevels (Cont'd)(C) ModificationstoanExistingCDP (Cont'd)

(4) AdditionofAffiliate(s)toanExistingCDP(C ont'd)

- (c) All eligible servicetypes of such Affiliate(s) must be included in the existing CDP with the limited exception of DSEF services. If DSEF services are not included under the existing CDP, and there are DSEF services for the Affiliate(s) being added to the existing CDP, the CDP Customer may select from the options specified in Section 25.1.1(D) preceding for its DSEF services. If DSEF services are included under the existing CDP, then DSEF terminations for the ACNA(s) being added to the existing CDP must be combined with their Special Access DS3 channel terminations, as described in Sections 25.1.3(A)(6) preceding.
- (d) No adjustment to prior billing will be made.
- (e) The Telephone Company will apply any Renewal Options already granted under the existing CDP to the servicetypes included in the ACNA(s) being added to the existing CDP. When Renewal Options apply under the existing CDP, time-in-service credit (TISC) under (f) following will not apply.
- (f) TISC will be granted as specified in (i) or (ii) following, as applicable, subject to all of the terms and conditions described in Section 25.1.8(F) following:
- (i) When a particular servicetype(s) will be newly established in the CDP due to the addition of ACNA(s), the customer will be granted TISC, subject to Section 25.1.8(F) following for any such servicetype(s) being converted from a term plan to CDP. However, if Renewal Options apply on the existing CDP, such TISC will be forfeited.
- (ii) When a particular servicetype(s) has already been established in the existing CDP, the customer will not be granted TISC in accordance with Section 25.1.8(F) following for such servicetype(s) being converted from a term plan to CDP. However, the Telephone Company will apply the prevailing TISC under the CDP, if any, to such servicetype(s).

ACCESS SERVICE

25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.3 Plan Commitment Levels (Cont'd)(C) Modification to an Existing CDP (Cont'd)

(5) Consolidation of CDPs

Where a CDP Customer seeks to add one or more ACNA(s) to its CDP in accordance with Section 25.1.3(C)(1) preceding (i.e., addition is required and such ACNA(s) is already included in another CDP), the customer who wishes to add the ACNA(s) has the following options to consolidate the CDPs involved:

(a) Surviving CDP Option

Combine the CDP for the existing ACNA(s) with the CDP of the acquired ACNA(s) into a Surviving CDP as set forth in Section 25.1.3(C)(6) following; or

(b) New CDP Option

Establish a new CDP that combines the existing ACNA(s) and the acquired ACNA(s) as set forth in Section 25.1.3(C)(7) following.

(6) Surviving CDP Option

(a) This option consolidates the CDP of the existing ACNA(s) with one or more CDP(s) of the acquired ACNA(s). The CDP Customer must specify one CDP to be retained, and such CDP will be deemed the Surviving CDP. All other plans will be cancelled. The Surviving CDP shall be modified to include both the eligible services of the existing ACNA(s) and the acquired ACNA(s).

(b) A true-up will be conducted on each plan being cancelled to determine any applicable adjustments (shortfall and/or charge up). If such true-up occurs more than thirty (30) days outside of a regularly scheduled true-up, its shall be pro-rated. In this instance, all references to the true-up process under Section 25.1.7 following, and the calculations related thereto, shall refer to a pro-rated true-up. The pro-rated true-up shall include the time, in whole months, between the last regularly scheduled true-up and the cancellation date(s) of the plan(s) being cancelled.

(c) Termination liability charges as set forth in Section 25.1.9 following will not be applicable to the plans being cancelled.

(d) The true-up schedule of the Surviving CDP will not change. The true-up schedule(s) of the plan(s) being cancelled will be reset to the schedule of the Surviving CDP, after any applicable pro-rated true-up.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.3 PlanCommitmentLevels (Cont'd)(C) ModificationstoanExistingCDP (Cont'd)(6) SurvivingCDPOption(Cont'd)(e) ServiceTypeHasAlreadyBeenEstablishedunder SurvivingCDP

- (i) Thecommitmentperiodfortheindividualservice typeorcombinedservice typeundertheSurvivingCDPwillnotchange.The levelforeachservicetypeorcombinedservicetype mustbeincreasedbyanamountequalthothesumof commitmentlevelsundertheplansbeingcancelled(specifiedin(6)(b)preceding). MinimumCommitment eundertheSurvivingCDP theindividual afterthepro-ratedtrue-up
- (ii) IfDSEFserviceswereincludedundertheSurvi vingCDP,thenalloftheCDP Customer'sDSEFterminationsmustbecombinedwith theirSpecialAccess DS3channelterminationsintheSurvivingCDP,and anewcommitmentlevel (A)(6)preceding.
- (iii) TheprevailingRenewalOptionundertheSurvi vingCDP,ifany,asdescribed inSection25.1.8(H)following,willnotchange.
- (iv) TheprevailingTISCundertheSurvivingCDP,i fany,asdescribedinSection 25.1.8(F)following,willnotchange.

(f) ServiceTypeHasNotAlreadyBeenEstablishedu nderSurvivingCDP

- (i) TheCDPCustomermustchooseacommitmentperio dforeachindividual servicetype.Suchcommitmentperiodmaynotbesh orterthanthe commitmentperiodofanyoftheplan(s)beingcance lledforsuchservicetype.
- (ii) TheMinimumCommitmentlevelforeachofthen ewservicetype(s)being establishedundertheSurvivingCDPmustbesetat anamountequalthothe sumoftheindividualcommitmentlevelsunderthep lan(s)beingcancelled (afterthepro-ratedtrue-upspecifiedin(6)(b)pr eceding).
- (iii) IftheCDPCustomerhadcombinedservicetype sunderanyoftheplan(s) beingcancelled,andatleastone(1)ofthosecomb inedservicetype(s)was establishedasanindividualservicetypeintheSu rvivingCDP,theCDP Customermayestablishsuchcombinedservicetypes undertheSurviving CDP.TheMinimumCommitmentlevelforthecombined servicetypesmust besetatanamountequalthotheindiv idualcommitmentlevelof theapplicablecombinedservicetypesunderthepla n(s)beingcancelledplus theapplicableindividualservicetypesesthataweree stablishedunderthe SurvivingCDP.TheCDPCustomermustchooseacomm itmentperiodforthe newlyestablishedcombinedservicetypes.Suchcom mitmentperiodmaynot beshorterthanthecommitmentperiodofanyofthe plan(s)beingcancelled forsuchcombinedservicetypes.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.3 PlanCommitmentLevels (Cont'd)(C) ModificationstoanExistingCDP (Cont'd)(6) SurvivingCDPOption(Cont'd)(f) ServiceTypeHasNotAlreadyBeenEstablishedunderSurvivingCDP(Cont'd)

(iv) If DSEF services were included under one or more of the plans being cancelled, then all of the CDP Customer's DSEF term commitments must be combined with their Special Access DS3 channel term commitments in the Surviving CDP, and a new commitment level must be established, as described in Section 25.1.3(A)(6) preceding.

(v) The expiration date of a service type being newly established under the Surviving CDP will be set as detailed following:

- If the expiration date of a service type is prior to the next scheduled true-up of the Surviving CDP, the customer must extend the commitment period pursuant to Section 25.1.8(D) following; or
- If the expiration date of a service type is on the same date as the scheduled true-up of the Surviving CDP, the expiration date will not change; or
- If the next true-up scheduled for a service type would have occurred prior to the next scheduled true-up of the Surviving CDP, then the Telephone Company will shorten the commitment period by six months in the amount of time, in months, between the two true-ups and reset the expiration date accordingly; or
- If the next true-up scheduled for a service type would have occurred subsequent to the next scheduled true-up of the Surviving CDP, then the Telephone Company will shorten the commitment period by the amount of time, in months, between the two true-ups and reset the expiration date accordingly.

(vi) The customer will be granted the highest applicable Renewal Option, as described in Section 25.1.8(H) following, for each service type, if any, from the CDPs being cancelled.

(vii) The customer will be granted the highest applicable TISC, as described in Section 25.1.8(F) following, for each service type, if any, from the CDPs being cancelled. However, if Renewal Options apply on the Surviving CDP, no TISC will be granted.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.3 PlanCommitmentLevels (Cont'd)(C) ModificationstoanExistingCDP (Cont'd)(6) SurvivingCDPOption(Cont'd)

- (g) The effective date of the changes to the Surviving CDP resulting from the modification, and any changes in the application of the discount percentage and/or TPP rates, will be effective as specified following:
- (i) If the CDP Customer requests the Surviving CDP Option on or before the twentieth (20th) calendar day of a month, the Surviving CDP shall begin the first (1st) calendar day of the month following the month in which the CDP Customer requested such Option. Application of discounts under the Surviving CDP shall begin with the first bill day of the bill period associated with the Surviving CDP Customer's BAN in the month following the month in which the CDP Customer requests the Surviving CDPOption. For example, assume a Surviving CDP customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the CDP Customer requests the Surviving CDPOption is July 6th. Then, the discounts under the Surviving CDP shall begin on August 11th.
- (ii) If the CDP Customer requests the Surviving CDP Option after the twentieth (20th) calendar day of a month, the Surviving CDP shall begin the 1st calendar day of the second calendar month following the month in which the CDP Customer requested such Option. Application of discounts under the Surviving CDP shall begin with the first bill day of the bill period associated with the Surviving CDP Customer's BAN in the second month following the month in which the CDP Customer requests the Surviving CDPOption. For example, assume a Surviving CDP Customer's bill period begins on the 11th calendar day of each month. Assume also that the date the CDP Customer requests the Surviving CDPOption is July 30th and discounts under the Surviving CDP shall begin on September 11th.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.3 PlanCommitmentLevels (Cont'd)(C) ModificationstoanExistingCDP (Cont'd)(6) SurvivingCDPOption(Cont'd)

(h) ForanexampleoftheSurvivingCDPOption,assumethefollowing:

<u>CustomerA'sPlan</u>	<u>CustomerB'sPlan</u>
EstablishedJanuary2006	EstablishedMarch2003
25DS3s(16,800equiv.DS0s) 60monthcommitmentperiod 12monthsofTISC ExpiresJanuary2011	N/A
100DS1s(2,400equiv.DS0s) 84monthcommitmentperiod 6monthsofTISC ExpiresJanuary2013	100DS1s(2,400equiv. DS0s) 84monthcommitmentperi od 18monthsofTISC ExpiresMarch2010
1,000DDSIIcircuits 60monthcommitmentperiod 3monthsofTISC ExpiresJanuary2011	100DDSIIcircuits 36monthcommitmentperi od N/A ExpiresMarch2006
True-upsinJulyandJanuary	True-upsinSeptember andMarch
CustomerAandBmergeinAugustandchoosetocanc designateCustomerB'sCDPastheSurvivingCDP.T comprisedof:	elCustomerA'sCDPandto heSurvivingCDPwouldbe

SurvivingCommitmentDiscountPlan :25DS3s(16,800equiv.DS0s)
60monthcommitmentperiod
12monthsofTISC
ExpiresSeptember2010200DS1s(4,800equiv.DS0s)
84monthcommitmentperiod
18monthsofTISC
ExpiresMarch20101,100DDSIIcircuits
36monthcommitmentperiod
TISCN/A
ExpiresMarch2006

True-upsinSeptemberandMarch

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.3 PlanCommitmentLevels (Cont'd)(C) ModificationstoanExistingCDP (Cont'd)(6) SurvivingCDPOption(Cont'd)

- (i) IftheCDPCustomerdoesnotnotifytheTelephoneCompanyofitsselectionpriortocompletionofthenextscheduledtrue-upperiod,thetelephoneCompanywillcompleteimplementationofSection25.1.3(C)(7)following,usingthelongestcommitmentperiodfromtheplansbeingcancelled.

(7) NewCDPOption

ThisoptioncombinestheCDPoftheexistingACNA(s)(PlanA)withtheCDP(s)oftheacquiredACNA(s)(forexample,PlansBandC)intoanewCDP(PlanD)thatincludes theACNAs ofPlansA,BandC.

- (a) CDPCustomer(s)must,bywrittennotificationtotheTelephoneCompanyas specifiedinSection25.1preceding, cancelPlansA,BandCandestablishanewplan (PlanD).
- (b) Atrue-upwillnotbeconductedonthepplansbeingcancelled.
- (c) TerminationliabilitychargesassetforthinSection25.1.9followingwillnotbe applicabletotheplansbeingcancelled.
- (d) TheCDPCustomerisrequiredtoincludealloftheACNA(s)fromtheplansbeing cancelledinPlanD.
- (e) ForthenewPlanDbeingestablished,theCDPCustomermustchoosea commitmentperiodthatisnoshorterthanthe commitmentperiodofanyoftheplan(s) beingcancelledforeachservicetypeassetforth inSection25.1.4following.The MinimumCommitmentlevel(s)fortheservicetype(s) underPlanDwillbeequaltothe sumoftheindividualcommitmentlevels,by service type,oftheplansbeingcancelled.
- (f) IfTISCexistedon atleastoneservicetypein oneoftheplan(s)beingcancelled,then TISCwillbegrantedonallservicetypesinPlanD. Inordertodeterminethe applicableTISC,usethetablesetforthfollowing.

PlanDTermTISCforCDP

2Years
3Years
5Years
7Years

3monthscredit
6monthscredit
12monthscredit
18monthscredit

- (g) RenewalOptionsonanyoftheplan(s)beingcancelledwillnotbecarriedoverttoPlan D.
- (h) AllCDPtermsandconditions,includingterminationliability,willapplytoPlanD's commitmentperiod(s).

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.3 PlanCommitmentLevels (Cont'd)(D) SaleofAssets

(1) SaleofTelephoneCompanyOperatingTerritory

(a) IntheeventofaTelephoneCompanysaleduring aCDPcommitmentperiod,the followingapplies:

- (i) IntheeventtheTelephoneCompanysellsallor aportionofitsassetsina specificstate(s)andceasestoprovideassociated service(s)currentlyincluded underaCDP,theCDPCustomerhasentheoptionored ceitsMinimum Commitment,byapercentageequaltothecustomer's actualnumberofin-servicecircuitsintheaffectedstate(s)dividedb ythetotalactualnumberofin-servicecircuitsacrossalloftheoperatingterrit oriesunderthistariff,foreach servicetype,withoutapplicationofterminationli abilityorshortfalladjustment duetosuchreduction.Inaddition,theCDPCustom erwillberelievedofits minimumperiodobligationforthosecircuitsnolon gerprovidedbythe TelephoneCompany.TheCDPCustomermustprovidew rittennotificationto theTelephoneCompanyofitsselectiontodecreasei tsMinimumCommitment priortocompletionofthenextscheduledtrue-upp eriod.The decreased MinimumCommitmentwillapplyfromthedataofthe salethroughthebalance ofthecommitmentperiodoruntilsuchtimeasasu bsequentadjustmenttothe MinimumCommitmentisrequestedorrequired.
- (ii) Forexample,assumethataCDPCustomerhasa MinimumCommitmentof fifteen(15)DS3HighCapacityServices(i.e.,10,0 80equivalentDSOs). Further,assumethattheCDPCustomerhasseventeen (17)in-serviceDS3 HighCapacityServicesacrossalloftheoperating territoriesunderthistariff, five(5)ofwhichareinMaryland.TheTelephoneC ompanysellsitsassetsin MarylandwheretheCDPCustomerhasfive(5)DS3s(i.e.,3,360equivalent DS0s).TheCDPCustomer'sDS3MinimumCommitmentw illbereducedby 5/17ofthetotal10,080equivalentDSOs,or2,965 DSOs(i.e.,5Maryland DS3s/17totalDS3s=29.41176%times total10,080 equivalentDSOs,which equals2,964.7DSOs,roundeduptothenearestequi valentDS0,or2,965). ThenewreducedMinimumCommitmentwillbe7,115eq uivalentDSOs(i.e., 10,080-2,965).

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.4 CommitmentPeriodsbyServiceType

- (A) For each billing month, the Telephone Company will bill service under the CDP as follows:
- (1) For DDS, Voice Grade, Special Access DS1, and DSEF services, the TPP monthly rates shown in Sections 7.5.16, 7.5.3 and 7.5.21 respectively, will apply to the commitment periods set forth in the table below. Such rates may change during the commitment period, subject to the regulations set forth in Section 25.1.6 following.
- (2) For Special Access DS3 services, a discount percentage set forth below will be applied to the Base Rates shown in Section 7.5.9 respectively, for the commitment period selected by the CDP Customer from the table below. Base Rates and/or the discount percentage may change during the commitment period, subject to the regulations set forth in Sections 25.1.5 and 25.1.6 following.
- (B) Services included in a combined service type may have different commitment periods and rates associated with each individual service type.
- (C) For services provided with Base Rates or month-to-month rates, discount percentages applied will be the discounts shown below that is associated with the commitment period of the individual service type. For all other services, the TPP monthly rate will apply.
- (D) TPP monthly rates and discount percentages differ based on the length of the commitment period selected by the CDP Customer and the service type. The CDP Customer must select a commitment period from those offered following.

<u>ServiceType</u>	<u>CommitmentPeriod</u>	<u>RateunderCDP</u>
VoiceGradeService	3Year	TPPRate
	5Year	TPPRate
DigitalDataService	2Year	TPPRate
	3Year	TPPRate
	5Year	TPPRate
DS1HighCapacity/ 1.544MbpsService	2Year	TPPRate
	3Year	TPPRate
	5Year	TPPRate
	7Year	TPPRate
DS3HighCapacity/ 44.736MbpsService	3Year	10%offBaseRate
	5Year	35%offBaseRate
DedicatedSONETEntranceFacility (SpecialAccess)	3Year	TPPRate
	5Year	TPPRate

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.5 ChangestotheDiscountPercentage

- (A) Forservicesusingdiscountpercentages,thediscountpercentagesetforabovewillnot besubjecttoTelephoneCompanyinitiateddecreases duringthecommitmentperiod. Forexample,iftheTelephoneCompanyinitiatesadecreaseinthediscountpercentage fortheSpecialAccessDS3servicetypefrom35percent(35%)offBaseRatesfora five(5)yeartermtotwenty-fivepercent(25%)offBase Ratesfora five(5)yearterm, the existingdiscountpercentageofthirty-fivepercent (35%)willcontinuetobeapplied throughthebalanceoftheCDPCustomer'scommitment period.
- (B) Forservicesusingdiscountpercentages,thediscountpercentageissubjecttoTelephone Companyinitiatedincreasesduringthecommitment period.Forexample,ifthe TelephoneCompanyinitiatesanincreaseinthedisc ountpercentageforSpecialAccess DS3servicetypefromthirty-fivepercent(35%)off BaseRatesfora five(5)yeartermt to fortypercent(40%)offBaseRatesfora five(5) yearterm,thenewfortypercent(40%) discountwillbeappliedthroughthebalanceofthe CDPCustomer'scommitmentperiod.

25.1.6 ChangestotheBaseRates/TPPRates

- (A) IftheTelephoneCompanyinitiatesadecreasei ntheTPPratesduringthecommitment period,thedecreasedratesshallapplytoallserv icesundertheCDPwhichbillsuchTPP ratesassetforabove.IftheTelephoneCompany initiatesanincreaseintheTPPrates duringthecommitmentperiod,theincreasedrates shallapplytoallservicesunderthe CDPwhichbillsuchTPPrates,subjecttotheappli cableregulationssetforthinthistariff, Sections7.2.15(E),7.4.13(C),7.4.17(C),and7.4.1 8(C).
- (B) TheBaseRatetowhichthediscountpercentage isappliedundertheCDPassetforth abovearesubjecttochangeoverthecommitmentper iodselectedbytheCDPCustomer. AnincreaseintheBaseRatewillresultinainc reasetotheratesundertheCDPforthe applicableservicetype.AdecreaseintheBaseRa tewillresultinadecreasetotherates tundertheCDPfortheapplicableservice.Innoev entwilltheBaseRateexceedthenon- discountedmonthlyratefortheservice.
- (C) IntheeventtheTelephoneCompanyinitiatesa rateincreaseandthetotaldiscounted monthlybillingfortheaffectedservicetypeincre asesbyeightpercent(8%)ormore,the customermaycancelaCDPfortheaffectedservice typewithouttheapplicationof terminationliabilityassetforthin25.1.9follow ing.TheCDPCustomermustexerciseits optiontocanceltheCDPfortheaffectedservicetypebyprovidingwrittennoticetothe TelephoneCompanywithinthirty(30)daysoftheda teoftheeffective rateincrease.The CDPforotherservicesshallremainineffect.

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or TP PRates

- (A) The Telephone Company shall apply the discount percentage or TP Prate, as applicable, on a monthly basis during the commitment period to each monthly rate element specified in Section 25.1.1 preceding.
- (1) During any true-up period as set forth below, the customer may exceed its Minimum Commitment by up to fifty-six percent (56%) (i.e., the maximum service level) for DDS and/or Voice Grade services and up to thirty percent (30%) for all other services. In such event, the regulations set forth in Section 25.1.7(D) following shall apply.
- For example, assume that a customer has a Minimum Commitment for its DS1 High Capacity service type of 12,000 equivalent DS0s, and the customer has in-service as of the applicable true-up period 24,000 equivalent DS0s. The maximum service level would be thirty percent (30%) or 15,600 equivalent DS0s which will receive the discount. Amounts in excess of 15,600 equivalent DS0s will be treated in accordance with Section 25.1.7(D) following.
- For another example, assume that a CDPC Customer has a Minimum Commitment for its DDS service type of fifty (50) equivalent DS0s, and the CDPC Customer has in-service as of the applicable true-up period one hundred (100) equivalent DS0s. The maximum service level would be fifty-six percent (56%) or seventy-eight (78) equivalent DS0s which will receive the discount. Amounts in excess of 78 equivalent DS0s will be treated in accordance with Section 25.1.7(D) following.
- (2) The true-up process for each service type will determine if the CDPC Customer (1) has not met its Minimum Commitment and is therefore subject to a shortfall adjustment, (2) has met its Minimum Commitment and no adjustment to the commitment level is necessary, or (3) has met its Minimum Commitment and exceeded its maximum service level. Beginning on month six (6) after the CDPC Customer's subscription to the CDPC and every six (6) months thereafter, the Telephone Company will conduct a true-up which compares the average number of equivalent DS0s actually in service over the preceding six (6) months to the average number of equivalent DS0s which comprise the Minimum Commitment.
- (3) For CDPC Customers subscribing to CDP on or before December 31, 2004, the first true-up will not occur until twelve (12) months after the CDPC Customer subscribes to CDP. Thereafter, true-ups will be conducted on a six (6) month basis. All references to the true-up process and to the calculation thereof shall be deemed to refer to either the initial twelve (12) month true-up (for eligible CDPC Customers as set forth in this paragraph) or the six (6) month true-up process, as applicable. During the first true-up for such CDPC Customers, all references to six (6) months shall be substituted by twelve (12) months in the calculations set forth below.
- (4) In the event the CDPC Customer disputes the amount adjusted by the Telephone Company following the true-up process, the CDPC Customer must notify the Telephone Company of the dispute within six (6) months of the adjustment being applied (i.e., prior to the next scheduled true-up).
- (5) For purposes of applying the discount percentage or TP Prates, and administering the terms and conditions of the CDP, service provided as part of a Shared Use Arrangement is considered to be completely Switched Access or completely Special Access as determined by the type of facility ordered to the Hub.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.7 ApplicationoftheDiscountPercentageorTP PRates

(B) CustomerHasNotMetitsMinimumCommitmentand isSubjecttoaShortfallAdjustment

IftheCDPCustomerfailstomaintainitsMinimum Commitmentforaservicetypeor combinedservicetypeovertheprecedingsix(6)mo nths,theCDPCustomershallbe assessedanamountequaltothedifferencebetween (1)thetotaldollaramount associatedwiththatservicetypeorcombinedservi cetypeovertheprecedingsix(6) monthsand(2)thetotaldollaramountassociatedw iththatservicetypeorcombined servicetypewhichwouldhavebeenappliedoverthe precedingsix(6)monthshadthe MinimumCommitmentbeensatisfied.TheTelephoneC ompanywillcalculatethe differenceasfollows:

(Step1)TheTelephoneCompanywillcalculatethe averagenumberofDS0equivalent ChannelTerminationswhichwereinserviceoverthe preceding six(6) monthsby summingtheactualnumberofDS0equivalentChannel Terminationsforeachofthelast six(6)months,adjustingtheMinimumCommitmentpu rsuanttoSection25.1.3 preceding,anddividingbysix(6).Theresulting numberrepresentstheaverage equivalentDS0ChannelTerminationspermonth(i.e. ,monthlyequivalentDS0count).

(Step2)TheTelephoneCompanywillcalculatethe averagerateassessedperDS0 equivalentbyfirstsummingthetotalmonthlycharg esassociatedwithallchannel terminations,channelmileage,multiplexingarrange ments,andDSEFterminationsor combinedservicetypeoverthe preceding six(6) monthsanddividingbysix(6). Theresultingamountisthendividedby theaveragemonthlyequivalentDS0countdetermined inStep1.

(Step3)TheTelephoneCompanywillcalculatethe averageMinimumCommitmentfor thatservicetypeorcombinedservicetypebyfirst summingtheMinimumCommitment theMinimumCommitmentpursuantto for eachoftheprecedingsix(6)months,adjusting Section25.1.3preceding,anddividingtheresultin gtotalbysix(6).Theresultingnumber representstheaverageMinimumCommitmentforthep recedingsix(6)months.

(Step4)TheTelephoneCompanywilldeterminethe shortfallbysubtractingtheaverage numberofequivalentDS0sin serviceas determined inStep1fromthenumberof equivalentDS0swhichcomprisetheaverageMinimum Commitmentasdeterminedby Step3.

(Step5)TodeterminetheamountduefromtheCDP Customer,theTelephone Companywillmultiplytheaveragerateperequivalen tDS0determinedinStep2bythe shortfalldeterminedinStep4andmultiplytheres ultingamountbysix(6).Theamount dueisnotsubjecttoanylatepaymentfactorassp ecifiedinSection2.4.1preceding. However,alatepaymentfactorwillapplyinaccord ancewithSection2.4.1precedingif suchamountisnotpaidbythebillduedateofthe monthinwhichsuchamountfirst appearsonthebill.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.7 ApplicationoftheDiscountPercentageorTP PRates

(C) CustomerhasmetitsMinimumCommitment

IftheCDPCustomerhassatisfieditsMinimumComm itmentandisbelowthemaximum servicelevelfortheprecedingsix(6)months,no correctiveactionwillbetaken.

(D) CustomerhasmetitsMinimumCommitmentandExc eededitsMaximumServiceLevel

IftheCDPCustomerhassatisfieditsMinimumComm itmentfortheprecedingsix(6) monthsbutexceededitsmaximumservicelevel,the TelephoneCompanywillapplyan adjustmentinordertotrue-upthediscountper centexcessofthatallowedbythemaximumservicelevel .Thetrue-upwillresultinan adjustment(chargeup)ofthediscountedexcessamo untbacktostandard,non- discountedrates,unlesstheCDPCustomerselectsto increaseitsMinimumCommitment upwardtoatleastseventy-fivepercent(75%)forD DSand/orVoiceGradeservicesand ninetypersent(90%)forallotherservicetypesof thetotalnumberofDS0equivalent edservicetypeinvolvedatthetime ChannelTerminationsfortheservicetypeorcombin edservicetypeinvolvedatthetime thetrue-upwasperformed.Ifanadjustmentisto beapplied,theTelephoneCompany willcalculatetheadjustmentasfollows:

(Step1)TheTelephoneCompanywillcalculatethe averagenumberofequivalentDS0 ChannelTerminationsthatwereinserviceoverthe precedingsix(6)monthsbysumming theactualnumberofequivalentDS0sforeachofth elastsix(6)months,anddividingthe resultingtotalbysix(6).Theresultingnumber r epresentstheaveragemonthly equivalentDS0ChannelTerminationcount(i.e.,mon thlyequivalentDS0count.)

