

## ACCESSSERVICE

25. DiscountPlans

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 CommitmentDiscountPlans

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 tandems 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 tandem 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 DS3 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.

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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/ 1.544MbpsService	ChannelTermination ChannelMileage DS1toVoiceMultiplexing DS1toDigitalMultiplexing DS1toDS0Multiplexing ConversiontoSecondaryChannel CapabilityMultiplexing DS0toSubratesMultiplexing
DigitalDataService(DDS)	ChannelTermination ChannelMileage
VoiceGradeService	ChannelTermination ChannelMileage

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

## (A) ACNA(s)IncludedinCDP

- (1) AtthetimeofsubscriptiontoCDP,thesubscribingcustomermustincludeallofits ACNAsintheCDPplan.Thecustomeralsohas the option to include the ACNA(s) of oneormoreAffiliateswhichithastherightto use (bywrittenauthorizationfromthe ownerofsuchACNA).Inthiscase,thecustomer's CDPshallinclude(1)allofthe subscribingcustomer'sACNA(s);and(2)allofthe ACNA(s)oftheAffiliates that the subscribingcustomerwishestoincludeinitsCDP. Hereafter,theterm"CDP Customer"shallmeancollectivelythesubscribingC customer(asdefinedinSection2.6 preceding)andallAffiliates(asdefinedinSection2.6preceding)thatareincludedin thesameCDP.
- (2) If,atanytimesubsequenttotheestablishment ofCDP, theCDPCustomer,atits optionorasrequiredunderthisSection25.1.2(A)( 2), addsoneormoreACNA(s)toits CDPforoneofthefollowingreasons,thenallsuch ACNA(s)ofthecustomerand/orits Affiliate(s),asapplicable,shallbeaddedtothe customer'sCDP,inaccordancewith thetermssetforthinSection25.1.3(C)following.
  - (a) CDPCustomer,atits option,mayincludeAffili ate(s)initsCDPthatarenotcurrently intheCDPCustomer'sCDP;or
  - (b) CDPCustomerisrequiredtoincludeACNA(s)acq uiredthroughmerger, acquisition,orothertransactionthatarenotcurr entlyincludedintheCDP Customer'sCDP.CDPCustomerisnotrequiredtoin cludeACNA(s)ownedbyan AffiliatethatisnotincludedintheCDPCustomer' sCDP.
- (3) TheCDPCustomermustprovidewritten notificat iontotheTelephoneCompany settingforththeaffectedACNA(s)andthenameof theAffiliatewhoowns such ACNA(s)ifsuchACNAisnotanACNAofthesubscrib ingcustomer.Notificationfor (2)(b)precedingisrequiredonorpriortocomplet ionofthenextscheduledtrue-up period.
- (4) AnACNAcannotconcurrentlybeincludedinmore thanone(1)CDP,regardless of whetherornotsuchCDPisestablishedbyaseparat elegalentity.
- (5) Forexample,assumethatacustomerwhohasonl yoneACNA(ABC)subscribesto CDP.Assumefurtherthatsuchcustomerhasfive(5 )Affiliates,butonlywishesto includethree(3)AffiliatesinitsCDP attheinit ialestablishmentofCDP.Assumealso thateachofthethree(3)includedAffiliateshave oneACNA(ACNAsLLL,MMMand NNN,respectively).Inthiscase,asingleCDPwil lbeestablishedfortheCDP CustomerthatincludesthefollowingACNAs:ABC,L LL,MMMandNNN.Assume furtherthatduringyear2oftheCDPcommitmentpe riod, theCDPCustomerdecides toincludeitsremainingtwo(2)Affiliatesinits CDP.Then,inaccordancewiththis Section25.1.2, theCDPCustomerwillincludeallo ftheACNAs ofsuchAffiliatesinthe CDP.

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

- (B) At any time, a customer subscribing to one (1) establishing a CDP for such service(s). If a customer (1) service type listed in 25.1.1 preceding and subsequent at any time that a CDP is in effect, the for such other services that are eligible for inclusion the following: (i) DSEF services; or (ii) Special Access DS1 Services that are included in the NDP Asset for DSEF services, the CDP Customer must choose one of establish or maintain existing term pricing plans or DSEF under CDP, in which case their DSEF termination Special Access DS3 Channel Terminations, as described include the DSEF services under the CDP and under the terms set forth in this Section 25.1 and Section 25.3 following, respectively. For each service type specified in 25.1.1 preceding, the CDP (excluding services ordered out of Section 10 preceding) which the Telephone Company providing territories. When a given circuit is included in the CDP plan, all eligible rate elements under CDP Asset for the 25.1.1 CDP plan.
- (C) For service which is provided as part of a Shared Use Arrangement as set forth in Section 5.2.8, the Special Access DS1 or DS3 Service will be included in the Special Access of the Shared Use Arrangement CDP. The Switched Access portion for such services will not be included in a CDP or subject to discounting under a CDP. For purposes of 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 or order to the Hub.

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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 the 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.

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

## (C) (Cont'd)

- (4) Inordertobeeligibleforapplicationofdiscountsonnewservicetypesordered subsequenttotheinitialestablishmentoftheCDP, theCDPCustomermustprovide writtennotificationtotheTelephoneCompanyofanyneweligibleservicetypesit orderssubsequenttotheinitialestablishmentoftheCDPthataretoincludedinthe CDP. TheCDPCustomermustestablisha commitment levelandacommitment periodforeachnewservicetype.
- (a) TheeffectivedateoftheinclusionofnewservicetypesintheCDP,andthe applicationofthediscountpercentageand/orTPPrates,willbeeffectiveas specifiedfollowing:
- (i) IftheCDPCustomerprovideswrittennotificationtotheTelephoneCompany ofaneweligibleservicetypeonorbeforethetwentieth(20th)calendar day of amonth, thechangesshallbeginthefirst(1st)calendar dayofthefollowing monthinwhichtheCDPCustomerprovidedsuchnotification. ApplicationofdiscountstothenewservicetypesundertheCDPshallbegin withthefirstbill dayofthebillperiodassociatedwiththeCDPCustomer'sBAN inthefollowingmonthinwhichtheCDPCustomerprovidedwritten notification. Forexample, assumeaCDPCustomer's billperiodbeginsonthe eleventh(11th)calendar dayofeachmonth. Assumealsothatthethe CDPCustomer notifiedtheTelephoneCompanyofanewservicetypeon July6th. Then, thediscountsapplicabletothenewservicetypeundertheCDP shallbeginonAugust11th.
- (ii) IftheCDPCustomerprovideswrittennotificationtotheTelephoneCompany ofaneweligibleservicetypeafterthetwentieth(20th)calendar dayofa month, thechangesshallbeginthefirstcalendar dayofthesecondcalendar monthfollowingthefollowingmonthinwhichtheCDPCustomer providedsuch notification. ApplicationofdiscountstothenewservicetypesundertheCDP shallbeginwiththefirstbill dayofthebillperiodassociatedwiththeCDP Customer'sBANinthesecondmonthfollowingthefollowingmonthinwhichtheCDP Customerprovidedwrittennotification. Forexample, assumeaCDP Customer's billperiodbeginsontheeleventh(11th)calendar dayofeach month. AssumealsothatthetheCDPCustomer notifiedtheTelephone CompanyofanewservicetypeonJuly30th. Then, thediscountsapplicableto thenewservicetypeundertheCDPshallbeginonSeptember11th.

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

## (C) (Cont'd)

- (5) TheCDPCustomer must establish a separate plan (including a commitment level and a commitment period) for each service type specified in 25.1.1 preceding. If a customer establishes a CDP for at least one (1) service type listed in Section 25.1.1 preceding and subscribes to other services listed in Section 25.1.1 preceding at any time that a CDP is in effect, the CDPCustomer may not establish or maintain a term plan for any services that are eligible for inclusion in CDP with the following limited exceptions: (i) DSEF services as set forth in the following sentence. If DSEF services are included in CDP, the customer may not establish or maintain a term plan for DSEF services; however, the CDPCustomer may include DSEF services in NDP in accordance with the terms set forth in Section 25.3 following; and (ii) Special Access DS3 Services and Special Access DS1 Services included in the NDP.

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

- (1) TheCDPrequires that a Minimum Commitment of for the purpose of administering the CDP. The total shall be calculated using all such in-service channels Company provides to the CDP Customer in all of its tariff. The Minimum Commitment shall be expressed in DS0s for the Channel Termination rate elements of a channel terminations be established in number of channel terminations or other terminations, which the Telephone Company operating territories under this tariff as the equivalent number 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 seventy-five percent (75%) of the total number of 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 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.



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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) CDP Customers must combine their DSEF terminations with their Special Access DS3 Channel Termination to establish their commitment level. If a CDP Customer 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 CDP Customer fails to maintain its Minimum Commitment for DDS and/or Voice Grades service, the CDP Customer may opt to reduce its existing commitment level for DDS and/or Voice Grades service by fifteen percent (15%). The CDP Customer may only exercise this option one (1) time each year. The CDP Customer 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 CDP Customer 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.

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

(1) TheCDPCustomer may upgradeservicesinaccord ancewiththissection.

(a) UpgradetoaHigherBandwidth/CapacityService IncludedinCDP

TheCDPCustomer may upgradeone(1)ormoreservi ceswhichareincludedinCDP (underanindividualservicetypeorcombinedservi cetype)toahigher bandwidth/capacityservicethatisalsoincludedin CDP.Inthiscase,theMinimum Commitmentsontheindividualservicetypesorcomb inedservicetypeswillbe adjustedaccordingly.Upgradesaresubjecttothe requirements of(B)(2)following.

Forexample,ifDS1servicesareupgradedtoaDS3 service,theMinimum CommitmentfortheDS1serviceswillbereducedby ninetypercent(90%)ofthetotal equivalentDS0countoftheDS1(s)involvedinthe upgrade,andtheMinimum CommitmentfortheDS3servicewillbeincreasedby ninetypercent(90%)ofthetotal equivalentDS0countoftheDS3(s)beingadded.

(b) UpgradetoaHigherBandwidth/CapacityService IncludedinNDP

TheCDPCustomer may upgradeone(1)ormoreservi ceswhichareincludedinCDP (underanindividualservicetypeorcombinedservi cetype)toahigher bandwidth/capacityservice,and suchupgradedservi ceisthenincludedinNDPAsset forthinSection25.3following.Inthiscase,the MinimumCommitmentontheindividual servicetypeorcombinedservicetypewillbereduc edbyseventy-fivepercent(75%)or entDS0countassociatedwiththe upgradedservice(s).Upgradesaresubjecttothe equirementsof(B)(2)following.

Forexample,iftheCDPCustomerupgradesDigital DataServicetoaSpecialAccess DS1Service,and suchSpecialAccessDS1Serviceis includedinNDP,the commitmentlevelforDDSServiceswillbereducedb yseventy-fivepercent(75%)of the totalequivalentDS0countoftheDDSService(s) )whichareupgraded.

(c) UpgradetoTelephoneCompanyProvidedOpticalS ervice

TheCDPCustomer may upgradeone(1)ormoreservi ceswhichareincludedinCDP (underanindividualservicetypeorcombinedservi cetype)toahigher bandwidth/capacityTelephoneCompanyprovidedoptic alservice.Inthiscase,the MinimumCommitmentontheindividualservicetypeo rcombinedservicetypewillbe adjusted.Upgradesaresubjecttotherequirements of(B)(2)following.

Forexample,ifDSEFisupgradedtoaTelephoneCo mpanyprovidedopticalservice, thecommitmentforSpecialAccessDS3ChannelTermi nationsshallbereducedby ninetypercent(90%)ofthetotalequivalentDS0co unt oftheDSEFservicesinvolvedin theupgrade.

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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) Thejurisdictionoftheservicedoesnotchange .
  - (c) Totalbandwidthoftheupgradedserviceisequa ltoorgreaterthanhetotal bandwidthofthediscontinuedservice.
  - (d) Disconnectandnewordersmustbeplacedatthe sametimewithduedatesthatatare withinninety(90)daysofeachother.
  - (e) Thecommitmentperiodoftheupgradedservicem eetsoneofthefollowing requirements:
    - (1) UpgradetoaHigherBandwidth/CapacityService IncludedinCDPorUpgradeto TelephoneCompanyProvidedOpticalService  
  
Thecommitmentperiodfortheupgradedserviceis equaltoorgreaterthanthe commitmentperiodforthediscontinuedservice,exc eptwhenanequaltoor greaterthancommitmentperiodisnotavailable,in whichthecustomerisupgradingmustbeprovidedun derthelongestavailable commitmentperiod.
    - (2) UpgradetoaHigherBandwidth/CapacityService IncludedinNDP  
  
Thecommitmentperiodfortheupgradedserviceis the5-yeartermoftheNDP.
  - (3) Nolaterthanthirty(30)daysaftertheTeleph oneCompanyprovidestheresultsofits true-upprocessassetforthinSection25.1.7follo wing,theCDPCustomermust providewrittennotificationtotheTelephoneCompa nywhichincludesordernumber (PON)ofthedisconnectedservice andthePONofthenew(replacing)serviceforany upgrade(s)forwhichwritten notificationhadnotpreviouslybeensubmittedbyC DPCustomer,andwhichupgrade tookplacesincethelasttrue-up.
  - (4) TheeffectivedateusedtoadjustMinimumCommi tmentlevelsforupgradedservicesis theeffectivedateonwhichtheorderstoaccomplis htheupgradearecompletedbythe TelephoneCompany.

