

ACCESS SERVICE

25. Pricing Flexibility Contract Offerings (Cont'd) (N)

PART 2 – Offers Administered Solely by Frontier (Cont'd)

25.60 Contract Offer No. 60 - DS1/DS3 Service Offer

(A) Scope

Contract Tariff Offer No. 60 (**Offer 60**) provides Quarterly Billing Adjustments on certain Special Access Services if the customer meets the eligibility requirements. In this Offer 60, all references to amounts represented in dollars followed by the letter "M" shall refer to such number in millions (e.g., \$17.25M shall mean \$17,250,000).

(B) Specific Terms

Unless otherwise defined in this Offer 60, the following terms are used in this Offer 60.

(1) **BANs** shall mean the Billing Account Numbers of the customer.

(2) **Baseline Unit Reference Costs** shall mean the unit cost per circuit for the customer's Billed DS1 Units, Billed Multiplexed DS3 Units, and Billed PTP DS3 Units calculated as of July 2012 billing to the customer, net of any credits earned under tariff arrangements or contract tariffs in effect during July 2012. The Baseline Unit Reference Cost is calculated based on the customer's Qualifying Services from FCC 1, FCC 2, FCC 3, FCC 4, FCC 5, FCC 6, and FCC 10. For the avoidance of doubt, any revenue and units acquired after July 2012 were not included in the average revenue calculations. (X)

(3) **Billed DS1 Unit** shall mean, with respect to each month during the Service Period, a DS1 Unit for which one or more monthly recurring charge was billed using any of the applicable USOCs set forth in (F)(2)(a) following, to the customer under the Customer ACNAs (as defined in (B)(8) following) in the monthly recurring charge (**MRC**) section of Telephone Company's Access Service bill to the customer for that month. For the avoidance of any doubt, a DS1 circuit that is provided in a meet point arrangement by two or more Telephone Company entities under a single unique circuit identifier will count as two units. Additionally, a DS1 circuit that is provided in a meet point arrangement by two or more billing entities under a single unique circuit identifier, where only one of the billing entities is affiliated with the Telephone Company, will count as one unit. (X)

(N)

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25. Pricing Flexibility Contract Offerings (Cont'd) (N)

PART 2 – Offers Administered Solely by Frontier (Cont'd)

25.60 Contract Offer No. 60 - DS1/DS3 Service Offer (Cont'd)

(B) Specific Terms (Cont'd)

(17) **Quarterly Flat Rate Billing Adjustment** shall mean the quarterly credit or debit that is calculated per service type (i.e., DS1, Multiplexed DS3, and PTP DS3) as described in (H) following.

(C) Eligibility

The customer must meet all of the following criteria in order to be eligible to receive the Quarterly Billing Credits as set forth in (I) following and other benefits of this Offer 60.

(1) During the twelve (12) month period ending on December 31, 2013, Customer must have achieved a minimum of \$250M in aggregate monthly billed recurring charges for all Qualifying Services purchased by Customer from affiliates of the Telephone Company.

(2) During the twelve (12) month period ending on June 30, 2014, the customer must have been subscribed to Option 2 of FCC 2, Option 63 of FCC 4, and Option 32 of FCC 5. (X)

(3) The customer must subscribe to Offer 60 by submitting a written authorization in a manner designated by the Telephone Company during the period that begins October 25, 2014 and ends November 24, 2014. Such subscription must include a list of Customer ACNA(s) as defined in (B)(8) preceding. (X)

(4) As of October 25, 2014, the customer must be concurrently subscribed, and must remain concurrently subscribed during the Service Period, to Option 2 of FCC 2, Option 63 of FCC 4, and Option 32 of FCC 5. (X)

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25. Pricing Flexibility Contract Offerings (Cont'd) (N)

PART 2 – Offers Administered Solely by Frontier (Cont'd)

25.60 Contract Offer No. 60 - DS1/DS3 Service Offer (Cont'd)

(D) Terms and Conditions

(1) If the customer is currently subscribed to a contract tariff option that provides a discount, credit, or other reduction in rates or terms based on achievement of revenue or volume targets/levels by the customer, the customer's subscription to such contract tariff option shall be cancelled coincident with the customer's subscription to this Offer 60, and the Telephone Company will conduct a final true-up of any billing credits the customer was entitled to through the date of cancellation.