(Step2)TheTelephoneCompanywillcalculatethe averagerateassessedper equivalentDS0byfirstsummingthetotalreducedm onthlychargesassociatedwithall channelterminationandchannelmileagerateelemen tsfortheprecedingsix(6)months anddividingbysix(6).Theresultingamountist hendividedbytheaveragemonthly equivalentDS0countdeterminedinStep1.

(Step3)TheTelephoneCompanywillcalculatethe averageMinimumCommitmentby firstsummingtheMinimumCommitmentforeachofth eprecedingsix(6)months, n25.1.3preceding,anddividing adjustingtheMinimumCommitmentpursuanttoSectio bysix(6).Theresultingnumberrepresentsheav erageMinimumCommitmentforthe precedingsix(6)months.

(Step4)TheTelephoneCompanywilldeterminethe applicablemaximumservicelevel bymultiplyingtheMinimumCommitmentdeterminedin Step3by1.56(i.e.,theMinimum Commitmentplusthirtypercent(30%))forDDSan d/orVoiceGradeservices;orby multiplyingtheMinimumCommitmentdeterminedinSt ep3by1.3(i.e.,theMinimum Commitmentplusthirtypercent(30%))forallother services.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.7 ApplicationoftheDiscountPercentageorTP PRates

- (D) CustomerhasmetitsMinimumCommitmentandExc eededitsMaximumServiceLevel
(Cont'd)
- (Step5)TheTelephoneCompanywilldeterminethe numberofequivalentDS0sthat
alreadyreceivedadiscountovertheprecedingsix (6)months,butwereinexcessofthe
maximumservicelevelbysubtractingthetotalmaximumse rvicelevelcalculatedinStep4
fromtheaverageequivalentDS0ChannelTermination countdeterminedinStep1.
- (Step6)Todeterminethetotaldollaramountasso ciatedwiththeequivalentDS0sthat
receivedadiscountinexcessofthetotalmaximumservic elevel,theTelephoneCompanywill
multiplytheexcessequivalentDS0ChannelTerminat ionsinStep5bytheaveragetotal
rateperDS0equivalentinStep2andmultiplythe resultbysix(6).
- (Step7)Todeterminethenon-discountedtotaldol laramountfortheequivalentDS0s
whichwereinexcessofthetotalmaximumservicelevel, theTelephoneCompanywill
recalculatetheamountdeterminedinStep6backto standard,non-discountedratesas
follows.First,theTelephoneCompanywillmultipl ytheaveragetotalrateperequivalent
DS0determinedinStep2bythenumberofequivalen tDS0swhichwereinexcessofthe
maximumservicelevelinStep5anddividetheresu ltbythediscountfactororequivalent
(i.e.,one(1)minusthediscountpercentageorequ ivalent).Theresultingamountisthen
multipliedbysix(6).
- Theequivalentdiscountfactorcanbedeterminedby thepercentdifferentialbetweenthe
month-to-monthchannelterminationrateandtheapp licableTPPchanneltermination
rate.Toobtainthepercentdifferential,subtract theTPPchanneltermination
fromthetotalmonth-to-monthchannelterminationrate,anddi videtheresultbythetotalmonth-to-month
channelterminationrate.ForcombinedDS3andDSE Fservices,theequivalentdiscount
factorwillbethepercentdifferentialbetweenthe DS3month-to-monthchannel
terminationrateandtheapplicableDS3TPPchannel terminationrate.Forexample,a
tenpercent(10%)discountwouldresultinacalcul ationofone(1)minus.1foradiscount
factorof.9.
- (Step8)TodeterminetheamountduefromtheCDP Customer,theTelephone
CompanywillsubtracttheamountpaidinStep6fro mtheamountowedinStep7.The
resultingamountwillbetheamountadjusted(charg edup)asaresultofthetrue-up
process.TheamountduefromtheCDPCustomerisn otsubjecttoanylatepayment
factorasspecifiedinSection2.4.1preceding.Ho wever,alatepaymentfactorwillapply
inaccordancewithSection2.4.1precedingifsuch amountisnotpaidbythebillduedate
ofthetotalmonthinwhichsuchamountfirstappearson thebill.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods

The commitment period for each service is the actual number of months for which the CDP will be in effect for such service during which period the percentage discount or TPP rates will be applied.

(A) Selection of a Commitment Period

- (1) When establishing a CDP, the CDP Customer must select a commitment period for each service type included in CDP. Services included in a combined service type may have different commitment periods associated with each individual service type. The commitment period will be the number of months over which the percentage discount or TPP rates associated with that commitment period will apply. The commitment periods and any associated percentage discounts or TPP rates, as applicable, are specified in Section 25.1.4 preceding.
- (2) CDP Customers will have the option of establishing a commitment period for the DSEF service type equal to the longest commitment period of the CDP Customer's DS3 service type under CDP. The expiration date of the DSEF service type under CDP will equal the existing expiration date of the CDP Customer's DS3 service type under CDP with the longest commitment period. CDP Customers who choose this option shall receive the DSEF rates associated with the DSEF commitment period that matches the longest DS3 commitment period.
- (a) There shall be no change to the DS3 commitment period or DS3 rates. Minimum period obligations as set forth in Section 25.1.10 following shall apply regardless of the end date chosen.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods (Cont'd)(B) EffectiveDateofCommitmentPeriod

- (1) The customer must subscribe to CDP by providing the Telephone Company with written notification.
- (2) Where the CDP is requested to be provided coincident with the connection of new services or on existing services, the commitment period will begin as determined below:
- (a) If the customer subscribes to CDP on or before the twentieth (20th) calendar day of a month, the CDP commitment period shall begin on the first (1st) calendar day of the month following the month in which the customer subscribes to CDP. Application of discounts under the CDP shall begin with the first bill day of the bill month following the month in which the customer subscribes to CDP. For example, assume a CDP customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the customer subscribes to CDP is July 6th. Then, the CDP commitment period start date is August 1 and discounts under the CDP shall begin on August 11th.
- (b) If the customer subscribes to CDP after the twentieth (20th) calendar day of a month, the CDP commitment period shall begin on the first (1st) calendar day of the second month following the month in which the customer subscribes to CDP. Application of discounts under the CDP shall begin with the first bill day of the bill second month following the month in which the customer subscribes to CDP. For example, assume a CDP customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the customer subscribes to CDP is July 30th. Then, the CDP commitment period start date is September 1 and discounts under the CDP shall begin on September 11th.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods (Cont'd)(C) ExpirationofaCommitmentPeriod

- (1) Attheexpiration(end)ofitsselectedcommitmentperiod,theCDPCustomermay chooseone(1)ofthefollowingoptions:
- (a) Selectanytheneffectivecommitmentperiodfortheservicetypeinvolved,including combinedservicetypes,toestablishanewCDP.AlltermsandconditionsofCDP, includingterminationliability,shallapplytothenewcommitmentperiod.Upon establishmentofarenewedCDP,eligibleCDPCustomersmayelecttheRenewal OptioninaccordancewithSection25.1.8(H)following.Alloftheapplicabletermsand conditionsrelatingtotheestablishmentofaCDPspecifiedinSection25.1.2 precedingshallapply.
- (b) Extendtheexpiringcommitmentperiodassetforthin(D)(2)or(D)(3)following(in whichcasethecurrentdiscountpercentageor TPPratesandtermsand conditionsoftheexistingplanwillcontinuetoapply).
- (c) DiscontinueCDPandcontinuereceivingservice withoutanydiscountplan.Withthe exceptionof(i)subscribingSpecialAccessDS3and DS1Services(totheNDP(asset forthinSection25.3following)and(ii)DSEFservicesasdescribedin25.1.3(A)(6) preceding,theCDPCustomermaynotsubscribetoyotherdiscountplan(including TPP)ifatleastone(1)servicetypereainsunder CDP(i.e.,allcommitmentperiods forallservicetypesunderCDPhavenotexpired). Ifthecommitmentperiodfora combinedservicetypeisexpiringandtheservicetype willcontinuewithoutany discountplan,thecommitmentlevelforthecombinedservicetypewillchangetoan individualservicetypewillchangetoan individualservicetypewillchangetoan numberreducedbythequantityof channelterminationsexpiring.
- (2) IftheCDPCustomerdoesnotnotifytheTelephone Companyofitschoiceof(a),(b), or(c)above,inwritingatleastsixty(60)dayspriorto theexpirationofthecommitment period,theTelephoneCompanywillcontinuetwo(2) additionalmonthsofCDPbilling. IftheCDPCustomerdoesnotnotifytheTelephone Companyofitschoiceduringthe two(2)monthextension,anewCDPwillbeginbased onthepreviouslyeffective commitmentperiod.Thecommitmentlevelwillbe setaccordingtoSection25.1.3(A) preceding..ThenewCDPestablishedunderthisSection(C)(2)willnotincludeany RenewalOption.AlltermsandconditionsofCDP, includingterminationliability,will applytothenewCDPcommitmentperiod.
- (3) IfallcommitmentperiodsforallservicesundertheCDPareexpiring,theCDP Customeralsohas theoptionofselectinganythen effectiveTPPwhichmaybe availableforsuchservices.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods (Cont'd)(D) ExtensionofaCommitmentPeriod(1) SelectNewCDPwithEqualorLongerCommitment Period

- (a) At any time prior to the expiration of these selected commitment period for an existing CDP, the CDP Customer may extend the commitment period by canceling the existing plan and selecting a new plan with a commitment period which is equal to or longer than the original commitment period associated with the cancelled plan. The CDP Customer must choose from the commitment periods available for each service type as set forth in Section 25.1.4 preceding.
- (b) If the CDP Customer chooses to extend the expiration date for DDS and/or Voice Grades service pursuant to this Section D(1), the new Minimum Commitment level will be the higher of (1) the then-existing Minimum Commitment level; or (2) seventy-five percent (75%) of the total number of the in-service channel terminations for DDS and/or Voice Grades service. For all other service types, the new Minimum Commitment level will be the higher of (1) the then-existing Minimum Commitment level; or (2) ninety percent (90%) of the total number of the in-service channel terminations for such service type.
- (c) If the CDP Customer chooses to extend the expiration date for one (1) or both of the service types offered under a combined service type, the new Minimum Commitment level will be the higher of (1) the then-existing commitment level for the combined services; or (2) ninety percent (90%) of the total number of in-service channel terminations for the combined service type.
- (d) Termination liability charges as set forth in Section 25.1.9 following are not applicable when extending the commitment period, provided that the commitment period of the new plan is equal to or longer than the commitment period of the plan being cancelled. Time in service credit is not applicable when extending the commitment period. All CDP terms and conditions, including termination liability, will apply to the new CDP commitment period.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods (Cont'd)(D) ExtensionofaCommitmentPeriod (Cont'd)

- (2) ExtendExpirationDateofCommitmentPeriod(fo rallservicesexceptCombined
ServiceTypeswhicharesetforthin(3)following)
- (a) Attheexpirationofitsselectedcommitmentpe riodforaservicetypethatisnotpartof
acombindedservicetype,theCDPCustomerhastheo ptiontoextendtheexpiration
dateoftheexpiringcommitmentperiodforaspecif icservicetypetoalonger
commitmentperiodforanothercustomer-subscribed servicetypeunderCDP.The
CDPCustomershallcontinuetoreceivethesameTPP rateordiscountpercentage,
asapplicable,thatitreceivedpriortosuchexten sion.
- Forexample,assumethataCDPCustomerhasacombi nedservicetypewithafive
(5)yearcommitmentforDDSservice.Assumealso th atthelongestcommitment
periodtheCDPCustomerhasunderCDPisaseven(7)yearcommitmentonSpecial
AccessDS1servicewithtwo(2)yearsremainingon thecommitmentperiodforthat
service.TheCDPCustomermayextendtheexpiratio noftheDDSservice
commitmentperiodfortwo(2)additionalyearsatt hefive(5)yearDDSservicerates.
- (b) IftheCDPCustomerchoosestoextendtheexpir ationdateforDDSand/orVoice
GradeservicepursuanttothisSectionD(2),thene wMinimumCommitmentlevelwill
bethelowerof(1)thethen-existingMinimumComm itmentlevel;or(2)seventy-five
percent(75%)ofthetotalnumberoftheninservic echannelterminationsforDDS
and/orVoiceGradeservice.Forallotherservice types,thenewMinimum
Commitmentlevelwillbethelowerof(1)thethen -existingMinimumCommitment
level;or(2)ninetypercent(90%)ofthetotalnum beroftheninservicechannel
terminationsforsuchservicetype.
- (c) TISCisnotapplicablewhenextendingthecommi tmentperiod.Alltermsand
conditionsofCDP,includingterminationliability, willapplytothenewCDP
commitmentperiod.Duringtheperiodoftheextensi on,thecustomerisstillsubjectto
thetrue-upprocessassetforthinSection25.1.7 preceding.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods (Cont'd)(D) ExtensionofaCommitmentPeriod (Cont'd)(3) ExtendExpirationDateofCommitmentPeriodfor CombinedServiceTypes

Attheexpirationofthecommitmentperiodfora combinedservicetype,theCDP Customerhasthefollowingoptions:

- (a) Extendtheexpirationdateoftheexpiringcommitmentperiod(s)toalonger commitmentperiodforanothercustomer-subscribed servicetypeunderCDP.The CDPCustomershallreceivethesameTPPrateordiscountpercentage,as applicable,thatitreceivedpriortosuchextension.
- Forexample,assumethataCDPCustomerhasacombinedservicetypewithafive (5)yearcommitmentforSpecialAccessDS3service. AssumealsothattheCDP Customerhasaseven(7)yearcommitmentonSpecial AccessDS1servicewithtwo (2)yearsremainingonthecommitmentperiodfor thatservice.TheCDPCustomer mayextendtheexpirationoftheSpecialAccessDS3 servicecommitmentperiodfor two(2)additionalyearsatthefive(5)yearSpecialAccessDS3servicerates.
- (i) IftheCDPCustomerchoosestoextendtheexpirationdateforone(1)orbothof theservicetypesofferedunderacombinedservice type,thenewMinimum Commitmentlevelwillbethelowerof(1)thethen existingcommitmentlevelfor thecombinedservices;or(2)ninetypercent(90%) ofthetotalnumberofinservice channelterminationsforthecombinedservicetype.
- (ii) TISCisnotapplicablewhenextendingthecommitmentperiod.Alltermsand conditionsofCDP,includingterminationliability, willapplytothenewCDP commitmentperiod.Duringtheperiodoftheextension,thecustomerisstillsubject tothetrue-upprocessassetforthinSection25.1.7preceding.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods (Cont'd)(D) ExtensionofaCommitmentPeriod (Cont'd)(3) ExtendExpirationDateofCommitmentPeriodfor CombinedServiceTypes (Cont'd)

- (b) The CDPCustomer may extend the expiration date of a combined service type to the expiration date of the other service type that is part of the combined extension period, the CDPCustomer is eligible for the higher discount associated with the longer commitment period of the service type that is expiring. The discounts are described in Section 25.1.4 preceding.
- (i) If the CDPCustomer chooses to extend the expiration date for one (1) or both of the service types offered under a combined service type, the new Minimum Commitment level will be the higher of (1) the then existing commitment level for the combined services; or (2) ninety percent (90%) of the total number of in-service channel terminations for the combined service type.
- (ii) TISC is not applicable when extending the commitment period. All terms and conditions of CDP, including termination liability, will apply to the new CDP commitment period. During the period of the extension, the customer is still subject to the true-up process as set forth in Section 25.1.7 preceding.

(E) Cancellations

- (1) Except as set forth in Sections 25.1.3(C)(6) or (7), 25.1.8(D)(1), and 25.1.6(C) preceding, and in Sections 25.1.8(E)(2) and 25.1.8(H) following, cancellation of a CDP will result in the application of termination liability as set forth in Section 25.1.9 following.
- (2) Cancellation of CDP in Order to Subscribe to NDP
If a CDPCustomer cancels a CDP in whole or in part in order to subscribe Special Access DS3 Services and/or Special Access DS1 Services that are currently subscribed to such termination liability under CDP (asset for in Section 25.1.9 following) will not apply.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods (Cont'd)(E) Cancellations (Cont'd)

(2) CancellationofCDPinOrdertoSubscribetoND P(Cont'd)

(a) CancellationAffectingCommitmentPeriodsforC ombinedServiceTypes(Cont'd)

(1) TheTelephoneCompanywillmakethefollowingc hangestoacDPiftheCDP Customerhasacombinedservicetype.

(a) (Reserved)

(b) (Reserved)

(c) WhereSpecialAccessDS3ServicesandDSEFserv icesareunderacombinedservicetype thatdoesnotincludeSwitchedAccess Services,andtheSpecial AccessDS3ServicesareincludedinNDP,thecommit mentlevelforthe remainingDSEFserviceswillbereducedtoninety percent(90%)ofthenumber ofDSEFservicesarein-serviceatthetimeofsuch cancellation,andthe combinedservicetypecommitmentlevelwillbechan gedtoanindividualservice typereferencelevel.

(d) (Reserved)

(2) Anewcommitmentlevelequaltoninetypercent (90%)oftheservicesremaining underCDPineitheracombinedservicetypeorani ndividualservicetype willbe established.Thenewcommitmentlevelwillbeeffe ctivefortheremainderofthe existingcommitmentperiod,unlessotherwise revise dunderthisSection25.1.

(3) Forexample,whenaCDPCustomerthatsubscribe stoSpecialAccessDS3 ServicesandSpecialAccessDSEFservicesunderCDP ,subsequentlycancels theCDPforitsSpecialAccessDS3Servicesinorde rtomovesuchservicesto NDP,terminationliabilitywillnotapplyfortheS pecialAccessDS3Services that areremovedfromtheCDPtotheNDP.Inaddition,th ecommitmentlevelforthe SpecialAccessDSEFservices thatremainunderCDP willbechangedin accordancewithSection25.1.3precedingtoninety percent(90%)ofthein-service quantitiesofDSEFservicesatthetimeofcancella tionoftheCDP,andtheDSEF serviceshallbeconvertedtoanindividualservice typereferencelevel. The commitmentlevelforDSEFserviceswillbeeffe ctivefortheremainderofthe existingcommitmentperiodunlessotherwise revised underthisSection25.1.

ACCESSSERVICE

25. DiscountPlans (Cont'd)

25.1 CommitmentDiscountPlans (Cont'd)

25.1.8 CommitmentPeriods (Cont'd)

(F) TimeIn-ServiceCredit

- (1) TISCwillbegrantedforeachservicetypebeing convertedfromaTPPtotheCDPif at leastone(1)oftheservicesofthetypebeingcon vertedhasbeenunderitsTPPforat leasttwo(2)years.
- (2) TISCwillbeappliedtotheendoftheCDPcomm itmentperiod.TISCreducesthe numberofmonthsfromtheendoftheselectedcomm itmentperiodtowhichtermination liabilitychargesareapplicable.Therewillbeno changetotheCDPcommitmentperiod. Forexample,acommitmentperiodoffive(5)years withone(1)yearofTISCgrantedis stillacommitmentperiodoffive(5)years,howeve r,theCDPCustomerwillnotbe subjecttoterminationliabilityaftermonthforty- eight(48)(i.e.,5yearsminusTISCof1 year=4years)iftheCDPCustomercancelsorterm inatestheCDPpriortotheendof thecommitmentperiod.TheamountofTISCgranted foreachelegibleservicetypeis determinedasfollows.
- (3) InordertocalculatetheapplicableTISC,first,determinetheamountoftimespentunder aTPPinthetablefollowing.Second,determineth ecustomer'sselectedCDP commitmentperiod.Third,determinetheTISCusing thetableandcriteriaetforth below.IfthecustomerselectsaCDPcommitmentpe riodofequalorgreaterlength thantheamountoftimespentunderaTPP,theTISC associatedwiththeTimeIn- ServicefortheTPPshallapply.Ifthecustomers electsaCDPwithshortertermthan theamountoftimespentunderaTPP,theTISCasso ciatedwiththeCDPtermshall apply.

Forexample,ifacustomerhasserviceunderaTPP forthirty-eight(38)months,but chooseaCDPwithacommitmentperiodofonlythree e(3)years(i.e.,three(3)year termforCDPislessthanthethirty-eight(38)mon thsspentunderTPP),theTISCwould besix(6)monthswhichisthemaximumTISCforat hree(3)yearCDPcommitment period.Alternatively,asanexample,ifthecustom erhadtwo(2)yearsofserviceundera ermicetypeofseven(7)years TPP,butchoosesaCDPcommitmentperiodforthats erviceofseven(7)years erthanthetwo(2)yeartimespent (i.e.,seven(7)yearCDPcommitmentperiodislong it,whichisthemaximumTISC underTPP),theTISCwouldbethree(3)monthscred availablehavingatisfiedatwo(2)yearTPPcommi tmentperiod.

<u>TimeIn-ServiceforTPP</u>	<u>CDPTerm</u>	<u>TimeIn-Service CreditforCDP</u>
24months	2YearsorLonger	3monthscredit
25to36months	3YearsorLonger	6monthscredit
37to60months	5YearsorLonger	12monthscredit
61monthsorgreater	5Years	18monthscredit

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods (Cont'd)(G) NonrecurringCharges

WhenserviceisnewlyinstalledunderaCDP,thechargethatappliesis\$1.00,whichappliesinlieuofanyapplicablenonrecurringcharge specifiedinSection7.5.16precedingforSpecialAccess,orSection7.5.21(C)preceding forDSEF.

(H) RenewalOption

(1) Description -RenewalOptionisanooptionunderCDPwhichallowsaCDPCustomer to terminateitsrenewedCDPwithouttheapplicationofterminationliabilitychargesifthe renewedCDPmeetsthettermsandconditionssetforthinthissection(H).Therewillbe nochangetotheCDPcommitmentperiodthatthecustomercommitstounderCDP. RenewalOptionapplies tocommitmentperiodsby service type.

(2) CustomerSubscriptiontoRenewalOption -RenewalOptionmustberequestedbythe CDPCustomerbyprovidingwrittennotificationtotheTelephoneCompany.

(3) Eligibility -RenewalOptionisavailabletoaCDPCustomerwhomeetseitheroneofthe conditionssetforthin(H)(3)(a)or(b)following:

(a) CustomerwithaCurrentlyExpiringCDP

Customermustmeetalloftherequirementssetforthin(a)(i)and(a)(ii)following:

(i) Customercompletesoneofthefollowing:

- (A) Afull5-yearor7-yearcommitmentperiod(pursuanttoSection 25.1.8(C)(1)(a)preceding),withactualtimespentonplanunderthistariff equaltothefullcommitmentperiod;or
- (B) Anextensionofacommitmentperiod(pursuanttoSections25.1.8(D)(2)or (3)preceding)withatleastfive(5)yearsactual time spentontheplanregardless oftheselectedcommitmentperiod;or

(ii) TheCDPCustomerchoosestoestablishanewCDPcommitmentperiodforthe servicetypeinvolved,includingcombinedservicetypes,withanequalorlonger commitmentperiod(i.e.,CDPCustomerrenewsits existing5-yearcommitment periodforanew5-yearor7-yearcommitment period,orCDPCustomerrenews its existing7-yearcommitmentperiodforanew7-year commitmentperiod).

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods (Cont'd)(H) RenewalOption (Cont'd)(3) Eligibility (Cont'd)(a) CustomerwithaCurrentlyExpiringCDP (Cont'd)

(ii) (Cont'd)

(A) If a CDP Customer completed an extension of a commitment period pursuant to Sections 25.1.8(D)(2) or (3) preceding with time spent on the plan, the commitment period of the renewed CDP must be of equal or greater length than the actual time spent by the customer on the prior plan. If the actual time spent by the CDP Customer on the prior plan was between five (5) years and seven (7) years (i.e., more than 60 months but less than 84 months), the CDP Customer must renew such CDP for a new commitment period of at least five (5) years.

(B) For example, assume that a CDP Customer completed a 3-year commitment period and extended it for an additional two (2) years for a total time spent on the plan of five years. The CDP Customer must renew such CDP for a new commitment period of at least five (5) years. As another example, assume that a CDP Customer completed a 5-year commitment period and extended it for an additional one (1) year for a total time spent on the plan of six (6) years. The CDP Customer must renew such CDP for a new commitment period of at least five (5) years.

(b) CustomerRenewedCDPWithintheLast12Months

CDP Customer must meet all of the requirements set forth in (b)(i), (b)(ii) and (b)(iii) following:

- (i) The CDP Customer had completed one of the following during the period between May 10, 2005 and May 10, 2006:
- (A) A full 5-year or 7-year commitment period (pursuant to Section 25.1.8(C)(1)(a) preceding); or
 - (B) An extension of a commitment period (pursuant to Sections 25.1.8(D)(2) or (3) preceding) with at least five (5) years actual time spent on the plan regardless of the selected commitment period; and
- (ii) Upon expiration of such commitment periods specified in (b)(1) and during the period between May 10, 2005 and May 10, 2006, the CDP Customer reestablished the CDP commitment period for the service type involved, including combined service types, with an equal or longer commitment period (i.e., CDP Customer renewed its existing 5-year commitment period for a new 5-year or 7-year commitment period, or CDP Customer renewed its existing 7-year commitment period for a new 7-year commitment period).

ACCESSSERVICE

25. DiscountPlans (Cont'd)

25.1 CommitmentDiscountPlans (Cont'd)

25.1.8 CommitmentPeriods (Cont'd)

(H) RenewalOption (Cont'd)

(3) Eligibility (Cont'd)

(b) CustomerRenewedCDPWithintheLast12Months

(ii) (Cont'd)

(A) If a CDP Customer completed an extension of a commitment period pursuant to Sections 25.1.8(D)(2) or (3) with at least five (5) years actually spent on the plan, the commitment period of the renewed CDP must have been of equal or greater length than the actual time spent by the customer on the prior plan. If the actual time spent by the CDP Customer on the prior plan was between five (5) years and seven (7) years (i.e., time spent was more than 60 months but less than 84 months), the CDP Customer must have renewed such CDP for a new commitment period of at least five (5) years.

(B) For example, assume that a CDP Customer completed a 3-year commitment period and extended it for an additional two (2) years for a total time spent on the plan of five (5) years. The CDP Customer must have renewed such CDP for a new commitment period of at least five (5) years. As another example, assume that a CDP Customer completed a 5-year commitment period and extended it for an additional one (1) year for a total time spent on the plan of six (6) years. The CDP Customer must have renewed such CDP for a new commitment period of at least five (5) years.

(iii) The CDP Customer must elect Renewal Option no later than July 10, 2006.