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

- (1) When a CDP Customer 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 CDP Customer 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 CDP Customer 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 CDP Customer must include such ACNA(s) in its CDP in accordance with the terms of Section 25.1.3(C)(5) following.
- (3) The CDP Customer must provide the Telephone Company with a list of ACNA(s) that the CDP Customer 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 CDP Customer's CDP is modified to include such acquired ACNA(s); (ii) the CDP Customer's CDP is consolidated with the CDP associated with the acquired ACNA(s); or (iii) a new CDP is established that includes the CDP Customer's existing ACNA(s) and the added ACNA(s).
- (4) Addition of Affiliate(s) to an Existing CDP  
Where a CDP Customer 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 CDP Customer's CDP shall be modified to include the eligible services of such added ACNA(s). The CDP Customer must include all of the ACNA(s) of such Affiliate(s) in the CDP.
  - (a) The addition of such ACNA(s), and the applicable terms and conditions 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 CDP Customer 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 CDP Customer 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.

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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 service types 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 service types 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 service type(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 service type(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 service type(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 service type(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 service type(s).

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

## (5) ConsolidationofCDPs

WhereaCDPCustomerseekstoaddoneormoreACNA(s)toitsCDPinaccordance withSection25.1.3(C)(1)preceding(i.e.,addition isrequiredandsuchACNA(s)is alreadyincludedinanotherCDP),thecustomerwho wishestoaddtheACNA(s)has the followingoptionstoconsolidatetheCDPsinvolved:

## (a) SurvivingCDPOption

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) NewCDPOption

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) SurvivingCDPOption

(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 hall 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 regular lyscheduled 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.

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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 mustbeincreasedbyanamountequaltothesumof commitmentlevelsundertheplansbeingcancelled( specifiedin(6)(b)preceding). etypeorcombinedservice 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 anamountequaltothe sumoftheindividualcommitmentlevelsunderthep lan(s)beingcancelled (afterthepro-ratedtrue-upspecifiedin(6)(b)pr eceding).
- (iii) IftheCDPCustomerhadcombinedservicetype sunderanyoftheplan(s) beingcancelled,andatleastone(1)ofthosecomb inedservicetype(s)was establishedasanindividualservicetypeintheSu rivingCDP,theCDP Customermayestablishsuchcombinedservicetypes undertheSurviving CDP.TheMinimumCommitmentlevelforthecombined servicetypesmust besetat an amountequaltothesumoftheindivid ualcommitmentlevelsof theapplicablecombinedservicetypesunderthepla n(s)beingcancelledplus theapplicableindividualservicetypes thatweree 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) Theeffective dateofthechangestotheSurvivingCDPresultingfromthe modification,andanychangesintheapplicationof thediscountpercentageand/or TPPrates,willbeeffectiveasspecifiedfollowing :
- (i) IftheCDPCustomerrequeststheSurvivingCDP Optiononorbeforethe twentieth(20th)calendar dayofamonth,theSurvivingCDPshallbeginthe first(1st)calendar dayofthemonthfollowingthe monthinwhichtheCDP CustomerrequestedsuchOption.ApplicationofdiscountsundertheSurviving CDPshallbeginwiththefirstbill dayofthebill periodassociatedwiththe SurvivingCDPCustomer'sBANinthemonthfollowing themonthinwhichthe CDPCustomerrequeststheSurvivingCDPOption.For example,assumea SurvivingCDPcustomer'sbillperiodbeginsonthe eleventh(11th)calendar dayofeachmonth.AssumealsothatthethatthetheCD PCustomerrequeststhe SurvivingCDPOptionisJuly6th.Then,thediscoun tsundertheSurviving CDPshallbeginonAugust11th.
- (ii) IftheCDPCustomerrequeststheSurvivingCDP Optionafterthetwentieth (20th)calendar dayofamonth,theSurvivingCDPs hallbeginthe1stcalendar dayofthesecondcalendar monthfollowingthemont hinwhichtherequested suchOption.ApplicationofdiscountsundertheSur vivingCDPshallbeginwith thefirstbill dayofthebill periodassociatedwi ththeSurvivingCDPCustomer's BANinthesecondmonthfollowingthemonthinwhic htheCDPCustomer requeststheSurvivingCDPOption.Forexample,ass umeaSurvivingCDP Customer'sbillperiodbeginsonthe11thcalendar dayofeachmonth. AssumealsothatthethatthetheCDPCustomerrequestst heSurvivingCDP OptionisJuly30thanddiscountsundertheSurvivi ngCDPshallbeginon September11th.

## 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
<u>SurvivingCommitmentDiscountPlan</u> :	
25DS3s(16,800equiv.DS0s) 60monthcommitmentperiod 12monthsofTISC ExpiresSeptember2010	
200DS1s(4,800equiv.DS0s) 84monthcommitmentperiod 18monthsofTISC ExpiresMarch2010	
1,100DDSIIcircuits 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) IftheCDPCustomerdoesnotnotifytheTelepho neCompanyofitsselectionpriorto completionofthenextscheduledtrue-upperiod,th eTelephoneCompanywill completeimplementationofSection25.1.3(C)(7)fol lowing,usingthelongest commitmentperiodfromtheplansbeingcancelled.

(7) NewCDPOption

ThisoptioncombinestheCDPOftheexistingACNA(s )(PlanA)withtheCDP(s)ofthe acquiredACNA(s)(forexample,PlansBandC)into anewCDP(PlanD)thatincludes theACNAsofPlansA,BandC.

- (a) CDPCustomer(s)must,bywrittennotification otheTelephoneCompanyas specifiedinSection25.1preceding,cancelPlansA ,BandCandestablishanewplan (PlanD).
- (b) Atrue-upwillnotbeconductedontheplansbe ingcancelled.
- (c) TerminationliabilitychargesassetforthinS ection25.1.9followingwillnotbe applicabletotheplansbeingcancelled.
- (d) TheCDPCustomerisrequiredtoincludeallof theACNA(s)fromtheplansbeing cancelledinPlanD.
- (e) ForthenewPlanDbeingestablished,theCDPC ustomermustchoosea commitmentperiodthatisnoshorterthanthecommi tmentperiodofanyoftheplan(s) beingcancelledforeachservicetypeassetforth inSection25.1.4following.The MinimumCommitmentlevel(s)fortheservicetype(s) underPlanDwillbeequaltothe sumoftheindividualcommitmentlevels,byervice type,oftheplansbeingcancelled.
- (f) IfTISCexistedonatleastoneservicetypein oneoftheplan(s)beingcancelled,then TISCwillbegrantedonallservicetypesinPlanD .Inordertodeterminethe applicableTISC,usethetablesetforthfollowing.

PlanDTermTISCforCDP

2Years  
3Years  
5Years  
7Years

3monthscredit  
6monthscredit  
12monthscredit  
18monthscredit

- (g) RenewalOptionsonanyoftheplan(s)beingcan celledwillnotbecarriedoverttoPlan D.
- (h) AllCDPtermsandconditions,includingtermina tionliability,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,theCDPCustomerhas theoptionto reduceitsMinimum Commitment,byapercentageequaltothecustomer's actualnumberofin-servicecircuitsintheaffectedstate(s)dividedb ythetotalactualnumberofin-servicecircuitsacrossalloftheoperatingterrit oriesunderthistariff,foreach servicetype,withoutapplicationofterminationli abilityorshortfalladjustment duetosuchreduction.Inaddition,theCDPCustom erwillberelievedofits minimumperiodobligationforthosecircuitsnolon gerprovidedbythe TelephoneCompany.TheCDPCustomermustprovidew rittennotificationto theTelephoneCompanyofitselectiontodecreasei 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 DSOs).TheCDPCustomer'sDS3MinimumCommitmentw illbereducedby 5/17ofthetotal10,080equivalentDSOs,or2,965 DSOs(i.e.,5Maryland DS3s/17totalDS3s=29.41176%timestotal10,080 equivalentDSOs,which equals2,964.7DSOs,roundeduptothenearestequi valentDSO,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 DS3 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 as set forth below will be applied to the Base Rates shown in Section 7.5.9. 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 associated with the commitment period of the service, 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) For services using discount percentages, the discount percentages set forth above will not be subject to Telephone Company initiated decreases during the commitment period. For example, if the Telephone Company initiates a decrease in the discount percentage for the Special Access DS3 service type from 35 percent (35%) off Base Rates for a five (5) year term to twenty-five percent (25%) off Base Rates for a five (5) year term, the existing discount percentage of thirty-five percent (35%) will continue to be applied through the balance of the CDP Customer's commitment period.
- (B) For services using discount percentages, the discount percentage is subject to Telephone Company initiated increases during the commitment period. For example, if the Telephone Company initiates an increase in the discount percentage for Special Access DS3 service type from thirty-five percent (35%) off Base Rates for a five (5) year term to forty percent (40%) off Base Rates for a five (5) year term, the new forty percent (40%) discount will be applied through the balance of the CDP Customer's commitment period.

25.1.6 ChangestotheBaseRates/TPPRates

- (A) If the Telephone Company initiates a decrease in the TPP rates during the commitment period, the decreased rates shall apply to all services under the CDP which bills such TPP rates as set forth above. If the Telephone Company initiates an increase in the TPP rates during the commitment period, the increased rates shall apply to all services under the CDP which bills such TPP rates, subject to the applicable regulations set forth in this tariff, Sections 7.2.15(E), 7.4.13(C), 7.4.17(C), and 7.4.18(C).
- (B) The Base Rate to which the discount percentage is applied under the CDP as set forth above is subject to change over the commitment period selected by the CDP Customer. An increase in the Base Rate will result in an increase to the rates under the CDP for the applicable service type. A decrease in the Base Rate will result in a decrease to the rates under the CDP for the applicable service. In no event will the Base Rate exceed the non-discounted monthly rate for the service.
- (C) In the event the Telephone Company initiates a rate increase and the total discounted rates by eight percent (8%) or more, the customer may cancel a CDP for the affected service type without the application of termination liability as set forth in 25.1.9 following. The CDP Customer must exercise its option to cancel the CDP for the affected service type by providing written notice to the Telephone Company within thirty (30) days of the date of the effective rate increase. The CDP for other services shall remain in effect.

## ACCESSSERVICE

## 25. DiscountPlans (Cont'd)

## 25.1 CommitmentDiscountPlans (Cont'd)

## 25.1.7 ApplicationoftheDiscountPercentageorTP PRates

- (A) TheTelephoneCompanyshallapplythediscoun percentageorTPPrate,asapplicable, onamonthlybasisduringthecommitmentperiodto eachmonthlyrateelements specified inSection25.1.1preceding.
- (1) Duringanytrue-upperiodassetforthbelow,t hecustomermayexceeditsMinimum Commitmentbyuptofifty-sixpercent(56%)(i.e., themaximumservicelevel)forDDS and/orVoiceGradeservicesanduptothirtypercen t(30%)forallotherservices.In suchevent,theregulationssetforthinSection25 .1.7(D)followingshallapply.
- Forexample,assumethatacustomerhasaMinimum CommitmentforitsDS1High Capacityservicetypeof12,000equivalentDS0s,an dthecustomerhasin-serviceasof theapplicabletrue-upperiod24,000equivalentDS0 s.Themaximumservicelevel wouldbethirtypercent(30%)or15,600equivalent DS0swhichwillreceivethe S0swillbetreatedinaccordance discount.Amountsinexcessof15,600equivalentD withSection25.1.7(D)following.
- Foranotherexample,assumethataCDPCustomerha saMinimumCommitmentfor itsDDSservicetypeoffifty(50)equivalentDS0s, andtheCDPCustomerhasin- serviceasoftheapplicabletrue-upperiodonehun dred(100)equivalentDS0s.The maximumservicelevelwouldbefifty-sixpercent(5 6%)orseventy-eight(78)equivalent DS0swhichwillreceivethediscout.Amountsine xcessof78equivalentDS0swillbe treatedinaccordancewithSection25.1.7(D)follow ing.
- (2) Thetrue-upprocessforeachservicetypewill determineiftheCDPCustomer(1)has notmetitsMinimumCommitmentandisthereforesub jecttoashortfalladjustment,(2) hasmetitsMinimumCommitmentandnoadjustmentto thecommitmentlevelis necessary,or(3)hasmetitsMinimumCommitmentan dexceededitsmaximum servicelevel.Beginningonmonthsix(6)afterth eCDPCustomer'ssubscriptionto CDPandeverysix(6)monthsthereafter,theTeleph oneCompanywillconductatrue- upwhichcomparestheaveragenumberofequivalent DS0sactuallyinserviceoverthe precedingsix(6)monthstotheaveragenumberofe quivalentDS0swhichcomprise theMinimumCommitment.
- (3) ForCDPCustomerssubscribingtoCDPonorbefo reDecember31,2004,thefirst true-upwillnotoccuruntiltwelve(12)monthsaft ertheCDPCustomersubscribesto CDP.Thereafter,true-upswillbeconductedonas ix(6)monthbasis.Allreferences tothetrue-upprocessandtothecalculationshere ofshallbedeemedtorefertoeither theinitialtwelve(12)monthtrue-up(foreligible CDPCustomersassetforthinthis paragraph)orthesix(6)monthtrue-upprocess,as applicable.Duringthefirsttrue-up forsuchCDPCustomers,allreferencestosix(6)m onthsshallbesubstitutedbytwelve (12)monthsinthecalculationssetforthbelow.
- (4) IntheeventtheCDPCustomerdisputestheamou ntadjustedbytheTelephone Companyfollowingthetrue-upprocess,theCDPCust omermustnotifytheTelephone Companyofthedisputewithinsix(6)monthsofthe adjustmentbeingapplied(i.e.,prior tothenextscheduledtrue-up).
- (5) Forpurposesofapplyingthediscoutpercentag eorTPPrates,andadministeringthe termsandconditionsoftheCDP,serviceprovideda spartofaSharedUse ArrangementisconsideredtobecompletelySwitched AccessorcompletelySpecial Accessasdeterminedbythetypeoffacilityordere dtotheHub.

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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 precedingsix(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 orcombinedservicetypeoverthe precedingsix(6)monthsanddividingbysix(6). Theresultingamountisthendividedby theaveragemonthlyequivalentDS0countdetermined inStep1.

