

ACCESS SERVICE
CHECK SHEET

The Title Page and Pages 1 through 35-13 inclusive of this tariff are effective as of the date shown, and Supplement Nos. 8, 9, 10, 11, 13, 14, 15, 23, and 25 contain all changes from the original tariff that are in effect on the date hereof.

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25. Discount Plans

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

25.1 Commitment Discount Plans

- (A) 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 the CDP are managed as a single plan with separate commitment periods applicable to each type of service. Only one (1) CDP is permitted per customer (i.e., one per legal entity).

- (B) If a customer subscribed to a CDP prior to July 16, 2016, all eligible service types must be included in CDP with the limited exception of (i) IEF services; (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 25.2 following; and (iii) eligible service types ordered on or after July 16, 2016 under an ACNA not included in said CDP. If a customer subscribes to a CDP on or after July 16, 2016, all eligible service types under the ACNA(s) designated for inclusion in such CDP must be included in CDP with the limited exception of IEF services.
 - (C)
 - (T)
 - (T)
 - (N)
 - (N)

- (1) Existing CDP customers who subscribe to IEF services must choose one of the following options: (1) maintain existing term pricing plans on their IEF; or (2) include their IEF services under the CDP, in which case their IEF terminations must be combined with their Switched Access and Special Access DS3 channel terminations without applying termination liabilities to their cancelled IEF Term Plan; or (3) include the IEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.2 following, respectively.

- (2) New CDP customers who subscribe to IEF services must choose one of the following options: (1) establish or maintain a term pricing plan on their IEF services; or (2) include their IEF services under the CDP, in which case their IEF terminations must be combined with their Switched Access and Special Access DS3 channel terminations; or (3) include the IEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.2 following, respectively.

- (C) Customers have the option of combining the following services for the purposes of establishing commitment levels. Switched Access and Special Access DS1 channel terminations may be combined into a single commitment level. Switched Access and Special Access DS3 channel terminations may be combined into a single commitment level. When Special Access DS1 Services or Special Access DS3 Services that are under a combined service type are subsequently moved to NDP, the combined commitment level will be reduced under Section 25.1.10(E)(2)(A) following.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan

(A) ACNAs Subscribing to Commitment Discount Plan Established Prior to July 16, 2016 (T)
 (T)

(1) At the time of subscription to CDP, the subscribing customer must include all of its ACNAs in the CDP. The customer also has the option to include the ACNA(s) of one or more Affiliates which it has the right to use (by written authorization from the owner of such ACNA). In this case, the customer's CDP shall include (1) all of the subscribing customer's ACNA(s); and (2) all of the ACNA(s) of the Affiliates that the subscribing customer wishes to include in its CDP. Hereafter, the term "CDP Customer" shall mean collectively the subscribing Customer (as defined in Section 2.6 preceding) and all Affiliates (as defined in Section 2.6 preceding) that are included in the same CDP.

(2) If, at any time subsequent to the establishment of CDP, the CDP Customer, at its option or as required under this Section 25.1.2(A)(2), adds one or more ACNA(s) to its CDP for one of the following reasons, then all such ACNA(s) of the customer and/or its Affiliate(s), as applicable, shall be added to the customer's CDP, in accordance with the terms set forth in Section 25.1.3(C) following.

- (a) CDP Customer, at its option, may include Affiliate(s) in its CDP that are not currently in the CDP Customer's CDP; or
- (b) CDP Customer has acquired one or more new ACNA(s) and, at its option, wishes to include such ACNA(s) in the CDP Customer's CDP; or (N)
 |
 (N)
- (c) CDP Customer is required to include ACNA(s) acquired through merger, acquisition, or other transaction that are not currently included in the CDP Customer's CDP only when such ACNA(s) were already included in a CDP acquired by such merger, acquisition or other transaction. CDP Customer is not required to include ACNA(s) owned by an Affiliate that is not included in the CDP Customer's CDP or ACNA(s) acquired through merger, acquisitions, or other transaction that were not currently included in another CDP. (T)
 (C)
 |
 (C)
 (C)
 |
 (C)
 |
 (C)

(3) The CDP Customer must provide written notification to the Telephone Company setting forth the affected ACNA(s) and the name of the Affiliate who owns such ACNA(s) if such ACNA is not an ACNA of the subscribing customer. Notification for (2)(b) preceding is required on or prior to completion of the next scheduled true-up period.

(4) An ACNA cannot concurrently be included in more than one (1) CDP, regardless of whether or not such CDP is established by a separate legal entity.

(5) For example, assume that a customer who has only one ACNA (ABC) subscribes to CDP. Assume further that such customer has five (5) Affiliates, but only wishes to include three (3) Affiliates in its CDP at the initial establishment of CDP. Assume also that each of the three (3) included Affiliates have one

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

(A) ACNAs Subscribing to Commitment Discount Plan Established Prior to July 16, 2016 (Cont'd) (T)
(T)

(5) (Cont'd)

ACNA (ACNAs LLL, MMM and NNN, respectively). In this case, a single CDP will be established for the CDP Customer that includes the following ACNAs: ABC, LLL, MMM and NNN. Assume further that during year 2 of the CDP commitment period, the CDP Customer decides to include its remaining two (2) Affiliates in its CDP. Then, in accordance with this Section 25.1.2, the CDP Customer will include all of the ACNAs of such Affiliates in the CDP.