(4) RenewalOptionPeriod

(a) The applicable Renewal Option Period granted to reach eligible service type is determined as follows:

Expiring CDP Commitment Period (including actual time spent on plan pursuant to 25.1.8(H)(3)(a)(i) or 25.1.8(H)(3)(b)(i))	Renewed (i.e., new) CDP Term	Renewal Option Period
5 years	5 or 7 Years	24 months
7 years	7 Years	24 months

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods (Cont'd)(H) RenewalOption (Cont'd)(4) RenewalOptionPeriod (Cont'd)

- (b) The Renewal Option Period will be applied to the end of the renewed CDP commitment period.
- For example, assume that a CDP Customer renews a 7-year commitment period for another 7-year commitment period and elects the Renewal Option. The Telephone Company will grant a Renewal Option Period of twenty-four (24) months to that CDP Customer. The CDP Customer is still subject to a commitment period of seven (7) years; however, termination liability charges as set forth in Section 25.1.9 following will not apply after months sixty (60) if the CDP Customer cancels or terminates the CDP prior to the end of the commitment period (i.e., 7-year commitment period (84 months) minus 24 months Renewal Option Period = 60 months, or 5 years).
- (c) When a CDP is cancelled or terminated during the Renewal Option Period, a final true-up will be conducted pursuant to Section 25.1.7 preceding in order to determine any applicable short fall adjustments. The short fall will be calculated as specified in Section 25.1.7(B) preceding, on a pro-rated basis, for the number of months elapsed since last true-up. No charge-ups applicable under Section 25.1.7(D) preceding will be assessed as a result of the final true-up.
- (d) If a CDP is cancelled or terminated during the Renewal Option Period, the CDP Customer will be treated as if it has completed a full commitment period.
- For example, assume that a CDP Customer completes a full 7-year commitment period under CDP, renews CDP with a 7-year commitment period and elects the Renewal Option. After completing 5 years and 3 months (i.e., during the Renewal Option Period), the CDP Customer terminates the CDP without termination liability. After such termination, the CDP Customer may renew such CDP for another 7-year commitment period and be eligible for the Renewal Option on the renewed CDP.
- (5) Except as otherwise specified in this Section 25.1.8(H), all terms and conditions of CDP, including establishing an initial minimum commitment period set forth in Section 25.1.3(A) preceding and the bi-annual true-up process set forth in Section 25.1.7 preceding, will apply to the new CDP commitment period during the entire time that such CDP is maintained (i.e., even during the Renewal Option Period).

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.9 TerminationLiability

- (A) Termination liability applies to all services included in the CDP(1) when one or more service types in the CDP are disconnected, cancelled, or terminated prior to the end of the CDP Customer selected commitment period for each such service type; or (2) when all services in the CDP are disconnected, cancelled, or terminated prior to the end of the CDP Customer selected commitment period. The only exceptions to the foregoing shall be:
- (i) termination by the CDP Customer in accordance with Section 25.1.6(C) preceding for which the CDP Customer shall not be charged termination liability in accordance with this section for the specific service type terminated. If the CDP Customer terminates another service type not subject to Section 25.1.6(C) preceding, then the CDP Customer shall be subject to termination liability for the other service types in accordance with this section; or
 - (ii) termination by the CDP Customer in accordance with Section 25.1.8(E)(2) preceding of Special Access DS3 Services and/or Special Access DS1 Services in order to subscribe those services to the CDP, in accordance with Section 25.3 following; or
 - (iii) termination by the CDP Customer in accordance with Renewal Options set forth in Section 25.1.8(H) preceding; or
 - (iv) termination by the CDP Customer in accordance with Section 25.1.8(D)(1) preceding in order to extend the commitment period of the CDP; or
 - (v) termination by the CDP Customer in accordance with Section 25.1.3(C)(6) or (7) preceding in order to consolidate multiple CDPs.
- (B) The termination liability charge applies in addition to any applicable minimum period charges as set forth in Section 25.1.10 following.
- (C) There are two methods (i.e., Option 1 or Option 2) of determining and calculating the termination liability charge, except for DSEF services for which termination liability charges shall be calculated using Option 1 only. The Telephone Company will calculate the charge using both methods, and apply the method that produces the lesser termination liability charge.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.9 TerminationLiability (Cont'd)

(C) (Cont'd)

(1) Option1TerminationLiabilityChargeMethodandCalculation

(a) Under Option 1, the termination liability charge is fifty percent (50%) of the applicable monthly rates for each month or fraction thereof remaining in the selected commitment period, less any TISC or Renewal Option which may be applicable. The termination liability charge applies in addition to the charge associated with satisfying the minimum period requirement as set forth in Section 25.1.10 following.

(b) The termination liability charge will be calculated as follows:

(Step 1) The Telephone Company will conduct a final true-up to determine the average number of equivalent DS0 Channel Terminations in services since the last true-up was performed and the total dollar amount for each service type since the last true-up was performed.

(Step 2) Using the data from Step 1, the Telephone Company will calculate an average rate per equivalent DS0 by dividing the total dollar amount from Step 1 by the number of DS0 channel terminations, each as calculated in accordance with Step 1 above.

(Step 3) The Telephone Company will multiply the average rate per equivalent DS0 from Step 2 times (B) 50 percent (50%) times (C) the number of equivalent DS0s which comprise Minimum Commitment months from the end of the minimum period requirement to the end of the commitment period, less any TISC which may be applicable.

For example, assume the average rate per equivalent DS0 is \$1, the number of DS0s which comprise the Minimum Commitment is 10,000, and the number of months from the end of the minimum period requirement to the end of the five (5) year commitment period, less any TISC or Renewal Option which may be applicable, is two (2) years. The calculation would be as follows:

$(\$1 \times 50\%) \times 10,000 \text{ DS0 equivalents} \times 24 \text{ months} = \$120,000$

(c) The amount due from the CDPC Customer is not subject to any late payment factor as specified in Section 2.4.1 preceding. However, a late payment factor will apply in accordance with Section 2.4.1 preceding if such amount is not paid by the bill due date of the month in which such amount first appears on the bill.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.9 TerminationLiability (Cont'd)

(C) (Cont'd)

(2) Option2TerminationLiabilityChargeMethodandCalculation

(a) TerminationliabilityunderOption2willbecalculatedusingeitherMethodAorMethodBasetforthfollowing.

MethodA: WheretheCDPCustomerhasnotmaintainedtheserviceforthe lowest availablecommitmentperiodofferedunderCDPfora particularservicetype(e.g., lessthanthree(3)yearsforSpecialAccessDS3service),theterminationliability chargewillbethedifferencebetween(1)thetotaldollaramountofthefull(non-discounted)monthlyrates;and(2)thetotaldollar amountofthediscountedmonthly ratesfortheperiodoftimethattheplanwasineffect.

Forexample,assumeaCDPCustomerwithafive(5) yearcommitmentperiodfor SpecialAccessDS3serviceisbilled\$10,000permonthindiscountedmonthly chargesfortheservices.InaccordancewithSection25.1.4preceding,thismonthly ratereflectsathirtypercent(35%)discountfrom non-discountedmonthlyrates.Also assumethattheCDPCustomerdisconnectsallSpecialAccessDS3servicesinCDP aftereighteen(18)months.Hence,theCDPCustomer'sterminationliabilityis calculatedinaccordancewithMethodAsincethecustomerhasnotmetanyCDP commitmentforSpecialAccessDS3service.Thenon-discountedmonthlyrateis \$15,385.Thisiscalculatedusingthefollowingequation:

$$\$10,000 \text{ divided by } (1 \text{ minus } .35) = \$15,385$$

TheCDPCustomerwouldbechargedterminationliabilityof\$96,930,whichisthe differencebetween\$15,385(thenon-discountedmonthlyrate)and\$10,000(the monthlydiscountedfive(5)yearrate)foreachof theeighteen(18)monthsthe customerwassubscribedtoCDP.

$$(\$15,385 \text{ minus } \$10,000) \text{ times } 18 \text{ months} = \$96,930$$

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.9 TerminationLiability (Cont'd)

(C) (Cont'd)

(2) Option2TerminationLiabilityChargeMethodandCalculation (Cont'd)

(a) (Cont'd)

MethodB: Where there is a CDP commitment period for the particular service type that is less than or equal to the actual time the service type under CDP has been in effect, the termination liability charge will be the difference between (1) the total dollar amount of the discounted monthly rates resulting from the highest CDP commitment period that could have been satisfied prior to disconnection of service or cancellation of the plan; and (2) the total dollar amount of the discounted monthly rates resulting from the CDP which was selected by the customer for the period of time that the plan was in effect.

For example, assume a CDP Customer with a five (5) year commitment period for Special Access DS3 service is billed \$10,000 per month in discounted monthly charges for these services. In accordance with Section 25.1.4 preceding, this monthly rate reflects a thirty percent (35%) discount from non-discounted monthly rates. Also assume that the CDP Customer disconnects all Special Access DS3 services in CDP after three (3) years. Hence, the CDP Customer's termination liability is calculated in accordance with Method B since the CDP Customer has not met the three (3) year CDP commitment for Special Access DS3 service. The discount associated with a three (3) year term for Special Access DS3 service is twenty percent (10%). The non-discounted monthly rate is \$15,385. This is calculated using the following equation:

$$\text{\$10,000 divided by (1 minus .35) = \$15,385}$$

To determine the monthly rate for the three (3) year period the service was in effect, use the following equation

$$\text{\$15,385 times (1 minus 0.1) = \$13,847}$$

The CDP Customer would be charged termination liability of \$138,492, which is the difference between \$13,847 (monthly discounted three (3) year rate) and \$10,000 (monthly discounted five (5) year rate) for each of the three (3) years they were subscribed to CDP.

$$\text{(\$13,847 minus \$10,000) times 36 months = \$138,492}$$

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.9 TerminationLiability (Cont'd)

(C) (Cont'd)

(2) Option2TerminationLiabilityChargeMethodandCalculation (Cont'd)

(b) Theabovesteps willberepeatedforeachservicetypeincludedintheCDPplan. UpondeterminingthetotalterminationliabilityforallservicetypesunderOption2, the TelephoneCompanywillcomparetheterminationliabilitychargecalculatedunder Option2withtheterminationliabilitychargecalculatedunderOption1, andshallapply themethodthatproducesthelesserterminationliabilitycharge. Forexample, ifthe terminationliabilitychargeunderOption1werecalculatedat\$120,000andthe terminationliabilitychargecalculatedunderOption2(MethodB)was\$51,444;the \$51,444underOption2(MethodB)wouldapply.

(c) ForservicesbasedonTPPrates, thediscountpercentageiscalculatedasone(1) minusthepercentagedifferencebetweenthediscountedchannelterminationrate appliedandthemonth-to-monthrateforthechannel termination.

(i) Priortosubtractingthepercentagedifferencefromthenumberone(1), the percentagedifferenceshallbeconvertedtoapositive(+)number.

Forexample, assumethatthemonthtomonthTPPrateforSpecialAccessDS1 serviceis\$100andthatthediscountedTPPrateis\$70. Thepercentagedifference iscalculatedbythefollowingequation:

$$(70 \text{ minus } 100) \text{ divided by } 100 = -0.3.$$

(ii) Tocalculatethediscountpercentage, thepercentagediscount-0.3shallbe convertedtoapositive(+)numberpriortosubtractingitfromnumberone(1). In thisexample, thecalculationofthediscountpercentage shallbe 1 minus (+0.3) which equals 0.7.

25.1.10 MinimumPeriod

TheminimumperiodforanyserviceprovidedundertheCDPisone(1)yearfromthedate thatsuchserviceisinstalled. Whenaserviceis disconnectedpriortotheexpirationofthe minimumperiod, theCDPCustomershallberesponsibleforchargesforthebalanceofthe minimumperiod. ThecalculationfortheMinimumPeriodChargewillbedeterminedasset forthinSection5.2.6preceding.

Asanillustrativeexample, assumethatcustomerestablishesaDS1HighCapacity/1.544 MbpsSpecialAccessServiceunderatermpaymentplan(TPP)on1/1/2001. On1/1/2005, customerestablishesaCDPwithafiveyearcommitmentperiodforitsDS1HighCapacity servicetype. On2/1/2005, theCDPCustomerdisconnectstheDS1HighCapacitycircuit originallyinstalledon1/1/2001. Sincetheservice was installedon1/1/2001, andthe disconnectiondatewas2/1/2005, theminimumperiod underCDPofoneyearhasbeen met. Therefore, theCDPCustomerisnotrequiredtopayanyminimumperiodcharges.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.2 ServiceDiscountPlan25.2.1 General

- (A) ServiceDiscountPlansareavailableforthe followingtypesofservices:
 - BasicVideoService
 - SupertrunkingTransportVideoService(SVS)
- (B) Acustomerwithoneormoreserviceshastheoptionofrequesting,atanytime,aserviceDiscountPlanforsomeorallservicesofthesametype.Theservicesmustbe billedonthesamebillingaccount.
- (1) WhenrequestingaServiceDiscountPlan,thecustomermustspecifywhichservicesaretobeincludedintheServiceDiscountPlan.
- (2) WhenrequestinganyactivitysetforthinSections25.2.4throughSection25.2.8 following,thecustomermustspecifybycircuitidentificationwhichservicesare affected.
- (C) AServiceDiscountPlanapplies to:
 - ChannelTerminations,ChannelMileageandapplicableOptionalFeaturesand Functionsmonthlyrates,assetforthinSection7 preceding
- (D) ServiceDiscountPlansarenotapplicabletoOptionalFeaturesandFunctionsexceptas specifiedfollowing.OptionalFeaturesandFunctionsassociatedwiththeservicewill havethesamecommitmentperiodasthecorrespondingservice.OptionalFeatures andFunctionsmaybeaddedsubsequenttotheestablishmentoftheservice discount planonthecorrespondingservice,subjecttotherevisionssetforthin25.2.9following forAdditionsofService.
- (E) Themonthlyratesforsuchservicearereduced byafixedpercentage.Theamountof thediscountpercentagediffersbasedonthelength ofthecommitmentperiodselected bythecustomer.Thecustomermustspecifythenumberofmonthsselectedasthe commitmentperiodforitsServiceDiscountPlan.
- (F) Thediscountrateisappliedtothecurrentlyeffectivemonthlyrates.Suchrates maychangeduringthecommitmentperiod,therebycausinganincreaseordecreasein theratesapplicabletothecustomer.
- (G) ThediscountratewillnotbesubjecttoTelephoneCompanyinitiateddecreases duringthatperiod.However,iftheTelephoneCompanyinitiatesanincreaseinthe discountpercentageduringthatperiod,theincreaseddiscountratewillbeusedtodetermine theratesapplicabletothecustomer.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.2 ServiceDiscountPlan (Cont'd)25.2.2 Description

(A) ServiceCommitmentPeriodsandDiscountPercent	agesApplicabletoMonthlyRates
(1) SupertrunkingTransportVideoService(SVS)	
- ChannelTerminationsandChannelMileage	
36months-59months	10%
60months-83months	20%
84months-119months	35%
120months	40%
- BridgingOptionalFeature	
36months-59months	10%
60months-83months	20%
84months-119months	35%
120months	40%
(2) BasicVideoService	
- ChannelTerminationsandChannelMileage	
36months-59months	10%
60months-83months	20%#
- BridgingOptionalFeature	
36months-59months	10%
60months-83months	20%

#NotavailableonPremisestoHuborPremisestoP ortChannelTerminations.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.2 ServiceDiscountPlan (Cont'd)25.2.3 TerminationLiability

- (A) A termination liability applies during these selected commitment period. Except as set forth in Sections 25.2.4 through 25.2.8 following, if service is disconnected in full or in part prior to the end of these selected commitment period, the customer is liable for a termination liability charge. Further, except as provided in Sections 25.2.9 and 25.2.10 following, when a customer cancels a Service Discount Plan prior to the end of the selected commitment period, the customer is liable for a termination liability charge.
- (1) The termination liability charge applies to each service and Optional Feature or Function, or in the case of cancellation of a Service Discount Plan, to each service and Optional Feature or Function which had been included in the cancelled Service Discount Plan.
- (2) The termination liability charge is calculated for the applicable Channel Termination, Channel Mileage and Optional Features or Function monthly rates as set forth in 25.2.3(B) or (C) following. When calculating termination liability charges, the Telephone Company will apply the option that provides the customer with the lowest termination liability charge.
- (B) Option 1
- (1) For disconnection or prior to the end of the minimum period and prior to the end of these selected commitment period, the termination liability charge is 50% of the applicable monthly rates for each month and fraction thereof remaining between the end of the minimum period and the end of these selected commitment period.
- (2) For disconnection after the end of the minimum period but prior to the end of the selected commitment period and for cancellations prior to the end of these selected commitment period, the termination liability charge is 50% of the applicable monthly rates for each month and fraction thereof in the balance of these selected commitment period.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.2 ServiceDiscountPlan (Cont'd)25.2.3 TerminationLiability (Cont'd)

(C) Option2

- (1) For disconnection or prior to the end of the minimum period and prior to the end of the selected commitment period, the termination liability charge will be the difference between the full monthly rates and the discounted monthly rates for the period the service has been in effect.
- (2) For disconnection after the end of the minimum period but prior to the end of the selected commitment period and for cancellation of the Service Discount Plan prior to the end of the selected commitment period, the following applies.
- Where there is no Service Discount Plan commitment period less than the actual time the services have been in effect, the termination liability charge will be the difference between the full monthly rates and the discounted monthly rates for the period the service has been in effect.
 - Where there is a Service Discount Plan commitment period less than the actual time the services have been in effect, the termination liability charge will be calculated as follows:
 - (i) Termination Liability is calculated as the difference between the monthly rates for the highest Service Discount Plan commitment period that could have been satisfied prior to disconnection of the service or cancellation of the plan and the monthly rates for the selected commitment period multiplied by the actual number of months the service has been in effect. For example, if the customer has a 120 month commitment period and disconnects a Supertrunking Video Service after forty months and 5 days, the highest Service Discount Plan commitment period that could have been satisfied is forty months. To determine the termination liability charge, the monthly rate for the 120 month plan is subtracted from the monthly rate for the 40 month plan and the difference is multiplied by the forty months that the service has been in effect. If the monthly rate for the 120 month plan and the monthly rate for the 40 month plan are the same rate, the termination liability charge is zero.
- (D) The termination liability charge applies in addition to the applicable minimum period charges.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.2 ServiceDiscountPlan (Cont'd)25.2.4 Upgrades

- (A) Upgradesinclude the following types of customer requests:
- (1) A request to disconnect Supertrunking Transport Video Service (SVS) in order to replace it with Serial Component Video Service.
 - (2) A request to upgrade existing Advanced Uncompressed Video Service (AUDVS) may be upgraded to SVS without termination liability.
- (B) Termination liability charges do not apply to the preceding requests provided that:
- (1) The orders for the disconnect of the existing services and the connect of the new services are placed with the Telephone Company at the same time; and
 - (2) The new services are provided between the same locations as the existing services were provided; and
 - (3) The replacing services have a total channel capacity equal to or greater than the total channel capacity of the services being disconnected; and
 - (4) The replacing services are provided under a Service Discount Plan for a commitment period equal to or longer than that of the service being disconnected.
 - (5) An existing 750Mhz SVS system may be upgraded to an 870MHz system without termination liability provided the upgrade term is of equal or greater length than the remainder of the existing 750Mhz term contract. The customer will be required to pay the new rates associated with the 870Mhz service.

25.2.5 Moves

When a customer requests that some or all of its services under a Service Discount Plan be moved to a different building, no termination liability charge applies provided the services remain on the same billing account.

25.2.6 Replacements

- (A) When a customer with existing services under a Service Discount Plan wishes to replace one or more of the service(s) included in that Service Discount Plan with other new existing service(s) of the same speed or type, as appropriate, for the balance of the commitment period for that Service Discount Plan, no termination liability will apply provided that:
- (1) The orders to accomplish the replacement are placed with the Telephone Company at the same time to be completed at the same time; and
 - (2) The number of services included in the Service Discount Plan remains the same. The replacing services may not be equipped with the same Optional Features and Functions as the services they replace. In this case, the appropriate termination liability charges apply to the Optional Features and Functions no longer provided.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.2 ServiceDiscountPlan (Cont'd)25.2.7 Changes

- (A) For Supertrunking Transport Video Service (SVS), no termination liability charge applies to the following changes:
- (1) Change in channel interface (i.e., audio bandwidth, audio signal options, number of audio channels).
 - (2) Change from two point to multipoint or vice versa provided that the total number of channels under the customer's Service Discount Plan does not decrease.
- (B) For Basic Video Service, no termination liability charge applies to the following changes:
- (1) Change in channel interface (i.e., audio bandwidth, audio signal options, number of audio channels).

25.2.8 Cancellations

- (A) In the event the Telephone Company initiates a monthly rate for the affected service increases by eight percent (8%) or more, the customer may cancel its service discount plan for termination liability as set forth in Section 25.2. The customer must exercise its option to cancel the service discount plan for the affected service within thirty (30) days of the date of the effective rate increase.
- (B) A customer may cancel a Service Discount Plan or Basic Video Service in order to replace it with Hi-Def or 45 Mbps Digital Video Transport Service (DVTS) provided the total dollar amount of the term plan for the DVTS is equal to, or greater than, the total dollar amount remaining in the plan for the service being disconnected. No termination liability charge will apply to such cancellation.
- (C) A customer may cancel a Service Discount Plan or Basic Video Service in order to replace it with Serial Component Video Service (SCVS) provided under a term plan, provided that the total dollar amount of the term plan for the SCVS is equal to, or greater than, the total dollar amount remaining in the plan for the service being disconnected. No termination liability charge will apply to such cancellation.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.2 ServiceDiscountPlan (Cont'd)25.2.9 AdditionsofService

- (A) Except as set forth in Section 25.2.9(B) following, when a customer with an existing Service Discount Plan wishes to increase the number of services, it has the following options:
- (1) Subscribe to the additional services under non-discounted rates
 - (2) Subscribe to the additional services under a separate Service Discount Plan at the then effective discount percentage, rates and charges
 - (3) Cancel the existing Service Discount Plan and include both the existing and the additional services under a new Service Discount Plan for a commitment period equal to or longer than the original period. Note termination liability charges apply to such cancellation.
- (B) A customer with an existing Service Discount Plan or Function to an existing service has the following options:
- (1) Cancel the existing Service Discount Plan for the service and include both the Optional Feature or Function and its corresponding service under a new Service Discount Plan for a commitment period equal to or longer than that of the cancelled plan for the corresponding service. Note termination liability charges apply to such cancellation.
 - (2) Subscribe to the Optional Feature or Function under the existing Service Discount Plan for a commitment period equal to the number of months remaining in the commitment period for the corresponding service, if such a commitment period exists for the applicable Optional Feature or Function.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.2 ServiceDiscountPlan (Cont'd)25.2.10 ExtensionofCommitmentPeriod

- (A) A customer may, at any time prior to the expiration of these selected commitment period for an existing Service Discount Plan, change to a commitment period at the then effective discount percentage. Service Discount Plan with a longer percentage.
- (1) The existing Service Discount Plan is considered cancelled; however, no termination liability charges will apply for any service extended under the longer commitment period.
- (2) The monthly rates applicable for the longer commitment period will apply effective with the next bill day following the request for the change.

25.2.11 Rate Regulations

- (A) Where the Service Discount Plan is requested to be provided coincident with the connection of new service, it will be effective with the establishment of service.
- (B) Where the Service Discount Plan is requested to be provided on existing service, the plan will be effective on the date the Telephone Company receives the Access Order requesting the discount.
- (C) Unless otherwise noted, at the end of its selected commitment period, the customer will have the option of subscribing to any then effective Service Discount Plan.
- (1) If the customer does not notify the Telephone Company of its choice prior to the expiration of the commitment period, the customer's current Service Discount Plan will be renewed upon expiration of these selected period. The renewed plan will have a commitment period equal to that originally selected by the customer and the plan will be considered new.
- (2) If the customer notifies the Telephone Company of its choice within the first sixty (60) days of the date of renewal, the customer may cancel the renewed plan and subscribe to any then effective Service Discount Plan or continue with the renewed plan. If, within the first sixty days of the date of renewal, the customer elects to cancel the renewed plan and subscribe to the service on a month-to-month basis or subscribe to a then effective Service Discount Plan, termination liability will not apply.

ACCESS SERVICE

25. Discount Plans (Cont'd)25.3 National Discount Plan25.3.1 General(A) Overview

The National Discount Plan (**NDP**) is an optional discount plan that allows the NDP Customer to aggregate all of its Qualifying Services on a national basis. The NDP provides discount on certain rate elements of Qualifying Services. The level of discount received by the NDP Customer corresponds to the NDP Customer's quantities of Qualifying Services, the customer's selection of a Commitment Matrix Option, and the Plan Year.

(B) Specific Terms and References

Unless otherwise defined in this tariff, the following terms are used in this Section 25.3. Reference to other sections of Section 25.3 are provided for further information on each term.