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

(Step4)TheTelephoneCompanywilldeterminethe shortfallbysubtractingtheaverage numberofequivalentDS0sin serviceasdetermined 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.



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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-upthediscountpercent agesorTPPrates thatwereappliedin excessofthatallowedbythemaximumservicelevel .Thetrue-upwillresultinan adjustment(chargeup)ofthediscountedexcessamo untbacktostandard,non- discountedrates,unless theCDPCustomer electsto increaseitsMinimumCommitment upwardtoatleastseventy-fivepercent(75%)forD DSand/orVoiceGradeservicesand ninetypercent(90%)forallotherservicetypesof thetotalnumberofDS0equivalent ChannelTerminationsfortheservicetypeorcombin edservicetypeinvolvedatthetime thetrue-upwasperformed.If anadjustmentisto beapplied,theTelephoneCompany willcalculatetheadjustmentasfollows:

(Step1)TheTelephoneCompanywillcalculatethe averagenumberofequivalentDS0 ChannelTerminations thatwereinserviceoverthe preceding six(6) months by summing theactualnumberofequivalentDS0sforeachofth eprecedingsix(6) months, and dividingthe resultingtotalbysix(6).Theresultingnumber r epresents the average monthly equivalentDS0ChannelTerminationcount(i.e.,mon thlyequivalentDS0count.)

(Step2)TheTelephoneCompanywillcalculatethe averagerateassessedper equivalentDS0byfirstsummingthetotalreducedm onthlychargesassociatedwithall channelterminationandchannelmileagerateelemen tsfortheprecedingsix(6) months anddividingbysix(6).Theresultingamountis t he divided by the average monthly equivalentDS0countdeterminedinStep1.

(Step3)TheTelephoneCompanywillcalculatethe averageMinimumCommitmentby firstsummingtheMinimumCommitmentforeachofth eprecedingsix(6) months, adjustingtheMinimumCommitmentpursuanttoSectio n25.1.3preceding, anddividing bysix(6).Theresultingnumberrepresents theav erageMinimumCommitmentforthe preceding six(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 alreadyreceivedadiscountovertheprecedingsix (6)months,butwereinexcessofthe maximumservicelevelbysubtractingthetmaximumse rvicelevelcalculatedinStep4 fromtheaverageequivalentDS0ChannelTermination countdeterminedinStep1.
- (Step6)Todeterminethetotaldollaramountasso receivedadiscountinexcessofthetmaximumservic elevel,theTelephoneCompanywill ciatedwiththeequivalentDS0sthat multiplytheexcessequivalentDS0ChannelTerminat ionsinStep5bytheaverage total rateperDS0equivalentinStep2andmultiplythe resultbysix(6).
- (Step7)Todeterminethenon-discountedtotaldol laramountfortheequivalentDS0s whichwereinexcessofthetmaximumservicelevel, theTelephoneCompanywill recalculatetheamountdeterminedinStep6backto standard,non-discountedratesas follows.First,theTelephoneCompanywillmultipl ytheaverage total rateperequivalent DS0determinedinStep2bythenumberofequivalen tDS0swhichwereinexcessofthe maximumservicelevelinStep5anddividetheresu ltbythediscountfactororequivalent ivalent).Theresultingamountisthen multipliedbysix(6).
- Theequivalentdiscountfactorcanbedeterminedby thepercentdifferentialbetweenthe month-to-monthchannelterminationrateandtheapp licableTPPchanneltermination rate.Toobtainthepercentdifferential,subtract theTPPchannelterminationratefrom themonth-to-monthchannelterminationrate,anddi videtheresultbythetmonth-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)asaresultofthettrue-up process.TheamountduefromtheCDPCustomerisn otsubjecttoanylatepayment factorasspecifiedinSection2.4.1preceding.Ho wever,alatepaymentfactorwillapply inaccordancewithSection2.4.1precedingifsuch amountisnotpaidbythebillduedate ofthetmonthinwhichsuchamountfirstappearson 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 coterminal end date for DS3 and DSEF service types. CDP Customers choosing this option must select 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 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 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 the first 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) Selectanytheneffectivecommitmentperiodfor theservicetypeinvolved,including combinedservicetypes,toestablishanewCDP.All termsandconditionsofCDP, includingterminationliability,shallapplytothe newcommitmentperiod.Upon establishmentofarenewedCDP,eligibleCDPCustomersmayelecttheRenewal OptioninaccordancewithSection25.1.8(H)following ng.All oftheapplicabletermsand conditionsrelatingtotheestablishmentofaCDPs pecifiedinSection25.1.2 precedingshallapply.
- (b) Extendtheexpiringcommitmentperiodas setfo rthin(D)(2)or(D)(3)following(in whichcasethethencurrentdiscountpercentageor TPPratesandtermsand conditionsoftheexistingplanwillcontinuetoap ply).
- (c) DiscontinueCDPandcontinuereceivingservice withoutanydiscountplan.Withthe exceptionof(i)subscribingSpecialAccessDS3and DS1ServicestotheNDP(asset forthinSection25.3following)and(ii)DSEFserv icesasdescribedin25.1.3(A)(6) preceding,theCDPCustomermaynotsubscribetoa nyotherdiscountplan(including TPP)ifatleastone(1)servicetypereainsunder CDP(i.e.,allcommitmentperiods forallservicetypesunderCDPhavenotexpired). Ifthecommitmentperiodfora combinedservicetypeisexpiringandtheservicet ypewillcontinuewithoutany discountplan,thecommitmentlevelforthecombine dservicetypewillchangetoan individualservicetypefortheremainingservicea ndbereducedbythequantityof channelterminationsexpiring.
- (2) IftheCDPCustomerdoesnotnotifytheTelepho neCompanyofitschoiceof(a),(b), or(c)above,inwritingatleastsixty(60)daysp rior totheexpirationofthecommitment period,theTelephoneCompanywillcontinuetwo(2) additionalmonthsofCDPbilling. IftheCDPCustomerdoesnotnotifytheTelephoneC ompanyofitschoiceduringthe two(2)monthextension,anewCDPwillbeginbased onthepreviouslyeffective commitmentperiod.Thecommitmentlevelwillbere setaccordingtoSection25.1.3(A) preceding..ThenewCDPestablishedunderthisSec tion(C)(2)willnotincludeany RenewalOption.AlltermsandconditionsofCDP,i ncludingterminationliability,will applytothenewCDPcommitmentperiod.
- (3) Ifallcommitmentperiodsforallservicesunde rtheCDPareexpiring,theCDP Customeralsohastheoptionofselectinganythen 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), then 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, then 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(forallservicesexceptCombined ServiceTypeswhicharesetforthin(3)following)
- (a) Attheexpirationofitsselectedcommitmentperiodforaservicetype thatisnotpartof acombinedservicetype, theCDPCustomerhas theoptiontoextendtheexpiration dateoftheexpiringcommitmentperiodforaspecificservicetype toalonger commitmentperiodforanothercustomer-subscribedservicetypeunderCDP. The CDPCustomer shallcontinuetoreceivethesameTPP rateordiscountpercentage, asapplicable, thatitreceivedprior tosuchextension.
- Forexample, assumethataCDPCustomerhas acombinedservicetypewitha five (5) yearcommitmentforDDSservice. Assumealso thatthelongestcommitment periodtheCDPCustomerhasunderCDPisaseven(7) yearcommitmentonSpecial AccessDS1servicewithtwo(2) yearsremainingon thecommitmentperiodforthat service. TheCDPCustomer mayextendtheexpiration oftheDDSservice commitmentperiodfortwo(2) additionalyearsatt hefive(5) yearDDSservicerates.
- (b) IftheCDPCustomerchoosestoextendtheexpirationdateforDDSand/orVoice GradeservicepursuanttothisSectionD(2), thenethehigherof(1) thethen-existingMinimumCommitmentlevel; or(2) seventy-five percent(75%) ofthetotalnumberoftheninservice channel terminationsforDDS and/orVoice Gradeservice. Forallotherservice types, thenewMinimum Commitmentlevelwillbethetotalnumberoftheninservice channel terminationsforsuchservicetype.
- (c) TISCisnotapplicablewhenextendingthecommitmentperiod. Alltermsand conditions ofCDP, includingterminationliability, willapplytothenewCDP commitmentperiod. Duringtheperiodoftheextension, thecustomeris stillsubjectto 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-subscribes servicetypeunderCDP.The CDPCustomershallreceivethesameTPPrateordiscountpercentage,as applicable,thatitreceivedpriortosuchextension.
- Forexample,assumethataCDPCustomerhasa combinedservicetypewithafive (5)yearcommitmentforSpecialAccessDS3service. AssumealsothattheCDP Customerhasaseven(7)yearcommitmentonSpecial AccessDS1servicewithtwo (2)yearsremainingonthecommitmentperiodfor thatservice.TheCDPCustomer mayextendtheexpirationoftheSpecialAccessDS3 servicecommitmentperiodfor two(2)additionalyearsatthefive(5)yearSpecialAccessDS3servicerates.
- (i) IftheCDPCustomerchoosestoextendtheexpirationdateforone(1)orbothof theservicetypesofferedunderacom combinedservicetype,thenewMinimum Commitmentlevelwillbethelowerof(1)thethen existingcommitmentlevelfor thecombinedservices;or(2)ninetypercent(90%) ofthetotalnumberofinservice channelterminationsforthecombinedservicetype.
- (ii) TISCisnotapplicablewhenextendingthecommitmentperiod.Alltermsand conditionsofCDP,includingterminationliability, willapplytothenewCDP commitmentperiod.Duringtheperiodoftheextension,the customerisstillsubject tothetrue-upprocessassetforth inSection25.1.7preceding.



## 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 longer commitment period of the service type 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 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 CDP to NDP, as specified in Section 25.3 following, termination liability under CDP (asset set forth 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 icesareunderacombed  
servicetypethatdoesnotincludeSwitchedAccess Services,andtheSpecial  
AccessDS3ServicesareincludedinNDP,thecommit mentlevelforthe  
remainingDSEFserviceswillbereducedtoninety percent(90%)ofthenumber  
ofDSEFservicesarein-serviceatthetimeofsuch cancellation,andthe  
combinedservicetypecommitmentlevelwillbechan gedtoanindividualservice  
typecommitmentlevel.

(d) (Reserved)

(2) Anewcommitmentlevelequaltoninetypercent (90%)oftheservicesremaining  
underCDPineitheracombinedservicetypeorani ndividualservicetypewillbe  
established.Thenewcommitmentlevelwillbeeffe ctivefortheremainderofthe  
existingcommitmentperiod,unlessotherwiserevise 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  
quantitiesofDSEFservicesatthetimeofcancellat ionoftheCDP,andtheDSEF  
serviceshallbeconvertedtoanindividualservice typeundertheCDP.The  
commitmentlevelforDSEFserviceswillbeeffectiv efortheremainderofthe  
existingcommitmentperiodunlessotherwiserevised underthisSection25.1.

## ACCESSSERVICE

25. DiscountPlans (Cont'd)25.1 CommitmentDiscountPlans (Cont'd)25.1.8 CommitmentPeriods (Cont'd)(F) TimeIn-ServiceCredit

- (1) TISC will be granted for each service type being converted from a TPP to the CDP if at least one (1) of the services of the type being converted has been under its TPP for at least two (2) years.
- (2) TISC will be applied to the end of the CDP commitment period. TISC reduces the number of months from the end of the selected commitment period to which termination liability charges are applicable. There will be no change to the CDP commitment period. For example, a commitment period of five (5) years with one (1) year of TISC granted is still a commitment period of five (5) years; however, the CDP Customer will not be subject to termination liability after month forty-eight (48) (i.e., 5 years minus TISC of 1 year = 4 years) if the CDP Customer cancels or terminates the CDP prior to the end of the commitment period. The amount of TISC granted for each eligible service type is determined as follows.
- (3) In order to calculate the applicable TISC, first, determine the amount of time spent under a TPP in the table following. Second, determine the customer's selected CDP commitment period. Third, determine the TISC using the table and criteria set forth below. If the customer selects a CDP commitment period of equal or greater length than the amount of time spent under a TPP, the TISC Service for the TPP shall apply. If the customer selects a CDP with a shorter term than the amount of time spent under a TPP, the TISC associated with the CDP term shall apply.
- For example, if a customer has service under a TPP for thirty-eight (38) months, but chooses a CDP with a commitment period of only three (3) years (i.e., three (3) years or thirty-six (36) months), the TISC would be three (3) years (i.e., three (3) years or thirty-six (36) months). Alternatively, as an example, if the customer has service under a TPP for thirty-eight (38) months, but chooses a CDP commitment period of forty-eight (48) months (i.e., seven (7) years), the TISC would be three (3) years (i.e., three (3) years or thirty-six (36) months) because the CDP commitment period is longer than the amount of time spent under the TPP.

<u>TimeIn-ServiceforTPP</u>	<u>CDPTerm</u>	<u>TimeIn-ServiceCreditforCDP</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

When service is newly installed under a CDP, the charge that applies is \$1.00, which applies in lieu of any applicable nonrecurring charge specified in Section 7.5.16 preceding for Special Access, or Section 7.5.21(C) preceding for DSEF.

(H) RenewalOption

- (1) Description - Renewal Option is an option under CDP which allows a CDP Customer to terminate its renewed CDP without the application of termination liability charges if the renewed CDP meets the terms and conditions set forth in this section (H). There will be no change to the CDP commitment period that the customer commits to under CDP. Renewal Option applies to commitment periods by service type.

- (2) Customer Subscription to Renewal Option - Renewal Option must be requested by the CDP Customer by providing written notification to the Telephone Company.