(B) ACNAs Subscribing to Commitment Discount Plan Established On or After July 16, 2016 (N)

(1) At the time of subscription to CDP, the subscribing customer must designate to the Telephone Company its ACNAs that it wishes to include in the CDP plan. The customer also has the option to include some or all of the ACNA(s) of one or more Affiliates which it has the right to use (by written authorization from the owner of such ACNA). Hereafter, the term "CDP Customer" shall mean collectively the subscribing Customer (as defined in Section 2.6 preceding) and all Affiliates (as defined in Section 2.6 preceding) that are included in the same CDP.

(2) If, at any time subsequent to the establishment of CDP, the CDP Customer, at its option or as required under this Section 25.1.2(B)(2), adds one or more ACNA(s) to its CDP for one of the following reasons, then the subscribing customer must designate to the Telephone Company those ACNA(s) it wishes to have added to the customer's CDP, in accordance with the terms set forth in Section 25.1.3(C) following.

- (a) CDP Customer, at its option, may include Affiliate(s) in its CDP that are not currently in the CDP Customer's CDP; or
- (b) CDP Customer, at its option, may include ACNA(s) that are not currently in the CDP Customer's CDP; or
- (c) CDP Customer is required to include ACNA(s) acquired through merger, acquisition, or other transaction that is not currently included in the CDP Customer's CDP only when such ACNAs was already included in a CDP acquired by such merger, acquisition or other transaction. CDP Customer is not required to include ACNA(s) owned by an Affiliate that is not included in the CDP Customer's CDP or ACNA(s) acquired through merger, acquisition, or other transaction that was not currently included in another CDP.

(N)

Certain material previously found on this page can now be found on Original Page 25-5.2.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans(Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

- (B) ACNAs Subscribing to Commitment Discount Plan Established On or After July 16, 2016 (N)
- (3) The CDP Customer must provide written notification to the Telephone Company setting forth the affected ACNA(s) and the name of the Affiliate who owns such ACNA(s) if such ACNA is not an ACNA of the subscribing customer. Notification for (2)(b) preceding is required on or prior to completion of the next scheduled true-up period.
- (4) An ACNA cannot concurrently be included in more than one (1) CDP, regardless of whether or not such CDP is established by a separate legal entity. (N)
- (C) At any time, a customer subscribing to one (1) or more eligible services has the option of establishing a CDP for such service(s). 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 CDP Customer must establish a CDP for such other services that are eligible for inclusion in CDP with the limited exception of the following: (i) IEF services; or (ii) Special Access DS3 Services and Special Access DS1 Services that are included in the NDP as set forth in Section 25.2 following; or (iii) eligible service types ordered on or after July 16, 2016 under an ACNA not included in said CDP. For IEF services, the CDP Customer must choose one of the following options: (1) establish or maintain existing term pricing plans on their IEF services; (2) include their IEF under CDP, in which case their IEF terminations must be combined with their Switched Access and Special Access DS3 Channel Terminations, as described in Section 25.1.3(A)(6) following; or (3) include the IEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.2 following, respectively. For each type of service specified in Section 25.1.1 preceding, the CDP must include all services of that type (excluding services ordered out of Section 10 preceding) which the Telephone Company provides to the CDP Customer within any of its operating territories. (T)(x) (M) (M)(x) (N) (N) (M)(x)
- (D) For service which is provided as part of a Shared Use Arrangement, the DS1 or DS3 Service will be included in the service plan for the service type which is ordered as the facility to the Hub (e.g., a Switched Access DS1 Service which is ordered as the facility to the Hub will be under the Switched Access DS1 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 ordered to the Hub. (T)(x) (M) (M)(x)

(x) Certain material on this page formerly appeared on Original Page 25-5.1.

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

- (D) When a CDP is established, the CDP Customer agrees to the following requirements pertaining to all of its existing Service Discount Plans and Term Plans, under those ACNA(s) included in the CDP, as provided under Sections 6.7.16 or 7.4.10 preceding or 26.1 following. (T)
- (1) The CDP Customer may continue with, or establish new, any available Service Discount Plan or Term Plan for the following services which are not eligible for inclusion in the CDP. The regulations for the Service Discount Plan and Term Plans on these services are set forth in Sections 7.4.10 preceding or 26.1 following. (T)
- Special Access Digital Data Service (New York only)
 - Special Access Voice Grade Service (New York only)
 - Special Access Broadcast Video Service
 - Special Access Advanced Uncompressed Digital Video Service
 - Special Access Fiber Based Multichannel Video Service
 - Special Access Supertrunking Transport Video Service
 - Enterprise SONET Services
 - SONET Services, with the following exceptions:
 - IntelliLight® Entrance Facilities (when not included in CDP)
 - Services specified in Section 25.1.1 preceding
- (2) The CDP Customer may continue any existing Service Discount Plan for Switched Access Tandem Switched Transport or may establish a new Service Discount Plan for Switched Access Tandem Switched Transport, subject to the regulations set forth in Section 6.7.16 preceding.
- (3) Existing CDP Customers who subscribe to IEF services must choose one of the following options: (1) maintain existing term pricing plans on their IEF; or (2) include their IEF services under the CDP, in which case their IEF terminations must be combined with their Switched Access and Special Access DS3 channel terminations without applying termination liabilities to their cancelled IEF Term Plan; or (3) include the IEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.2 following, respectively. If a CDP Customer chooses to include IEF in CDP after initially establishing CDP, the DS3 portion of the new combined commitment level will remain the same. Ninety percent (90%) of the then in-service IEF terminations under the ACNA(s) included in CDP will be added to the DS3 commitment levels to create a new combined DS3 and IEF commitment level. (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(D) (Cont'd)