- (1) **Achieved Discount Tier** : shall mean the Discount Tier (as determined in the Annual True-Up) that the NDP Customer could have achieved during the Annual True-Up Period.
- (2) **ACNA** : shall mean Access Customer Name Abbreviation, as such term is generally understood in the Telecommunications Industry to be the name abbreviation for a purchaser of Special Access Services and Facilities for Interstate Access.
- (3) **Actual Increase** : shall mean a measurement used in calculating the CBB Discount, that measures the difference between (i) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month one (1) of the Annual True-Up Period; and (ii) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month twelve (12) of the Annual True-Up Period.
- (4) **Anniversary Date** : shall mean each twelve (12) month anniversary of the NDP Start Date during the Term.
- (5) **Annual True-Up** : shall mean the true-up conducted by the Telephone Company following the end of each Plan Year during which the Telephone Company shall measure, among other things, whether the NDP Customer has met and/or exceeded the Commitment Level and the Discount Tier for the Annual True-Up Period, as more specifically described in Section 25.3.7 following. A **Final True-Up** shall be conducted in accordance with Section 25.3.14(B)(1) following.
- (6) **Annual True-Up Period** : shall mean the most recent Plan Year that has just been completed for which the Annual True-Up is being conducted.
- (7) **Assigned Discount Tier** : shall mean the applicable Discount Tier that was in effect during an Annual True-Up Period.
- (8) **Average Monthly Rate Per Equivalent DS1 CM** : shall mean the rate as calculated in accordance with Section 25.3.7(C)(1) following.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.1 General (Cont'd)(B) SpecificTermsandReferences (Cont'd)

- (9) **AverageMonthlyRatePerEquivalentDS1CT** :shallmeantherateascalculatedin accordancewithinSection25.3.7(C)(1)following.
- (10) **ChannelTermination(s)** :shallmeantheapplicableSpecialAccesschannel terminationsforQualifyingServices(asusedinthistariff),theapplicableSpecial AccessLines(SAL(s))forQualifyingServices(asusedintheTelephoneCompany's TariffFCCNo.5(**FCC5**),andtheapplicableCircuitTerminationsforQualifying Services(asusedintheTelephoneCompany'sTariff F.C.C.No.6(**FCC6**))asfollows.
- (a) ChannelTerminationsforSpecialAccessDS1ServicesaredescribedinSection 7.2.9precedingofthistariff,Section5.3.6ofFCC5,andSection7.11.1ofFCC6; and
- (b) ChannelTerminationsforSpecialAccessDS3Servicesusingelectricalandoptical interfacesaredescribedinSection5.3.6ofFCC5, andSection7.11.1ofFCC6;and
- (c) PrimaryandSecondaryChannelTerminationsforSpecialAccessDS3Services usingelectricalandopticalinterfacesaresetforthinSection7.2.9precedingofthis tariff,and
- (d) ChannelTerminationsforFMSServicesaresetforthinSection7.2.13precedingof thistariff;and
- (e) ChannelTerminationsforDSEFServices.
- (11) **ChannelMileage** :shallmeantheapplicablechannelmileageforQualifyingServices (asusedinthistariff),theapplicableSpecialTransportforQualifyingServices(asused inFCC5),andtheapplicableCircuitMileageforQualifyingServices(asusedinFCC6) asfollows.
- (a) ChannelMileageforSpecialAccessDS1ServicesandSpecialAccessDS3 ServicesaredescribedinSection7.2.9precedingofthistariff,Section5.3.6of FCC5,andSection7.11.1ofFCC6;and
- (b) ChannelMileageforFMSServiceswhicharedescribedinSection7.2.13ofthis tariff.
- (12) **CommitmentBuyUpBonus** :shallmeananoptionavailabletotheNDPCustomer whichallowstheNDPCustomer toincrease(buy-up) theirCTCommitmentLevel and/ortheirCMCommitmentLevel,andreceiveadiscountononeorbothCommitment Levels,asdescribedinSection25.3.7(E)following .
- (13) **CBBDiscount**: shallmeantheCommitmentBuy-UpBonusDiscountas describedin Section25.3.7(E)following.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.1 General (Cont'd)(B) SpecificTermsandReferences (Cont'd)

- (14) **CommitmentLevel** :shallmeantheCMCommitmentLevel(i.e.,thetotalnumberof EquivalentDS1CMs)and/ortheCTCommitmentLevel (i.e.,thetotalnumberof EquivalentDS1CTs)thattheNDPCustomermustcommittotheNDP,asdescribed furtherinSection25.3.4following.IftheNDPCustomerhasChannelTerminationsand ChannelMileage,thentheNDPCustomermustestablishseparateCommitment LevelforChannelTerminations(**CTCommitmentLevel**)andaseparateCommitment LevelforChannelMileage(**CMCommitmentLevel**).
- (15) **CommitmentMatrix** :shallmeanthePremierCommitmentMatrix,theStandard CommitmentMatrixortheDeluxeCommitmentMatrix,eachisdescribedinSection 25.3.4(C)following.
- (16) **DiscountTier** :shallmeanthetierineachofthetablessetforthinSection25.3.4(B) followingintowhichtheNDPCustomerfallsbasedontheactualquantitiesof EquivalentDS1CTsorEquivalentDS1CMs,asapplicable.
- (17) **DiscountTierAdjustment** :shallmeantheadjustment(ifapplicable)toahigheror a lowerDiscountTierbasedonthedifference(ifany)betweentheNDPCustomer's AchievedDiscountTierandAssignedDiscountTier,ascalculatedduringtheAnnual True-UpPeriod.SeeSection25.3.7(D)forfurther explanation.
- (18) **DiscountedRateElements** :shallmeanthoserateelementsoftheQualifying ServicesthatreceiveadiscountundertheNDP.A listingoftheDiscountedRate ElementsissetforthinSection25.3.5(A)following.
- (19) **EquivalentDS1CTs** :shallmeanthetotalnumberofequivalentDS1Channel TerminationsforQualifyingServicesasdeterminedinaccordancewithSection25.3.4 following.
- (20) **EquivalentDS1CMs** :shallmeanthetotalnumberofequivalentDS1ChannelMilesfor QualifyingServicesasdeterminedinaccordancewithSection25.3.4following.
- (21) **FMSServices** :shallmeanSpecialAccessServiceprovidedasFacilitiesManagement ServiceunderSection7.2.13precedingofthis tariff.SwitchedAccessFMSServices arenotincludedintheNDP.
- (22) **DSEFServices** :shallmean,asapplicable,either(a)SpecialAccessDedicated SONETEntranceFacilitiesSTS1terminations(excludinginterfaceoptions)as describedinSection7.2.15precedingofthis tariff,Section20.4ofFCC5,andSection 20.4ofFCC6;or(b)TelephoneCompanyprovidedSONETEntrancefacilitySTS1 terminations(excludinginterfaceoptions)providedbytheTelephoneCompanywhere suchserviceistechnicallyandoperationallyfeasible,asdeterminedbytheTelephone Company.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.1 General (Cont'd)(B) SpecificTermsandReferences (Cont'd)

- (23) **InitialTerm**: shall mean the five (5) year initial term of the NDP.
- (24) **MonthlyAverageCountofEquivalentDS1CMs**: shall mean the average number of Equivalent DS1CMs that were in-service during each month of the Annual True-Up Period, as calculated in accordance with Section 25.3.7(B)(1) following.
- (25) **MonthlyAverageCountofEquivalentDS1CTs**: shall mean the average number of Equivalent DS1CTs that were in-service during each month of the Annual True-Up Period, as calculated in accordance with Section 25.3.7(B)(1) following.
- (26) **MonthlyCharges**: shall mean the dollar amount of monthly recurring charges billed by the Telephone Company for Discounted Rate Elements.
- (27) **MonthlyShortage**: shall mean the difference between (i) the Monthly Average Count of Equivalent DS1CTs or Monthly Average Count of Equivalent DS1CMs, as applicable; and (ii) the NDP Customer's CT Commitment Level or CM Commitment Level, respectively.
- (28) **NDP Customer**: shall mean collectively the subscribing customer (as defined in Section 2.6 preceding) and all Persons that are included in the same NDP.
- (29) **NDP Start Date**: shall mean the start date of the NDP Customer's NDP, as described in Section 25.3.2(A)(1) following.
- (30) **Non-Discounted Billed Amounts**: shall mean the Monthly Charges for the Discounted Rate Elements that would have been billed if the discount percentages of the NDP had not been applied, as calculated in accordance with Section 25.3.7(D).
- (31) **Person**: shall mean any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.
- (32) **Plan Year**: shall mean each 12 month period during the Term of the NDP commencing on the NDP Start Date and each Anniversary Date thereafter, as applicable.
- (33) **Qualifying Services**: shall mean Special Access DS1 Services, Special Access DS3 Services, FMS Services, and DSEF Services provided by the Telephone Company to the NDP Customer as more specifically described in Section 25.3.3 following of this tariff, Section 23.1.3 of FCC 5, and Section 22.1.3 of FCC 6.
- (34) **Renewal Term**: shall mean any renewed 5-year period of the NDP.
- (35) **Sale Adjustment**: shall mean an adjusted amount of Equivalent DS1CTs and an adjusted amount of Equivalent DS1CMs which are no longer provided to the NDP Customer as a result of a Telephone Company Sale.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.1 General (Cont'd)(B) SpecificTermsandReferences (Cont'd)

- (36) **ShortfallPenalty** :shallmeanapenaltyassessedagainsttheNDPCustomerwhenitfailstomeetitsCTCommitmentLeveland/orCMCommitmentLevel,asapplicable,duringanAnnualTrue-UpPeriod,asfurtherdescribedinSection25.3.7(C)following.
- (37) **SpecialAccessDS3Service** :shallmeanSpecialAccessDS3HighCapacity/44.736MbpsServiceasdescribedinSection7.2.9precedingofthistariff,SpecialAccessHighCapacityDigitalDS3ServiceasdescribedinSection5.3.6(E)ofFCC5,andSpecialAccessDS3HighCapacityServiceasdescribedinSection7.11ofFCC6.
- (38) **SpecialAccessDS1Service** :shallmeanSpecialAccessDS1HighCapacity/1.544MbpsServiceasdescribedinSection7.2.9precedingofthistariff,SpecialAccessHighCapacityDigitalDS1ServiceasdescribedinSection5.3.6(A)ofFCC5,andSpecialAccessDS1HighCapacityServiceasdescribedinSection7.11ofFCC6.
- (39) **SubscriptionDate** :shallmeanthedatethattheTelephoneCompanyreceivesanexecutedandcompletedsubscriptiondocumentfromtheNDPCustomer.
- (40) **TelephoneCompanySale** :shallmeanthesaleorotherdivestitureofanoperatingterritoryoraportionofanoperatingterritoryofaTelephoneCompany,wherebytheTelephoneCompanynolongerprovidesQualifyingServicesinsuchoperatingterritoryorportionofanoperatingterritory.
- (41) **Term**:shallmeantheInitialTermandanyRenewalTerm(s).
- (42) **UpgradeorUpgraded** :shallmeanthereplacementof(i)aQualifyingServicewithaQualifyingServiceofahigherbandwidthorcapacity(e.g.,replacementofaSpecialAccessDS3ServicewithaDSEFService);or(ii)aQualifyingServicewithanotherQualifyingServiceprovidedserviceofahigherbandwidthorcapacitythatisnotaQualifyingService(e.g.,replacementofaSpecialAccessDS3ServicewithanEthernetServiceofahigherbandwidth).
- (43) **UpgradeAdjustment** :shallmeananadjustednumberofEquivalentDS1CTsandandanadjustednumberofEquivalentDS1CMsthatwereUpgradedbytheNDPCustomerduringtheAnnualTrue-UpPeriod.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.1 General (Cont'd)

(C) ACNAsSubscribingtoNDP

- (1) AtthetimeofsubscriptiontoNDP,thesubscribingcustomermustincludeallofits ACNAsintheNDP.TheNDPCustomeralsohas theoptiontoinclude theACNA(s)of oneormorePerson(s)initsNDP(subjecttowritten authorizationfromtheNDP CustomerandtheapplicablePerson(s)).Inthiscase,theNDPCustomer'sNDPshall include(1)allofthesubscribingcustomer'sACNA(s);and(ii)alloftheACNA(s)ofthe Person(s)thatthesubscribingcustomerwishesto includeinitsNDP(subjecttowritten authorizationfromtheNDPCustomerandtheapplicablePerson(s)).
- (2) If,subsequenttotheNDPStartDate,theNDPCustomerwishestoaddoneormore ACNA(s)toitsNDPforoneofthefollowingreasons,thenallsuchACNA(s)oftheNDP CustomerorPerson(s),asapplicable,shallbeaddedtotheNDPCustomer'sNDP atthetimeofthenextAnnualTrue-Up,inaccordance withthetermssetforthinSection 25.3.11following.
 - (a) NDPCustomer(atitsoption)wishestoinclude oneormorePerson(s)intoitsNDP thatarenotcurrentlyincludedintheNDPCustomer'sNDP(subjecttowritten authorizationfromtheNDPCustomerandtheapplicablePerson(s));or
 - (b) NDPCustomeroroneofthePerson(s)whoiscurrentlyincludedintheNDPhas acquiredoneormorenewACNA(s);or
 - (c) NDPCustomerhasacquiredoneormoreACNA(s)throughmerger,acquisition,or othertransactionthatarenotcurrentlyincludedintheNDPCustomer'sNDP.
- (3) Nolaterthanthirty(30)calendardayspriortoeachAnniversaryDate,theNDP CustomermustprovidewrittennoticetotheTelephoneCompanyindicatingitsintentionto addsuchACNA(s)totheNDP,andsettingforththeaffectedACNA(s)andthenameof thePerson(ifapplicable)whoowns suchACNA(s).
- (4) OnceanACNAisincludedintheNDP,itcannot concurrentlybeincludedinanyother NDP.CombinationoradditionofACNAsarefurther describedinSection25.3.11 following.
- (5) Forexample,assumethatacustomerwhohasonlyoneACNA(ABC)subscribestothe NDP.AssumefurtherthatsuchNDPCustomerhasfive(5)affiliates,butonlywishesto includethree(3)affiliatesinitsNDPasoftheNDPStartDate.Assumealsothateach ofthethree(3)includedaffiliateseachhaveoneACNArespectively(ACNAsLLL, MMM,andNNN,respectively).Inthiscase,asingleNDPwillbeestablishedforthe NDPCustomerthatincludesthefollowingACNAs:ABC,LLL,MMM,andNNN. AssumefurtherthatduringPlanYear2,theNDPCustomerdecidestoincludeits remainingtwo(2)affiliatesinitsNDP.Then,inaccordancewiththisSection25.3.1and Section25.3.11following,theNDPCustomerwillincludealloftheACNAs ofsuch affiliatesintotheNDP.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.1 General (Cont'd)

(D) SubscriptiontoOtherTariffArrangements

- (1) At any time during the Term of the NDP, the NDP Customer may not simultaneously subscribe the Discounted Rate Element to other existing or new tariff arrangements (including a contract tariff option (as set forth in Section 21 preceding), an individual case basis arrangement, specialized service arrangement (or the like), or other discount plan, such as Term Payment Plans (as set forth in Section 7 preceding) and Commitment Discount Plans (as set forth in Section 25.1.1 preceding) under this tariff, subject to the exceptions set forth in Section 25.3.1(D)(1) following. Except as set forth in (D)(1)(a) through (e) following, if the NDP Customer subscribes to such other tariff arrangement, then the NDP Customer shall be deemed to have terminated the NDP, and termination liability (as set forth in Section 25.3.13 following) shall apply.
- (a) Unless specifically prohibited under a contract tariff option, the NDP Customer may concurrently subscribe to and receive the benefits of the NDP and any existing or new contract tariff option (as set forth in Section 21 preceding) that provides discounts on circuits specific basis on any Qualifying Service (including discounts or credit on Discounted Rate Elements); or
- (b) Unless specifically prohibited under a contract tariff option, the NDP Customer may concurrently subscribe to and receive the benefits of NDP and any existing or new contract tariff option (as set forth in Section 21 preceding) that provides discounts for achieving certain aggregate volume or revenue targets for FMSS Services and/or DSEF Services; or
- (c) The specific tariff arrangement (including the contract tariff option) specifically permits concurrent subscription to the NDP and the applicable contract tariff option; or
- (d) The NDP Customer may subscribe concurrently to the NDP and FMSS term plans.
- (e) The NDP Customer may subscribe concurrently to the NDP and a DSEF term plan or a DSEF Commitment Discount Plan.
- (2) As an illustrative example, a NDP Customer may continue to subscribe to and receive discounts under a contract option which provides circuits specific discounts on Special Access DS3 Services. The NDP Customer may also continue to subscribe to a "Total Billed Revenue" contract option which provides discounts on aggregate revenues of FMSS Services, since rate elements of FMSS Services are not Discounted Rate Elements under NDP. However, the NDP Customer may not subscribe to and receive discounts under a "Total Billed Revenue" contract option which provides discounts on aggregate revenue of Special Access DS1 Services and Special Access DS3 Services.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.2 Subscription

(A) SubscriptionRequirements

TheNDPCustomer'srequestforsubscriptiontotheNDPmustbeinwriting,mustbesigned byanauthorizedrepresentativeoftheNDPCustomer, andmustbeinamannerprescribedby theTelephoneCompany.Inaddition,thewrittenrequestmustincludeallofthefollowing:

(1) NDPStartDate

NotwithstandingadifferentSubscriptionDate, theNDPshallstartononeofthefollowingdatesasdeterminedbelow:

- (a) IftheNDPCustomer'sSubscriptionDatetoNDP isonorbeforethefifteenth(15th) calendardayofamonth, theNDPStartDateshallbethefirst(1st)calendardayofthe monthfollowingtheSubscriptionDate.Application ofdiscountsundertheNDPshall beginwiththefirstbilldayofthebillperiodas associatedwiththeNDPCustomer'sBAN inthefirstmonthfollowingtheSubscriptionDate.For example, assumeaNDP Customer'sbillperiodbeginsontheeleventh(11th) calendardayofeachmonth. AssumealsothattheNDPCustomer'sSubscriptionDate toNDPisJuly6th. Then, theNDPStartDateisAugust1anddiscountsunder theNDPshallbeginonAugust 11th.

- (b) IftheNDPCustomer'sSubscriptionDatetoNDP isafterthe15thcalendardayofa month, theNDPStartDateshallbethe1stcalendardayofthesecondcalendar dayofthesecondcalendar monthfollowingtheSubscriptionDate.Application ofdiscountsundertheNDPshall beginwiththefirstbilldayofthebillperiodas associatedwiththeNDPCustomer'sBAN inthesecondmonthfollowingtheSubscriptionDate. For example, assumeaNDP Customer'sbillperiodbeginsonthe11thcalendar dayofeachmonth. Assumealso thattheNDPCustomer'sSubscriptionDatetoNDPis July17th. Then, theNDPStart DateisSeptember1standdiscountsundertheNDPs hallbeginonSeptember11th.

(2) ActualQuantitiesofChannelTerminationsandChannelMileageforQualifyingServices

TheTelephoneCompanyshallcalculateandprovidetheNDPCustomertheactual quantitiesofChannelTerminationsandChannelMile ageduringthemonthpriortothe SubscriptionDate.TheTelephoneCompany'srecords regardingtheactualnumberof ChannelTerminationsandChannelMileageshallbe deemedaccurateintheabsenceof anydiscrepancybetweentheNDPCustomer'srecords andtheTelephoneCompany's records.InaccordancewithSection25.3.4following, theTelephoneCompanyshall derivetheEquivalentDS1CTsandtheEquivalentDS 1CMsfromtheactualquantities ofChannelTerminationsandChannelMileage.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.2 Subscription (Cont'd)(A) SubscriptionRequirements(Cont'd)(3) DiscountTier

BasedontheEquivalentDS1CTsandEquivalentDS1 CMsdeterminedin(2)above, theTelephoneCompanywilldeterminetheDiscountT ierthattheNDPCustomerfalls intoineachoftheapplicabletablessetforthin Section25.3.4(B)following.

(4) CommitmentMatrixandCommitmentLevels

TheNDPCustomermustspecifyaCommitmentLevelb yselectingfromoneofthe followingthree(3)CommitmentMatrixoptions:(1) PremierCommitmentMatrix,as describedinSection25.3.4(C)(1)following;(2)St andardCommitmentMatrix,as describedinSection25.3.4(C)(2)following;and(3)DeluxeCommitmentMatrix,as describedin25.3.4(C)(3)following.TheNDPCusto mer'schoiceoftheCommitment Matrixdetermines(a)thenumberofEquivalentDS1 CTsand/orEquivalentDS1CMs thattheNDPCustomermustcommittotheNDP;and(b)thediscountonDiscounted RateElementsprovidedundertheNDP.

(5) BANs

TheNDPCustomermustspecifyaBAN,perstate(fo reachoperatingterritoryincluded inthistariff),againstwhichtheTelephoneCompan ywillapplyadjustments(including ShortfallPenaltiesassetforthinSection25.3.7(C)following,DiscountTierAdjustments assetforthinSection25.3.7(D)following,andCB BDiscountsassetforthinSection 25.3.7(E)following)associatedwiththeNDP.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.3 QualifyingServices

(A) InclusionofQualifyingServicesinNDP

TheQualifyingServicesareincludedintheNDPfor purposesofdeterminingtheEquivalent DS1CTsandEquivalentDS1CMs.

- (1) IftheNDPCustomerpurchasesoneormoreoftheQualifyingServicesunderthistariff, and/orunderFCC5and/orFCC6,andsubscribestotheNDP,theNDPCustomer's quantitiessetforthin(B)followingthat arepurchasedundersuchaffectedtariffs.Foreac hQualifyingService,withthe exceptionofFMSServices,forwhichonlyseventy-f ivepercent(75%)mustbeincluded, theNDPCustomermustincludeallquantities(i.e., onehundredpercent(100%))of suchQualifyingServicespurchasedunderallaffect edtariffs.
- (2) TheNDPwillbeadministeredasasinglediscou ntplanacrossallsuchtariffsforwhich asinglesetofCommitmentLevels,DiscountTiers, andTermshallapply.
- Forexample,assumeanNDPCustomerpurchasesSpec ialAccessDS3Services underthistariffandunderFCC5,andFMSServices underthistariff.Inthiscase,the NDPCustomermustsubscribetotheNDPall(i.e.,1 00%)ofsuchSpecialAccessDS3 ServicespurchasedunderthistariffandunderFCC5 .However,theNDPCustomeris onlyrequiredtoinclude75%oftheFMSServicespu rchasedbytheNDPCustomer underthistariff.TheNDPCustomer'sNDPshallbe administeredasonediscountplan acrossthistariffandFCC5.Assumefurtherthati nPlanYear2,theNDPCustomer purchasesSpecialAccessDS1ServicesinFCC6.The n,theTelephoneCompany shallincludeall(i.e.,100%ofsuchSpecialAcces sDS1ServicesintheNDP.

ACCESS SERVICE

25. Discount Plans (Cont'd)25.3 National Discount Plan (Cont'd)25.3.3 Qualifying Services (Cont'd)

(B) Qualifying Services

Subject to the terms of Section 25.3.1 (D) preceding below) of each Qualifying Service provided by the Telephone Company to the NDP Customer pursuant to this tariff, FCC 5, and FCC 6, shall be included in the NDP at the time of subscription to NDP and, as applicable, at any time during the Term when the NDP Customer purchases additional quantities of such Qualifying Services.

- | | | |
|-----|--|--|
| (1) | All quantities (one hundred percent (100%)) of Terminations (see Note 1); | Special Access DS1 Service Channel |
| (2) | All quantities (one hundred percent (100%)) of Terminations (including Individual System, 3 System configurations in FCC 5 and FCC 6, and 12 Capacity System (see Note 2)); | Special Access DS3 Service Channel, and Unlimited System configurations in FCC 6) |
| (3) | All quantities (one hundred percent (100%)) of Mileage (see Notes 1 and 3); | Special Access DS1 Service Channel |
| (4) | All quantities (one hundred percent (100%)) of Mileage (including Individual System, 3 System, and FCC 5, and Individual System, 3 Capacity System, 12 System configurations in FCC 6) (see Note 3); | Special Access DS3 Service Channel, Unlimited System configurations in Capacity System and Unlimited |
| (5) | All quantities (one hundred percent (100%)) of | DSE FTS1 Channel Terminations; |
| (6) | Seventy-five percent (75%) of the quantities of Terminations with a DS1 Interface or a DS3 Interface | FMSS Service Primary Premises Channel in this tariff; |
| (7) | Seventy-five percent (75%) of the quantities of | FMSS Service Channel Mileage in this tariff. |

Note 1: High Capacity Digital IFT 1 Facilities in FCC 5 and FCC 6 are not Qualifying Services.

Note 2: Channel Terminations and Channel Mileage for 12 and 24 Group Systems in FCC 5 are not Qualifying Services.

Note 3: The Metro LAN Optional Arrangement in FCC 5 and FCC 6 is not a Qualifying Service.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.3 QualifyingServices (Cont'd)

(C) SharedUseArrangements

ForQualifyingServicesatareprovidedasparto faSharedUseArrangementassetforthin
Section5.2.8preceding,theSpecialAccessDS3Ser vice,SpecialAccessDS1Service,
DSEFService,orFMSServicewillbeincludedinth eNDP.TheSwitchedAccessPortionfor
suchservicesoftheSharedUseArrangementwillno tbeincludedintheNDPorbesubjectto
discountingundertheNDP.

(D) ConversionofQualifyingServices

UponsubscriptiontoNDP,alloftheNDPCustomer's individualcircuit-specifictermplansfor
SpecialAccessDS3ServicesandSpecialAccessDS1 Services,suchasTermPricing
Plan(s)offeredunderSections7.4.13and7.4.17pr eceding,respectively,mustbecancelled
toincludeallsuchservicesintheNDP.Terminati onliabilityassetforthinSections7.4.13(D)
and7.4.17(D)preceding,respectively,willnotapp lytosuchcancellations.

Additionally,alloftheNDPCustomer'sCommitment DiscountPlansforSpecialAccessDS3
ServicesandSpecialAccessDS1Services(asoffere dunderSection25.1precedingofthis
tariff(CDP),ortheaffectedportionoftheCDP,a s applicable,fortheSpecialAccessDS3
ServicesandSpecialAccessDS1Services thataretobeincludedintheNDP,mustbe
cancelledinordertoincludeallsuchservicesin theNDP.Suchcancellation(s)underthis
tariffmayresultinachange(s)tothecommitment leveloftheservicesremainingunderthe
CDPasfurtherdescribedinSection25.1preceding. Terminationliabilityassetforthin
Section25.1.9precedingwillnotapplytosuchcan cellations.

Further,alloftheNDPCustomer'sindividualcircu it-specifictermplansandtermandvolume
plansforSpecialAccessDS3ServicesandSpecialA ccessDS1Services,suchas(i)DS1
TermVolumePlan(s)(TVP(s))andEightandTenYear TermDS1VolumePlan(s)
(ETTVP(s))offeredunderFCC5;(ii)DS3TVPsasoff eredunderFCC5;and(iii)DS1Term
PaymentPlans(DS1TPPs)asofferedunderFCC6,mus tbecancelledinordertoincludeall
suchservicesintheNDP.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.3 QualifyingServices (Cont'd)

(E) AdditionofServicesandRemovalofServices

(1) AdditionofServices

- (a) TheNDPCustomermayaddSpecialAccessDS3ServiceandSpecialAccessDS1ServiceatanytimeduringtheTermoftheNDP. QualifyingServicesare addedtotheNDPfortheremainderoftheTerm(i.e.,onacoterminousbasis).
- (b) WhentheNDPCustomeraddsoneormoreSpecial AccessDS3Servicesor SpecialAccessDS1Services toNDP atanytimeduri ngtheTerm,theChannel Terminationnonrecurringchargewhichappliesfors uchserviceis\$1.00per ChannelTerminationadded.
- (c) WhentheNDPCustomeraddsoneormoreDSEFServiceoroneormore FMSServicesduringtheTermoftheNDP,theadded DSEFServiceorFMS ServicewillbeaddedtotheNDPsolelyforthe purposeofcalculatingthe numberofEquivalentDS1CTsand/orthenumberofE quivalentDS1CMs usedtoadministertheNDP.

(2) RemovalofServices

- (a) WhentheNDPCustomerremovesoneormoreSpeci alAccessDS3Services orSpecialAccessDS1 Services, butnotallSpecial AccessDS3Servicesand SpecialAccessDS1 Services, fromNDP atanytimed terminationliabilitychargeapplies.
- (b) WhentheNDPCustomerremovesoneormoreDSEF Services,oroneor moreFMSServicesduringtheTermoftheNDP,note rminationliabilityunder thisSection25.3applies. However,theNDPCustom ermaybesubjectto(i) terminationliabilityunderitsapplicabletermpl nforDSEFService;or(ii) terminationliabilityunderitsFMSService termpl aninaccordancewithSection 7.2.13preceding.
- (c) WhentheNDPCustomerremovesallSpecialAcces sDS3Servicesandall SpecialAccessDS1 ServicesfromtheNDP(i.e.,the NDPCustomer cancels itsNDP initsentirety), terminationliabilityapp liesinaccordancewithSection 25.3.13following.

ACCESSSERVICE

25. DiscountPlans (Cont'd)

25.3 NationalDiscountPlan (Cont'd)

25.3.4 CommitmentLevelsandDiscountTiers

(A) CalculationofEquivalentDS1CTsandEquivalent tDS1CMs

InordertoestablishCommitmentLevelsandDiscountTiers,EquivalentDS1CTsand EquivalentDS1CMsmustbedetermined.Basedonth actualquantitiesofChannel TerminationsandChannelMileage,andthepercentag eofeachQualifyingServicethatmust beincludedintheNDP(i.e.,100%or75%,asappli cable),assetforthinSection25.3.3(B) preceding,theTelephoneCompanywillcalculatethe EquivalentDS1CTsandEquivalent DS1CMs.

(1) TheEquivalentDS1CTsshallbecalculatedasf ollows:

- (Step1) DeterminetheactualquantityofChannelT erminationsforeachQualifying ServiceunderthistariffandFCC5,andFCC6,asap plicable.
- (Step2) MultiplytheactualquantityofChannelT erminationsforsuchQualifying Servicebyeither(a)100%iftheQualifyingServic eisSpecialAccessDS1 Service,SpecialAccessDS3Services,oraDSEFSer vice;or(b)75%if theQualifyingServiceisanFMSService.
- (Step3) UsingTable1,below,multiply(a)theapp licablenumberinthecolumn entitled“DS1CTMultiplier”below;by(b)thenumb erderivedinStep2 above.
- (Step4) RepeattheprocessinSteps(1)through(3)foreachQualifyingService.
- (Step5) AddtheproductofalloftheequivalentC hannelTerminationsforallofthe QualifyingServicesderivedinSteps(1)through(4)above.

Table1:CalculationofEquivalentDSICTs.

<u>QualifyingService</u>	<u>DS1CTMultiplier</u>
STS1level	28
DS3level	28
DS1level	1
FMSSlevel	1/24th

ACCESSSERVICE

25. DiscountPlans (Cont'd)

25.3 NationalDiscountPlan (Cont'd)

25.3.4 CommitmentLevelsandDiscountTiers (Cont'd)

(A) CalculationofEquivalentDS1CTsandEquivalentDS1CMs(Cont'd)

(2) TheEquivalentDS1CMshallbecalculatedas follows:

- (Step1) DeterminetheactualquantityofChannelMileageforeachQualifyingServiceunderthistariff,FCC5,andFCC6,asappliedtoeachcable.
- (Step2) MultiplytheactualquantityofChannelMileageforsuchQualifyingServicebyeither(a)100%iftheQualifyingServiceisaSpecialAccessDS1ServiceoraSpecialAccessDS3Service;or(b)75%iftheQualifyingServiceisanFMSService.
- (Step3) UsingTable2,below,multiply(a)theapplicablecablelengthinthe columnentitled"DS1CMMultiplier"below;by(b)thenumberderivedinStep2above.
- (Step4) RepeattheprocessinSteps(1)through(3)foreachQualifyingService.
- (Step5) AddtheproductofalloftheequivalentChannelMileageforalloftheQualifyingServicesderivedinSteps(1)through(4)above.