- (3) Eligibility - Renewal Option is available to a CDP Customer who meets either one of the conditions set forth in (H)(3)(a) or (b) following:

(a) Customer with a Currently Expiring CDP

Customer must meet all of the requirements set forth in (a)(i) and (a)(ii) following:

## (i) Customer completes one of the following:

- (A) A full 5-year or 7-year commitment period (pursuant to Section 25.1.8(C)(1)(a) preceding), with actual time spent on plan under this tariff equal to the full commitment period; 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; or

- (ii) The CDP Customer chooses to establish a new CDP service type involved, including combined service types, with an equal or longer commitment period (i.e., CDP Customer renews its existing 5-year commitment period for a new 5-year or 7-year commitment period, or CDP Customer renews 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)(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 actually 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., time spent was 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 actually 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 commitment period 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 for each 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  
7 years

5 or 7 Years  
7 Years

24 months  
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) TheRenewalOptionPeriodwillbeappliedtoth eendoftherenewedCDP commitmentperiod.

Forexample,assumethataCDPCustomerrenewsa7- yearcommitmentperiodfor another7-yearcommitmentperiodandelectstheRen ewalOption.TheTelephone CompanywillgrantaRenewalOptionPeriodoftwent y-four(24)monthstothatCDP Customer.TheCDPCustomerisstillsubjecttoac ommitmentperiodofseven(7) years;however,terminationliabilitychargesasse tforth inSection25.1.9followingwill notapplyaftermonthsixty(60)iftheCDPCustome rcancelsofterminates theCDP priorto theendof thecommitmentperiod(i.e.,7- yearcommitmentperiod(84 months)minus24monthsRenewalOptionPeriod=60 months,or5years).

- (c) WhenaCDPiscancelledorterminatedduringth eRenewalOptionPeriod,afinal true-upwillbeconductedpursuanttoSection25.1. 7precedinginordertodetermine anyapplicableshortfalladjustments.Theshortfal lwillbecalculatedasspecifiedin Section25.1.7(B)preceding,onapro-ratedbasis, forthenumeroofmonthselapsed sincelasttrue-up.Nochargeupsapplicableunder Section25.1.7(D)precedingwill beassessedasaresultofthefinaltrue-up.

- (d) IfaCDPiscancelledorterminatedduringthe RenewalOptionPeriod,theCDP Customerwillbetreatedasifithascompletedaf ullcommitmentperiod.

Forexample,assumethataCDPCustomercompletesa full7-yearcommitment periodunderCDP,renewsCDPwitha7-yearcommitme ntperiodandelectsthe RenewalOption.Aftercompleting5yearsand3mon ths(i.e.,duringtheRenewal OptionPeriod),theCDPCustomerterminates theCDP withoutterminationliability. Aftersuchtermination,theCDPCustomermayrenew suchCDPforanother7-year commitmentperiodandbeeligiblefortheRenewalO ptionontherenewedCDP.

- (5) Exceptasotherwise specifiedinthisSection2 5.1.8(H),alltermsandconditionsofCDP, includingestablishinganinitialminimumcommitmen tperiodsetforth inSection 25.1.3(A)precedingandthebi-annualtrue-upproce sssetforth inSection25.1.7 preceding,willapplytothenewCDPcommitmentper iodduringtheentiretimethatsuch CDPismaintained(i.e.,evenduringtheRenewalOp tionPeriod).

## 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 exception 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 service 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 following: (A) 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 times (D) the number of 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) TerminationliabilityunderOption2willbecalculatedusingeitherMethodAorMethodBassetforthfollowing.

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

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

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

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:

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

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

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

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.

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

## 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 will berepeatedforeachservicetypeincludedintheCDPplan. 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) To calculatethediscountpercentage, thepercentagediscount-0.3shallbe convertedtoapositive(+)numberpriortosubtractingitfromnumberone(1). In thisexample, thecalculationofthediscountpercentage shallbe 1 minus (+0.3) which equals 0.7.

25.1.10 MinimumPeriod

The minimumperiodforanyserviceprovidedundertheCDPisone(1) yearfromthethat suchserviceis installed. 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. Since the service 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,a ServiceDiscountPlanforsomeorallservicesof thesametype.Theservicesmustbe billedonthesamebillingaccount.
- (1) WhenrequestingaServiceDiscountPlan,the customermustspecifywhichservices aretobeincludedintheServiceDiscountPlan.
- (2) WhenrequestinganyactivitysetforthinSections25.2.4throughSection25.2.8 following,thecustomermustspecifybycircuitidentificationwhichservicesare affected.
- (C) AServiceDiscountPlanapplies to:
- ChannelTerminations,ChannelMileageandapplicableOptionalFeaturesand Functionsmonthlyrates,assetforthinSection7 preceding
- (D) ServiceDiscountPlansarenotapplicabletoOptionalFeaturesandFunctionsexceptas specifiedfollowing.OptionalFeaturesandFunctionsassociatedwiththeservicewill havethesamecommitmentperiodasthecorresponding service.OptionalFeatures andFunctionsmaybeaddedsubsequenttotheestablishmentoftheservicediscount planonthecorrespondingservice,subjecttothervisionssetforthin25.2.9following forAdditionsofService.
- (E) Themonthlyratesforsuchservicearereduced byafixedpercentage.Theamountof thediscountpercentagediffersbasedonthe length ofthe commitmentperiodselected bythecustomer.Thecustomer mustspecifythenumberofmonthssselectedasthe commitmentperiodforitsServiceDiscountPlan.
- (F) Thediscounpercentageisappliedtothecurrentlyeffectivemonthlyrates.Suchrates maychangeduringthecommitmentperiod,thereby causinganincreaseordecreasein theratesapplicabletothecustomer.
- (G) Thediscounpercentagewillnotbesubjectto TelephoneCompanyinitiateddecreases duringthatperiod.However,iftheTelephoneCompanyinitiatesanincreaseinthe discountpercentageduringthatperiod,the increaseddiscountwillbeusedtodetermine 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%

#NotavailableonPremisestoHuborPremisestoPortChannelTerminations.

## 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 disconnectson 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 disconnects 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 750 Mhz SVS system may be upgraded to an 870 Mhz system without termination liability provided the upgrade term is of equal or greater length than the remainder of the existing 750 Mhz term contract. The customer will be required to pay the new rates associated with the 870 Mhz 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 service(s), as appropriate, for the balance of the commitment period for that Service Discount Plan, no termination liability will apply provided that:
- (1) The order 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 service, as 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 25.2.3 preceding. 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 and replace it with Hi-Def 45Mbps Digital Video Transport Service (DVTS) provided the total dollar amount of the term plan, provided that the total dollar amount being disconnected. No termination liability charge will apply to such cancellation.
- (C) A customer may cancel a Service Discount Plan and 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 Service Discount Plan with a longer commitment period at the then effective discount 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 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 the 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.

## ACCESS SERVICE

25. Discount Plans (Cont'd)25.3 National Discount Plan (Cont'd)25.3.1 General (Cont'd)

## (B) Specific Terms and References (Cont'd)

- (9) **Average Monthly Rate Per Equivalent DS1 CT** : shall mean the rate as calculated in accordance with Section 25.3.7(C)(1) following.
- (10) **Channel Termination(s)** : shall mean the applicable Special Access channel terminations for Qualifying Services (as used in this tariff), the applicable Special Access Lines (SAL(s)) for Qualifying Services (as used in the Telephone Company's Tariff FCC No. 5 ( **FCC5** ), and the applicable Circuit Termination for Qualifying Services (as used in the Telephone Company's Tariff F.C.C. No. 6 ( **FCC6** )) as follows.
- (a) Channel Terminations for Special Access DS1 Services are described in Section 7.2.9 preceding of this tariff, Section 5.3.6 of FCC C5, and Section 7.11.1 of FCC6; and
  - (b) Channel Terminations for Special Access DS3 Services using electrical and optical interfaces are described in Section 5.3.6 of FCC5, and Section 7.11.1 of FCC6; and
  - (c) Primary and Secondary Channel Terminations for Special Access DS3 Services using electrical and optical interfaces are set forth in Section 7.2.9 preceding of this tariff, and
  - (d) Channel Terminations for FMSS Services are set forth in Section 7.2.13 preceding of this tariff; and
  - (e) Channel Terminations for DSEF Services.
- (11) **Channel Mileage** : shall mean the applicable channel mileage for Qualifying Services (as used in this tariff), the applicable Special Transport for Qualifying Services (as used in FCC5), and the applicable Circuit Mileage for Qualifying Services (as used in FCC6) as follows.
- (a) Channel Mileage for Special Access DS1 Services and Special Access DS3 Services are described in Section 7.2.9 preceding of this tariff, Section 5.3.6 of FCC5, and Section 7.11.1 of FCC6; and
  - (b) Channel Mileage for FMSS Services which are described in Section 7.2.13 of this tariff.
- (12) **Commitment Buy-Up Bonus** : shall mean an option available to the NDPC Customer which allows the NDPC Customer to increase (buy-up) their CT Commitment Level and/or their CM Commitment Level, and receive a discount on one or both Commitment Levels, as described in Section 25.3.7(E) following.
- (13) **CBB Discount** : shall mean the Commitment Buy-Up Bonus Discount as described in Section 25.3.7(E) following.

## ACCESSSERVICE

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

- (14) **CommitmentLevel**: shall mean the CM Commitment Level (i.e., the total number of Equivalent DS1 CMs) and/or the CT Commitment Level (i.e., the total number of Equivalent DS1 CTs) that the NDPCustomer must commit to the NDP, as described further in Section 25.3.4 following. If the NDPCustomer has Channel Terminations and Channel Mileage, then the NDPCustomer must establish a separate Commitment Level for Channel Terminations (**CTCommitmentLevel**) and a separate Commitment Level for Channel Mileage (**CMCommitmentLevel**).
- (15) **CommitmentMatrix**: shall mean the Premier Commitment Matrix, the Standard Commitment Matrix or the Deluxe Commitment Matrix, each as described in Section 25.3.4(C) following.
- (16) **DiscountTier**: shall mean the tier in each of the tables set forth in Section 25.3.4(B) following into which the NDPCustomer falls based on the actual quantities of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable.
- (17) **DiscountTierAdjustment**: shall mean the adjustment (if applicable) to a higher or a lower Discount Tier based on the difference (if any) between the NDPCustomer's Achieved Discount Tier and Assigned Discount Tier, as calculated during the Annual True-Up Period. See Section 25.3.7(D) for further explanation.
- (18) **DiscountedRateElements**: shall mean those rate elements of the Qualifying Services that receive a discount under the NDP. A listing of the Discounted Rate Elements is set forth in Section 25.3.5(A) following.
- (19) **EquivalentDS1CTs**: shall mean the total number of equivalent DS1 Channel Terminations for Qualifying Services as determined in accordance with Section 25.3.4 following.
- (20) **EquivalentDS1CMs**: shall mean the total number of equivalent DS1 Channel Miles for Qualifying Services as determined in accordance with Section 25.3.4 following.
- (21) **FMSServices**: shall mean Special Access Service provided as Facilities Management Service under Section 7.2.13 preceding of this tariff. Switched Access FMSServices are not included in the NDP.
- (22) **DSEFServices**: shall mean, as applicable, either (a) Special Access Dedicated SONET Entrance Facilities STS1 terminations (excluding interface options) as described in Section 7.2.15 preceding of this tariff, Section 20.4 of FCC5, and Section 20.4 of FCC6; or (b) Telephone Company provided SONET Entrance facility STS1 terminations (excluding interface options) provided by the Telephone Company where such service is technically and operationally feasible, as determined by the Telephone 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 DS1 CMs 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 DS1 CTs 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 DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, 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, FMSS 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 FCC5, and Section 22.1.3 of FCC6.
- (34) **Renewal Term**: shall mean any renewed 5-year period of the NDP.
- (35) **Sale Adjustment**: shall mean an adjusted amount of Equivalent DS1 CTs and an adjusted amount of Equivalent DS1 CMs 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** :shallmeanapenaltyassessedagainsttheNDPCustomerwhenit failstomeetitsCTCommitmentLeveland/orCMCommitmentLevel,asapplicable, duringanAnnualTrue-UpPeriod,asfurtherdescribedinSection25.3.7(C)following.
- (37) **SpecialAccessDS3Service** :shallmeanSpecialAccessDS3HighCapacity/44.736 MbpsServiceasdescribedinSection7.2.9precedingofthistariff,SpecialAccessHigh CapacityDigitalDS3ServiceasdescribedinSection5.3.6(E)ofFCC5,andSpecial AccessDS3HighCapacityServiceasdescribedinSection7.11ofFCC6.
- (38) **SpecialAccessDS1Service** :shallmeanSpecialAccessDS1HighCapacity/1.544 MbpsServiceasdescribedinSection7.2.9precedingofthistariff,SpecialAccessHigh CapacityDigitalDS1ServiceasdescribedinSection5.3.6(A)ofFCC5,andSpecial AccessDS1HighCapacityServiceasdescribedinSection7.11ofFCC6.
- (39) **SubscriptionDate** :shallmeanthedatethattheTelephoneCompanyreceivesan executedandcompletedsubscriptiondocumentfromtheNDPCustomer.
- (40) **TelephoneCompanySale** :shallmeanthesaleorotherdivestitureofanoperating territoryoraportionofanoperatingterritoryofaTelephoneCompany,wherebythe TelephoneCompanynolongerprovidesQualifyingServicesinsuchoperatingterritory orportionofanoperatingterritory.
- (41) **Term**:shallmeantheInitialTermandanyRenewalTerm(s).
- (42) **UpgradeorUpgraded** :shallmeanthereplacementof(i)aQualifyingService witha QualifyingServiceofahigherbandwidthorcapacity(e.g.,replacementofaSpecial AccessDS3Service withaDSEFService);or(ii)aQualifyingService withanother TelephoneCompanyprovidedserviceofahigherbandwidthorcapacitythatisnota QualifyingService(e.g.,replacementofaSpecial AccessDS3Service withanEthernet Serviceofahigherbandwidth).
- (43) **UpgradeAdjustment** :shallmeananadjustednumberofEquivalentDS1CTsand an adjustednumberofEquivalentDS1CMsthatwereUpgradedbytheNDPCustomer duringtheAnnualTrue-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)calendardayspriorto eachAnniversaryDate,theNDP CustomermustprovidewrittennoticetotheTelephoneCompanyindicatingitsintentto addsuchACNA(s)totheNDP,andsettingforththe affectedACNA(s)andthenameof thePerson(ifapplicable)whoownssuchACNA(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. Assume furtherthatduringPlanYear2,theNDPCustomerdecidestoincludeits remainingtwo(2)affiliatesinitsNDP.Then,in accordancewiththisSection25.3.1and 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 (asset forthin Section 21 preceding), an individual case basis arrangement, specialized service arrangement (or the like), or other discount plan, such as Term Payment Plans (asset forthin Section 7 preceding) and Commitment Discount Plans (asset forthin 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 (asset forthin 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 (asset forthin Section 21 preceding) that provides discount on a circuit 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 (asset forthin Section 21 preceding) that provides discounts for achieving certain aggregate volume or revenue targets for FMSServices 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 FMSTerm 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 circuit 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 FMSServices, since rate elements of FMSServices 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,mustbesignedbyanauthorizedrepresentativeoftheNDPCustomer, andmustbeinamannerprescribedbytheTelephoneCompany.Inaddition,thewrittenrequestmustincludeallofthefollowing:

(1) NDPStartDate

NotwithstandingadifferentSubscriptionDate,theNDPshallstartononeofthefollowingdatesasdeterminedbelow:

- (a) IftheNDPCustomer'sSubscriptionDatetoNDP isonorbeforethefifteenth(15th) calendardayofamonth,theNDPStartDateshallbethefirst(1st)calendardayofthe monthfollowingtheSubscriptionDate.Application ofdiscountsundertheNDPshall beginwiththefirstbilldayofthebillperiodas associatedwiththeNDPCustomer'sBAN inthefollowingtheSubscriptionDate.For example,assumeaNDP Customer'sbillperiodbeginsontheeleventh(11th) calendardayofeachmonth. AssumealsothattheNDPCustomer'sSubscriptionDa tetoNDPisJuly6th.Then, theNDPshallbeginonAugust 11th.
- (b) IftheNDPCustomer'sSubscriptionDatetoNDP isafterthe15thcalendardayofa month,theNDPStartDateshallbethe1stcalendar dayofthesecondcalendar monthfollowingtheSubscriptionDate.Application ofdiscountsundertheNDPshall beginwiththefirstbilldayofthebillperiodas associatedwiththeNDPCustomer'sBAN inthesecondmonthfollowingtheSubscriptionDate. .Forexample,assumeaNDP Customer'sbillperiodbeginsonthe11thcalendar dayofeachmonth.Assumealso thattheNDPCustomer'sSubscriptionDatetoNDPis July17th. Then,theNDPStart DateisSeptember1standdiscountsundertheNDPs hallbeginonSeptember11th.

(2) ActualQuantitiesofChannelTerminationsandChannelMileageforQualifyingServices

TheTelephoneCompanyshallcalculateandprovide totheNDPCustomertheactual quantitiesofChannelTerminationsandChannelMile ageduringthemonthpriortothe SubscriptionDate.TheTelephoneCompany'srecords regardingtheactualnumberof ChannelTerminationsandChannelMileageshallbedeemedaccurateinthecaseof 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

TheNDPCustomermustspecifyCommitmentLevelb 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

TheNDPCustomermustspecifyBAN,perstate(fo reachoperatingterritoryincluded  
inthis tariff),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 purposesof determiningtheEquivalent DS1CTsandEquivalentDS1CMs.

- (1) IftheNDPCustomerpurchasesoneormoreoftheQualifyingServicesunderthistariff, and/orunderFCC5and/orFCC6,andsubscribestotheNDP,theNDPCustomer's mustincludealltheQualifyingServicesinthequantitysetforth in(B) followingthat arepurchasedundersuchaffectedtariffs. ForeachQualifyingService,withthe exceptionofFMSServices,forwhichonlyseventy-fivepercent(75%)mustbeincluded, theNDPCustomermustincludeallquantities(i.e., onehundredpercent(100%))of suchQualifyingServicespurchasedunderallaffect edtariffs.

- (2) TheNDPwillbeadministeredasasinglediscountplanacrossallsuchtariffsforwhich asingleasetofCommitmentLevels,DiscountTiers, andTermshallapply.

Forexample,assumeanNDPCustomerpurchasesSpecialAccessDS3Services underthistariffandunderFCC5,andFMSServices underthistariff. Inthiscase,the NDPCustomermustsubscribetothetheNDPall(i.e.,100%)ofsuchSpecialAccessDS3 ServicespurchasedunderthistariffandunderFCC5 .However,theNDPCustomeris onlyrequiredtoinclude75%oftheFMSServicespurchasedbytheNDPCustomer underthistariff. TheNDPCustomer'sNDPshallbe administeredasonediscountplan acrossthistariffandFCC5. Assume furtherthat inPlanYear2,theNDPCustomer purchasesSpecialAccessDS1ServicesinFCC6. Then,theTelephoneCompany shallincludeall(i.e.,100%)ofsuchSpecialAccessDS1ServicesintheNDP.

## ACCESSSERVICE

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

## (B) QualifyingServices

SubjecttothetermsofSection25.3.1(D)precedin g,theapplicablepercentage(aslisted below)ofeachQualifyingServiceprovidedbytheT elephoneCompanytotheNDPCustomer pursuanttothistariff,FCC5,andFCC6,shallbei ncludedintheNDPattthetimeof subscriptiontoNDPand,asapplicable,atanytime duringtheTermwhentheNDPCustomer purchasesadditionalquantitiesofsuchQualifying Services.

- |     |   |   |
|-----|---|---|
| (1) | Allquantities(onehundredpercent(100%))of Terminations(seeNote1);  | SpecialAccessDS1ServiceChannel  |
| (2) | Allquantities(onehundredpercent(100%))of Terminations(includingIndividualSystem,3System ,andUnlimitedSystem configurationsinFCC5andFCC6,and12CapacitySy stemconfigurationsinFCC6) (seeNote2); | SpecialAccessDS3ServiceChannel  |
| (3) | Allquantities(onehundredpercent(100%))of Mileage(seeNotes1and3);  | SpecialAccessDS1ServiceChannel  |
| (4) | Allquantities(onehundredpercent(100%))of Mileage(includingIndividualSystem,3System,and FCC5,andIndividualSystem,3CapacitySystem,12 SystemconfigurationsinFCC6)(seeNote3);                     | SpecialAccessDS3ServiceChannel<br>UnlimitedSystemconfigurationsin<br>CapacitySystemandUnlimited |
| (5) | Allquantities(onehundredpercent(100%))of  | DSEFSTS1ChannelTerminations;  |
| (6) | Seventy-fivepercent(75%)ofthequantitiesof TerminationswithaDS1InterfaceoraDS3Interfac   | FMSServicePrimaryPremisesChannel<br>einthistariff;  |
| (7) | Seventy-fivepercent(75%)ofthequantitiesof tariff.   | FMSServiceChannelMileageinthis  |

Note1:HighCapacityDigitalFT1FacilitiesinFCC 5andFCC6arenotQualifyingServices.

Note2:ChannelTerminationsandChannelMileagefo r12and24GroupSystemsinFCC5arenot QualifyingServices.

Note3:TheMetroLANOptionalArrangementinFCC5a ndFCC6isnotaQualifyingService.

## ACCESSSERVICE

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

ForQualifyingServicesatareprovidedasparto  
Section5.2.8preceding,theSpecialAccessDS3Ser  
DSEFService,orFMSServicewillbeincludedinth  
suchservicesoftheSharedUseArrangementwillno  
discountingundertheNDP.

faSharedUseArrangementassetforthin  
vice,SpecialAccessDS1Service,  
eNDP.TheSwitchedAccessPortionfor  
tbeincludedintheNDPorbesubjectto

(D) ConversionofQualifyingServices

UponsubscriptiontoNDP,alloftheNDPCustomer's  
SpecialAccessDS3ServicesandSpecialAccessDS1  
Plan(s)offeredunderSections7.4.13and7.4.17pr  
toincludeallsuchservicesintheNDP.Terminati  
and7.4.17(D)preceding,respectively,willnotapp

individualcircuit-specifictermplansfor  
Services,suchasTermPricing  
ceding,respectively,mustbecancelled  
onliabilityassetforthinSections7.4.13(D)  
lytosuchcancellations.

Additionally,alloftheNDPCustomer'sCommitment  
ServicesandSpecialAccessDS1Services(asoffere  
tariff(CDP),ortheaffectedportionoftheCDP,a  
ServicesandSpecialAccessDS1Servicesataret  
cancelledinordertoincludeallsuchservicesin  
tariffmayresultinachange(s)tothecommitment  
CDPasfurtherdescribedinSection25.1preceding.  
Section25.1.9precedingwillnotapplytosuchcan

DiscountPlansforSpecialAccessDS3  
dunderSection25.1precedingofthis  
sapplicable,fortheSpecialAccessDS3  
obeincludedintheNDP,mustbe  
theNDP.Suchcancellation(s)underthis  
leveloftheservicesremainingunderthe  
Terminationliabilityassetforthin  
cellations.

Further,alloftheNDPCustomer'sindividualcircu  
plansforSpecialAccessDS3ServicesandSpecialA  
TermVolumePlan(s)(TVP(s))andEightandTenYear  
(ETTVP(s))offeredunderFCC5;(ii)DS3TVPsasoff  
PaymentPlans(DS1TPPs)asofferedunderFCC6,mus  
suchservicesintheNDP.

it-specifictermplansandtermandvolume  
ccessDS1Services,suchas(i)DS1  
TermDS1VolumePlan(s)  
eredunderFCC5;and(iii)DS1Term  
tbecancelledinordertoincludeall



## ACCESSSERVICE

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

## (E) AdditionofServicesandRemovalofServices

## (1) AdditionofServices

- (a) TheNDPCustomermayaddSpecialAccessDS3ServiceandSpecialAccess  
DS1ServiceatanytimeduringtheTermoftheNDP. QualifyingServicesare  
addedtotheNDPfortheremainderoftheTerm(i.e.,onacoterminousbasis).
- (b) WhentheNDPCustomeraddsoneormoreSpecial AccessDS3Servicesor  
SpecialAccessDS1Services toNDPatanytimeduri ngtheTerm,theChannel  
Terminationnonrecurringchargewhichappliesfors uchserviceis\$1.00per  
ChannelTerminationadded.
- (c) WhentheNDPCustomeraddsoneormoreDSEFService oroneormore  
FMSServicesduringtheTermoftheNDP,theadded DSEFServiceorFMS  
Service willbeaddedtotheNDPsolelyforthe pur poseofcalculatingthe  
numberofEquivalentDS1CTsand/orthenumberofE quivalentDS1CMs  
usedtoadministertheNDP.

## (2) RemovalofServices

- (a) WhentheNDPCustomerremovesoneormoreSpeci alAccessDS3Services  
orSpecialAccessDS1Services, butnotallSpecial AccessDS3Servicesand  
SpecialAccessDS1Services, fromNDPatanytimed uringtheTerm,no  
terminationliabilitychargeapplies.
- (b) WhentheNDPCustomerremovesoneormoreDSEF Services,oroneor  
moreFMSServicesduringtheTermoftheNDP,note rminationliabilityunder  
thisSection25.3applies. However,theNDPCustom ermaybesubjectto(i)  
terminationliabilityunderitsapplicabletermpl nforDSEFService;or(ii)  
terminationliabilityunderitsFMSServicetermpl aninaccordancewithSection  
7.2.13preceding.
- (c) WhentheNDPCustomerremovesallSpecialAcces sDS3Servicesandall  
SpecialAccessDS1ServicesfromtheNDP(i.e.,the NDPCustomer cancels  
itsNDPinitsentirety), terminationliabilityapp liesinaccordancewithSection  
25.3.13following.

## ACCESSSERVICE

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

## (A) CalculationofEquivalentDS1CTsandEquivalent DS1CMs

InordertoestablishCommitmentLevelsandDiscountTiers,EquivalentDS1CTsandEquivalentDS1CMsmustbedetermined.BasedonthereactualquantitiesofChannelTerminationsandChannelMileage,andthepercentageofeachQualifyingService,thatmustbeincludedintheNDP(i.e.,100%or75%,asapplicable),assetforthinSection25.3.3(B)preceding,theTelephoneCompanywillcalculatetheEquivalentDS1CTsandEquivalentDS1CMs.

## (1) TheEquivalentDS1CTsshallbecalculatedasfollows:

- (Step1) DeterminetheactualquantityofChannelTerminationsforeachQualifyingServiceunderthistariffandFCC5,andFCC6,asapplicable.
- (Step2) MultiplytheactualquantityofChannelTerminationsforsuchQualifyingServicebyeither(a)100%iftheQualifyingServiceisSpecialAccessDS1Service,SpecialAccessDS3Services,oraDSEFSer vice;or(b)75%iftheQualifyingServiceisanFMSService.
- (Step3) UsingTable1,below,multiply(a)theapplicable numberinthecolumnentitled“DS1CTMultiplier”below;by(b)thenumberderivedinStep2above.
- (Step4) RepeattheprocessinSteps(1)through(3)foreachQualifyingService.
- (Step5) AddtheproductofalloftheequivalentChannelTerminationsforalloftheQualifyingServicesderivedinSteps(1)through(4)above.

Table1:CalculationofEquivalentDSICTs.