- (4) New CDP Customers who subscribe to IEF services must choose one of the following options: (1) establish or maintain a term pricing plan on their IEF services; or (2) include their IEF services under the CDP, in which case their IEF terminations must be combined with their Switched Access and Special Access DS3 channel terminations; or (3) include the IEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.2 following, respectively.
- (5) For all Switched Access or Special Access Services (i.e., services which are under the CDP), the Service Discount Plan(s) or Term Plan will be cancelled in order to include the service(s) in the CDP. Service Discount Plan or Term Plan termination liability will not apply to the cancelled plan(s).
- (6) Special Access DS3 Services and Special Access DS1 Services which are included in the NDP as set forth in Section 25.2 following are not eligible for inclusion in the CDP.
- (7) The customer must establish a separate plan (including a commitment level and a commitment period) for each service type specified in Section 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 customer may not establish or maintain a Service Discount Plan(s) for any services that are eligible for inclusion in CDP with the following limited exceptions: (i) eligible service types ordered on or after July 16, 2016 under an ACNA not included in said CDP; or (ii) IEF services as set forth in the following sentence. If IEF services are included in CDP, the customer may not establish or maintain a term plan for IEF services; however, the customer may include IEF services in NDP in accordance with the terms set forth in Section 25.2 following; and (ii) Special Access DS3 Services and Special Access DS1 Services included in the NDP.

(N)
 |
 (N)

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

(D) (Cont'd)

(8) In order to be eligible for application of discounts on new service types ordered subsequent to the initial establishment of the CDP under an ACNA(s) included in CDP, the CDP Customer must provide written notification to the Telephone Company of any new eligible service types it orders subsequent to the initial establishment of the CDP that are to be included in the CDP. The CDP Customer must establish a commitment level and a commitment period for each new service type. (N)

(a) The effective date of the inclusion of new service types in the CDP, and the application of the discount percentage and/or TPP rates, will be effective as specified following:

(i) If the CDP Customer provides written notification to the Telephone Company of a new eligible service type on or before the twentieth (20th) calendar day of a month, the changes shall begin the first (1st) calendar day of the month following the month in which the CDP Customer provided such notification. Application of discounts to the new service types under the CDP shall begin with the first bill day of the bill period associated with the CDP Customer's BAN in the month following the month in which the CDP Customer provided written notification. 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 CDP Customer notified the Telephone Company of a new service type was July 6th. Then, the discounts applicable to the new service type under the CDP shall begin on August 11th.

(ii) If the CDP Customer provides written notification to the Telephone Company of a new eligible service type after the twentieth (20th) calendar day of a month, the changes shall begin the 1st calendar day of the second calendar month following the month in which the CDP Customer provided such notification. Application of discounts to the new service types under the Commitment Discount Plan shall begin with the first bill day of the bill period associated with the CDP Customer's BAN in the second month following the month in which the CDP Customer provided written notification. 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 CDP Customer notified the Telephone Company of a new service type was July 30th. Then, discounts applicable to the new service type under the CDP shall begin on September 11th.

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25. Discount Plans (Cont'd)
 25.1 Commitment Discount Plans (Cont'd)
 25.1.3 Plan Commitment Levels

(A) Minimum Commitment Levels

- (1) The CDP requires that a Minimum Commitment of channel terminations be established for the purpose of administering the plan. The total number of channel terminations shall be calculated using all such in-service channel terminations which the Telephone Company provides to the CDP Customer under the ACNA(s) included in the CDP in all of its operating territories under this tariff. The Minimum Commitment shall be expressed as the equivalent number of DS0s for the Standard Channel Termination rate elements of all services involved. (N)
- (2) The total number of channel terminations determined above will be converted into an equivalent number of DS0s using the following DS0 equivalent table. (N)

<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
NES Fractional DS1	
768 kbps	12
512 kbps	8
384 kbps	6
256 kbps	4
128 kbps	2
NES DS0	1
DDS II	1

- (3) When the calculation of the minimum commitment of DS0s results in a fraction of a DS0, always round up to the next whole DS0.
- (4) The customer will not be eligible to participate in the 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 an initial Minimum Commitment of at least seventy-five percent (75%) of the total number of DDS II channel terminations which are in-service under the ACNA(s) included in the CDP at the time of subscription to CDP. For all other services, the CDP Customer agrees to an initial Minimum Commitment of at least ninety percent (90%) of the total number of channel terminations for the service type or combined service types which are in-service under the ACNA(s) included in the CDP at the time of subscription to CDP. (N)

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

- (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) or 25.1.2(B)(2) (N) 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) or 25.1.2(B)(2) (N) 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 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).

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

(4) Addition of ACNA(s) to an Existing Commitment Discount Plan (C)

Where a CDP Customer seeks to add one or more ACNA(s) to its CDP in accordance with Section 25.1.3(C)(1) or 25.1.3(C)(2) preceding (i.e., addition is 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). (C) (D)

(a) The addition of such ACNA(s), and the application of the terms and conditions applicable under the existing CDP, including the discount percentage and/or TPP rates, will be effective as specified in Section 25.1.10(B)(2) following.