Table2:EquivalentDS1CMs.

<u>QualifyingService</u>	<u>DS1CMMultiplier</u>
STS1level	N/A
DS3level	28
DS1level	1
FMSlevel	1/24th

ACCESSSERVICE

25. DiscountPlans (Cont'd)

25.3 NationalDiscountPlan (Cont'd)

25.3.4 CommitmentLevelsandDiscountTiers (Cont'd)

(A) CalculationofEquivalentDS1CTsandEquivalentDS1CMs(Cont'd)

(2) (Cont'd)

Asanexampleoftheabove,assumethatNDPCustomerhasChannelTerminationsin thefollowingquantities:

- 200DSEFSTS1ChannelTerminations
- 800DS3ChannelTerminations
- 3,000DS1ChannelTerminations
- 481FMSCChannelTerminations(thisnumberrepresents 75%ofthetotalquantityofFMSCChannelTerminations inaccordancewithSection25.3.3(A)preceding)

TheEquivalentDS1CTswouldbedeterminedasfollows:

Channel Termination		DS1 CTMultiplier		Equivalent DS1CTs
200DSEFSTS1s	X	28	=	5,600
800DS3CTs	X	28	=	22,400
3000DS1CTs	X	1	=	3,000
481FMSCTs	X	1/24	=	20.04
TotalEquivalentDS1CTs				= 31,020.04

FurtherassumethatNDPCustomerhasChannelMileageinthe followingquantities:

- 5,000DS3ChannelMiles
- 75,000DS1ChannelMiles
- 3,004FMSCChannelMiles(thisnumberrepresents 75%ofthetotalquantityofFMSCChannelMileage in accordancewithSection25.3.3(A)preceding)

TheEquivalentDS1CMswouldbedeterminedasfollows:

Channel Mileage		DS1 CMMultiplier		Equivalent DS1CMs
5,000DS3CMs	X	28	=	140,000
75,000DS1CMs	X	1	=	75,000
3,004FMSCMs	X	1/24	=	125.17
TotalEquivalentDS1CMs				= 215,125.17

ACCESSSERVICE

25. DiscountPlans (Cont'd)

25.3 NationalDiscountPlan (Cont'd)

25.3.4 CommitmentLevelsandDiscountTiers (Cont'd)

(B) DiscountTierTables

- (1) TheEquivalentDS1CTscalculatedin(A)preced ingdeterminetheDiscountTierinto whichtheNDPCustomerfallspursuanttothetable below:

<u>EquivalentDS1CTs</u>	<u>DiscountTier</u>
0- 30,000	A
30,001- 60,000	B
60,001- 120,000	C
120,001- 195,000	D
195,001- 275,000	E
275,001- 350,000	F
350,001- 420,000	G
420,001- 485,000	H
485,001- 550,000	I
550,001ormore	J

TheDiscountTierdeterminesthediscountpercentag e(assetforthinSection25.3.5(B) following)tobeappliedtotheChannelTermination andmultiplexerDiscountedRate Elements.TheDiscountTierdeterminedattheNDP StartDatewillremainineffectfor eachPlanYearoftheNDP,unlessotherwiseadjuste dattheAnnualTrue-Upin accordancewithSection25.3.7following.

- (2) TheEquivalentDS1CMscalculatedin(A)preced ingdeterminetheDiscountTierinto whichtheNDPCustomerfallspursuanttothetable below:

<u>EquivalentDS1CMs</u>	<u>DiscountTier</u>
0-125,000	A
125,001-250,000	B
250,001-500,000	C
500,001-950,000	D
950,001-1,550,000	E
1,550,001-2,150,000	F
2,150,001-2,850,000	G
2,850,001-3,450,000	H
3,450,001-3,850,000	I
3,850,001ormore	J

TheDiscountTierdeterminesthediscountpercenta ge(assetforthinSection25.3.5(B) following)tobeappliedtotheChannelMileageDis countedRateElements.The DiscountTierdeterminedattheNDPStartDatewill remainineffectforeachPlanYear oftheNDP,unlessotherwiseadjustedattheAnnual True-Upinaccordancewith Section25.3.7following.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.4 CommitmentLevelsandDiscountTiers (Cont'd)

(C) As of the Subscription Date, and at the beginning of any Renewal Term (unless the NDP Customer chooses the Renewal Benefit Option as described in Section 25.3.14(C) following), the NDP Customer must specify a Commitment Matrix by selecting from one of the following three (3) Commitment Matrix options. The NDP Customer's selection of the Commitment Matrix shall apply to both the CT Commitment Level and to the CM Commitment Level. The NDP Customer may not select a different Commitment Matrix for the CT Commitment Level and a different Commitment Matrix for the CM Commitment Level.

- (i) Premier Commitment Matrix, as described in Section (C)(1) following;
- (ii) Standard Commitment Matrix, as described in Section (C)(2) following; and
- (iii) Deluxe Commitment Matrix, as described in Section (C)(3) following.

The NDP Customer's choice of the Commitment Matrix determines (a) the number of Equivalent DS1 CMs and/or Equivalent DS1 CTs (as calculated in Section 25.3.4(A) preceding) that the NDP Customer must commit to the Discounted Rate Elements provided under the NDP; and (b) the discount on

- (1) If Premier Commitment Matrix is selected by the NDP Customer, the Telephone Company will establish the CT Commitment Level by multiplying the total number of Equivalent DS1 CTs (as calculated in accordance with Section 25.3.4(A) preceding) by 90%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 25.3.4(A) preceding) by 90%. If the NDP Customer chooses the Premier Commitment Matrix, the NDP Customers shall receive the applicable discounts set forth in the table in Section 25.3.5(B)(2) following.
- (2) If Standard Commitment Matrix is selected by the NDP Customer, the Telephone Company will establish the CT Commitment Level by multiplying the total number of Equivalent DS1 CTs (as calculated in accordance with Section 25.3.4(A) preceding) by 85%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 25.3.4(A) preceding) by 85%. If the NDP Customer chooses the Standard Commitment Matrix, the NDP Customers shall receive the applicable discounts set forth in the table in Section 25.3.5(B)(1) following.
- (3) If Deluxe Commitment Matrix is selected by the NDP Customer, the Telephone Company will establish the CT Commitment Level by multiplying the total number of Equivalent DS1 CTs (as calculated in accordance with Section 25.3.4(A) preceding) by 92%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 25.3.4(A) preceding) by 92%. If the NDP Customer chooses the Deluxe Commitment Matrix, the NDP Customers shall receive the applicable discounts set forth in the table in Section 25.3.5(B)(3) following.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.4 CommitmentLevelsandDiscountTiers (Cont'd)

(C) (Cont'd)

(4) Where the calculation in (1), (2) or (3) precedes, the results in a fraction of an Equivalent DS1CT or a fraction of an Equivalent DS1CM, standard rounding practices shall apply. For example, if there are 9,999.4 Equivalent DS1CTs, the Telephone Company will round down to 9,999 whole Equivalent DS1CTs. Similarly, if there are 9,999.5 Equivalent DS1CTs, the Telephone Company will round up to 10,000 whole Channel Terminations.

(5) As an example, assume that at the time of subscription to the NDP, the NDP Customer had 31,020.04 Equivalent DS1CTs, and 215,125.17 Equivalent DS1CMs. In this case, the NDP Customer would fall into Discount Tier B for Channel Terminations and Discount Tier B for Channel Mileage. Assume further that the NDP Customer chose the Standard Commitment Matrix. Using the table in Section 25.3.5(B)(1) following, in Plan Year 1, the NDP Customer would receive a discount of 33% (i.e., Discount Tier B) on its Special Access DS1 Channel Terminations, and 31% (i.e., Discount Tier B) on its Special Access DS3 Channel Mileage. The Telephone Company would also establish a Commitment Level for Channel Terminations at 26,367 (i.e., 85% multiplied by 31,020.04, with the result rounded down), and a Commitment Level for Channel Mileage at 182,856 (i.e., 85% multiplied by 215,125.17, with the result rounded down).

(6) Changes to the Commitment Matrix

(a) Changes during an Initial Term or a Renewal Term, as applicable.

If the NDP Customer has selected the Premier Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may not change such Commitment Matrix during the Initial Term, or during a Renewal Term, as applicable. If the NDP Customer has selected either the Standard Commitment Matrix or the Deluxe Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may, at its option, change its Commitment Matrix selection to Premier Commitment Matrix at an Annual True-Up as set forth in Section 25.3.7(G) following.

(b) Changes at the end of an Initial Term or a Renewal Term, as applicable.

At the end of the Initial Term or any Renewal Term, as applicable, an NDP Customer that renews its NDP is permitted to pick a different Commitment Matrix for the Renewal Term, so long as such NDP Customer does not also concurrently select the Renewal Benefit Option as set forth in Section 25.3.14(C) following.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.4 CommitmentLevelsandDiscountTiers (Cont'd)

- (D) Although FMSServices and DSEF Services are used in determining the DS1 Equivalent CTs, and FMSServices are used in determining the DS1 Equivalent CMs, rate elements for FMS Services and DSEF Services are not Discounted Rate Elements (i.e., rate elements for such services are not discounted under NDP).
- (E) The initial Commitment Level(s) established as of the NDP Start Date, or upon renewal of the NDP, as applicable, will not be changed during the Term of the NDP, unless one of the following is in effect:
- (1) If the NDP Customer's count of Equivalent DS1 CTs and/or count of Equivalent DS1 CMs exceeds one hundred sixty percent (160%) of the applicable Commitment Level in effect for the then applicable Annual True-Up Period, as described in Section 25.3.7 following, in which case, the Commitment Level(s) will be adjusted in accordance with Section 25.3.7(B)(2)(b) following; or
 - (2) The NDP Customer is permitted to change its Commitment Matrix as set forth in Section 25.3.4(C)(5) preceding; or
 - (3) If the NDP Customer elects to exercise the Commitment Buy-Up Bonus Option as described in Section 25.3.7(E) following; or
 - (4) If the NDP Customer adds or removes an ACNA, then the Commitment Levels will be adjusted in accordance with Section 25.3.11 following or Section 25.3.12 following, respectively.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount

(A) DiscountedRateElements

The discounts provided under the NDP shall only be provided on the following Discounted Rate Elements:

- (1) The following Discounted Rate Elements from this tariff are included in NDP
- (a) Special Access DS1 Service Channel Terminations, Basic Service, Section 7.5.9(A) preceding, as determined in accordance with Section 14.3 preceding.
 - (b) Special Access DS1 Service Channel Mileage, Basic Service, Section 7.5.9(B) preceding, as determined in accordance with Section 14.3 preceding.
 - (c) Special Access DS1 Service DS1 to Voice Multiplexing, Basic Service, Section 7.5.9(C) preceding, as determined in accordance with Section 14.3 preceding.
 - (d) Special Access DS1 Service DS1 to Digital Multiplexing, Basic Service, Section 7.5.9(C) preceding, as determined in accordance with Section 14.3 preceding.
 - (e) Special Access DS1 Service DS1 to DS0 Multiplexing, Basic Service, Section 7.5.9(C) preceding, as determined in accordance with Section 14.3 preceding.
 - (f) Special Access DS3 Service primary and secondary Channel Terminations with optical and electrical interfaces, Base Rates, Section 7.5.9(A) preceding, as determined in accordance with Section 14.3 preceding.
 - (g) Special Access DS3 Service Channel Mileage, Base Rates, as applicable, Section 7.5.9(B)(1)(e)(ii) preceding.
 - (h) Special Access DS3 Service Channel Mileage, Base Rates, as applicable, Section 7.5.9(B)(1)(e)(i) preceding, as determined in accordance with Section 14.3 preceding.
 - (i) Special Access DS3 Service DS3 to DS1 Multiplexing, Base Rates, Section 7.5.9(C) preceding, as determined in accordance with Section 14.3 preceding.
- (2) (Reserved)

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount (Cont'd)

(A) DiscountedRateElements(Cont'd)

- (3) ThefollowingDiscountedRateElementsfromFCC 5areincludedinNDP.
- | | | |
|-----|---|---|
| (a) | SpecialAccessHighCapacityDS1(1.544Mbps)F
ofaStandardArrangementasspecifiedinSection5
determinedinaccordancewithSection19.1ofFCC5 | Facilities-SALrateelements
.7.7ofFCC5,as
(seeNote1). |
| (b) | SpecialAccessHighCapacityDS1(1.544Mbps)F
FacilityandTerminationrateelementsofaStandar
inSection5.7.7(A)ofFCC5,asdeterminedinaccor
FCC5(seeNotes1&2). | Facilities-SpecialTransport
dArrangementasspecified
dancewithSection19.1of |
| (c) | SpecialAccessHighCapacityDS3(44.736Mbps)
elementsofanIndividualSystemora3Systemconf
TelephoneCompanyelectronics)asspecifiedinSect
FCC5,respectively,asdeterminedinaccordancewit
(seeNote3). | Facilities-SALrate
figuration(withorwithout
ions5.7.12and5.7.10of
hSection19.1ofFCC5 |
| (d) | SpecialAccessHighCapacityDS3(44.736Mbps)
TransportrateelementsofanIndividualSystem,a
SystemconfigurationassetforthinSection5.7.14 | Facilities-Banded_Special
3System,oranUnlimited
(C)ofFCC5. |
| (e) | SpecialAccessHighCapacityDS3(44.736Mbps)
Facilities(assetforthinSection5.7.14(A)ofFC
Terminations(assetforthinSection5.7.14(B)of
System,a3SystemoranUnlimitedSystemconfigura
accordancewithSection19.1ofFCC5(seeNote4). | Facilities-SpecialTransport
C5)and44.736Mbps
FCC5)ofanIndividual
tion,asdeterminedin |

Note1:AllrateelementsofHighCapacityDigital

FT1FacilitiesarenotDiscountedRateElements.

Note2:AllSpecialTransportrateelementsofthe
RateElements.

MetroLANOptionalArrangementarenotDiscounted

Note3:AllSALrateelementsofanUnlimitedSyste
DiscountedRateElements.

m,a12GroupSystem,ora24GroupSystemarenot

Note4:AllSpecialTransportrateelementsofa12
DiscountedRateElements.

GroupSystem,ora24GroupSystemarenot

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount (Cont'd)

(A) DiscountedRateElements(Cont'd)

- (4) ThefollowingDiscountedRateElementsfromFCC 6areincludedinNDP.
- (a) SpecialAccessHighCapacityDS1Service–CircuitTerminationrateelements as specifiedinSection7.11.5(A)ofFCC6(seeNote 1).
 - (b) SpecialAccessHighCapacityDS1Service–FixedandPerMileCircuit Mileagerateelementsas specifiedinSection7.11.5(G)ofFCC6(seeNotes1 and2).
 - (c) SpecialAccessHighCapacityDS3Service–CircuitTerminationrateelements ofanIndividualSystemora3CapacitySystemconfiguration(withorwithout TelephoneCompanyelectronics)as specifiedSection 7.11.5(E)ofFCC6(see Note3).
 - (d) SpecialAccessHighCapacityDS3Service–Band_____edCircuitMileagerate elementsofanIndividualSystem,anUnlimitedSystem,a3CapacitySystemor a12CapacitySystemconfigurationas specifiedin Section7.11.5(J)ofFCC6.
 - (e) SpecialAccessHighCapacityDS3Service–FixedandPerMileCircuitMileage rateelementsofanIndividualSystem,anUnlimited System,a3Capacity Systemora12CapacitySystemconfigurationas specifiedinSection7.11.5(J) ofFCC6.

Note1:AllrateelementsofHighCapacityDigital

FT1FacilitiesarenotDiscountedRateElements.

Note2:AllCircuitMileagerateelementsoftheMe Elements.

troLANOptionalArrangementarenotDiscountedRate

Note3:AllCircuitTerminationrateelementsofan CapacitySystemarenotDiscountedRateElements.

UnlimitedSystem,a12CapacitySystem,ora24

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount (Cont'd)

- (B) ThepercentageofthediscountappliedtotheDiscountedRateElementssetforthbelow duringtheTermisdeterminedbytheDiscountTier, NDPCustomer'sselectionofthe StandardCommitmentMatrix,thePremierCommitment Matrix,ortheDeluxe CommitmentMatrix,andthePlanYear.DiscountTier smaychangeatanAnnualTrue-Up assetforthinSection25.3.7following(e.g.,DiscountTiermaychangeatanAnnual True-Up).

(1) StandardCommitmentLevelDiscountPercentages&PI anYear					
<u>Tier</u>	<u>Year1</u>	<u>Year2</u>	<u>Year3</u>	<u>Year4</u>	<u>Year5</u>
DiscountTierA					
DS1CT	32.00%	32.25%	32.35%	32.45%	32.55%
DS3CT	29.00%	29.25%	29.35%	29.45%	29.55%
DS1Mux	27.00%	27.25%	27.35%	27.45%	27.55%
DS3Mux	25.00%	25.25%	25.35%	25.45%	25.55%
DS1CM	29.00%	29.25%	29.35%	29.45%	29.55%
DS3CM	29.00%	29.25%	29.35%	29.45%	29.55%
DiscountTierB					
DS1CT	33.00%	33.25%	33.35%	33.45%	33.55%
DS3CT	31.50%	31.75%	31.85%	31.95%	32.05%
DS1Mux	29.00%	29.25%	29.35%	29.45%	29.55%
DS3Mux	27.00%	27.25%	27.35%	27.45%	27.55%
DS1CM	32.00%	32.25%	32.35%	32.45%	32.55%
DS3CM	31.00%	31.25%	31.35%	31.45%	31.55%
DiscountTierC					
DS1CT	34.00%	34.25%	34.35%	34.45%	34.55%
DS3CT	33.50%	33.75%	33.85%	33.95%	34.05%
DS1Mux	31.00%	31.25%	31.35%	31.45%	31.55%
DS3Mux	29.00%	29.25%	29.35%	29.45%	29.55%
DS1CM	35.00%	35.25%	35.35%	35.45%	35.55%
DS3CM	33.00%	33.25%	33.35%	33.45%	33.55%

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount (Cont'd)

(B) (Cont'd)

(1)	StandardCommitmentLevelDiscountPercentages&PI				anYear (Cont'd)
Tier	Year1	Year2	Year3	Year4	Year5
DiscountTierD					
DS1CT	35.00%	35.25%	35.35%	35.45%	35.55%
DS3CT	35.50%	35.75%	35.85%	35.95%	36.05%
DS1Mux	32.00%	32.25%	32.35%	32.45%	32.55%
DS3Mux	30.00%	30.25%	30.35%	30.45%	30.55%
DS1CM	38.00%	38.25%	38.35%	38.45%	38.55%
DS3CM	35.00%	35.25%	35.35%	35.45%	35.55%
DiscountTierE					
DS1CT	36.00%	36.25%	36.35%	36.45%	36.55%
DS3CT	36.50%	36.75%	36.85%	36.95%	37.05%
DS1Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS3Mux	31.00%	31.25%	31.35%	31.45%	31.55%
DS1CM	41.00%	41.25%	41.35%	41.45%	41.55%
DS3CM	36.50%	36.75%	36.85%	36.95%	37.05%
DiscountTierF					
DS1CT	37.00%	37.25%	37.35%	37.45%	37.55%
DS3CT	37.50%	37.75%	37.85%	37.95%	38.05%
DS1Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS3Mux	32.00%	32.25%	32.35%	32.45%	32.55%
DS1CM	42.00%	42.25%	42.35%	42.45%	42.55%
DS3CM	37.50%	37.75%	37.85%	37.95%	38.05%
DiscountTierG					
DS1CT	38.00%	38.25%	38.35%	38.45%	38.55%
DS3CT	38.50%	38.75%	38.85%	38.95%	39.05%
DS1Mux	35.00%	35.25%	35.35%	35.45%	35.55%
DS3Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS1CM	43.00%	43.25%	43.35%	43.45%	43.55%
DS3CM	38.50%	38.75%	38.85%	38.95%	39.05%

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount (Cont'd)

(B) (Cont'd)

(1)	StandardCommitmentLevelDiscountPercentages&PI				anYear (Cont'd)
Tier	Year1	Year2	Year3	Year4	Year5
DiscountTierH					
DS1CT	39.00%	39.25%	39.35%	39.45%	39.55%
DS3CT	39.00%	39.25%	39.35%	39.45%	39.55%
DS1Mux	35.50%	35.75%	35.85%	35.95%	36.05%
DS3Mux	33.50%	33.75%	33.85%	33.95%	34.05%
DS1CM	44.00%	44.25%	44.35%	44.45%	44.55%
DS3CM	39.00%	39.25%	39.35%	39.45%	39.55%
DiscountTierI					
DS1CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT	39.50%	39.75%	39.85%	39.95%	40.05%
DS1Mux	36.00%	36.25%	36.35%	36.45%	36.55%
DS3Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS1CM	44.50%	44.75%	44.85%	44.95%	45.05%
DS3CM	39.50%	39.75%	39.85%	39.95%	40.05%
DiscountTierJ					
DS1CT	41.00%	41.25%	41.35%	41.45%	41.55%
DS3CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux	36.50%	36.75%	36.85%	36.95%	37.05%
DS3Mux	34.50%	34.75%	34.85%	34.95%	35.05%
DS1CM	45.00%	45.25%	45.35%	45.45%	45.55%
DS3CM	40.00%	40.25%	40.35%	40.45%	40.55%

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount (Cont'd)

(B) (Cont'd)

Tier	(2)	PremierCommitmentLevelDiscountPercentages&Pla				nYear
		Year1	Year2	Year3	Year4	Year5
DiscountTierA						
DS1CT		33.00%	33.25%	33.35%	33.45%	33.55%
DS3CT		30.00%	30.25%	30.35%	30.45%	30.55%
DS1Mux		28.00%	28.25%	28.35%	28.45%	28.55%
DS3Mux		26.00%	26.25%	26.35%	26.45%	26.55%
DS1CM		30.00%	30.25%	30.35%	30.45%	30.55%
DS3CM		30.00%	30.25%	30.35%	30.45%	30.55%
DiscountTierB						
DS1CT		34.00%	34.25%	34.35%	34.45%	34.55%
DS3CT		32.50%	32.75%	32.85%	32.95%	33.05%
DS1Mux		30.00%	30.25%	30.35%	30.45%	30.55%
DS3Mux		28.00%	28.25%	28.35%	28.45%	28.55%
DS1CM		33.00%	33.25%	33.35%	33.45%	33.55%
DS3CM		32.00%	32.25%	32.35%	32.45%	32.55%
DiscountTierC						
DS1CT		35.00%	35.25%	35.35%	35.45%	35.55%
DS3CT		34.50%	34.75%	34.85%	34.95%	35.05%
DS1Mux		32.00%	32.25%	32.35%	32.45%	32.55%
DS3Mux		30.00%	30.25%	30.35%	30.45%	30.55%
DS1CM		36.00%	36.25%	36.35%	36.45%	36.55%
DS3CM		34.00%	34.25%	34.35%	34.45%	34.55%

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount (Cont'd)

(B) (Cont'd)

(2)	PremierCommitmentLevelDiscountPercentages&Pla				nYear (Cont'd)
Tier	Year1	Year2	Year3	Year4	Year5
DiscountTierD					
DS1CT	36.00%	36.25%	36.35%	36.45%	36.55%
DS3CT	36.50%	36.75%	36.85%	36.95%	37.05%
DS1Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS3Mux	31.00%	31.25%	31.35%	31.45%	31.55%
DS1CM	39.00%	39.25%	39.35%	39.45%	39.55%
DS3CM	36.00%	36.25%	36.35%	36.45%	36.55%
DiscountTierE					
DS1CT	37.00%	37.25%	37.35%	37.45%	37.55%
DS3CT	37.50%	37.75%	37.85%	37.95%	38.05%
DS1Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS3Mux	32.00%	32.25%	32.35%	32.45%	32.55%
DS1CM	42.00%	42.25%	42.35%	42.45%	42.55%
DS3CM	37.50%	37.75%	37.85%	37.95%	38.05%
DiscountTierF					
DS1CT	38.00%	38.25%	38.35%	38.45%	38.55%
DS3CT	38.50%	38.75%	38.85%	38.95%	39.05%
DS1Mux	35.00%	35.25%	35.35%	35.45%	35.55%
DS3Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS1CM	43.00%	43.25%	43.35%	43.45%	43.55%
DS3CM	38.50%	38.75%	38.85%	38.95%	39.05%
DiscountTierG					
DS1CT	39.00%	39.25%	39.35%	39.45%	39.55%
DS3CT	39.50%	39.75%	39.85%	39.95%	40.05%
DS1Mux	36.00%	36.25%	36.35%	36.45%	36.55%
DS3Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS1CM	44.00%	44.25%	44.35%	44.45%	44.55%
DS3CM	39.50%	39.75%	39.85%	39.95%	40.05%

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount (Cont'd)

(B) (Cont'd)

(2)	PremierCommitmentLevelDiscountPercentages&Pla				nYear (Cont'd)
Tier	Year1	Year2	Year3	Year4	Year5
DiscountTierH					
DS1CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux	36.50%	36.75%	36.85%	36.95%	37.05%
DS3Mux	34.50%	34.75%	34.85%	34.95%	35.05%
DS1CM	45.00%	45.25%	45.35%	45.45%	45.55%
DS3CM	40.00%	40.25%	40.35%	40.45%	40.55%
DiscountTierI					
DS1CT	41.00%	41.25%	41.35%	41.45%	41.55%
DS3CT	40.50%	40.75%	40.85%	40.95%	41.05%
DS1Mux	37.00%	37.25%	37.35%	37.45%	37.55%
DS3Mux	35.00%	35.25%	35.35%	35.45%	35.55%
DS1CM	45.50%	45.75%	45.85%	45.95%	46.05%
DS3CM	40.50%	40.75%	40.85%	40.95%	41.05%
DiscountTierJ					
DS1CT	42.00%	42.25%	42.35%	42.45%	42.55%
DS3CT	41.00%	41.25%	41.35%	41.45%	41.55%
DS1Mux	37.50%	37.75%	37.85%	37.95%	38.05%
DS3Mux	35.50%	35.75%	35.85%	35.95%	36.05%
DS1CM	46.00%	46.25%	46.35%	46.45%	46.55%
DS3CM	41.00%	41.25%	41.35%	41.45%	41.55%

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount (Cont'd)

(B) (Cont'd)

Tier	(3)	DeluxeCommitmentLevelDiscountPercentages&Plan				Year
		Year1	Year2	Year3	Year4	Year5
DiscountTierA						
DS1CT		40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT		40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux		10.00%	10.25%	10.35%	10.45%	10.55%
DS3Mux		10.00%	10.25%	10.35%	10.45%	10.55%
DS1CM		50.00%	50.25%	50.35%	50.45%	50.55%
DS3CM		46.00%	46.25%	46.35%	46.45%	46.55%
DiscountTierB						
DS1CT		40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT		40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux		10.00%	10.25%	10.35%	10.45%	10.55%
DS3Mux		10.00%	10.25%	10.35%	10.45%	10.55%
DS1CM		50.00%	50.25%	50.35%	50.45%	50.55%
DS3CM		46.00%	46.25%	46.35%	46.45%	46.55%
DiscountTierC						
DS1CT		40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT		40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux		10.00%	10.25%	10.35%	10.45%	10.55%
DS3Mux		10.00%	10.25%	10.35%	10.45%	10.55%
DS1CM		50.00%	50.25%	50.35%	50.45%	50.55%
DS3CM		46.00%	46.25%	46.35%	46.45%	46.55%

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount (Cont'd)

(B) (Cont'd)

(3)	DeluxeCommitmentLevelDiscountPercentages&Plan				Year (Cont'd)
Tier	Year1	Year2	Year3	Year4	Year5
DiscountTierD					
DS1CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3CM	46.00%	46.25%	46.35%	46.45%	46.55%
DiscountTierE					
DS1CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3CM	46.00%	46.25%	46.35%	46.45%	46.55%
DiscountTierF					
DS1CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3CM	46.00%	46.25%	46.35%	46.45%	46.55%
DiscountTierG					
DS1CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3CM	46.00%	46.25%	46.35%	46.45%	46.55%

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.5 ApplicationofDiscount (Cont'd)

(B) (Cont'd)

(3)	DeluxeCommitmentLevelDiscountPercentages&Plan				Year (Cont'd)
Tier	Year1	Year2	Year3	Year4	Year5
DiscountTierH					
DS1CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3CM	46.00%	46.25%	46.35%	46.45%	46.55%
DiscountTierI					
DS1CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3CM	46.00%	46.25%	46.35%	46.45%	46.55%
DiscountTierJ					
DS1CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3CM	46.00%	46.25%	46.35%	46.45%	46.55%

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.6 SpecialAccessDS3ServiceChannelMileageRates

- (A) SpecialAccessDS3ServiceChannelMileageBand edBaseRatessetforthinSection 7.5.9(B)(1)(e)(ii)precedingwillapplytoSpecial AccessDS3Services that are provided between two serving wire centers of the same Telephone Company.
- (B) Except as set forth in (A) preceding, the Channel Mileage Base Rates set forth in Section 7.5.9(B)(1)(e)(i) preceding apply to all other Special Access DS3 Services that are included in the NDP and provided between the Telephone Company and another exchange telephone company in accordance with Section 2.4.6 preceding.