(2) If the customer concurrently subscribes any of the Qualifying Services to any other tariff arrangement, contract tariff option, specialized service arrangement, or Individual Case Basis (**ICB**) arrangement offered by the Telephone Company under this tariff and available to the customer either currently or at any time during the Service Period, that tariff arrangement, contract tariff option, specialized service arrangement, or Individual Case Basis (**ICB**) arrangement shall not have the effect of reducing the prices below the flat rates established under this Offer 60. For the avoidance of any doubt, the implementation of this paragraph means Flat Rate Pricing and Quarterly Billing Adjustment set forth in (H) following could result in a debit with respect to some circuits.

(3) To the extent the customer, as of October 25, 2014 or at any time during the Service Period, is not subscribed Option 2 of FCC 2, Option 63 of FCC 4, and Option 32 of FCC 5, the applicable Qualifying Services shall not be eligible to receive the Flat Rate pricing set forth in (H) following.

(X)
(X)

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(N)

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25. Pricing Flexibility Contract Offerings (Cont'd) (N)

PART 2 – Offers Administered Solely by Frontier (Cont'd)

25.60 Contract Offer No. 60 - DS1/DS3 Service Offer (Cont'd)

(F) Qualifying Services (Cont'd)

(1) Qualifying Services will be comprised of the following: (Cont'd)

(c) For the avoidance of any doubt, Qualifying Services provided by affiliates of the Telephone Company shall be as defined in Option 2 of FCC 2, Option 63 of FCC 4, or Option 32 of FCC 5, as appropriate to the affiliate. (X)
(X)

Any services other than the services explicitly listed in this (F)(1) are not included herein as a Qualifying Service. Additionally, Qualifying Services do not include any Switched Access Services.

For purposes of this Offer 60: (i) all Qualifying Service volumes and revenues are quantified according to three categories (DS1 Units, Multiplexed DS3 Units, and PTP DS3 Units) as described further in (F)(2) following; and (ii) subject to (F)(2)(d) and (F)(4) following, the USOCs set forth in (F)(2) following reflect the entire list of USOCs included in the definition of Qualifying Services and counted as contributory toward Billed Qualifying Service Revenue.

(2) Revenues Included in Calculation of Billed Qualifying Service Revenue

Subject to the exceptions and requirements set forth in this Section (F), Billed Qualifying Service Revenue includes monthly recurring charges billed to the customer under the Customer ACNAs for Billed Qualifying Service Units in the operating territory of this tariff. **Billed DS1 Qualifying Service Revenue** is described in (F)(2)(a) following, subject to (F)(2)(d) and (F)(3) following. **Billed Multiplexed DS3 Qualifying Service Revenue** is described in (F)(2)(b) following, subject to (F)(2)(d) and (F)(3) following. **Billed PTP DS3 Qualifying Service Revenue** is described in (F)(2)(c) following, subject to (F)(2)(d) and (F)(3) following.

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(N)

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25. Pricing Flexibility Contract Offerings (Cont'd) (N)

PART 2 – Offers Administered Solely by Frontier (Cont'd)

25.60 Contract Offer No. 60 - DS1/DS3 Service Offer (Cont'd)

(H) Calculation and Payment of Quarterly Billing Adjustments

The customer will receive a Final Quarterly Billing Adjustment based on a Flat Rate Billing Adjustment.

(1) Rate Calculation Methodology for Flat Rate Pricing

The Flat Rate pricing for Qualifying Services under this Offer 60 shall be achieved by applying a discount to the average revenue per Billed DS1 Unit, per Billed Multiplexed DS3 Unit, and per Billed PTP DS3 Unit using the calculation [average revenue per Billed Qualifying Service Unit x (1 – discount)] as follows:

(a) DS1 Flat Rate Pricing

(Step 1) Calculate the average revenue per DS1 Unit (**DS1 ARPU**) by summing (i) the total MRC associated with the customer’s Qualifying DS1 Services for which the customer was billed by the Telephone Company from FCC 1, FCC 2, FCC 3, FCC 4, FCC 5, FCC 6, and FCC 10 for the month of July 2012 and dividing by (ii) the total number of the DS1 Units for such DS1 Qualifying Services during the same period of time.

(X)
(X)

The DS1 ARPU calculated in this Step 1 is used to determine the Flat Rate per DS1 Unit for each Plan Year of the Service Period.