(b) The CDP Customer agrees to add at least seventy-five percent (75%) of the total number of DDS II 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.

(c) All eligible service types for such Affiliate(s) ACNA(s) must be included in the existing CDP with the limited exception of IEF services. If IEF services are not included under the existing CDP, and there are IEF services for the Affiliate(s) being added to the existing CDP, the CDP Customer may select from the options specified in Section 25.1(B) preceding for its IEF services. If IEF services are included under the existing CDP, then IEF terminations for the ACNA(s) being added to the existing CDP must be combined with their Switched Access and Special Access DS3 channel terminations, as described in Section 25.1.3(A)(6) preceding. (T)

(d) No adjustment to prior billing will be made.

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

(6) Surviving CDP Option (Cont'd)

(f) Service Type Has Not Already Been Established under Surviving CDP

(i) The CDP Customer must choose a commitment period for each individual service type. Such commitment period may not be shorter than the commitment period of any of the plan(s) being cancelled for such service type.

(ii) The Minimum Commitment level for each of the new service type(s) being established under the Surviving CDP must be set at an amount equal to the sum of the individual commitment levels under the plan(s) being cancelled (after the pro-rated true-up specified in (6)(b) preceding).

(iii) If the CDP Customer had combined service types under any of the plan(s) being cancelled, and at least one (1) of those combined service type(s) was established as an individual service type in the Surviving CDP, the CDP Customer may establish such combined service types under the Surviving CDP. The Minimum Commitment level for the combined service types must be set at an amount equal to the sum of the individual commitment levels of the applicable combined service types under the plan(s) being cancelled plus the applicable individual service types that were established under the Surviving CDP. The CDP Customer must choose a commitment period for the newly established combined service types. Such commitment period may not be shorter than the commitment period of any of the plan(s) being cancelled for such combined service types.

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

(N)
(N)

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.3 Plan Commitment Levels (Cont'd)(D) Sale of Assets

(1) Sale of Telephone Company Operating Territory

(a) In the event of a Telephone Company sale during a CDP commitment period, the following applies:

- (i) In the event the Telephone Company sells all or a portion of its assets in a specific state(s) and ceases to provide associated service(s) currently included under a CDP, the CDP Customer has the option to reduce its Minimum Commitment, by a percentage equal to the customer's actual number of in-service circuits for the ACNA(s) included in CDP in the affected state(s) divided by the total actual number of in-service circuits across all of the operating territories under this tariff for the ACNA(s) included in CDP, for each service type, without application of termination liability or shortfall adjustment due to such reduction. In addition, the CDP Customer will be relieved of its minimum period obligation for those circuits no longer provided by the Telephone Company. The CDP Customer must provide written notification to the Telephone Company of its election to decrease its Minimum Commitment prior to completion of the next scheduled true-up period. The decreased Minimum Commitment will apply from the date of the sale through the balance of the commitment period or until such time as a subsequent adjustment to the Minimum Commitment is requested or required. (N) (N) (N) (N)
- (ii) For example, assume that a CDP Customer has a Minimum Commitment of fifteen (15) DS3 High Capacity Services (i.e., 10,080 equivalent DS0s) for the ACNA(s) included in CDP. Further, assume that the CDP Customer has seventeen (17) in-service DS3 High Capacity Services for the ACNA(s) included in CDP across all of the operating territories under this tariff, five (5) of which are in Rhode Island. The Telephone Company sells its assets in Rhode Island where the CDP Customer has five (5) DS3s (i.e., 3,360 equivalent DS0s). The CDP Customer's DS3 Minimum Commitment will be reduced by 5/17, or 29.41176% (i.e., 5 Rhode Island DS3s/17 total DS3s), which equals 2,964.7 DS0s, rounded up to the nearest equivalent DS0, or 2,965 (i.e., 5/17 x 10,080). The new reduced Minimum Commitment will be 7,115 equivalent DS0s (i.e., 10,080 - 2,965). (N) (N)

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.7 Application of the Discount Percentage or IEF Term Plan Rates

(A) The Telephone Company shall apply the discount percentage or IEF Term Plan rate, as applicable, on a monthly basis during the commitment period to each Channel Termination, Channel Mileage, Optional Feature or Function or BSE, IEF Termination or IEF Interface monthly rate element.

- (1) During any true-up period as set forth below, the customer may exceed its Minimum Commitment by up to fifty-six percent (56%) (i.e., the maximum service level) for DDS II services and up to thirty percent (30%) for all other services. In such event, the regulations set forth in Section 25.1.7(D) following shall apply.

For example, assume that a customer has a Minimum Commitment for its DSL High Capacity service type of 12,000 equivalent DS0s for the ACNA(s) included in CDP, and the customer has in-service as of the applicable true-up period 24,000 equivalent DS0s for said ACNA(s). The maximum service level would be 30% or 15,600 equivalent DS0s which will receive the discount. Amounts in excess of 15,600 equivalent DS0s will be treated in accordance with Section 25.1.7(D) following. (N)

For another example, assume that a customer has a Minimum Commitment for its DDS II service type of 50 equivalent DS0s for the ACNA(s) included in CDP, and the CDP Customer has in-service as of the applicable true-up period one hundred (100) equivalent DS0s for said ACNA(s). The maximum service level would be 56% or seventy-eight (78) equivalent DS0s which will receive the discount. Amounts in excess of 78 equivalent DS0s will be treated in accordance with Section 25.1.7(D) following. (N)