25.3.7 Annual True-Up

After each Anniversary Dated during the Term, the Telephone Company will conduct an Annual True-Up which shall be used to determine the NDPC Customer's compliance with its established Commitment Levels and Discount Tier s for the Annual True-Up Period.

- (A) The Annual True-Up shall consist of the following steps which shall be conducted by the Telephone Company in the following order:
- (1) Calculate the Monthly Average Count of Equivalent DS1 CTs and Monthly Average Count of Equivalent DS1 CMs, each as described in Section 25.3.7(B) following; and
 - (2) Compare the Monthly Average Count of Equivalent DS1 CMs against the CM Commitment Level, and the Monthly Average Count of Equivalent DS1 CTs against the CT Commitment Level to determine if the NDPC Customer (a) has met its applicable Commitment Level(s); or (b) has exceeded its applicable Commitment Level(s), as each is described in (B) following; and
 - (3) If the NDPC Customer has not met its CT Commitment Level and/or CM Commitment Level, as applicable, then calculate the Shortfall Penalty that is due in accordance with Section 25.3.7(C) following. If the NDPC Customer has exceeded its CT Commitment Level or CM Commitment Level, as applicable, then calculate any adjustment to one or both Commitment Level(s) in accordance with Section 25.3.7(B) following; and

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)

(A) (Cont'd)

- (4) Determine if the Achieved Discount Tier is the same as the Assigned Discount Tier. For an NDP Customer under a Standard Commitment Matrix or Premier Commitment Matrix, if the Assigned Discount Tier is different than the Achieved Discount Tier, then the Telephone Company shall calculate the applicable Discount Tier Adjustment in accordance with Section 25.3.7(D) following. No Discount Tier Adjustment is calculated for an NDP Customer under a Deluxe Commitment Matrix; and
- (5) Assuming the NDP Customer is eligible for the Commitment Buy-Up Bonus for either its CT Commitment Level or CM Commitment Level, or both, and the NDP Customer elects to exercise such Commitment Buy-Up Bonus Option, the Telephone Company will calculate the applicable CBB Discount in accordance with Section 25.3.7(E) following. No later than thirty (30) calendar days prior to the Anniversary Date of its NDP, the NDP Customer must notify the Telephone Company in writing of its intent to exercise the Commitment Buy-Up Bonus Option.
- (6) If the NDP Customer added or removed one or more ACNA(s) under Section 25.3.11 or Section 25.3.12 following, respectively, during the Annual True-Up Period, the Telephone Company will adjust the CT Commitment Level and/or CM Commitment Level, as applicable, to reflect such added or removed ACNA(s). No later than thirty (30) calendar days prior to the Anniversary Date of the NDP Customer's NDP, the NDP Customer must notify the Telephone Company in writing of any such changes to its ACNAs.
- (7) Subject to the requirements set forth in Section 25.3.7(F) following, assign the Discount Tiers applicable to the next Plan Year; and
- (8) Assuming the NDP Customer qualifies for a change from the Standard Commitment Matrix to the Deluxe Commitment Matrix or the Premier Commitment Matrix, or for a change from the Deluxe Commitment Matrix to the Premier Commitment Matrix, and the NDP Customer elects to make such change, the Telephone Company will calculate and set the new Commitment Levels associated with the choice of a Deluxe Commitment Matrix or a Premier Commitment Matrix, as applicable, and Discount Tiers in accordance with Section 25.3.7(G) following.

ACCESS SERVICE

25. Discount Plans (Cont'd)25.3 National Discount Plan (Cont'd)25.3.7 Annual True-Up (Cont'd)

(B) Calculation of Monthly Counts and Measuring Monthly Counts Against Commitment Levels

(1) The Telephone Company will calculate the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs for the Qualifying Services purchased under the NDP that were in service for each month of the Annual True-Up Period. The Monthly Average Count of Equivalent DS1 CT is calculated as follows:

(Step 1) add the actual number of Equivalent DS1 CTs for Qualifying Services purchased under the NDP for each month of the Annual True-Up Period;

(Step 2) add the result from Step 1 preceding to the quantities of Equivalent DS1 CTs determined in (i) and (ii) following:

(i) the Upgrade Adjustment, as calculated in accordance with Section 25.3.7(H) following, for any Qualifying Service(s) that has been Upgraded; and/or

(ii) the Sale Adjustment, as calculated in accordance with Section 25.3.10 following, for any Qualifying Service(s) which are affected by a Telephone Company Sale;

(Step 3) divide the number derived in Step 2 preceding by 12 months.

A similar calculation is performed by the Telephone Company for calculating the Monthly Average Count of Equivalent DS1 CMs for the Qualifying Services purchased under the NDP by using Equivalent DS1 CMs instead of using Equivalent DS1 CTs.

(2) The Telephone Company will compare the Monthly Average Count of Equivalent DS1 CTs against the CT Commitment Level, and the Monthly Average Count of Equivalent DS1 CMs against the CM Commitment Level. If the NDP Customer's Monthly Average Count of Equivalent DS1 CTs is equal to or greater than (subject to certain restrictions as set forth in (a) following) the CT Commitment Level, then the NDP Customer shall be deemed to have met its CT Commitment Level. If the NDP Customer's Monthly Average Count of Equivalent DS1 CMs is equal to or greater than (subject to certain restrictions as set forth in (a) following) the CM Commitment Level, then the NDP Customer shall be deemed to have met its CM Commitment Level.

(a) Where the NDP Customer has met its CT Commitment Level and/or CM Commitment Level, as applicable, but has not exceeded such Commitment Level by more than sixty percent (i.e., the NDP Customer's Monthly Average Count of Equivalent DS1 CTs and/or Monthly Average Count of Equivalent DS1 CMs, as applicable, is less than 160% of the applicable Commitment Level), no action is required. An NDP Customer who elected the Premier Commitment Matrix may be eligible to voluntarily increase (buy up) its CT Commitment Level and/or its CM Commitment Level as specified in Section 25.3.7(E) following.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)

(B) Calculation of Monthly Counts and Measuring Monthly Counts Against Commitment Levels (Cont'd)

(2) (Cont'd)

(b) Where the NDP Customer has exceeded its CT Commitment Level and/or its CM Commitment Level, as applicable, by more than sixty percent (i.e., the NDP Customer's Monthly Average Count of Equivalent DS1 CTs and/or Monthly Average Count of Equivalent DS1 CMs, as applicable, is more than 160% of its applicable Commitment Level), the exceeded Commitment Level(s) will be adjusted as follows:

(1) Where the NDP Customer elected the Standard Commitment Matrix, and exceeded its CT Commitment Level and/or exceeded its CM Commitment Level by more than 60%, the exceeded Commitment Level(s) will be adjusted to eighty-five percent (85%) of the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, as applicable, for the Annual True-Up Period. Any adjustments to the CT Commitment Level, as described in this Section (B)(2)(b)(1), is made independent of any adjustment to the CM Commitment Level.

(2) Where the NDP Customer elected the Premier Commitment Matrix and exceeded its CT Commitment Level and/or exceeded its CM Commitment Level by more than 60%, the exceeded Commitment Level(s) will be adjusted to ninety percent (90%) of the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, as applicable, for the Annual True-Up Period. An adjustment to the CT Commitment Level, as described in this Section (B)(2)(b)(2), is made independent of an adjustment to the CM Commitment Level.

(3) Where the NDP Customer elected the Deluxe Commitment Matrix and exceeded its CT Commitment Level and/or exceeded its CM Commitment Level by more than 60%, the exceeded Commitment Level(s) will be adjusted to ninety-two percent (92%) of the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, as applicable, for the Annual True-Up Period. An adjustment to the CT Commitment Level, as described in this Section (B)(2)(b)(3), is made independent of an adjustment to the CM Commitment Level.

(3) Where the NDP Customer has not met its CT Commitment Level and/or has not met its CM Commitment Level, as applicable, a Shortfall Penalty shall apply as set forth in Section 25.3.7(C) following and apply to each missed Commitment Level.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)

(C) ShortfallPenalty

A Shortfall Penalty is assessed against (i) the CT Commitment Level when the NDP Customer's Monthly Average Count of Equivalent DS1 CTs is less than the CT Commitment Level; or (ii) the CM Commitment Level if less than the NDP Customer's Monthly Average Count of Equivalent DS1 CMs.

(1) A Shortfall Penalty is calculated as follows:

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs during the Annual True-Up Period as set forth in Section 25.3.7(B)(1) preceding.

(Step 2) Determine the Monthly Shortage of Equivalent DS1 CTs and/or the Monthly Shortage of Equivalent DS1 CMs, as applicable.

(a) The NDP Customer's Monthly Shortage of Equivalent DS1 CTs will be determined by subtracting (i) the Monthly Average Count of Equivalent DS1 CTs determined in Step 1; from (ii) the CT Commitment Level.

(b) The NDP Customer's Monthly Shortage of Equivalent DS1 CMs will be determined by subtracting (i) the Monthly Average Count of Equivalent DS1 CMs determined in Step 1; from (ii) the CM Commitment Level.

(Step 3) Calculate the Average Monthly Rate per Equivalent DS1 CT and/or the Average Monthly Rate per Equivalent DS1 CM, as applicable.

(a) The Average Monthly Rate per Equivalent DS1 CT is calculated by (i) adding the total Monthly Charges billed for all Channel Termination and multiplexing (this tariff only) Discounted Rate Elements, during each month of the Annual True-Up Period; and (ii) dividing the result in (i) preceding by twelve months; and (iii) dividing the result in (ii) preceding by the Average Monthly Count of Equivalent DS1 CTs calculated in Step 1.

(b) The Average Monthly Rate per Equivalent DS1 CM is calculated by (i) adding the total Monthly Charges billed for all Channel Mileage Discounted Rate Elements, during each month of the Annual True-Up Period; and (ii) dividing the result in (i) preceding by twelve months; and (iii) dividing the result in (ii) preceding by the Average Monthly Count of Equivalent DS1 CMs calculated in Step 1.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(C) ShortfallPenalty(Cont'd)

(1) (Cont'd)

(Step4) Calculate the Shortfall Penalty for the CT Commitment Level and/or the CM Commitment Level, as applicable.

(a) The Telephone Company will calculate the Shortfall Penalty for the CT Commitment Level by multiplying (i) the Monthly Shortage determined in Step 2; by (ii) the Average Monthly Rate per Equivalent DS1 CT calculated in Step 3; and by (iii) twelve (12) months.

(b) The Telephone Company will calculate the Shortfall Penalty for the CM Commitment Level by multiplying (i) the Monthly Shortage determined in Step 2; by (ii) the Average Monthly Rate per Equivalent DS1 CT calculated in Step 3; and by (iii) twelve (12) months.

(2) As an illustrative example of the Shortfall Penalty calculation for the CT Commitment Level, assume that at an Annual True-Up, an NDP Customer who selected the Premier Commitment Matrix had the following results: (i) the NDP Customer has met but has not exceeded by more than 60% its CM Commitment Level of 75,000 Equivalent DS1 CMs; (ii) the NDP Customer has not met its CT Commitment Level of 120,000 Equivalent DS1 CTs; and (iii) the Monthly Average Count of Equivalent DS1 CTs is 118,000. No Shortfall Penalty is applicable to the NDP Customer's CM Commitment Levels since the NDP Customer has met its CM Commitment Level. Shortfall Penalty is due on the CT Commitment Level and is calculated as follows (using Steps 1-4 above):

(Step1) Calculate the Monthly Average Count of Equivalent DS1 CTs. In this example, this number is 118,000 Equivalent DS1 CTs.

(Step2) Calculate the Monthly Shortage of Equivalent DS1 CTs. [120,000 Commitment Level - 118,000 Monthly Average Count of Equivalent DS1 CTs = 2,000 Equivalent DS1 CTs]

(Step3) Calculate the Average Monthly Rate per Equivalent DS1 CT. In this example, assume that the sum of the total Monthly Charges billed for all Channel Termination and multiplexing Discounted Rate Elements during each month of the Annual True-Up Period is \$150,000,000. The Average Monthly Rate per Equivalent DS1 CT is \$105.93. [\$150,000,000/12 months/118,000 Monthly Average Count of Equivalent DS1 CTs]

(Step4) Calculate the Shortfall Penalty. The Shortfall Penalty is \$2,542,320 (the Monthly Shortage of 2,000 Equivalent DS1 CTs x \$105.93 Average Monthly Rate per Equivalent DS1 CT x 12 months).

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(C) ShortfallPenalty(Cont'd)

- (3) The Telephone Company will apply the Shortfall Penalty calculated in (C)(1) preceding to the BANS designated by the NDPC Customer under Section 25.3.2(A)(5) preceding. The Shortfall Penalty is not subject to late payment penalty under Section 2.4.1 preceding, except when the bill contains such Shortfall Penalty is not paid by the payment date.

(D) DiscountTierAdjustment

- (1) At each Annual True-Up, the Telephone Company will automatically adjust the Discount Tier(s) if the Achieved Discount Tier is a higher or lower Discount Tier than the Assigned Discount Tier that was in effect during the Annual True-Up Period. Such actions shall be referred to as the Discount Tier Adjustment. The Achieved Discount Tier and the Assigned Discount Tier are independently determined for Channel Terminations and Channel Mileage. For NDPC Customers who elected either the Standard Commitment Matrix or the Premier Commitment Matrix, the Discount Tier Adjustment is set forth in Step 1 through Step 6 of (D)(2) following, the result of which may be an increase or decrease in the discount percentage that was applied during the Annual True-Up Period, and shall be reflected as a creditor or debit on the NDPC Customer's bill.
- (2) A Discount Tier Adjustment is calculated as follows:
- (Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs during the Annual True-Up Period as set forth in Section 25.3.7(B)(1) preceding.
- (Step 2) Determine the Achieved Discount Tiers for the Monthly Average Count of Equivalent DS1 CTs and Monthly Average Count of Equivalent DS1 CMs, respectively.
- (a) Using the Equivalent DS1 CT table set forth in Section 25.3.4(B)(1) preceding, (a) find the Achieved Discount Tier for the Monthly Average Count of Equivalent DS1 CTs determined in Step 1 above; and
- (b) Using the Equivalent DS1 CM table set forth in Section 25.3.4(B)(2) preceding, find the Achieved Discount Tier for the Monthly Average Count of Equivalent DS1 CMs determined in Step 1 above.
- If an Achieved Discount Tier for Channel Terminations or Channel Mileage, as applicable, is the same Discount Tier as the Assigned Discount Tier for Channel Terminations or Channel Mileage, as applicable, no Discount Tier Adjustment will be made. In this case, Step 3 through Step 6 following do not apply.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)

(D) DiscountTierAdjustment(Cont'd)

(2) (Cont'd)

(Step2) (Cont'd)

ForNDPCustomerswho electedtheStandardCommitmentMatrixor thePremierCommitmentMatrix,ifanAchievedDiscountTierfor ChannelTerminationsorChannelMileage,as applicable,isahigheror lowerDiscountTierthantheAssignedDiscountTierforChannel TerminationsorChannelMileage,as applicable,aDiscountTier Adjustment(ascalculatedinSteps3throughStep6)followingapplies.

(Step3) CalculatetheNon-DiscountedBilledAmounts.

TheNon-DiscountedBilledAmount(s)are(a)thetotalMonthlyCharges fortheChannelTerminationandmultiplexerDiscountedRateElements thattheNDPCustomerwouldhavepaidduringtheAnnualTrue-Up PeriodifthediscountpercentagesassetforthinSection25.3.5(B) precedingwerenotapplied;or(b)thetotalMonthlyChargesforthe ChannelMileageDiscountedRateElementsfortheNDPCustomer wouldhavepaidduringtheAnnualTrue-UpPeriod,ifthediscount percentagesassetforthinSection25.3.5(B)precedingwerenot applied.DiscountedRateElementsarespecifiedinSection25.3.5(A) preceding.TheNon-DiscountedBilledAmount(s)arecalculatedas follows.

- (1) CalculatetheNon-DiscountedBilledAmountforSpecialAccess DS1ServiceChannelTerminationDiscountedRateElementsunder this tariffby(i)addingthebilledMonthlyChargesforallsuch ChannelTerminationsineachmonthoftheAnnualTrue-UpPeriod; and(ii)thendividingthenumberderivedin(i)precedingbyone(1) minusthediscountpercentageassociatedwiththeAssigned DiscountTierforsuchDiscountedRateElement.

Asanillustrativeexample,assumethetotalMonthlyChargesbilled forsuchChannelTerminationswas\$12,000,000and,pursuantto thediscountablessetforthinSection25.3.5(B)preceding,the AssignedDiscountTieryieldedadiscountpercentageof36%.The totalNon-DiscountedBilledAmountwouldhavebeen $\$12,000,000 / (1 - 0.36) = \$18,750,000$.

- (2) CalculatetheNon-DiscountedBilledAmountfortheSpecialAccess DS1ServiceChannelTerminationDiscountedRateElementsunder this tariffby (i)addingthebilledMonthlyChargesforallsuchmultiplexersin eachmonthoftheAnnualTrue-UpPeriod;and(ii)thendividingthe numberderivedin(i)precedingbyone(1)minusthediscount percentageassociatedwiththeAssignedDiscountTierforsuch DiscountedRateElement.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)

(D) DiscountTierAdjustment(Cont'd)

(2) (Cont'd)

(Step3) (Cont'd)

- (3) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service Channel Termination Discounted Rate Elements under this tariff by (i) adding the billed Monthly Charge for all such Channel Terminations in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.
- (4) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service Multiplexer Discounted Rate Elements under this tariff by (i) adding the billed Monthly Charges for all such Multiplexers in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.
- (5) Calculate the Non-Discounted Billed Amount for Special Access DS1 Service SAL Discounted Rate Elements under FCC 5 and Special Access DS1 Service Circuit Termination Discounted Rate Elements under FCC 6 by (i) adding the billed Monthly Charges for all such SALs and Circuit Terminations in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.
- (6) Calculate the Non-Discounted Billed Amount for Special Access DS3 SAL Discounted Rate Elements under FCC 5 and Special Access DS3 Service Circuit Termination Discounted Rate Elements under FCC 6 by (i) adding the billed Monthly Charges for all such SALs and Circuit Terminations in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(D) DiscountTierAdjustment(Cont'd)

(2) (Cont'd)

(Step3) (Cont'd)

- (7) Calculate the Non-Discounted Billed Amount for Special Access DS1 Service Channel Mileage Discounted Rate Element under this tariff by (i) adding the billed Monthly Charges for all such Channel Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.
- (8) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service Channel Mileage (including Banded Channel Mileage and Base Rate Channel Mileage) Discounted Rate Elements under this tariff by (i) adding the billed Monthly Charge for all such Channel Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.
- (9) Calculate the Non-Discounted Billed Amount for Special Access DS1 Service Special Transport Discounted Rate Elements under FCC5 and Special Access DS1 Service Circuit Mileage under FCC6 by (i) adding the billed Monthly Charges for all such Special Transport and Circuit Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.
- (10) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service Special Transport (including Banded Special Transport and Special Transport) Discounted Rate Elements under FCC5 and Special Access DS3 Service Circuit Mileage (including Banded Circuit Mileage and Circuit Mileage) under FCC6 by (i) adding the billed Monthly Charges for all such Special Transport and Circuit Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)

(D) DiscountTierAdjustment(Cont'd)

(2) (Cont'd)

(Step4) Calculatethedifferenceinthediscountpercentages.

ForeachoftheDiscountedRateElementcategories specifiedin(1) through(10)ofStep3above,usingthediscountpercentagessetforth in25.3.5(B)preceding,individuallycalculatethedifferencebetween(i) thediscountpercentageoftheAchievedDiscountTier;and(ii)the discountpercentageoftheAssignedDiscountTier.

Forexample,iftheAssignedDiscountTierforChannelTerminationsin thistariffundercategory(1)ofStep3preceding hasadiscount percentageof36%andtheAchievedDiscountTierforcategory(1)of Step3precedinghasadiscountpercentageof35%, thenthe difference inthediscountpercentagesis1%.

(Step5) IndividuallycalculatethedollaramountoftheDiscountTier Adjustments.

ForeachDiscountedRateElementcategoryspecifiedin(1)through (10)ofStep3above,individuallycalculatethedollaramountofthe DiscountTierAdjustmentbymultiplying(i)theNon-discountedBilled AmountcalculatedforeachDiscountedRateElementcategoryinStep 3above;by(ii)thedifferenceinthediscountpercentage determinedin Step4aboveforsuchDiscountedRateElementcategory.

(Step6) CalculatethetotalDiscountTierAdjustmentfortheNDP.

(1) AddthetotaloftheDiscountTierAdjustments fortheChannel TerminationandmultiplexerrateelementsascalculatedinStep5. TheresultingtotalistheDiscountTierAdjustment forChannel Terminationsandmultiplexers.

(2) AddthetotaloftheDiscountTierAdjustments fortheChannel MileagerateelementsascalculatedinStep5.The resultingtotalis theDiscountTierAdjustmentforChannelMileage.

(3) ForNDPCustomerswho electedtheStandardCommitmentMatrixorthePremier CommitmentMatrix,DiscountTierAdjustmentsmayresultinadebitadjustmentor creditadjustmenttotheNDPCustomer'sbill.The TelephoneCompanywillapply theDiscountTierAdjustmentcalculatedin(D)(2)(a)precedingtotheBAN(s) designatedbytheNDPCustomerunderSection25.3.2(A)(5)preceding.The DiscountTierAdjustmentisnotsubjecttolatepaymentpenaltyunderSection 2.4.1preceding,exceptwhenthebillcontainingadebitDiscountTierAdjustment isnotpaidbythepaymentdate.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(D) DiscountTierAdjustment(Cont'd)

- (4) As an illustrative example of an adjustment to a higher Discount Tier for Channel Terminations, assume that (i) the NDPC Customer is under the Premier Commitment Matrix; and (ii) the Assigned Discount Tier for Channel Terminations is Discount Tier D (120,001 to 195,000 Equivalent DS1 CTs) which provides a 36% discount for DS1 Channel Terminations; and (iii) no Discount Tier Adjustment is required for Channel Mileage because the NDPC Customer's Achieved Discount Tier is the same as the Assigned Discount Tier for the Annual True-Up Period (i.e., the Telephone Company will disregard categories (7) through (10) of Step 3 in Section 25.3.7(D)(3) preceding).

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs in accordance with Section 25.3.7(B)(1) preceding. In this example, assume that this number is calculated as 201,000 Equivalent DS1 CTs.

(Step 2) Determine the Achieved Discount Tier in accordance with category (1) of Step 3 in Section 25.3.7(D)(2) preceding. For purposes of this example, assume that Achieved Discount Tier for Channel Terminations under this tariff is Tier E (195,001 to 275,000 which has a 37% discount). Since the Monthly Average Count of Equivalent DS1 CTs is 201,000 Equivalent DS1 CTs, the corresponding Achieved Discount Tier for Channel Terminations is Tier E (195,001 to 275,000 which has a corresponding discount percentage of 37% discount).

Since the Achieved Discount Tier (Tier E) is a higher Discount Tier than the Assigned Discount Tier (Tier D), proceed with Steps 3 through 6 of Section 25.3.7(D)(2) preceding.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(D) DiscountTierAdjustment(Cont'd)

(4) (Cont'd)

(Step3) CalculatetheNon-DiscountedBilledAmount sforeachChannel TerminationandmultiplexerDiscountedRateElement category specifiedinStep3ofSection25.3.7(D)(2)precedi ng.

TheNon-DiscountedBilledAmountforDS1ChannelT erminations underthistariffand(i.e.,category(1)ofStep3 inSection 25.3.7(D)(2)preceding),iscalculatedasfollows:

- (1) Forthisexample,assumethetotalbilledMonth lyCharges forDS1ChannelTerminationsunderthistariffis \$12,000,000.
- (ii) RemovethediscountassociatedwiththeAssign edDiscount Tier[\$12,000,000/(1-0.36)=\$18,750,000].

ThemonthlyNon-DiscountedBilledAmountforDS1C hannel Terminationsunderthistariff(i.e.,category(1) ofStep3inSection 25.3.7(D)(2)preceding)is\$18,750,000.

InaccordancewithStep3ofSection25.3.7(D)(2) preceding, calculatethemonthlyNon-DiscountedBilledAmount foreachofthe remainingChannelTerminationandmultiplexerDisco untedRate Elements(categories(2)through(6)ofStep3inS ection 25.3.7(D)(2)preceding).

(Step4) Calculatethedifferenceinthediscountp ercentagebetweenthe AssignedDiscountTierandtheAchievedDiscountTi erforthe ChannelTerminationDiscountedRateElementsinthe stariff(i.e., category(1)ofStep3inSection25.3.7(D)(2)prec eding).Forthis DiscountedRateElementcategory,thedifferenceis calculatedas follows:[37%AchievedDiscountTier-36%Assigned DiscountTier =1%difference]

InaccordancewithStep4ofSection25.3.7(D)(2) preceding, calculatethedifferenceinthediscountpercentage betweenthe AssignedDiscountTierandtheAchievedDiscountTi erforeachof theremainingChannelTerminationandmultiplexerD iscountedRate Elements(i.e.,categories(2)through(6)ofStep 3inSection 25.3.7(D)(2)preceding).

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(D) DiscountTierAdjustment(Cont'd)

(4) (Cont'd)

(Step5) CalculatethedollaramountoftheDiscountTierAdjustmentsforthe ChannelTerminationDiscountedRateElementsinthetariff(i.e., category(1)ofStep3inSection25.3.7(D)(2)preceding).Forthis DiscountedRateElementcategory,thedollaramountiscalculated asfollows[18,750,000Non-DiscountedBilledAmountfromStep3x 1%differenceindiscountpercentagefromStep4= \$187,500].