<u>QualifyingService</u>	<u>DS1CTMultiplier</u>
STS1level	28
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) TheEquivalentDS1CMshallbecalculatedas follows:

- (Step1) DeterminetheactualquantityofChannelMileageforeachQualifying Serviceunderthistariff,FCC5,andFCC6,asapplied.
- (Step2) MultiplytheactualquantityofChannelMileageforsuchQualifyingService byeither(a)100%iftheQualifyingServiceisaSpecialAccessDS1 ServiceoraSpecialAccessDS3Service;or(b)75%iftheQualifying ServiceisanFMSService.
- (Step3) UsingTable2,below,multiply(a)theapplicable numberinthecolumn entitled"DS1CMMultiplier"below;by(b)thenumberderivedinStep2 above.
- (Step4) RepeattheprocessinSteps(1)through(3)foreachQualifyingService.
- (Step5) AddtheproductofalloftheequivalentChannelMileageforallofthe QualifyingServicesderivedinSteps(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  
whichtheNDPCustomerfalls pursuanttothetable 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,unlessotherwiseadjustedattheAnnualTrue-Upin  
accordancewithSection25.3.7following.

- (2) TheEquivalentDS1CMscalculatedin(A)preced ingdeterminetheDiscountTierinto  
whichtheNDPCustomerfalls pursuanttothetable 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 options 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 NDP; and (b) the discount on Discounted Rate Elements provided under the NDP.

- (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.

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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 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.

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

- (D) Although FMSServicesandDSEFServicesareusedindeterminingtheDS1EquivalentCMs,rateelementsforFMS ServicesandDSEFServicesarenotDiscountedRate Elements(i.e.,rateelementsfor such servicesarenotdiscountedunderNDP).
- (E) TheinitialCommitmentLevel(s)establishedas oftheNDPStartDate,oruponrenewalofthe NDP,asapplicable,willnotchangeduringtheTerm oftheNDP,unlessoneofthefollowingis ineffect:
- (1) IftheNDPCustomer'scountofEquivalentDS1C Tsand/orcountofEquivalent DS1CMsexceedsonehundredsixtypercent(160%)of theapplicableCommitment LevelineffectforthethenapplicableAnnualTrue -UpPeriod,asdescribedin Section25.3.7following,inwhichcase,theCommit mentLevel(s)willbeadjustedin accordancewithSection25.3.7(B)(2)(b)following; or
  - (2) TheNDPCustomerispermittedtochangeitsCom mitmentMatrixassetforth in Section25.3.4(C)(5)preceding;or
  - (3) IftheNDPCustomer electstoexercisetheComm itmentBuy-UpBonusOptionas describedinSection25.3.7(E)following;or
  - (4) IftheNDPCustomeraddsorremovesanACNA,th enCommitmentLevelswillbe adjustedinaccordancewithSection25.3.11followi ngorSection25.3.12following, 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)

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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<br>ofaStandardArrangementasspecifiedinSection5<br>determinedinaccordancewithSection19.1ofFCC5  | Facilities-SALrateelements<br>.7.7ofFCC5,as<br>(seeNote1).                                    |
| (b) | SpecialAccessHighCapacityDS1(1.544Mbps)F<br>FacilityandTerminationrateelementsofaStandar<br>inSection5.7.7(A)ofFCC5,asdeterminedinaccor<br>FCC5(seeNotes1&2).   | Facilities-SpecialTransport<br>dArrangementasspecified<br>dancewithSection19.1of              |
| (c) | SpecialAccessHighCapacityDS3(44.736Mbps)<br>elementsofanIndividualSystemora3Systemconf<br>TelephoneCompanyelectronics)asspecifiedinSect<br>FCC5,respectively,asdeterminedinaccordancewit<br>(seeNote3).                             | Facilities-SALrate<br>figuration(withorwithout<br>ions5.7.12and5.7.10of<br>hSection19.1ofFCC5 |
| (d) | SpecialAccessHighCapacityDS3(44.736Mbps)<br>TransportrateelementsofanIndividualSystem,a<br>SystemconfigurationassetforthinSection5.7.14   | Facilities-Banded_Special<br>3System,oranUnlimited<br>(C)ofFCC5.                              |
| (e) | SpecialAccessHighCapacityDS3(44.736Mbps)<br>Facilities(assetforthinSection5.7.14(A)ofFC<br>Terminations(assetforthinSection5.7.14(B)of<br>System,a3SystemoranUnlimitedSystemconfigura<br>accordancewithSection19.1ofFCC5(seeNote4). | Facilities-SpecialTransport<br>C5)and44.736Mbps<br>FCC5)ofanIndividual<br>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 specified in Section 7.11.5(A) of FCC6 (see Note 1).
- (b) SpecialAccessHighCapacityDS1Service–FixedandPerMileCircuit Mileagerateelements as specified in Section 7.11.5(G) of FCC6 (see Notes 1 and 2).
- (c) SpecialAccessHighCapacityDS3Service–CircuitTerminationrateelements of an Individual System or a 3 Capacity System configuration (with or without Telephone Company electronics) as specified in Section 7.11.5(E) of FCC6 (see Note 3).
- (d) SpecialAccessHighCapacityDS3Service–Band\_\_\_\_\_edCircuitMileagerate elements of an Individual System, an Unlimited System, a 3 Capacity System or a 12 Capacity System configuration as specified in Section 7.11.5(J) of FCC6.
- (e) SpecialAccessHighCapacityDS3Service–FixedandPerMileCircuitMileage rateelements of an Individual System, an Unlimited System, a 3 Capacity System or a 12 Capacity System configuration as specified in Section 7.11.5(J) of FCC6.

Note1: All rate elements of High Capacity Digital

FT1 Facilities are not Discounted Rate Elements.

Note2: All Circuit Mileage rate elements of the Me Elements.

tro LAN Optional Arrangement are not Discounted Rate

Note3: All Circuit Termination rate elements of an Capacity System are not Discounted Rate Elements.

Unlimited System, a 12 Capacity System, or a 24

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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) <b>StandardCommitmentLevelDiscountPercentages&amp;PI</b>		<b>anYear</b>				
<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%

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

## (B) (Cont'd)

(2)		PremierCommitmentLevelDiscountPercentages&Pla				nYear
Tier		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%

Issued:June16,2010

Effective:July1,2010

(ThispagefiledunderTransmittalNo.5)  
VicePresident,GovernmentandRegulatoryAffairs  
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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)

(3)		DeluxeCommitmentLevelDiscountPercentages&Plan				Year
Tier		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%

Issued: June 16, 2010

Effective: July 1, 2010

(This page filed under Transmittal No. 5)  
Vice President, Government and Regulatory Affairs  
180 S. Clinton Ave., Rochester, NY 14646

## 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 ed Base Rates set forth in Section 7.5.9(B)(1)(e)(ii) preceding will apply to Special Access DS3 Services 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 NDPCustomer'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 NDPCustomer (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 NDPCustomer has not met its CT Commitment Level, as applicable, then calculate the Shortfall Penalty that is due in accordance with Section 25.3.7(C) following. If the NDPCustomer 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) DetermineiftheAchievedDiscountTieristhe sameastheAssignedDiscount Tier.ForanNDPCustomerunderaStandardCommitmentMatrixorPremier CommitmentMatrix,iftheAssignedDiscountTieris differentthantheAchieved DiscountTier,thentheTelephoneCompanyshallcal culatetheapplicable DiscountTierAdjustmentinaccordancewithSection 25.3.7(D)following.No DiscountTierAdjustmentiscalculatedforanNDPC ustomerunderaDeluxe CommitmentMatrix;and
- (5) AssumingtheNDPCCustomeriseligiblefortheC ommitmentBuy-UpBonusfor eitheritsCTCommitmentLevelorCMCommitmentLev el,orboth,andtheNDP CustomerelectstoexercisesuchCommitmentBuy-Up BonusOption,the TelephoneCompanywillcalculatetheapplicableCBB Discountinaccordancewith Section25.3.7(E)following.Nolaterthanthirty (30)calendardayspriortothe AnniversaryDateofitsNDP,theNDPCCustomermust notifytheTelephone CompanyinwritingofitsintenttoexercisetheCo mmitmentBuy-UpBonusOption.
- (6) IftheNDPCCustomeraddedorremovedoneormor eACNA(s)underSection 25.3.11orSection25.3.12following,respectively, duringtheAnnualTrue-Up Period,theTelephoneCompanywilladjusttheCTCo mmitmentLeveland/orCM CommitmentLevel,asapplicable,torefectsuchad dedorremovedACNA(s).No laterthanthirty(30)calendardayspriortotheA nniversaryDateoftheNDP Customer'sNDP,theNDPCCustomermustnotifytheTe lephoneCompanyin writingofanysuchchangestoitsACNAs.
- (7) SubjecttotherequirementssetforthinSectio n25.3.7(F)following,assignthe DiscountTiersapplicabletothenextPlanYear;an d
- (8) AssumingtheNDPCCustomerqualifiesforachang efromtheStandard CommitmentMatrixtotheDeluxeCommitmentMatrixo rthePremierCommitment Matrix,orforachangefromtheDeluxeCommitment MatrixtothePremier CommitmentMatrix,andtheNDPCCustomerelectstom akesuchchange,the TelephoneCompanywillcalculateandsetthenewCo mmitmentLevelsassociated withthechoiceofaDeluxeCommitmentMatrixora PremierCommitmentMatrix, asapplicable,andDiscountTiersinaccordancewit hSection25.3.7(G)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

- (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 CTs is calculated as follows:

(Step1) add the actual number of Equivalent DS1 CTs for Qualifying Services purchased under the NDP for each month of the Annual True-Up Period;

(Step2) 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;

(Step3) 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 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 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 adjustment 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 as set forth in Section 25.3.7(C) following applies 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 when the NDP Customer's Monthly Average Count of Equivalent DS1 CMs is less than the CM Commitment Level.

## (1) A Shortfall Penalty is calculated as follows:

- (Step1) 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.
- (Step2) 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.
- (Step3) 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.

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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 CM 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 CMC 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 CMC Commitment Levels since the NDP Customer has met its CMC 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) TheTelephoneCompanywillapplytheShortfall Penaltycalculatedin(C)(1) precedingtotheBANDsdesignatedbytheNDPCustomer underSection 25.3.2(A)(5)preceding.TheShortfallPenaltyisnotsubjecttolatepayment penaltyunderSection2.4.1preceding,exceptwhenthebillcontainingsuch ShortfallPenaltyisnotpaidbythepaymentdate.

(D) DiscountTierAdjustment

- (1) AteachAnnualTrue-Up,theTelephoneCompanywill automaticallyadjustthe DiscountTier(s)iftheAchievedDiscountTieris a higheroralowerDiscountTier thantheAssignedDiscountTierthatwasineffect duringtheAnnualTrue-Up Period.SuchactionsshallbereferredtoastheDiscountTierAdjustment.The AchievedDiscountTierandtheAssignedDiscountTier areindependently determinedforChannelTerminationsandChannelMileage.ForNDPCustomers whoelectedeithertheStandardCommitmentMatrixorthePremierCommitment Matrix,theDiscountTierAdjustmentissetforthiinStep1throughStep6of(D)(2) following,theresultofwhichmaybeanincreaseordecreaseinthediscount percentagethatwasappliedduringtheAnnualTrue-UpPeriod,andshallbe reflectedasacreditordebitontheNDPCustomer'sbill.
- (2) ADiscountTierAdjustmentiscalculatedasfollows:
- (Step1) CalculatetheMonthlyAverageCountofEquivalentDS1CTsandthe MonthlyAverageCountofEquivalentDS1CMsduring theAnnualTrue-UpPeriodassetforthinSection25.3.7(B)(1)preceding.
- (Step2) DeterminetheAchievedDiscountTiersfor theMonthlyAverageCount ofEquivalentDS1CTsandMonthlyAverageCountof EquivalentDS1 CMs,respectively.
- (a) UsingtheEquivalentDS1CTtablesetforthin Section 25.3.4(B)(1)preceding,(a)findtheAchievedDiscountTierfor theMonthlyAverageCountofEquivalentDS1CTsdetermined inStep1above;and
- (b) UsingtheEquivalentDS1CMtablesetforthin Section 25.3.4(B)(2)preceding,findtheAchievedDiscount Tierforthe MonthlyAverageCountofEquivalentDS1CMsdeterminedin Step1above.
- IfanAchievedDiscountTierforChannelTerminationsorChannel Mileage,asapplicable,isthesameDiscountTierastheAssigned DiscountTierforChannelTerminationsorChannelMileage,as applicable,noDiscountTierAdjustmentwillbemad e.Inthiscase, Step3throughStep6followingdonotapply.

## 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,a DiscountTier Adjustment(ascalculatedinSteps3throughStep6)followingapplies.

## (Step3) CalculatetheNon-DiscountedBilledAmount(s).

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-DiscountedBilledAmountfor SpecialAccess 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-DiscountedBilledAmountfor theSpecialAccess DS1ServicemultiplexerDiscountedRateElements of this tariffby (i)addingthebilledMonthlyChargesforallsuch multiplexersin 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) CalculatetheNon-DiscountedBilledAmountfor SpecialAccess DS3ServiceChannelTerminationDiscountedRateElementsunder 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) CalculatetheNon-DiscountedBilledAmountfor SpecialAccess DS3ServiceMultiplexerDiscountedRateElementsunder 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) CalculatetheNon-DiscountedBilledAmountfor SpecialAccess DS1ServiceSALDiscountedRateElementsunder FCC5 and SpecialAccess DS1ServiceCircuitTerminationDiscountedRate Elements under FCC6 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) CalculatetheNon-DiscountedBilledAmountfor SpecialAccess DS3SALDiscountedRateElementsunder FCC5 and SpecialAccess DS3ServiceCircuitTerminationDiscountedRate Elements under FCC6 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 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.
- (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) Calculate the difference in the discount percentages.