- (2) The true-up process for each service type will determine if the CDP Customer (1) has not met its Minimum Commitment and is therefore subject to a shortfall adjustment, (2) has met its Minimum Commitment and is below the maximum service level and no adjustment to the commitment level is necessary, or (3) has met its Minimum Commitment and exceeded its maximum service level. Beginning on month six of the CDP and every six months thereafter, the Telephone Company will conduct a true-up which compares the average number of equivalent DS0s actually in service for the ACNA(s) included in CDP over the preceding six months to the average number of equivalent DS0s which comprise the Minimum Commitment. (N)

- (3) For purposes of applying the discount percentage or IEF Term Plan rates and administering the terms and conditions of the CDP, service provided as part of a Shared Use Arrangement is considered to be completely Switched Access or completely Special Access as determined by the type of facility ordered to the Hub. (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or IEF Term Plan Rates
(Cont'd)

- (B) Customer Has Not Met its Minimum Commitment and is Subject to a Shortfall Adjustment

If the CDP Customer failed to maintain its Minimum Commitment for a service type or combined service type over the preceding six months, the CDP Customer shall be assessed a Shortfall Adjustment. There are two methods (i.e., Option 1 or Option 2) of determining and calculating the Shortfall Adjustment. The Telephone Company will calculate the Shortfall Adjustment using both methods and apply the method that produces the lesser Shortfall Adjustment.

(N)

- (1) Option 1 Shortfall Adjustment Method and Calculation

(N)

The Shortfall Adjustment will be an amount equal to the difference between the average total dollar amount associated with that service type or combined service type over the preceding six months and the average total dollar amount associated with that service type or combined service type which would have been applied over the preceding six months had the Minimum Commitment been satisfied. The Telephone Company will calculate the difference as follows.

(T)

(T)

(Step 1) The Telephone Company will calculate the average number of DS0 equivalent Standard Channel Terminations which were in service over the preceding six months by summing the actual number of DS0 equivalent Standard Channel Terminations for each of the last six months (including any DS0 equivalent Standard Channel Terminations that were replaced by a Replacing Service(s) using the methodology for a Technology Migration specified in Section 2.10.3 preceding), adjusting the Minimum Commitment pursuant to Section 25.1.3 preceding, and dividing by six. The resulting number represents the average equivalent DS0 Standard Channel Terminations per month (i.e., monthly equivalent DS0 count).

(Step 2) The Telephone Company will calculate the average rate assessed per DS0 equivalent by first summing the total monthly charges associated with all channel terminations, channel mileage and optional features and functions or BSEs rate elements for that type of service or combined service type over the preceding six months and dividing by six. The resulting amount is then divided by the average monthly equivalent DS0 count determined in Step 1.

Certain material previously found on this page can now be found on Original Page 25-14.1.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or IEF Term Plan Rates
(Cont'd)

(B) Customer Has Not Met its Minimum Commitment and is Subject to a Shortfall Adjustment (Cont'd)

(1) Option 1 Shortfall Adjustment Method and Calculation (Cont'd)

(Step 3) The Telephone Company will calculate the average Minimum Commitment for that service type or combined service type by first summing the Minimum Commitment for each of the preceding six months, adjusting the Minimum Commitment pursuant to Section 25.1.3 preceding, and dividing the resulting total by six. The resulting number represents the average Minimum Commitment for the preceding six months.

(M)

(Step 4) The Telephone Company will determine the shortfall by subtracting the average number of equivalent DS0s in service as determined in Step 1 from the number of equivalent DS0s which comprise the average Minimum Commitment.

(Step 5) To determine the amount due from the CDP Customer, the Telephone Company will multiply the average rate per equivalent DS0 determined in Step 2 by the shortfall determined in Step 4 and multiply the resulting amount by six. The amount due is not subject to any late payment factor as specified in Section 2.4.1 preceding.

(M)

(2) Option 2 Shortfall Adjustment Method and Calculation

(N)

The Shortfall Adjustment will be an amount equal to the difference between (1) the actual total dollar Channel Termination revenue associated with each service type or combined service type in each of the six (6) months of the true-up period and (2) the CT Revenue Cap (as defined in Step 1 following) for each service type or combined service type. The Telephone Company will calculate the difference as follows:

(Step 1) The Telephone Company will first determine the monthly channel termination revenue cap by multiplying the total discounted monthly revenues associated with all in-service channel termination and IEF termination rate elements for that service type or combined service type for month one of the CDP by the appropriate Commitment Level percentage (e.g., 90% for DS1 and DS3)(CT Revenue Cap). In the event the Minimum Commitment changes (e.g. as a result of the CDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the CT Revenue Cap. The adjusted CT Revenue Cap will be used beginning with the month in which the Minimum Commitment was changed.

(Step 2) The Telephone Company will then determine the actual monthly channel termination revenues by calculating the total discounted monthly revenues associated with all in-service channel termination and IEF termination rate elements for that service type or combined service type for each month of the six (6) month true-up period.

(N)

Certain material on this page formerly appeared on 4th Revised Page 25-14.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or IEF Term Plan Rates
(Cont'd)

(B) Customer Has Not Met its Minimum Commitment and is Subject to a Shortfall Adjustment (Cont'd)

(2) Option 2 Shortfall Adjustment Method and Calculation (Cont'd)

(N)

(Step 3) For each service type or combined service type, and for each month of the six (6) month true-up period, subtract the actual channel termination revenues from the CT Revenue Cap.