(Step 2) To determine the Flat Rate per Billed DS1 Unit, multiply (i) the DS1 ARPU determined in Step 1; by (ii) 1 minus the discount for the applicable Plan Year from Table 1 below.

Table 1

<u>Plan Year</u>	<u>Discount</u>
2	24.22%
3	25.13%

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25. Pricing Flexibility Contract Offerings (Cont'd) (N)

PART 2 – Offers Administered Solely by Frontier (Cont'd)

25.60 Contract Offer No. 60 - DS1/DS3 Service Offer (Cont'd)

(H) Calculation and Payment of Quarterly Billing Adjustments (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(b) Multiplexed DS3 Flat Rate Pricing

(Step 1) Calculate the average revenue per Multiplexed DS3 Unit (**Multiplexed DS3 ARPU**) by summing (i) the total MRC associated with the customer's Qualifying Multiplexed DS3 Services for which the customer was billed by the Telephone Company from FCC 1, FCC 2, FCC 3, FCC 4, FCC 5, FCC 6, and FCC 10 for the month of July 2012 and dividing by (ii) the total number of the Multiplexed DS3 Units for such Multiplexed DS3 Qualifying Services during the same period of time.

(X)
(X)

The Multiplexed DS3 ARPU calculated in this Step 1 is used to determine the Flat Rate per Multiplexed DS3 Unit for each Plan Year of the Service Period.

(Step 2) To determine the Flat Rate per Billed Multiplexed DS3 Unit, multiply (i) the Multiplexed DS3 ARPU calculated in Step 9; by (ii) one (1) minus the discount for the applicable Plan Year from Table 2 below [Multiplexed DS3 ARPU x (1 – discount)].

Table 2

<u>Plan Year</u>	<u>Discount</u>
2	25.80%
3	25.80%

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25. Pricing Flexibility Contract Offerings (Cont'd) (N)

PART 2 – Offers Administered Solely by Frontier (Cont'd)

25.60 Contract Offer No. 60 - DS1/DS3 Service Offer (Cont'd)

(H) Calculation and Payment of Quarterly Billing Adjustments (Cont'd)

(1) Rate Calculation Methodology for Flat Rate Pricing (Cont'd)

(c) PTP DS3 Flat Rate Pricing

(Step 1) Calculate the average revenue per PTP DS3 Unit (**PTP DS3 ARPU**) by summing (i) the total MRC associated with the customer's Qualifying PTP DS3 Services for which the customer was billed by the Telephone Company from FCC 1, FCC 2, FCC 4, FCC 5, FCC 6, and FCC 10 for the month of July 2012 and dividing by (ii) the total number of the PTP DS3 Units for such PTP DS3 Qualifying Services during the same period of time.

(X)

The PTP DS3 ARPU calculated in this Step 1 is used to determine the Flat Rate per PTP DS3 Unit for each Plan Year of the Service Period.

(Step 2) To determine the Flat Rate per Billed PTP DS3 Unit, multiply (i) the PTP DS3 ARPU calculated in Step 9; by (ii) one (1) minus the discount for the applicable Plan Year from Table 2 below [PTP DS3 ARPU x (1 – discount)].

Table 3

<u>Plan Year</u>	<u>Discount</u>
2	23.37%
3	23.37%

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(N)

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25. Pricing Flexibility Contract Offerings (Cont'd) (N)

PART 2 – Offers Administered Solely by Frontier (Cont'd)

25.60 Contract Offer No. 60 - DS1/DS3 Service Offer (Cont'd)

(L) Termination

(1) Mutual Agreement

The Parties, by mutual written agreement in their sole discretion, may terminate the customer's subscription to this Offer 60. Except as otherwise mutually agreed in writing by the Parties, any termination under this Section (L)(1) shall be effective as of the end of the Plan Year preceding the termination. Termination of the customer's subscription to Option 2 of FCC 2, Option 63 of FCC 4, or Option 32 of FCC 5 shall be an automatic termination of the customer's subscription to this Offer 60 . Upon any such termination, the customer shall be entitled to all Quarterly Billing Adjustments for the Plan Year preceding the termination, but shall not be eligible for any Quarterly Billing Adjustments for any period of time after the end of such Plan Year.

(X)
(X)

(M) Expiration of the Service Period

Upon expiration of Service Period (including any extensions permitted under (E)(2) preceding), the customer may continue with the services at standard tariff rates, order any then available discount plan, or disconnect services.

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(N)