For each of the Discounted Rate Element categories specified in (1) through (10) of Step 3 above, using the discount percentages set forth in 25.3.5(B) preceding, individually calculate the difference between (i) the discount percentage of the Achieved Discount Tier; and (ii) the discount percentage of the Assigned Discount Tier.

For example, if the Assigned Discount Tier for Channel Terminations in this tariff under category (1) of Step 3 preceding has a discount percentage of 36% and the Achieved Discount Tier for category (1) of Step 3 preceding has a discount percentage of 35%, then the difference in the discount percentages is 1%.

(Step5) Individually calculate the dollar amount of the Discount Tier Adjustments.

For each Discounted Rate Element category specified in (1) through (10) of Step 3 above, individually calculate the dollar amount of the Discount Tier Adjustment by multiplying (i) the Non-discounted Billed Amount calculated for each Discounted Rate Element category in Step 3 above; by (ii) the difference in the discount percentages determined in Step 4 above for such Discounted Rate Element category.

(Step6) Calculate the total Discount Tier Adjustment for the NDP.

(1) Add the total of the Discount Tier Adjustments for the Channel Termination and multiplex rate elements as calculated in Step 5. The resulting total is the Discount Tier Adjustment for Channel Terminations and multiplexers.

(2) Add the total of the Discount Tier Adjustments for the Channel Mileage rate elements as calculated in Step 5. The resulting total is the Discount Tier Adjustment for Channel Mileage.

(3) For NDP Customers who elected the Standard Commitment Matrix or the Premier Commitment Matrix, Discount Tier Adjustments may be set in a debit adjustment or credit adjustment to the NDP Customer's bill. The Telephone Company will apply the Discount Tier Adjustment calculated in (D)(2)(a) preceding to the BAN(s) designated by the NDP Customer under Section 25.3.2 (A)(5) preceding. The Discount Tier Adjustment is not subject to late payment penalty under Section 2.4.1 preceding, except when the bill containing a debit Discount Tier Adjustment is not paid by the payment date.

## 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 NDPCustomer 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 NDPCustomer'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).

(Step1) 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.

(Step2) 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 between the 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 ChannelTerminationDiscountedRateElementsinthis tariff(i.e., category(1)ofStep3inSection25.3.7(D)(2)preceding).Forthis DiscountedRateElementcategory,thedollaramount iscalculated asfollows[18,750,000Non-DiscountedBilledAmount fromStep3x 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.The total DiscountTier AdjustmentforChannelTerminationandmultiplexer Discounted RateElementsisequalto\$937,500[\$187,500+\$100 ,000+ \$200,000+\$150,000+\$100,000+\$200,000].TheNDP Customer wouldreceiveacreditof\$937,500onitsBANsfor thisDiscountTier Adjustment.

(5) NochangewillbemadetotheNDPCustomer'sCommitmentLevels,regardless ofwhetherornottheDiscountTierwasadjustedup wardordownward.AnNDP CustomersubscribedtothePremierCommitmentMatrixmayqualifyforthe CommitmentBuy-UpBonusOptionandreceiveaCBBDi scountunderSection 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

During an Annual True-Up, an NDP Customer that meets the following criteria may choose to exercise the Commitment Buy-Up Bonus option. The CBB Discount is provided in connection with the Annual True-Up Period, and in addition to any other discounts provided under NDP.

- (1) If the NDP Customer meets all of the requirements of (a) through (c) following, the NDP Customer is eligible to exercise the Commitment Buy-Up Bonus Option with respect to either or both Commitment Levels:
  - (a) the NDP Customer subscribed to the Premier Commitment Matrix during the Annual True-Up Period; and
  - (b) the NDP Customer has met both its CTC Commitment Level and its CM Commitment Level (assuming it established both such Commitment Levels) under Section 25.3.7(B) preceding; and
  - (c) the actual quantity of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, in month twelve (12) of the Annual True-Up Period is five percent (5%) or more greater than the actual quantity of Equivalent DS1 CTs or CMs, as applicable, in month one (1) of the Annual True-Up Period.
- (2) If the NDP Customer elects to increase its CTC Commitment Level and/or CM Commitment Level, then the new Commitment Level(s) for the NDP will be set at ninety (90%) of the month 12 count of Equivalent DS1 CTs; or at ninety (90%) of the month 12 count of Equivalent DS1 CMs, as applicable. In determining the month 12 counts, the Telephone Company will include any Upgrade Adjustment or Sale Adjustment as set forth in Sections 25.3.7(H) and 25.3.10 following, respectively.
- (3) Where an increase in (E)(2) above occurs, the CBB Discount shall be calculated in accordance with (E)(4) following, and such calculations shall use the Percent Increase and corresponding CBB Discount Percentage achieved by the NDP Customer in accordance with the table below:

<u>Percent Increase</u>	<u>CBB Discount Percentage</u>
Less than 5%	No Discount
5%-9.99%	1%
10%-14.99%	2%
15%-19.99%	3%
20%-24.99%	4%
25% or more	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) Calculate the Percent Increase and Corresponding CBB Discount Percentage

A Percent Increase will be calculated for the Equivalent DS1 CTs and a separate Percent Increase will be calculated for the Equivalent DS1 CMs.

(a) The Percent Increase for the Equivalent DS1 CTs is calculated as follows:

(1) subtract (i) the actual count of Equivalent DS1 CTs in month one (1) of the Annual True-Up Period; from (ii) the actual count of Equivalent DS1 CTs in month twelve (12) of the Annual True-Up Period; and

(2) divide the result from (a)(1) preceding by the actual count of Equivalent DS1 CTs in month one (1) of the Annual True-Up Period.

(b) The Percent Increase for the Equivalent DS1 CMs is calculated as follows:

(1) subtract (i) the actual count of Equivalent DS1 CMs in month one (1) of the Annual True-Up Period; from (ii) the actual count of Equivalent DS1 CMs in month twelve (12) of the Annual True-Up Period; and

(2) divide the result from (b)(1) preceding by the actual count of Equivalent DS1 CMs in month one (1) of the Annual True-Up Period.

The applicable CBB Discount Percentage is derived from the table in Section 25.3.7(E)(3) preceding by using the Percent Increase as calculated in this Step 1. The CBB Discount Percentage is separately derived for Channel Terminations and Channel Mileage from the table in Section 25.3.7(E)(3) preceding.

For example, if the Percent Increase (as calculated in Step 1) for Equivalent DS1 CTs is 11%, and the Percent Increase for Equivalent DS1 CMs is 23%, then the corresponding CBB Discount Percentage from the table in (E)(3) preceding is 2% for Equivalent DS1 CTs and 4% for Equivalent DS1 CMs.

## 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 CBBD Discount

The CBBD 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 CBBD 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-UpBonusandthecalculationsumthattheactual oftheCBBDiscountfortheCTCommitmentLevel,as numberofEquivalentDS1CTsinmonthone(1)oftheAnnualTrue-UpPeriod was6,046EquivalentDS1CTsandtheactualnumber ofEquivalentDS1CTsin monthtwelve(12)oftheAnnualTrue-UpPeriodwas 7,001.

- (Step1) CalculatethePercentIncreaseandcorrespondingCBBDiscount PercentageinaccordancewithStep1ofSection25.3.7(E)(4) preceding.

Inthisexample,thePercentIncreaseforEquivalentDS1CTsis16% [(7,001-6,046)/6,046].ThecorrespondingCBBDiscountPercentage perthetableinSection25.3.7(E)(3)precedingis 3%.

- (Step2) CalculatetheMonthlyAverageCountofEquivalentDS1CTsin accordancewithStep2ofSection25.3.7(E)(4)preceding.Forthis example,assumethattheMonthlyAverageCountofEquivalentDS1 CTsis6,350EquivalentDS1CTs.

- (Step3) CalculatetheAverageMonthlyRateperEquivalentDS1CTin accordancewithStep3ofSection25.3.7(E)(4)preceding.Forthis example,assumethatthetotalchargesovertheAnnualTrue-Up Periodwere\$9,475,000whichresultsinanaverage of\$124.34per EquivalentDS1CT.[(9,475,000dividedby12months)=\$789,583] (\$789,583dividedby6,350=anAverageMonthlyRateofEquivalent DS1CTsis\$124.34perEquivalentDS1CT]

- (Step4) DeterminetheActualIncreaseinEquivalentDS1CTsinaccordance withStep4ofSection25.3.7(E)(4)preceding.In thisexample,the ActualIncreaseforEquivalentDS1CTsis955EquivalentDS1CTs (7,001-6046).

- (Step5) DeterminetheCBBDiscountfortheCTCommitmentLevelin accordancewithStep5ofSection25.3.7(E)(4)preceding.Inthis example,theCBBDiscountis\$42,748[955ActualIncreasex\$124.34 AverageRateperEquivalentDS1CTx3%PercentIncreasex12 months=\$42,748CBBDiscount].

## ACCESSSERVICE

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

## (F) AssigntheDiscountTier(s)fortheNextPlanYear

TheTelephoneCompanywillassigntheDiscountTier(s)applicabletothenextPlanYear (i.e.,fromthemostrecentAnniversaryDatetothenextsuccessiveAnniversaryDate)if theAchievedDiscountTierinmonthtwelve(12)of theAnnualTrue-UpPeriod(takinginto accountany(i)UpgradeAdjustment,ascalculatedi naccordancewithSection25.3.7(H) following,foranyQualifyingService(s)thathasb eenUpgraded;and(ii)anySale Adjustment,ascalculatedinaccordancewithSection25.3.10following,foranyQualifying Service(s)whichareaffectedbyaTelephoneCompanySale)isahigherorlower DiscountTierthantheAssignedDiscountTierfor theAnnualTrue-UpPeriod.With respecttoeitherChannelTerminationorChannelM ileage,thenewDiscountTierforthe nextPlanYear(i.e.,thenewAssignedDiscountTier)shallresultinanincreasedor decreaseddiscountpercentagepursuanttoSection2 5.3.5(B)preceding.IftheAchieved DiscountTier(asdeterminedinaccordancewithSection25.3.7(D)preceding)isthe sameastheAssignedDiscountTierfortheAnnualTrue-Up,noactionwillbetaken.

Forexample,assumethattheNDPCustomer'sAssignedDiscountTierinPlanYear2for ChannelMileageDiscountedRateElementswasDiscountTierB.Furtherassumethat theNDPCustomer'sAchievedDiscountTierforsuch ChannelMileageDiscountedRate Elementsinmonth12oftheAnnualTrue-UpPeriodwasDiscountTierC.Inthiscase, theTelephoneCompanywillassignDiscountTierC asDiscountTierforthenextPlan Year.

## ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.7 AnnualTrue-Up (Cont'd)(G) Changes to Commitment Matrix During an Annual True-Up(1) Permitted Changes

If the NDP Customer has selected the Standard 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 either the Deluxe Commitment Matrix or the Premier Commitment Matrix at an Annual True-Up. If the NDP Customer has selected 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 the Premier Commitment Matrix at an Annual True-Up. Such request must be in writing and made no later than thirty (30) calendar days prior to the Anniversary Date of the NDP Customer's NDP. The Telephone Company will set the new Commitment Levels based on the Commitment Matrix selected in accordance with Section 25.3.4(C) preceding. Such new Commitment Levels shall apply on a going forward basis for the balance of the Initial Term or Renewal Term, as applicable.

(2) Prohibited Changes

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, including during an Annual True-Up. If the NDP Customer has selected the Deluxe Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may not change such Commitment Matrix to the Standard Commitment Matrix during the Initial Term, or during a Renewal Term, as applicable, including during an Annual True-Up.

(3) Certain Other Changes to the Commitment Matrix

As described further in Section 25.3.14 following, 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 the NDP Customer does not also concurrently select the Renewal Benefit 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 to a service that is (a) a Qualifying Service of a higher capacity/bandwidth (e.g., an Upgrade of a Special Access DS3 Service to a DS1 Service); or (b) a 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 (RPON); 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 RPONs 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 a non-Qualifying Service, the Telephone Company will calculate the Upgrade Adjustment (i.e., an adjusted number of Equivalent DS1 CTs for the Qualifying Service that were Upgraded (in accordance with (a) following), and an adjusted number of Equivalent DS1 CTs for the Qualifying Service 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 a 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 two (2) Special Access DS3 Services to a Telephone Company provided optical Service in the seventh (7<sup>th</sup>) 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)precedingwouldbe280EquivalentDS1s.[56 EquivalentDS1CTsupgradedin(i)abovemultiplied by5monthsas determinedin(2)above].ThisnumbershallbeusedinStep2(i)ofthe calculationofMonthlyAverageDS1CTsassetforth inSection 25.3.7(B)(1)preceding.

(b) TheUpgradeAdjustmentofEquivalentDS1CMsis calculatedinthesame mannerastheUpgradeAdjustmentofEquivalentDS1 CTsspecifiedin(H)(3)(a) preceding,exceptthatsuchcalculationsshalluse EquivalentDS1CMsandDS1 CMmultipliers.ThisnumbershallbeusedinStep 2(i)ofthecalculationof MonthlyAverageDS1CMsassetforthinSection25. 3.7(B)(1)preceding.

25.3.8 MinimumPeriod

The minimumperiod,assetforthinSection5.2.5p aDiscountedRateElementprovidedundertheNDPis serviceisinstalled.Minimumperiodcharges,asc beassessediftheNDPCustomerdoesnotmaintaint ElementsunderSection25.3.5precedingforatleas receding,foranyserviceassociatedwith oneyearfromthedatethatsuch alculatedinSection5.2.6preceding,will heservicewithDiscountedRate ttheoneyearminimumperiod.