(Step 4) To determine the amount due from the CDP Customer, the Telephone Company will sum the amounts calculated in Step 3 for the six (6) months of the true-up period. If the sum of the amounts calculated in Step 3 is a positive amount, then such amount shall be the amount due for purposes of this Option 2. The amount due 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.

(N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or IEF Term Plan Rates
(Cont'd)

(C) Customer has met its Minimum Commitment

If the CDP Customer has satisfied its Minimum Commitment and is below the maximum service level for the preceding six months, no corrective action will be taken.

(D) Customer has met its Minimum Commitment and Exceeded its Maximum Service Level

If the CDP Customer has satisfied its Minimum Commitment for the preceding six months but exceeded its maximum service level, the Telephone Company will apply an adjustment in order to true-up the discount which was applied in excess of that allowed by the maximum service level. The true-up will result in an adjustment (charge up) of the discounted excess amount back to standard, non-discounted rates, unless the CDP Customer elects to increase its Minimum Commitment upward to at least seventy-five percent (75%) for DDS II services and ninety percent (90%) for all other service types of the total number of DS0 equivalent Standard Channel Terminations for the ACNA(s) included in CDP for the type of service or combined service type involved at the time the true-up was performed. If an adjustment is to be applied, the Telephone Company will calculate the adjustment as follows.

(N)

(Step 1) The Telephone Company will calculate the average number of equivalent DS0 Standard Channel Terminations which were in service for the ACNA(s) included in CDP over the preceding six months by summing the actual number of equivalent DS0s for said ACNA(s) for each of the last six months, and dividing the resulting total by six. The resulting number represents the average monthly equivalent DS0 Standard Channel Termination count (i.e., monthly equivalent DS0 count.)

(N)

(N)

(Step 2) The Telephone Company will calculate the average rate assessed per equivalent DS0 by first summing the total reduced monthly charges associated with all channel termination, channel mileage, optional features or functions or BSEs and IEF terminations or IEF interfaces rate elements for the preceding six months and dividing by six. The resulting amount is then divided by the average monthly equivalent DS0 count determined in Step 1.

(Step 3) The Telephone Company will calculate the average Minimum Commitment by first summing the Minimum Commitment for each of the preceding six months, adjusting the Minimum Commitment pursuant to Section 25.1.3 preceding, and dividing by six. The resulting number represents the average Minimum Commitment for the preceding six months.

(Step 4) The Telephone Company will determine the applicable maximum service level by multiplying the Minimum Commitment determined in Step 3 by 1.56 (i.e., the Minimum Commitment plus fifty-six percent (56%)) for DDS II service or by multiplying the Minimum Commitment determined in Step 3 by 1.3 (i.e., the Minimum Commitment plus thirty percent (30%)) for all other services.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.10 Commitment Periods (Cont'd)(C) Expiration of a Commitment Period

- (1) At the expiration (end) of its selected commitment period, the CDP Customer may choose one (1) of the following options:
- (a) Select any then effective commitment period for the service type involved, including combined service types, to establish a new CDP. All terms and conditions of CDP, including termination liability, shall apply to the new commitment period. Upon establishment of a renewed CDP, eligible CDP Customers may elect the Renewal Option in accordance with Section 25.1.10(G) following. All of the applicable terms and conditions relating to the establishment of a CDP specified in Section 25.1.2 preceding shall apply.
 - (b) Extend the expiring commitment period as set forth in (D) following (in which case the then current discount percentage or IEF Term Plan rates and terms and conditions of the existing plan will continue to apply).
 - (c) Discontinue CDP and continue receiving service without any discount plan. With the exception of (i) subscribing Special Access DS3 and DSL Services to the NDP (as set forth in Section 25.2 following) and (ii) IEF services as described in Section 25.1.3(A)(6) preceding, the CDP Customer may not subscribe to any other discount plan if at least one (1) service type remains for the ACNA(s) included under CDP (i.e., all commitment periods for all service types in those ACNAs specified for inclusion under CDP have not expired. If the commitment period for a service offered under a combined service type is expiring and the service type will continue without any discount plan, the commitment level for the combined service type will change to an individual service type for the remaining service and be reduced by the quantity of channel terminations expiring. (N)
- (2) If the CDP Customer does not notify the Telephone Company of its choice of (a), (b), or (c) above, in writing at least sixty (60) days prior to the expiration of the commitment period, the Telephone Company will continue two (2) additional months of CDP billing. If the CDP Customer does not notify the Telephone Company of its choice during the two (2) month extension, a new CDP will begin based on the previously effective commitment period. The commitment level will be reset according to Section 25.1.3(A) preceding. The new CDP established under this Section (C)(2) will not include any Renewal Option. All terms and conditions of CDP, including termination liability, will apply to the new CDP commitment period.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.10 Commitment Periods (Cont'd)(C) Expiration of a Commitment Period (Cont'd)