InaccordancewithStep5ofSection25.3.7(D)(2)preceding, calculatethedollaramountforeachoftheremainingChannel TerminationandmultiplexerDiscountedRateElements(i.e., categories(2)through(6)ofStep3inSection25.3.7(D)(2) preceding).

AssumethecalculationsinSteps3through5precedingaredonefor eachoftheremainingChannelTerminationandmultiplexer DiscountedRateElements(i.e.,categories(2)through(6)ofStep3 inSection25.3.7(D)(2)preceding).Furtherassumethecalculations yieldthefollowingDiscountTierAdjustments:

DS1Multiplexerthistariff	\$100,000	
DS3CTthistariff	\$200,000	
DS3Multiplexerthistariff	\$150,000	
DS1CTFCC5&FCC6		\$100,000
DS3CTFCC5&FCC6		\$200,000

(Step6) CalculatetheTotalDiscountTierAdjustmentinaccordancewith Step6ofSection25.3.7(D)(2)preceding.ThetotalDiscountTier AdjustmentforChannelTerminationandmultiplexerDiscounted RateElementsisequalto\$937,500[\$187,500+\$100,000+\$ 200,000+\$150,000+\$100,000+\$200,000].TheNDP Customer wouldreceiveacreditof\$937,500onitsBANSforthisDiscountTier Adjustment.

(5) NochangewillbemadetotheNDPCustomer'sCommitmentLevels,regardless ofwhetherornottheDiscountTierwasadjustedupwardordownward.AnNDP CustomersubscribedtothePremierCommitmentMatrixmayqualifyforthe CommitmentBuy-UpBonusOptionandreceiveaCBBDiscountunderSection 25.3.7(E)following.

ACCESSSERVICE

25. DiscountPlans (Cont'd)

25.3 NationalDiscountPlan (Cont'd)

25.3.7 AnnualTrue-Up (Cont'd)

(E) CommitmentBuy-UpBonus

DuringanAnnualTrue-Up,anNDPCustomerthatmeetsthefollowingcriteriamay choosetoexercisetheCommitmentBuy-UpBonusoption.TheCBBDiscountis providedinconnectionwiththeAnnualTrue-UpPeriod,andisinadditiontoanyother discountsprovidedunderNDP.

- (1) IftheNDPCustomermeetsoftherequirementsof(a)through(c)following, theNDPCustomeriseligibletoexercisetheCommitmentBuy-UpBonusOption withrespecttoeitherorbothCommitmentLevels:
 - (a) theNDPCustomerhassubscribedtothePremierCommitmentMatrixduringthe AnnualTrue-UpPeriod;and
 - (b) theNDPCustomerhasmetbothitsCTCommitmentLevelanditsCM CommitmentLevel(assumingitestablishedbothsuchCommitmentLevels) underSection25.3.7(B)preceding;and
 - (c) theactualquantityofEquivalentDS1CTsorEquivalentDS1CMs,as applicable,inmonthtwelve(12)oftheAnnualTrue-UpPeriodisfivepercent (5%)ormoregreaterthantheactualquantityofEquivalentDS1CTsorCMs, asapplicable,inmonthone(1)oftheAnnualTrue-UpPeriod.
- (2) IftheNDPCustomer electsto increaseitsCTCommitmentLeveland/orCM CommitmentLevel,thennewCommitmentLevel(s)fortheNDPwillbesetat ninety(90%)ofthetwelve(12)countofEquivalentDS1CTs;oratninety(90%)of themonth12countofEquivalentDS1CMs,asapplicable.Indeterminingthe month12counts,theTelephoneCompanywillincludeanyUpgradeAdjustment orSaleAdjustmentassetforth inSections25.3.7(H)and25.3.10following, respectively.
- (3) Whereanincreasein(E)(2)aboveoccurs,theCBBDiscountshallbecalculated inaccordancewith(E)(4)following,andsuchcalculationsshallusethePercent IncreaseandcorrespondingCBBDiscountPercentage achievedbytheNDP Customerinaccordancewiththetablebelow:

<u>PercentIncrease</u>	<u>CBBDiscountPercentage</u>
Lessthan5%	NoDiscount
5%-9.99%	1%
10%-14.99%	2%
15%-19.99%	3%
20%-24.99%	4%
25%ormore	5%

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(E) CommitmentBuy-UpBonus(Cont'd)

(4) TheCBBDiscountiscalculatedasfollows.

(Step1) CalculatethePercentIncreaseandCorrespondingCBBDiscount Percentage

APercentIncreasewillbecalculatedfortheEquivalentDS1CTsandaseparatePercentIncreasewillbecalculatedfortheEquivalentDS1CMs.

(a) ThePercentIncreasefortheEquivalentDS1CTsiscalculatedas follows:

(1) subtract(i)theactualcountofEquivalentDS1CTsinmonth one(1)oftheAnnualTrue-UpPeriod;from(ii)the actualcount ofEquivalentDS1CTsinmonthtwelve(12)oftheAnnualTrue-UpPeriod;and

(2) dividetheresultfrom(a)(1)precedingbythe actualcountof EquivalentDS1CTsinmonthone(1)oftheAnnualTrue-Up Period.

(b) ThePercentIncreasefortheEquivalentDS1CM iscalculatedas follows:

(1) subtract(i)theactualcountofEquivalentDS1CMsinmonth one(1)oftheAnnualTrue-UpPeriod;from(ii)the actualcount ofEquivalentDS1CMsinmonthtwelve(12)oftheAnnualTrue-UpPeriod;and

(2) dividetheresultfrom(b)(1)precedingbythe actualcountof EquivalentDS1CMsinmonthone(1)oftheAnnualTrue-Up Period.

TheapplicableCBBDiscountPercentageisderived fromthetablein Section25.3.7(E)(3)precedingbyusingthePercent Increaseas calculatedinthisStep1.TheCBBDiscountPercentageis separately derivedforChannelTerminationsandChannelMileage fromthetable inSection25.3.7(E)(3)preceding.

Forexample,ifthePercentIncrease(ascalculated inStep1)for EquivalentDS1CTsis11%,andthePercentIncrease forEquivalent DS1CMsis23%,thenthecorrespondingCBBDiscount Percentage fromthetablein(E)(3)precedingis2%forEquivalentDS1CTsand4% forEquivalentDS1CMs.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(E) CommitmentBuy-UpBonus(Cont'd)

(4) (Cont'd)

(Step2) Calculate the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs

Calculate the Monthly Average Count of Equivalent DS1 CTs in accordance with Step 1 of Section 25.3.7(B)(1) preceding and/or the Monthly Average Count of Equivalent DS1 CMs in accordance with Step 1 of Section 25.3.7(B)(1) preceding, as applicable.

(Step3) Calculate the Average Monthly Rate per Equivalent DS1 CTs or Equivalent DS1 CMs

The Average Monthly Rate per Equivalent DS1 CT is calculated in accordance with Step 3 of Section 25.3.7(C)(1) preceding.

The Average Monthly Rate per Equivalent DS1 CM is calculated in accordance with Step 3 of Section 25.3.7(C)(1) preceding.

(Step4) Calculate the Actual Increase in Equivalent DS1 CTs and Equivalent DS1 CMs

The Actual Increase in the count of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, is calculated by subtracting (i) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month one (1) of the Annual True-Up Period; from (ii) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month twelve (12) of the Annual True-Up Period.

(Step5) Calculate the CBB Discount

The CBB Discount is equal to the product of the following:

- (a) the Average Monthly Rate per Equivalent DS1 CT or Equivalent DS1 CM, as applicable, as determined in Step 3 preceding; multiplied by
- (b) the Actual Increase determined in Step 4 preceding; multiplied by
- (c) the applicable CBB Discount Percentage determined in Step 1; multiplied by
- (d) 12 months.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(E) CommitmentBuy-UpBonus(Cont'd)

(5) AsanillustrativeexampleoftheCommitmentBuy-UpBonusandthecalculationsumethattheactualoftheCBBDiscountfortheCTCommitmentLevel,asnumberofEquivalentDS1CTsinmonthone(1)oftheAnnualTrue-UpPeriodwas6,046EquivalentDS1CTsandtheactualnumberofEquivalentDS1CTsinmonthtwelve(12)oftheAnnualTrue-UpPeriodwas7,001.

(Step1) CalculatethePercentIncreaseandcorrespondingCBBDiscountPercentageinaccordancewithStep1ofSection25.3.7(E)(4)preceding.

Inthisexample,thePercentIncreaseforEquivalentDS1CTsis16% [(7,001-6,046)/6,046].ThecorrespondingCBBDiscountPercentageperthetableinSection25.3.7(E)(3)precedingis3%.

(Step2) CalculatetheMonthlyAverageCountofEquivalentDS1CTsinaccordancewithStep2ofSection25.3.7(E)(4)preceding.Forthisexample,assumethattheMonthlyAverageCountofEquivalentDS1CTsis6,350EquivalentDS1CTs.

(Step3) CalculatetheAverageMonthlyRateperEquivalentDS1CTinaccordancewithStep3ofSection25.3.7(E)(4)preceding.Forthisexample,assumethatthetotalchargesovertheAnnualTrue-UpPeriodwere\$9,475,000whichresultsinanaverageof\$124.34perEquivalentDS1CT. [(9,475,000dividedby12months)=\$789,583] (\$789,583dividedby6,350=anAverageMonthlyRateofEquivalentDS1CTsis\$124.34perEquivalentDS1CT]

(Step4) DeterminetheActualIncreaseinEquivalentDS1CTsinaccordancewithStep4ofSection25.3.7(E)(4)preceding.Inthisexample,theActualIncreaseforEquivalentDS1CTsis955EquivalentDS1CTs (7,001-6046).

(Step5) DeterminetheCBBDiscountfortheCTCommitmentLevelinaccordancewithStep5ofSection25.3.7(E)(4)preceding.Inthisexample,theCBBDiscountis\$42,748[955ActualIncreasex\$124.34AverageRateperEquivalentDS1CTx3%PercentIncreasex12months=\$42,748CBBDiscount].

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)

(F) AssigntheDiscountTier(s)fortheNextPlanYear

The Telephone Company will assign the Discount Tier(s) applicable to the next Plan Year (i.e., from the most recent Anniversary Date to the next successive Anniversary Date) if the Achieved Discount Tier in month twelve (12) of the Annual True-Up Period (taking into account any (i) Upgrade Adjustment, as calculated in accordance with Section 25.3.7(H) following, for any Qualifying Service(s) that has been upgraded; and (ii) any Sale Adjustment, as calculated in accordance with Section 25.3.10 following, for any Qualifying Service(s) which are affected by a Telephone Company Sale) is a higher or lower Discount Tier than the Assigned Discount Tier for the Annual True-Up Period. With respect to either Channel Termination or Channel Mileage, the new Discount Tier for the next Plan Year (i.e., the new Assigned Discount Tier) shall result in an increased or decreased discount percentage pursuant to Section 25.3.5(B) preceding. If the Achieved Discount Tier (as determined in accordance with Section 25.3.7(D) preceding) is the same as the Assigned Discount Tier for the Annual True-Up, no action will be taken.

For example, assume that the NDP Customer's Assigned Discount Tier in Plan Year 2 for Channel Mileage Discounted Rate Elements was Discount Tier B. Further assume that the NDP Customer's Achieved Discount Tier for such Channel Mileage Discounted Rate Elements in month 12 of the Annual True-Up Period was Discount Tier C. In this case, the Telephone Company will assign Discount Tier C as the Discount Tier for the next Plan Year.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(G) ChangestoCommitmentMatrixDuringanAnnualTrue-Up(1) PermittedChanges

IftheNDPCustomerhasselectedtheStandardCommitmentMatrixatthe beginningoftheInitialTermortheRenewalTerm, asapplicable, theNDP Customermay, atitsoption, changeitsCommitment Matrixselectiontoeither theDeluxeCommitmentMatrixorthePremierCommitment Matrixat anAnnual True-Up. IftheNDPCustomerhasselectedtheDeluxeCommitmentMatrixat thebeginningoftheInitialTermortheRenewalTerm, asapplicable, theNDP Customermay, atitsoption, changeitsCommitment Matrixselectiontothe PremierCommitmentMatrixat anAnnualTrue-Up. Suchrequestmustbein writingandmadenolaterthanthirty(30)calendar dayspriortotheAnniversary DateoftheNDPCustomer'sNDP. TheTelephoneCompanywillsetthenew CommitmentLevelsbasedontheCommitmentMatrixselectedinaccordance withSection25.3.4(C)preceding. SuchnewCommitment Levels shallapplyon agoingforwardbasisforthebalanceoftheInitialTermorRenewalTerm, as applicable.

(2) ProhibitedChanges

IftheNDPCustomerhasselectedthePremierCommitmentMatrixatthe beginningoftheInitialTermortheRenewalTerm, asapplicable, theNDP CustomermaynotchangesuchCommitmentMatrixduringtheInitialTerm, or duringaRenewalTerm, asapplicable, includingduringanAnnualTrue-Up. If theNDPCustomerhasselectedtheDeluxeCommitment Matrixatthe beginningoftheInitialTermortheRenewalTerm, asapplicable, theNDP CustomermaynotchangesuchCommitmentMatrixtotheStandard CommitmentMatrixduringtheInitialTerm, or duringaRenewalTerm, as applicable, includingduringanAnnualTrue-Up.

(3) CertainOtherChangestotheCommitmentMatrix

AsdescribedfurtherinSection25.3.14following, attheendoftheInitialTermor anyRenewalTerm, asapplicable, anNDPCustomerthatrenewsitsNDPis permittedtopickadifferentCommitmentMatrixfor theRenewalTerm, so long astheNDPCustomerdoesnotalsoconcurrentlyselecttheRenewalBenefit Option.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)

(H) Upgrades

- (1) During the Term of the NDP, an NDP Customer may Upgrade a Qualifying Service of a higher capacity/bandwidth (e.g., an Upgrade of a Special Access DS3 Service to a DS EFS Service); or (b) an non-Qualifying Service of a higher bandwidth/capacity (e.g., an Upgrade of a Special Access DS3 Service to a Telephone Company provided optical service of a greater bandwidth). An Upgrade under (a) above shall result in no change to the NDP Customer's NDP.
- (2) An Upgrade must meet all of the following conditions:
- (a) Both the Qualifying Service being Upgraded (the existing service) and the replacing Qualifying Service or non-Qualifying Service, as applicable, (the new service), must be provided solely by the Telephone Company;
- (b) at least one of the terminating locations of the new service must be the same location as one of the terminating locations of the existing service; and
- (c) the total bandwidth or capacity of the new service must be equal to or greater than the total bandwidth or capacity of the existing service; and
- (d) the NDP Customer must submit order(s) for the disconnect of the existing service and the installation of the new service, such that the installation date of the new service is within ninety (90) days of the disconnect of the existing service. The orders must be related by related purchase order number (RPN); and
- (e) The commitment period for the new service must be at least five (5) years, except where a commitment period of at five (5) years or longer is not available, in which case the longest available commitment period must be selected; and
- (f) At each next Annual True-Up following the Upgrade, the new service must be installed and still in-service to be eligible for an Upgrade Adjustment as set forth in (H)(3) following.
- (g) Not later than thirty (30) days prior to the Anniversary Date of the NDP, the NDP Customer must provide the Telephone Company with a list of the existing services (as defined in (H)(2)(a) above) that were Upgraded to non-Qualifying Services (as defined in (H)(2)(a) above) during the Annual True-Up Period. The list must be in writing and must contain the following information:
- (i) the circuit identification number for each existing service; and
- (ii) the circuit identification number for each new service; and
- (iii) the RPNs associated with the Upgrades.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(H) Upgrades(Cont'd)

- (3) When a Qualifying Service is Upgraded to an non-Qualifying Service, the Telephone Company will calculate the Upgrade Adjustment (i.e., an adjusted number of Equivalent DS1 CTs for the Qualifying Services that were Upgraded (in accordance with (a) following), and an adjusted number of Equivalent DS1 CTs for the Qualifying Services that were Upgraded (in accordance with (b) following). The Telephone Company shall use such Upgrade Adjustments in (i) the calculation of Step 2 of the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CTs, respectively, as set forth in Section 25.3.7(B)(1) preceding; (ii) Section 25.3.7(F) for assigning Discount Tiers for the next Plan Year; and (iii) Section 25.3.7(E) to set the new Commitment Level(s) when the NDPC Customer elects the Commitment Buy-Up Option.

(a) The Upgrade Adjustment of Equivalent DS1 CTs is calculated as follows.

- (1) Using the table in Section 25.3.4(A)(1) preceding, determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) that were Upgraded to an non-Qualifying Service as calculated in accordance with Section 25.3.4(A).
- (2) Determine the number of whole calendar months remaining in the Annual True-Up Period following the month in which the Upgrade occurred through the end of the Annual True-Up Period. For example, if the Upgrade occurred in June, and the Annual True-Up Period ended in November, then the number of whole months remaining in the Annual True-Up Period was five (5) months; and
- (3) Determine the Upgrade Adjustment of Equivalent DS1 CTs by multiplying (a) the result of (1) above; by (b) the result of (2) above. The Telephone Company shall use such Upgrade Adjustments in the calculation of Step 2 of the Monthly Average Count of Equivalent DS1 CTs, as set forth in Section 25.3.7(B)(1) preceding.

As an example, assume the NDPC Customer Upgraded to a (2) Special Access Service to a Telephone Company provided optical DS3 Service in the seventh (7th) month of the Annual True-Up Period. The Upgrade Adjustment of Equivalent DS1 CTs is calculated as follows:

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(H) Upgrades(Cont'd)

(3) (Cont'd)

(a) (Cont'd)

(3) (Cont'd)

- (1) multiplythenumberofDS3levelQualifyingServices thatwere UpgradedbythecorrespondingDS1CTMultiplier.[2SpecialAccess DS3Servicesx28=56EquivalentDS1CTs]
- (2) five(5)monthsremainintheAnnualTrue-UpPeriod.[theUpgrade occurredinthe7thmonthoftheAnnualTrue-UpPeriodwhichisperiod oftweleve(12)months]
- (3) theUpgradeAdjustmentusedinthecalculation setforthinStep2(i)of Section25.3.7(B)(1)precedingwouldbe280Equivalent DS1s.[56 EquivalentDS1CTsupgradedin(i)abovemultiplied by5monthsas determinedin(2)above].ThisnumbershallbeusedinStep2(i)ofthe calculationofMonthlyAverageDS1CTsassetforth inSection 25.3.7(B)(1)preceding.
- (b) TheUpgradeAdjustmentofEquivalentDS1CMs is calculatedinthesame mannerastheUpgradeAdjustmentofEquivalentDS1 CTspecifiedin(H)(3)(a) preceding,exceptthatsuchcalculationsshalluse EquivalentDS1CMsandDS1 CMmultipliers.ThisnumbershallbeusedinStep 2(i)ofthecalculationof MonthlyAverageDS1CMsassetforthinSection25. 3.7(B)(1)preceding.

25.3.8 MinimumPeriod

The minimum period, as set forth in Section 5.2.5 preceding, for any service associated with a Discounted Rate Element provided under the NDP is one year from the date that such service is installed. Minimum period charges, as calculated in Section 5.2.6 preceding, will be assessed if the NDP Customer does not maintain his service with Discounted Rate Elements under Section 25.3.5 preceding for at least the one year minimum period.

As an illustrative example, assume that the NDP Customer establishes the NDP on January 1, 2001. On June 1, 2007, the NDP Customer reestablishes a Special Access DS1 Service under a TPP. On November 1, 2007, the NDP Customer disconnects that Special Access DS1 Service that was originally installed on January 1, 2001, and the disconnection date was November 1, 2007, the minimum period under the NDP of one year has been met. Therefore, the NDP Customer is not required to pay any minimum period charges.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.9 ChangestoBasicServiceand/orBaseRates

TheBasicServiceorBaseRatestowhichthediscou ntpercentagesareappliedunderthe
NDParesubjecttochange.AnincreaseintheBasic Servicerate(usedwithSpecial
AccessDS1Serviceonly)orBaseRate(usedwithSp ecialAccessDS3Serviceonly)will
resultinaincreasetotheratesundertheNDPfo rtheapplicableSpecialAccessDS1
ServiceandSpecialAccessDS3Services.Adecrease intheBasicServicerateorBase
Ratewillresultinadecreasetotheratesundert heNDPfortheapplicableQualifying
Service.

25.3.10 SaleofaTelephoneCompanyOperatingTerri tory

(A) IntheeventofaTelephoneCompanySaleduring aPlanYear,thefollowingapplies:

- (1) TheTelephoneCompanywilldetermineandrecord theactualnumberof
EquivalentDS1CTsandtheactualnumberofEquival entDS1CMsaffectedbythe
TelephoneCompanySale;and
- (2) IfaTelephoneCompanySaleoccursduringtheI nitialTerm,oraRenewalTerm,
theTelephoneCompanywillcalculatetheSaleAdjus tment(i.e.,anadjusted
amountofEquivalentDS1CTswwhicharenolongerpr ovidedtotheNDPCustomer
asaresultoftheTelephoneCompanySale,and/ora nadjustedamountof
EquivalentDS1CMswwhicharenolongerprovidedto theNDPCustomerasa
resultoftheTelephoneCompanySale,asapplicable).TheTelephoneCompany
shallusebothofsuchSaleAdjustmentsintheAnnu alTrue-Upforthebalanceof
theInitialTermortheRenewalTerm,asapplicable .Specifically,duringthe
AnnualTrue-Up,theTelephoneCompanyshallusebot hofsuchSaleAdjustments
in(i)thecalculatationofStep2(ii)oftheMonthly AverageCountofEquivalentDS1
CTsandtheMonthlyAverageCountofEquivalentDS1 CMs,respectively,asset
forthinSection25.3.7(B)(1)preceding,eitherdur ingtheInitialTermorthe
RenewalTerm;(ii)Section25.3.7(F)precedingfor assigningDiscountTiersforthe
nextPlanYear;and(iii)Section25.3.7(E)prece di ngto setthenewCommitment
Level(s)whentheNDPCustomer electstheCommitmen tBuy-UpOption.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.10 SaleofaTelephoneCompanyOperatingTerritory(Cont'd)

(A) (Cont'd)

(2) (Cont'd)

- (a) WhencalculatingtheMonthlyAverageCountofEquivalentDS1CTsun-
derSection25.3.7(B)(1)preceding,theTelephoneCompanywillcalculatetheSale
AdjustmentofEquivalentDS1CTs(asusedinStep2(ii)ofSection25.3.7(B)(1)
preceding)foreachQualifyingServiceincludedintheTelephoneCompany
Sale.

TheSaleAdjustmentofEquivalentDS1CTsiscalculatedasfollows:

- (i) UsingthetableinSection25.3.4(A)(1)preceding,determinethenumber
ofEquivalentDS1CTsassociatedwiththeQualifyingService(s)that
weresoldascalculatedinaccordancewithSection25.3.4(A)(1)
preceding.
- (ii) Determinethenumberofwholecalendarmonthsremaininginthe
AnnualTrue-UpPeriodfollowingthemonthinwhichtheTelephone
CompanySaleoccurredthroughtheendoftheAnnualTrue-UpPeriod.
Forexample,iftheTelephoneCompanySaleoccurredinApril,andthe
AnnualTrue-UpPeriodendedinAugust,thenthenum-berofwhole
monthsremainingintheAnnualTrue-UpPeriodwasfour(4)months;
and
- (iii) DeterminetheSaleAdjustmentofEquivalentDS1CTsbymultiplying(a)
theresultof(i)above;by(b)theresultof(ii)above.TheTelephone
CompanyshallusesuchSaleAdjustment(s)inthecalculationofStep
2(ii)oftheMonthlyAverageCountofEquivalentDS1CTsassetforthin
Section25.3.7(B)(1)preceding.
- (b) TheSaleAdjustmentofEquivalentDS1CMsiscalculatedinthesamemanner
astheSaleAdjustmentofEquivalentDS1CTsiscalculatedin(a)above,except
thatsuchcalculationsshalluseEquivalentDS1CMs andDS1CMMultipliers
insteadofEquivalentDS1CTsandDS1CTMultipliers.

ACCESS SERVICE

25. Discount Plans (Cont'd)25.3 National Discount Plan (Cont'd)25.3.11 Addition of an ACNA(s) to an Existing NDP

- (A) One of the following two (2) options must be chosen by the NDP Customer when adding one or more ACNA(s) to its NDP:
- (1) If an NDP Customer adds one or more ACNA(s) to its NDP (as permitted under Section 25.3.1(C) preceding), and such ACNA(s) is/are not already included in a different NDP, then the NDP Customer must include such ACNA(s) in its NDP in accordance with the terms of Section 25.3.11(B)(1) following; or
- (2) If an NDP Customer adds one or more ACNA(s) to its NDP (as permitted under Section 25.3.1(C) preceding), and such ACNA(s) is/are already included in another NDP, then the NDP Customer must include such ACNA(s) in its NDP in accordance with the terms of Section 25.3.11(B)(2) following.

The terms of Section 25.3.1(C) preceding apply in addition to any requirements set forth herein.

- (B) Not later than thirty (30) calendar days prior to each Anniversary Date of the NDP, the NDP Customer must provide the Telephone Company with a list of any ACNA(s) that the NDP Customer added (as defined in (A) above) during the Annual True-Up Period. Whether or not the acquired ACNA(s) is/are already included in an NDP shall determine whether (i) the NDP Customer's NDP is augmented to include such acquired ACNA(s); (ii) the NDP Customer's NDP is combined with the NDP associated with the acquired ACNA(s); or (iii) a new NDP is established that includes the NDP Customer's existing ACNA(s) and the added ACNAs.

- (1) Augment of Existing NDP to Include the Added ACNA(s)

Where an NDP Customer seeks to add one or more ACNA(s) to its NDP in accordance with Section 25.3.11(A)(1) preceding (i.e., such ACNA(s) is/are not already included in another NDP), the NDP Customer's NDP shall be augmented to include the quantities of the Qualifying Services of such added ACNAs.

- (a) At the next Annual True-Up following the effective date of the NDP Customer acquiring the additional ACNA(s), the Telephone Company will complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.3.7(A) preceding as if the NDP Customer had not acquired the additional ACNA(s).
- (b) Upon completion of Section 25.3.7(A)(1) through (A)(5) preceding, and in accordance with Section 25.3.1(C) preceding, the acquired ACNA(s) will be added to the NDP and all of the following shall occur:

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.11 AdditionofanACNA(s)toanExistingNDP (Cont'd)

(B) (Cont'd)

(1) AugmentofExistingNDPtoIncludetheAddedAC NA(s)(Cont'd)

(b) (Cont'd)

(1) AdjustCommitmentLevels

TheTelephoneCompanywilladjustCommitmentLevel oftheNDP toincludetheQualifyingServicesoftheacquired ACNA(s)as follows:

(Step1) UsingthetableinSection25.3.4(A)(1)preceding,and theactualquantitiesofChannelTerminationsforthe acquiredACNA(s)inmonthtwelve(12)oftheAnnual True-UpPeriod(eventhoughsuchChannel TerminationsoftheacquiredACNA(s)werenotused in theAnnualTrue-Up),determinethenumberof EquivalentDS1CTsassociatedwiththeQualifying Service(s)oftheacquiredACNA(s)bymultiplying(a) thelevelfortheQualifyingService(e.g.,DS3level);by (b)theDS1CTmultiplierusingthetablesetforth in Section25.3.4(A)(1)preceding.

TheTelephoneCompanywilldeterminethenumberof EquivalentDS1CMsfortheacquiredACNA(s)inthe samemannerasthenumberofEquivalentDS1CTs wasdevelopedintheprecedingparagraph.