Asanillustrativeexample,assumethattheNDPCus tomerestablishesaSpecialAccess DS1ServiceunderaTPPonJanuary1,2001.OnJune 1,2007,theNDPCustomer 1,2007,theNDPCustomer ustomerdisconnectsthatSpecial AccessDS1Servicethatwasoriginallyinstalledon January1,2001.Sinceheservicewas January1,2001.Sincetheserviceas datewasNovember1,2007,the et.Therefore,theNDPCustomeris installedonJanuary1,2001,andthedisconnection minimumperiodundertheNDPofoneyearhasbeenm et. Therefore, theNDPCustomeris notrequiredtopayanyminimumperiodcharges.

## ACCESSSERVICE

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

The Basic Service or Base Rate to which the discount percentages are applied under the NDP are subject to change. An increase in the Basic Service rate (used with Special Access DS1 Service only) or Base Rate (used with Special Access DS3 Service only) will result in an increase to the rates under the NDP for the applicable Special Access DS1 Service and Special Access DS3 Services. A decrease in the Basic Service rate or Base Rate will result in a decrease to the rates under the NDP for the applicable Qualifying Service.

25.3.10 Sale of a Telephone Company Operating Territory

(A) In the event of a Telephone Company Sale during a Plan Year, the following applies:

- (1) The Telephone Company will determine and record the actual number of Equivalent DS1 CTs and the actual number of Equivalent DS1 CMs affected by the Telephone Company Sale; and
- (2) If a Telephone Company Sale occurs during the Initial Term, or a Renewal Term, the Telephone Company will calculate the Sale Adjustment (i.e., an adjusted amount of Equivalent DS1 CTs which are no longer provided to the NDPC Customer as a result of the Telephone Company Sale, and/or an adjusted amount of Equivalent DS1 CMs which are no longer provided to the NDPC Customer as a result of the Telephone Company Sale, as applicable). The Telephone Company shall use both of such Sale Adjustments in the Annual True-Up for the balance of the Initial Term or the Renewal Term, as applicable. Specifically, during the Annual True-Up, the Telephone Company shall use both of such Sale Adjustments in (i) the calculation of Step 2(ii) of the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs, respectively, as set forth in Section 25.3.7(B)(1) preceding, either during the Initial Term or the Renewal Term; (ii) Section 25.3.7(F) preceding for assigning Discount Tiers for the next Plan Year; and (iii) Section 25.3.7(E) preceding to set the new Commitment Level(s) when the NDPC Customer elects the Commitment Buy-Up Option.

## ACCESSSERVICE

25. DiscountPlans (Cont'd)25.3 NationalDiscountPlan (Cont'd)25.3.10 SaleofaTelephoneCompanyOperatingTerri tory(Cont'd)

(A) (Cont'd)

(2) (Cont'd)

- (a) WhencalculatingtheMonthlyAverageCountofE quivalentDS1CTsunder Section25.3.7(B)(1)preceding,theTelephoneCompa nywillcalculatetheSale AdjustmentofEquivalentDS1CTs(asusedinStep2 (ii)ofSection25.3.7(B)(1) preceding)foreachQualifyingServiceincludedin theTelephoneCompany Sale.

TheSaleAdjustmentofEquivalentDS1CTsiscalcu latedasfollows:

- (i) UsingthetableinSection25.3.4(A)(1)precedi ng,determinethenumber ofEquivalentDS1CTsassociatedwiththeQualifyin gService(s)that weresoldascalculatedinaccordancewithSection 25.3.4(A)(1) preceding.
- (ii) Determinethenumberofwholecalendarmonths remaininginthe AnnualTrue-UpPeriodfollowingthemonthinwhich theTelephone CompanySaleoccurredthroughtheendoftheAnnual True-UpPeriod. Forexample,iftheTelephoneCompanySaleoccurre dinApril,andthe AnnualTrue-UpPeriodendedinAugust,thenthenum berofwhole monthsremainingintheAnnualTrue-UpPeriodwasf our(4)months; and
- (iii) DeterminetheSaleAdjustmentofEquivalent DS1CTsbymultiplying(a) theresultof(i)above;by(b)theresultof(ii) above.TheTelephone CompanyshallusesuchSaleAdjustment(s)intheca lculatonofStep 2(ii)oftheMonthlyAverageCountofEquivalentDS 1CTsassetforthin Section25.3.7(B)(1)preceding.
- (b) TheSaleAdjustmentofEquivalentDS1CMsisca lculatedinthesamemanner astheSaleAdjustmentofEquivalentDS1CTsiscal culatedin(a)above,except thatsuchcalculationsshalluseEquivalentDS1CMs andDS1CMMultiplier s insteadofEquivalentDS1CTsandDS1CTMultiplier s.

## ACCESSSERVICE

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

- (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, the 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%)iftheNDP CustomerhasthePremierCommitmentMatrix,orbyninety-two percent(92%)iftheNDPCustomerhas the 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 ofwhichwillbetheadjustedCTCommitmentLevel 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 resultofwhichwillbetheadjustedCMCommitment LevelfortheremainderoftheTermunlessotherwis 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'sCTCommitmentLevelis 10,000EquivalentDS1CTs.Furtherassumethatthe NDPCustomer acquiredoneACNAwithQualifyingServicesinmonth twelve(12)ofthe AnnualTrue-UpPeriodinthefollowingquantities(a)nine(9)Special AccessDS3Services;and(b)twothousand(2000)SpecialAccessDS1 Services.TheadjustmenttotheCTCommitmentLeveliscalculatedas:

(Step1) determinethequantityofEquivalentDS1CTsfortheacquired ACNA(s)bymultiplying

(i) thenumberofDS3levelQualifyingServicesforthe acquiredACNA(s);by

(ii) thecorrespondingDS3CTMultiplier[9SpecialAccess DS3Servicesx28=252EquivalentDS1CTs].

(iii) Then,multiplythenumberofDS1levelQualifying ServicesfortheacquiredACNA(s);by

(iv) thecorrespondingDS1CTMultiplier[2000Special AccessDS1Servicesx1=2000EquivalentDS1CTs].

(v) addtheresultof(ii)and(iv)above[252for DS3Level+ 2000forDS1Level=2252EquivalentDS1CTs].

(Step2) CalculatetheincreasetotheCTCommitmentLevelby multiplyingtheresultinStep1abovebyeighty-fivepercent (85%)fortheStandardCommitmentMatrix,byninety percent (90%)forthePremierCommitmentMatrix,orninety-two percent(92%)fortheDeluxeCommitmentMatrix.In this example,assumetheNDPCustomerhasPremier CommitmentMatrix[2252EquivalentDS1CTsforthe acquiredACNAx90%CommitmentforPremierCommitment Matrix=2027EquivalentDS1CTs(i.e.,theCommitment LevelfortheacquiredACNA)].

## 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 thatsuchcalculationsshallusequantitiesofEquivalentDS1CMsandtheDS1CMMultiplier.AnypriorCMCommitmentlevelestablishedunderSection25.3.7(B)orSection25.3.7(E)precedingisexpresslysupersededbytheCMCommitmentLevelestablishedunderthisStep3.

## (2) AssigntheDiscountTiersfortheNextPlanYear

UsingthecombinedquantitiesfortheQualifyingServicesoftheexistingACNAsandtheacquiredACNAsinmonthtwelve(12)oftheAnnualTrue-UpPeriod,theTelephoneCompanywillassigntheDiscountTiersapplicabletothenextPlanYearinaccordancewith 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

Combine the NDP for the existing ACNA(s) with the NDP of the added ACNA(s) into a Surviving NDP as set forth in (B)(2) (b) following; or

## (2) NewNDPOption

Establish a new NDP that combines the existing ACN A(s) and the acquired ACNA(s) as set forth in (B)(2)(c) following g.

## (b) SurvivingNDPOption

This option combines the NDP of the existing ACNAs (Plan A) with the NDP of the acquired ACNAs (Plan B). The Telephone Company will determine whether Plan A or Plan B has the greatest Monthly Charges in the month before the NDPs are combined, and such NDP will be deemed the Surviving NDP. The dACNAs to the ACNAs of the Surviving NDP. The Surviving NDP shall be augmented to add the acquire dACNAs to the ACNAs of the Surviving NDP.

- (1) At the next scheduled Annual True-Up for the Surviving NDP following the effective date of the NDP Customer acquiring the AC NA(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 Surviving NDP using the Final True-Up will be conducted. The non-Surviving NDP shall be cancelled upon completion of such Final True-Up. Termination liability under Section 25.3.13 following will not apply to such cancellation.

## 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) Once the Annual True-Ups under (B)(2)(b)(1) preceding are complete, and in accordance with Section 25.3.1(C) preceding, the ACNAs, Qualifying Services, and Commitment Levels of the non-Surviving NDP will be added to the ACNAs, Qualifying Services, and Commitment Levels of the Surviving NDP as follows:

(a) If the Surviving NDP used a Standard Commitment Matrix, the Standard Commitment Matrix will continue to apply to the Combined plan. If the Surviving NDP used a Premier Commitment Matrix, the Premier Commitment Matrix will continue to apply to the Combined plan. If the Surviving NDP used a Deluxe Commitment Matrix, the Deluxe Commitment Matrix will continue to apply to the Combined plan; and

(b) Commitment Levels and Discount Tiers will be adjusted as follows; and

(i) Adjust Commitment Levels

(Step 1) Using the table in Section 25.3.4(A)(1) preceding, and the actual quantities of Channel Terminations for the month prior to conducting the Final True-Up for the non-Surviving NDP, determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) of the acquired ACNA(s) by multiplying (a) the level for the Qualifying Service (e.g., DS3 level); by (b) the DS1 CT multiplier using the table set forth in Section 25.3.4(A)(1) preceding.

The Telephone Company will determine the number of Equivalent DS1 CMs for the acquired ACNA(s) in the same manner as the number of Equivalent DS1 CTs was developed in the preceding paragraph in accordance with the table in Section 25.3.4(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 aboveeighty-fivepercent(85%)iftheSurviving usestheStandardCommitmentMatrix,byninety percent(90%)iftheSurvivingNDPusesthePremier CommitmentMatrixorbyninety-twopercent(92%)if theSurvivingNDPusestheDeluxeCommitment Matrix. 1 NDP

TheTelephoneCompanywilldevelopaCM CommitmentLevelfortheacquiredACNA(s)ofthe non-SurvivingNDPinthesamemannerastheCT 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 combined.

(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, 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 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 NDP 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 NDP 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 NDP Customer is subject to a Customer Sale, and seek 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 ACNA(s) and the Qualifying Services associated with the affected ACNA(s). No later than thirty (30) calendar days prior to the Anniversary Date, the NDP Customer must provide a written notice with supporting documentation that describes the Customer Sale, and the ACNA(s) impacted by such Customer Sale.

If the NDP 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 NDP Customer's NDP, but the NDP 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 NDP 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)oftheCustomerSaleascallculatedin 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,thetheTelephoneCompanywillassigntheDiscountTierapplicabletotheNDPforthenextPlanYearinaccordancewithSection25.3.7(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 during Plan Year 4, does not apply after month 42 of the Renewal Term.	counted Rate Elements monthly charges for the Renewal Benefit, termination liability for the Renewal Term.
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 during Plan Year 5, does not apply during the Renewal Term.	counted Rate Elements monthly charges for the Renewal Benefit, termination liability for the Renewal Term.

## 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 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) TheTelephoneCompanyshallestablishtherenew edNDPusingthequantitiesof QualifyingServicesforalloftheNDPCustomer'sA CNAs(includinganyACNAs associatedwithanyPerson(s)thatareincludedin theNDPCustomer'sNDP,as determinedinSection25.3.1(C)preceding).There newedNDPshallbeestablishedand maintainedinaccordancewiththerequirementsof hisSection25.3andshallbesubject tothefollowingconditions:
- (a) A RenewalTermoffive(5)years;and
- (b) AllQualifyingServices thattheNDPCustomers ubscribedtoinmonthtwelve (12)ofPlanYear5oftheexpiringInitialTermor aRenewalTerm,asapplicable, mustbeincludedintheRenewedNDP;and
- (c) TheNDPCustomer mustspecify aCommitmentMatr ixOptionfortheRenewal TermfromthoseofferedunderSection25.3.4(C)pre ceding,exceptwherethe NDPCustomerselectstheRenewalBenefitOptionund erSection25.3.14(C) following,inwhichcasetheNDPCustomer mustsele cteitherthePremier CommitmentMatrixorthetheDeluxeCommitmentMatrix; and
- (d) TheTelephoneCompanywilldeveloptheCTCommi tmentLevelforthe RenewalTermusingtheactualnumberofEquivalent DS1CTsforQualifying Servicesthatweresubscribedtoinmonthtwelve(1 2)ofPlanYear5ofthe expiringInitialTermorthetheRenewalTerm,asappli cable.IftheRenewalBenefi ed,theCTCommitment ed,theCTCommitment LevelofthenewNDP mustbeequaltoorgreaterth antheCTCommitment LevelfortheexpiringNDP.Thecalculationshallb eperformedinaccordance withSection25.3.4preceding;and
- (e) TheTelephoneCompanywilldeveloptheCMCommi tmentLevelforthe RenewalTermusingtheactualnumberofEquivalent DS1CMsforQualifying Servicesthatweresubscribedtoinmonthtwelve(1 2)ofPlanYear5ofthe expiringInitialTermorthetheRenewalTerm,asappli cable.IftheRenewalBenefi ed,theCMCommitment ed,theCMCommitment LevelofthenewNDP mustbeequaltoorgreaterth antheCMCommitment LevelfortheexpiringNDP.Thecalculationshall beperformedinaccordance withSection25.3.4preceding;and
- (f) NewDiscountTierswillbeassignedfortheren ewedNDPusingtheactual quantityofEquivalentDS1CTsoractualquantityo fEquivalentDS1CMs,as applicable,thatweresubscribedtoinmonthtwelve (12)ofPlanYear5ofthe expiringPlan;and
- (g) TherenewedNDPshallbegininPlanYear1but shallcontinuetoreceivethe discountsassociatedwithPlanYear5assetforth inSection25.3.5(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.