- (3) If all commitment periods for all services under the CDP are expiring, the CDP Customer has the following options: (1) (C)
Establish a new CDP for some or all of its ACNA(s); and/or (2) (C)
Select any then effective Service Discount Plan as set forth in Section 7.4.10 or Section 6.7.16 preceding for Special or Switched Access Service, respectively; and/or (3) Select any then effective National Discount Plan for its Special Access DS3 and/or DSL Services; and/or (4) Select any then effective term plan as set forth in Section 26.1.4 following for IEF, which may be available for such services; (5) Continue receiving service without a discount plan; and/or (6) Discontinue service. Upon establishment of a renewed CDP, eligible customers may elect the Renewal Option in accordance with Section 25.1.10(G) following. (T) (T) (T) (T)

(D) Extension of a Commitment Period(1) Select New CDP with Equal or Longer Commitment Period

- (a) At any time prior to the expiration of the selected commitment period for an existing Commitment Discount Plan, the CDP Customer may extend the commitment period by cancelling 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 II service offered under a Commitment Discount Plan, a new Minimum Commitment level must be established that is (1) the then existing Minimum Commitment level; or (2) seventy-five percent (75%) of the total number of channel terminations for DDS II for the ACNA(s) included in CDP, whichever is higher. (N)
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 then in service channel terminations for such service type for the ACNA(s) included in CDP. (N) (N)
- (c) If the customer chooses to extend the expiration date for one or both of the service types offered under a combined service type, the new Minimum Commitment level will be either (1) the then existing commitment level for the combined services or (2) ninety percent (90%) of the total number of channel terminations for the combined service type for the ACNA(s) included in CDP, whichever is higher. (N) (N)

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.10 Commitment Periods (Cont'd)(D) Extension of a Commitment Period (Cont'd)

(3) Extend Expiration Date of Commitment Period for Combined Service Types (Cont'd)

(a) (Cont'd)

For example, if a CDP Customer has a combined service type with a 5-year plan for switched DSIs (30%) that is expiring and a 7-year plan for special DSIs (40%) that has 2 years remaining in the commitment period, the CDP Customer may extend the expiration date of the switched DSIs to match the expiration date of the special DSIs. The CDP Customer may also select the 7-year discount percentage associated with the switched DSIs (35%) for the remaining 2 years of the commitment period.

- (b) If the customer chooses to extend the expiration date for one or both of the service types offered under a combined service type, the new Minimum Commitment level will be either (1) the then existing commitment level for the combined services or (2) ninety percent (90%) of the total number of channel terminations for the combined service type for the ACNA(s) included in CDP, whichever is higher. If the customer chooses to extend the expiration date for DDS II service offered under a CDP, a new Minimum Commitment level must be established that is (1) the then-existing Minimum Commitment level; or (2) seventy-five percent (75%) of the total number of channel terminations for DDS II for the ACNA(s) included in CDP, whichever is higher.

- (c) Termination liability charges as set forth in Section 25.1.11 following are not applicable to the cancelled plan provided that the minimum service commitment as of the date of extension is maintained during the period of extension.

(E) Cancellations

Except as set forth in Sections 25.1.3(C)(6) or (7), 25.1.5(C), 25.1.6(C) and 25.1.10(D)(1) preceding and Sections 25.1.10(E)(2) and 25.1.10(G) following, cancellation of a Commitment Discount Plan will result in the application of termination liability as set forth in Section 25.1.11 following.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.10 Commitment Periods (Cont'd)(E) Cancellations (Cont'd)

- (2) If a CDP Customer 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 25.2 following, termination liability under CDP (as set forth in Section 25.1.11 following) will not apply.
- (a) Cancellation Affecting Commitment Periods for Combined Service Types
- (1) The Telephone Company will make the following changes to a CDP if the CDP Customer has a combined service type.
- (a) Where Switched Access DS1 Services and Special Access DS1 Services are under a combined service type, and the Special Access DS1 Services are included in NDP, the commitment level for the remaining Switched Access DS1 Services will be reduced to ninety percent (90%) of the number of Switched Access DS1 Services that remain for the ACNA(s) included in the CDP, and the combined service type commitment level will be changed to an individual service type commitment level. (N) (N)
- (b) Where Switched Access DS3 Services and Special Access DS3 Services are under a combined service type that does not include IEF services, and the Special Access DS3 Services are included in NDP, the commitment level for the remaining Switched Access DS3 Services will be reduced to ninety percent (90%) of the number of Switched Access DS3 Services that are in-service for the ACNA(s) included in CDP at the time of such cancellation, and the combined service type commitment level will be changed to an individual service type commitment level. (N) (N)
- (c) Where Special Access DS3 Services and IEF services are under a combined service type that does not include Switched Access Services, and the Special Access DS3 Services are included in NDP, the commitment level for the remaining IEF services will be reduced to ninety percent (90%) of the number of IEF services that are in-service for the ACNA(s) included in CDP at the time of such cancellation, and the combined service type commitment level will be changed to an individual service type commitment level. (N)
- (d) Where Switched Access DS3 Services, Special Access DS3 Services, and IEF services are under a combined service type, and the Special Access DS3 Services are included in NDP, the commitment level for the remaining Switched Access DS3 Services and IEF services will be reduced to ninety percent (90%) of the number of Switched Access DS3 Services and IEF services that are in-service for the ACNA(s) included in CDP at the time of such cancellation as a combined service type. (N) (N)

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.10 Commitment Periods (Cont'd)

(E) Cancellations (Cont'd)

(2) (Cont'd)

(a) Cancellation Affecting Commitment Periods for Combined Service Types (Cont'd)