(Step2) TheTelephoneCompanywillcalculateaCT CommitmentLevelfortheacquiredACNA(s)by multiplyingtheresultinStep1abovebyeighty-five percent(85%)iftheNDPCustomerhastheStandard CommitmentMatrix,byninetypercent(90%)iftheNDPC CustomerhasthePremierCommitmentMatrix,orbyninety-twopercent(92%)iftheNDPCCustomerhasthe DeluxeCommitmentMatrix.

TheTelephoneCompanywilldevelopaCM CommitmentLevelfortheacquiredACNA(s)inthe samemannerastheCTCommitmentLevelwas developedintheprecedingparagraph.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.11 AdditionofanACNA(s)toanExistingNDP (Cont'd)

(B) (Cont'd)

(1) AugmentofExistingNDPtoIncludetheAddedAC NA(s)(Cont'd)

(b) (Cont'd)

(1) AdjustCommitmentLevels(Cont'd)

(Step3) TheTelephoneCompanywilladdtheCTComm itment LevelfortheacquiredACNA(s)determinedinStep2 abovetotheCTCommitmentLevelfortheNDP(which suchCTCommitmentLevelmayhavealreadybeen revisedinaccordancewithSection25.3.7(B)orSec tion 25.3.7(E)preceding,oftheAnnualTrue-Up),there sult ofwhichwillbeththeadjustedCTCommitmentLevel or in theremainderoftheTermunlessotherwiseadjusted in thisSection25.3.AnypriorCTCommitmentlevel establishedunderSection25.3.7(B)orSection CT 25.3.7(E)precedingisexpresslysupersededbythe CommitmentLevelestablishedunderthisStep3.

TheTelephoneCompanywilladdtheCMCommitment LevelfortheacquiredACNA(s)determinedinStep2 abovetotheCMCommitmentLevelfortheNDP,the resultofwhichwillbeththeadjustedCMCommitment LevelfortheremainderoftheTermunless otherwis e adjustedinthisSection25.3.AnypriorCM CommitmentlevelestablishedunderSection25.3.7(B) orSection25.3.7(E)precedingisexpresslysuperse ded bytheCMCommitmentLevelestablishedunderthis Step3.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.11 AdditionofanACNA(s)toanExistingNDP (Cont'd)

(B) (Cont'd)

(1) AugmentofExistingNDPtoIncludetheAddedAC NA(s)(Cont'd)

(b) (Cont'd)

(1) AdjustCommitmentLevels(Cont'd)

Asanexample,assumetheNDPCustomer'sCTCommitmentLevelis10,000EquivalentDS1CTs.FurtherassumethattheacquiredoneACNAwithQualifyingServicesinmonthtwelve(12)oftheAnnualTrue-UpPeriodinthefollowingquantities:(a)nine(9)SpecialAccessDS3Services;and(b)twothousand(2000)SpecialAccessDS1Services.TheadjustmenttotheCTCommitmentLeveliscalculatedas:

(Step1) determinethequantityofEquivalentDS1CTsfortheacquiredACNA(s)bymultiplying

- (i) thenumberofDS3levelQualifyingServicesfortheacquiredACNA(s);by
- (ii) thecorrespondingDS3CTMultiplier[9SpecialAccessDS3Servicesx28=252EquivalentDS1CTs].
- (iii) Then,multiplythenumberofDS1levelQualifyingServicesfortheacquiredACNA(s);by
- (iv) thecorrespondingDS1CTMultiplier[2000SpecialAccessDS1Servicesx1=2000EquivalentDS1CTs].
- (v) addtheresultof(ii)and(iv)above[252forDS3Level+2000forDS1Level=2252EquivalentDS1CTs].

(Step2) Calculatetheincrease-to-the-CT-Commitment-Level-by-multiplyingtheresultinStep1abovebyeighty-fivepercent(85%)fortheStandardCommitmentMatrix,byninetypercent(90%)forthePremierCommitmentMatrix,orbyninety-twopercent(92%)fortheDeluxeCommitmentMatrix.Inthisexample,assumetheNDPCustomerhasPremierCommitmentMatrix[2252EquivalentDS1CTsfortheacquiredACNAx90%CommitmentforPremierCommitmentMatrix=2027EquivalentDS1CTs(i.e.,theCommitmentLevelfortheacquiredACNA)].

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.11 AdditionofanACNA(s)toanExistingNDP (Cont'd)

(B) (Cont'd)

(1) AugmentofExistingNDPtoIncludetheAddedAC NA(s)(Cont'd)

(b) (Cont'd)

(1) AdjustCommitmentLevels(Cont'd)

Example(Cont'd)

(Step3) AddtheCTCommitmentLevelfortheacquiredACNA determinedinStep2abovetotheCTCommitmentLevelfortheremainingportionoftheNDP(whichsuchCTCommitmentLevelmayhavealreadybeenrevisedinaccordancewithSection25.3.7(B)andSection25.3.7(E)preceding,oftheAnnualTrue-Up)(assumedtobe10,000EquivalentDS1CTsinthisexample)todeterminetheCTCommitmentLevelfortheremainderoftheTermunlessotherwisechangedinthisSection25.3.[10,000EquivalentDS1CTsfortheexistingCTCommitmentLevel+2027EquivalentDS1CTsfortheCTCommitmentLeveloftheacquiredACNAs=arevisedCTCommitmentLevelforNDPof12,027EquivalentDS1CTs].AnypriorCTCommitmentlevelestablishedunderSection25.3.7(B)andSection25.3.7(E)precedingisexpresslysuperseded bytheCTCommitmentLevelestablishedunderthisStep3.

ArevisedCMCommitmentLevelfortheNDPwouldbecalculatedinthesamemannerastherevisedCTCommitmentLevelfortheNDPwascalculated,except thatsuchcalculationsshallusequantitiesofEquivalentDS1CMs andtheDS1CMMultiplier.AnypriorCMCommitmentlevel establishedunderSection25.3.7(B)orSection25.3.7(E)precedingisexpresslysupersededbytheCMCommitment LevelestablishedunderthisStep3.

(2) AssigntheDiscountTiersfortheNextPlanYear

UsingthecombinedquantitiesfortheQualifyingServicesoftheexistingACNAsandtheacquiredACNAsinmonthtwelve(12)oftheAnnualTrue-UpPeriod,theTelephoneCompanywillassigntheDiscountTiers applicabletothenextPlanYearinaccordancewith Section25.3.7(F)preceding.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.11 AdditionofanACNA(s)toanExistingNDP (Cont'd)

(B) (Cont'd)

(2) CombineNDPs

(a) WhereanNDPCustomerseekstoaddoneormore ACNA(s)toitsNDPin accordancewithSection25.3.11(A)(2)preceding(i. e.,suchACNA(s)is/are alreadyincludedinanotherNDP),theNDPCustomer whowishestoaddthe ACNA(s)toitsNDPhasthefollowingoptionstocom binetheNDPsinvolved:

(1) SurvivingNDPOption

CombinetheNDPfortheexistingACNA(s)withthe NDPOftheadde ACNA(s)intoaSurvivingNDPassetforthin(B)(2) (b)following;or

(2) NewNDPOption

EstablishanewNDPthatcombinestheexistingACN A(s)andthe acquiredACNA(s)assetforthin(B)(2)(c)followin g.

(b) SurvivingNDPOption

ThisoptioncombinestheNDPOftheexistingACNAs (PlanA)withtheNDPOf theacquiredACNAs(PlanB).TheTelephoneCompany willdeterminewhether PlanAorPlanBhasthegreatestMonthlyChargesi nthemonthbeforethe NDPsarecombined,andsuchNDPwillbedeemedthe SurvivingNDP.The TheSurvivingNDPshallbeaugmentedtoaddtheacquire dACNAs totheACNAs of theSurvivingNDP.

(1) AtthenextscheduledAnnualTrue-UpfortheS urvivingNDPfollowingthe effectivedateoftheNDPCustomeracquiringtheAC NA(s),theTelephone CompanywillcompleteSteps(A)(1)through(A)(5) o ftheAnnualTrue-Up asdescribedinSection25.3.7(A)precedingforPla nAandseparately completeSteps(A)(1)through(A)(5)oftheAnnual True-Upasdescribedin Section25.3.7(A)precedingforPlanB.EachAnnua lTrue-Upwillbe eTelephone conductedasiftheNDPhadnotbeencombined.Th eSurvivingNDPusing theTelephone CompanywillconducttheFinalTrue-Upforthenon- SurvivingNDPusing theTelephone CompanywillconducttheFinal True-Upisconducted. Thenon-SurvivingNDPshallbecancelleduponcompl etionofsuchFinal True-Up.TerminationliabilityunderSection25.3. 13followingwillnotapply tosuchcancellation.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.11 AdditionofanACNA(s)toanExistingNDP (Cont'd)

(B) (Cont'd)

(2) CombineNDPs(Cont'd)

(b) SurvivingNDPOption(Cont'd)

(2) OncetheAnnualTrue-Upsunder(B)(2)(b)(1)pre cedingarecomplete,and inaccordancewithSection25.3.1(C)preceding,the ACNAs,Qualifying Services,andCommitmentLevelsofthenon-Survivin gNDPwillbeadded totheACNAs,QualifyingServices,andCommitmentL evelsofthe SurvivingNDPasfollows:

(a) IftheSurvivingNDPusedaStandardCommitment Matrix,the StandardCommitmentMatrixwillcontinuetoapply totheCombined plan.IftheSurvivingNDPusedaPremierCommitme ntMatrix,the PremierCommitmentMatrixwillcontinuetoapplyto thecombined plan.IftheSurvivingNDPusedaDeluxeCommitmen tMatrix,the DeluxeCommitmentMatrixwillcontinuetoapplyto thecombined plan;and

(b) CommitmentLevelsandDiscountTierswillbead justedasfollows; and

(i) AdjustCommitmentLevels

(Step1) UsingthetableinSection25.3.4(A)(1)pr eceding,and theactualquantitiesofChannelTerminationsfort he monthpriortoconductingtheFinalTrue-Upforthe non-SurvivingNDP,determinethenumberof EquivalentDS1CTsassociatedwiththeQualifying Service(s)oftheacquiredACNA(s)bymultiplying(a) thelevelfortheQualifyingService(e.g.,DS3lev el);by (b)theDS1CTmultiplierusingthetablesetforth in Section25.3.4(A)(1)preceding.

TheTelephoneCompanywilldeterminethenumberof EquivalentDS1CMsfortheacquiredACNA(s)inthe samemannerasthenumberofEquivalentDS1CTs wasdevelopedintheprecedingparagraphin accordancewiththetableinSection25.3.4(A)(2) preceding.

ACCESSSERVICE

25. DiscountPlans (Cont'd)

25.3 NationalDiscountPlan (Cont'd)

25.3.11 AdditionofanACNA(s)toanExistingNDP (Cont'd)

(B) (Cont'd)

(2) CombineNDPs(Cont'd)

(b) SurvivingNDPOption(Cont'd)

(2) (Cont'd)

(b) (Cont'd)

(i) AdjustCommitmentLevels

(Step2) TheTelephoneCompanywilldevelopaCT CommitmentLevelfortheacquiredACNA(s)ofthe non-SurvivingNDPbymultiplyingtheresultinStep aboveyeighty-fivepercent(85%)iftheSurviving usestheStandardCommitmentMatrix,byninety percent(90%)iftheSurvivingNDPusesthePremier CommitmentMatrixorbyninety-twopercent(92%)if theSurvivingNDPusestheDeluxeCommitment Matrix. 1 NDP

TheTelephoneCompanywilldevelopaCM CommitmentLevelfortheacquiredACNA(s)ofthe non-SurvivingNDPinthemannerastheCT CommitmentLevelwasdevelopedinthepreceding paragraph.

(Step3) TheTelephoneCompanywilladdtheCTComm itment LevelfortheacquiredACNA(s)determinedinStep2 abovetotheCTCommitmentLevelfortheremaining portionoftheSurvivingNDP,theresultofwhichw illbe theadjustedCTCommitmentLevelfortheremainder oftheTermunlessotherwiseadjustedinthisSecti on 25.3.

TheTelephoneCompanywilladdtheCMCommitment LevelfortheacquiredACNA(s)determinedinStep2 abovetotheCMCommitmentLevelfortheremaining portionoftheSurvivingNDP,theresultofwhichw illbe theadjustedCMCommitmentLevelfortheremainder oftheTermunlessotherwiseadjustedinthisSecti on 25.3.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.11 AdditionofanACNA(s)toanExistingNDP (Cont'd)

(B) (Cont'd)

(2) CombineNDPs(Cont'd)

(b) SurvivingNDPOption(Cont'd)

(2) (Cont'd)

(b) (Cont'd)

(ii) The Plan Year for the Surviving NDP is the next scheduled Plan Year for that NDP prior to combining plans. For example, if the Surviving NDP was in Plan Year 2 prior to the NDPs being combined, the Surviving NDP will be in Plan Year 3 after the NDPs are recombined.

(c) Assign Discount Tiers for the Next Plan Year

Using the combined quantities for the Qualifying Services of the existing ACNAs and the acquired ACNAs in month twelve (12) of the Annual True-Up Period, the Telephone Company will assign the Discount Tier applicable to the Surviving NDP for the next Plan Year in accordance with Section 25.3.7(F) preceding.

(c) NewNDPOption

This option combines the NDP of the existing ACNAs (Plan A) with the NDP of the acquired ACNAs (Plan B) into a new NDP (Plan C) that includes the ACNAs of Plan A and Plan B.

(1) At the first Annual True-Up for either Plan A or Plan B following the effective date of the NDP Customer acquiring the ACNA(s), the Telephone Company will complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.3.7(A) preceding for Plan A and separately complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.3.7(A) preceding for Plan B. Each Annual True-Up will be conducted as if the NDP had not been combined. The Telephone Company will conduct a Final True-Up on Plan A, and a separate Final True-Up on Plan B using the number of months available at the time the Final True-Up is conducted. Upon completion of the Final True-Up for each plan, Plan A and Plan B shall both be cancelled without the application of termination liability under Section 25.3.13 following.

(2) The new NDP shall be established using the quantities of Qualifying Services for the ACNAs of Plan A and Plan B as determined in the Final True-Up for each plan, and shall be established and maintained in accordance with the requirements of this Section 25.3.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.12 RemovalofanACNA(s)asaResultofaCustomerSale

- (A) A Customer Sale is the consummation of a sale, divestiture, spin-off, or other transaction which results in the NDPC Customer no longer having any (i.e., 0%) control (including any stock or assets) in a Person that is (at the time of the Customer Sale) included within the NDPC Customer's NDP. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership or voting securities, by contractor or otherwise.

- (1) When an NDPC Customer is subject to a Customer Sale, and seeks to remove one or more ACNA(s) from its NDP, the terms of Section (A) (2) following shall apply, and the Telephone Company shall automatically at the next Annual True-Up modify the existing NDP by removing the affected ACNAs and the Qualifying Services associated with the affected ACNA(s). No later than thirty (30) calendar days prior to the Anniversary Date, the NDPC Customer must provide a written notice with supporting documentation that describes the Customer Sale, and the ACNAs impacted by such Customer Sale.

If the NDPC Customer sells, divests, spins off, or otherwise reduces its control (including any stock or assets) in a Person that is (at the time of the applicable sale transaction) included within the NDPC Customer's NDP, but the NDPC Customer still retains some control (i.e., greater than 0%) in the affected Person(s), then all of the ACNA(s) of such Person(s) shall continue to be included in the NDPC Customer's NDP, in accordance with the terms of Section 25.3.1(C) preceding. As used in this paragraph, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership or voting securities, by contractor or otherwise.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.12 RemovalofanACNA(s)asaResultofaCustomerSale

(A) (Cont'd)

(2) IftheNDPCustomerhasremovedanACNA(s),the TelephoneCompanyshalltakethe followingactions:

(a) AtthenextAnnualTrue-Upfollowingtheeffective dateofremovalofthe ACNA(s),theTelephoneCompanywillcompleteSteps (A)(1)through(A)(5)of theAnnualTrue-UpasdescribedinSection25.3.7(A)precedingasifthe ACNA(s)hasnotbeenremoved.

(b) OncetheAnnualTrue-Upunder(2)(a)preceding iscomplete,theTelephone CompanywillmodifytheNDPasfollows:

(i) ReduceCommitmentLevels

TheCTCommitmentLevelandCMCommitmentLevelwill bereduced by(i)eighty-fivepercent(85%)ofEquivalentDS1 CTsorEquivalentDS1 CMs,asapplicable,inmonthtwelve(12)oftheAnnualTrue-Upthatwere associatedwiththeremovedACNA(s)iftheNDPuses Standard CommitmentMatrix;(ii)ninetypercent(90%)ofEquivalentDS1CTsor EquivalentDS1CMs,asapplicable,inmonthtwelve (12)oftheAnnual True-UpthatwereassociatedwiththeremovedACNA(s)iftheNDPuses PremierCommitmentMatrix;or(iii)ninety-twopercent(92%)of EquivalentDS1CTsorEquivalentDS1CMs,asapplicable,inmonth twelve(12)oftheAnnualTrue-Upthatwereassociatedwiththeremoved ACNA(s)iftheNDPusesDeluxeCommitmentMatrixas follows:

(Step1) UsingthetableinSection25.3.4(A)(1)preceding,determine thenumberofEquivalentDS1CTsassociatedwiththe QualifyingService(s)oftheCustomerSaleascalculatedin accordancewithSection25.3.4(A)preceding.

TheTelephoneCompanywilldeterminethenumberof EquivalentDS1CMsfortheremovedACNA(s)inthes ame mannerasthenumberofEquivalentDS1CTswas developedintheprecedingparagraph.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.12 RemovalofanACNA(s)asaResultofaCustomerSale

(A) (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

(Step2) TheTelephoneCompanywilldevelopaCTCommitmentLevelfortheremovedACNA(s)bymultiplyingtheresultinStep1abovebyeighty-fivepercent(85%)iftheNDPusestheStandardCommitmentMatrix,byninetypercent(90%)iftheNDPusesthePremierCommitmentMatrix,orbyninety-twopercent(92%)iftheNDPusestheDeluxeCommitmentMatrix.

TheTelephoneCompanywilldevelopaCMCommitmentLevelfortheremovedACNA(s)oftheNDPinthesamemannerastheCTCommitmentLevelwasdevelopedintheprecedingparagraph.

(Step3) TheTelephoneCompanywillsubtracttheCTCommitmentLevelfortheremovedACNA(s)determinedinStep2abovefromtheCTCommitmentLevelfortheremainingportionoftheNDP,theresultofwhichwillbetheadjustedCTCommitmentLevelfortheremainderoftheInitialTermorRenewalterm,asapplicable,unlessotherwiseadjustedinthisSection25.3.

TheTelephoneCompanywillsubtracttheCMCommitmentLevelfortheremovedACNA(s)determinedinStep2abovefromtheCMCommitmentLeveloftheInitialTermorRenewalterm,asapplicable,theresultofwhichwillbetheadjustedCMCommitmentLevelfortheremainderoftheTermunlessotherwiseadjustedinthisSection25.3.

(c) AssignDiscountTiersfortheNextPlanYear

UsingthereducedquantitiesfortheQualifyingServicesoftheremainingACNAsinmonthtwelve(12)oftheAnnualTrue-UpPeriod, theTelephoneCompanywillassigntheDiscountTierapplicabletotheNDPfor thenextPlanYearinaccordancewithSection25.3.7(F)preceding.

(d) TerminationLiabilityunderSection25.3.13followingwillnotapplyforremovaloftheQualifyingServicesfromtheNDPthatareaffectedbytheremovalofanACNA.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.13 TerminationLiability

- (A) If the NDP is terminated prior to the end of the Initial Term or during the Renewal Term (subject to certain conditions as described in Section 25.3.14 following), termination liability applies to all Qualifying Services.
- (B) The termination liability charge applies in addition to any applicable minimum period charges as set forth in Section 25.3.8 preceding.
- (C) The applicable termination liability during the Initial Term or Renewal Term, as applicable, as set forth below shall be based on the Plan Year in which the NDP Customer terminates the NDP.

<u>Plan Year</u>	<u>Termination Liability</u>	
1	100% of the monthly recurring charges for all Disc for the remainder of Plan Year 1 and 50% of the monthly recurring charges for the remaining 4 years.	counted Rate Elements monthly charges for the
2	50% of the monthly recurring charges for all Disc for the remainder of Plan Year 2 and 50% of the monthly recurring charges for the remaining 3 years.	counted Rate Elements monthly charges for the
3	25% of the monthly recurring charges for all Disc for the remainder of Plan Year 3 and 25% of the monthly recurring charges for the remaining 2 years.	counted Rate Elements monthly charges for the
4	15% of the monthly recurring charges for all Disc for the remainder of Plan Year 4 and 15% of the monthly recurring charges for the remaining year. If the NDP Customer has selected the Renewal Benefit Option as described in Section 25.3.14(C) following, termination liability during Plan Year 4 does not apply after month 42 of the Renewal Term.	counted Rate Elements monthly charges for the
5	10% of the monthly recurring charges for all Disc for the remainder of Plan Year 5. If the NDP Customer has selected the Renewal Benefit Option as described in Section 25.3.14(C) following, termination liability during Plan Year 5 does not apply during the Renewal Term.	counted Rate Elements monthly charges for the

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.14 RenewalandTerminationofNDP

(A) Description

Not later than sixty (60) calendar days prior to expiration of the Initial Term or Renewal Term, as applicable, of the NDP, the NDP Customer must provide the Telephone Company with written notice of its selection of one of the following options.

- (1) Renew its NDP for a 5-year Renewal Term as described in this Section 25.3.14 including providing written election of its subscription to the Renewal Benefit Option as set forth in Section 25.3.14(C) following; or
- (2) subscribe the Qualifying Services of the expiring NDP to any then effective discount plan, term plan or Contract Tariff Option for which the NDP Customer is eligible; or
- (3) continue with service on a month-to-month basis without any discount or term plan; or
- (4) discontinue service for all Qualifying Services without the application of termination liability as set forth in Section 25.3.13 preceding.

(B) Renewal

The NDP Customer's selection to renew its NDP for another Renewal Term under Section 25.3.14(A)(1) preceding must be provided in writing and must be received by the Telephone Company not later than 60 calendar days prior to expiration of the Term. If the NDP Customer does not provide the Telephone Company with written notice (including providing timely notice) of its selection under Section 25.3.14(A) preceding, and subject to the following requirements, the expiring NDP shall automatically renew for a 5-year Renewal Term at the end of the Initial Term or Renewal Term, as applicable.

- (1) The Telephone Company will conduct a final Annual True-Up for Plan Year 5 in accordance with Section 25.3.7 preceding (Final True-Up), except that such Final True-Up shall not include the following steps:
 - (a) the Commitment Buy-Up option as set forth in Section 25.3.7(E) preceding; and
 - (b) the Telephone Company will not assign Discount Tiers for the expiring NDP since the NDP has just completed its last Plan Year of the Initial Term or Renewal Term, as applicable; and
 - (c) subject to Section 25.3.14(C) following, where the NDP Customer provides timely notice of its selection under Section 25.3.14(A) preceding, the NDP Customer may change the Commitment Matrix to any available Commitment Matrix option.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.14 RenewalandTerminationofNDP (Cont'd)

(B) Renewal(Cont'd)

- (2) The Telephone Company shall establish the renewed NDP using the quantities of CNAs (including any ACNAs) associated with any Person(s) that are included in determined in Section 25.3.1(C) preceding). There maintained in accordance with the requirements of the following conditions:
- (a) A Renewal Term of five (5) years; and
- (b) All Qualifying Services that the NDP Customer (12) of Plan Year 5 of the expiring Initial Term or must be included in the Renewed NDP; and subscribed to in month twelve a Renewal Term, as applicable,
- (c) The NDP Customer must specify a Commitment Matrix Option for the Renewal Term from those offered under Section 25.3.4(C) preceding, except where the NDP Customer selects the Renewal Benefit Option under Section 25.3.14(C) following, in which case the NDP Customer must select either the Premier Commitment Matrix or the Deluxe Commitment Matrix; and
- (d) The Telephone Company will develop the CT Commitment Level for the Renewal Term using the actual number of Equivalent DS1 CTs for Qualifying Services that were subscribed to in month twelve (12) of Plan Year 5 of the expiring Initial Term or the Renewal Term, as applicable. If the Renewal Benefit Option under Section 25.3.14(C) following is selected, the CT Commitment Level of the new NDP must be equal to or greater than the CT Commitment Level for the expiring NDP. The calculations shall be performed in accordance with Section 25.3.4 preceding; and
- (e) The Telephone Company will develop the CM Commitment Level for the Renewal Term using the actual number of Equivalent DS1 CMs for Qualifying Services that were subscribed to in month twelve (12) of Plan Year 5 of the expiring Initial Term or the Renewal Term, as applicable. If the Renewal Benefit Option under Section 25.3.14(C) following is selected, the CM Commitment Level of the new NDP must be equal to or greater than the CM Commitment Level for the expiring NDP. The calculations shall be performed in accordance with Section 25.3.4 preceding; and
- (f) New Discount Tiers will be assigned for the renewed NDP using the actual quantity of Equivalent DS1 CTs or actual quantity of Equivalent DS1 CMs, as applicable, that were subscribed to in month twelve (12) of Plan Year 5 of the expiring Plan; and
- (g) The renewed NDP shall begin in Plan Year 1 but discounts associated with Plan Year 5 as set forth in Section 25.3.5(B) preceding.

ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.14 RenewalandTerminationofNDP (Cont'd)(C) RenewalBenefitOption

- (1) If the NDP Customer elects the Renewal Benefit Option, and makes such election in a timely manner as set forth in Section 25.3.14(A) preceding, the expiring NDP shall be renewed at the end of the expiring Initial Term in accordance with the requirements of (B)(2) preceding. If the NDP Customer does not provide timely notice of its selection to renew under Section 25.3.14 preceding, the NDP Customer is not eligible for the Renewal Benefit Option.
- (2) When the Renewal Benefit Option is selected, the termination liability under Section 25.3.13 preceding is only applicable for the first forty-two (42) months of the Renewal Term. Termination Liability is not applicable in months forty-three (43) through month sixty (60) of the Renewal Term (Renewal Benefit Period).

For example, assume the NDP Customer renews its NDP on November 1, 2012. In this case, the Renewal Term begins November 1, 2012 and ends October 31, 2017. If the NDP Customer were to terminate its NDP at any time after May 1, 2016 (i.e., during the Renewal Benefit Period which is after month forty-two (42) of the Renewal Term), termination liability as set forth in Section 25.3.13 preceding is not applicable.

For a second example, assume the NDP Customer renews its NDP on November 1, 2012. In this case, the Renewal Term begins November 1, 2012 and ends October 31, 2017. If the NDP Customer were to cancel its NDP at any time prior to May 1, 2016 (i.e., during the first forty-two (42) months of the Renewal Term), termination liability as set forth in Section 25.3.13 preceding applies.

(D) Cancellation or Termination During the Renewal Term

- (1) When the NDP is cancelled or terminated during the Renewal Term, a Final True-Up will be conducted in order to determine any applicable Shortfall Penalty or Discount Tier Adjustments. The Shortfall Penalty and Discount Tier Adjustments will be calculated as specified in Section 25.3.7(C) and (D) preceding, respectively, on a pro-rated basis, for the number of months elapsed since the last Annual True-Up.
- (2) If the NDP is cancelled or terminated during the Renewal Benefit Period as defined in Section 25.3.14(C)(2) preceding (i.e., during the period that begins with month 43 and ends with month 60 of the Renewal Term), the NDP Customer will be treated as if it had completed the full Renewal Term of five (5) years. At the NDP Customer's option, and at any time between month 43 and month 60 of the Renewal Term, the NDP Customer may once again renew its NDP. The NDP Customer may elect the Renewal Benefit Option for any subsequent Renewal Term.
- (3) Except as otherwise specified in this Section 25.3.14, all terms and conditions of the NDP as set forth in this Section 25.3 shall apply.