- (2) A new commitment level equal to ninety percent (90%) of the services remaining for the ACNA(s) included under CDP in either a combined service type or an individual service type will be established. The new commitment level will be effective for the remainder of the existing commitment period, unless otherwise revised under this Section 25.1. (N)
- (3) For example, when a CDP Customer that subscribes to Special Access DS3 Services and Special Access IEF services under CDP, subsequently cancels the CDP for its Special Access DS3 Services in order to move such services to NDP, termination liability will not apply for the Special Access DS3 Services that are moved from the CDP to the NDP. In addition, the commitment level for the Special Access IEF services that remain under CDP will be changed in accordance with Section 25.1.3 preceding to ninety percent (90%) of the in-service quantities of IEF services for the ACNA(s) included in CDP at the time of cancellation of the CDP, and the IEF service shall be converted to an individual service type under the CDP. The commitment level for IEF services will be effective for the remainder of the existing commitment period unless otherwise revised under this Section 25.1. (N)

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.11 Termination Liability (Cont'd)

(C) (Cont'd)

(1) Option 1 Termination Liability Charge Method and Calculation

(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 have been applied. The termination liability charge applies in addition to the charge associated with satisfying the minimum period requirement as set forth in Section 5.2.5 preceding.

(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 Standard Channel Terminations in service for the ACNA(s) included in CDP since the last true-up was performed and the total dollar amount associated with the equivalent DS0 monthly rate elements which were in service since the last true-up was performed. (N) (N)

(Step 2) Using the data determined in the final true-up and all applicable previous true-ups, the Telephone Company will calculate an average rate per equivalent DS0.

(Step 3) The Telephone Company will multiply the average rate per equivalent DS0 from Step 2 by fifty percent 50% and by the number of equivalent DS0s which comprise Minimum Commitment and multiply the result by the number of months and fraction thereof remaining in the commitment period, less any time in-service credit or Renewal Option which may have been applied or the number of months from the end of the minimum period requirement to the end of the commitment period, less any time in-service credit or Renewal Option which may have been applied, as applicable. The amount due from the CDP Customer is not subject to any late payment factor as specified in Section 2.4.1 preceding.

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25. Discount Plans (Cont'd)25.2 National Discount Plan25.2.1 General

(A) Overview

The National Discount Plan (**NDP**) is an optional discount plan that allows the NDP Customer to aggregate its Qualifying Services on a national basis. The NDP provides discounts 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. (D)

(B) Specific Terms and References

Unless otherwise defined in this tariff, the following terms are used in this Section 25.2. References to other sections of Section 25.2 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 25.2.7 following. A **Final True-Up** shall be conducted in accordance with Section 25.2.14(B)(1) following.

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25. Discount Plans (Cont'd)
25.2 National Discount Plan (Cont'd)
25.2.1 General (Cont'd)

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

- (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 25.2.7(C)(2) following.
- (9) **Average Monthly Rate Per Equivalent DS1 CT:** shall mean the rate as calculated in accordance with in Section 25.2.7(C)(1) following.
- (10) **Channel Termination(s):** shall mean the applicable Special Access channel terminations for Qualifying Services (as used in the Telephone Company's Tariff F.C.C. No. 1 (FCC1) and in this tariff, the applicable Special Access Lines (SAL(s)) for Qualifying Services (as used in the Telephone Company's Tariff F.C.C. No. 14 (FCC14), and the applicable Circuit Terminations for Qualifying Services (as used in the Telephone Company's Tariff F.C.C. No. 16 (FCC16) as follows.
- (a) Channel Terminations for Special Access DS1 Services are described in Section 7.2.9 of FCC1, Section 7.2.9 preceding of this tariff, Section 5.3.6 of FCC14, and Section 7.11.1 of FCC16; and
- (b) Channel Terminations for Special Access DS3 Services using electrical and optical interfaces are described in Section 5.3.6 of FCC14, and Section 7.11.1 of FCC16; 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 of FCC1, and Section 7.2.9 preceding of this tariff; and
- (d) Channel Terminations for FMS Services are set forth in Section 7.2.13 of FCC1 and Section 7.2.16 preceding of this tariff; and
- (e) Channel Terminations for IEF Services.
- (11) **Channel Termination Revenue Cap:** shall mean the total discounted monthly revenues associated with all in-service channel termination rate elements for Equivalent DS1 CTs for month one of the NDP multiplied by the appropriate Commitment Level percentage (e.g., 92% for Deluxe). In the event the Commitment Level changes (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the Channel Termination (CT) Revenue Cap. (N)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.1 General (Cont'd)

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

- (12) **Channel Mileage**: shall mean the applicable channel mileage for Qualifying Services (as used in this tariff and FCC1), the applicable Special Transport for Qualifying Services (as used in FCC14), and the applicable Circuit Mileage for Qualifying Services (as used in FCC16) as follows. (T)
- (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 7.2.9 of FCC1, Section 5.3.6 of FCC14, and Section 7.11.1 of FCC16; and
- (b) Channel Mileage for FMS Services which are described in Section 7.2.16 of this tariff and Section 7.2.13 of FCC1.
- (13) **Channel Mileage Revenue Cap**: shall mean the total discounted monthly revenues associated with all in-service channel mileage rate elements for Equivalent DS1 CMs for month one of the NDP multiplied by the appropriate Commitment Level percentage (e.g., 92% for Deluxe). In the event the Commitment Level changes (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the Channel Mileage (CM) Revenue Cap. (N)
- (14) **Commitment Buy Up Bonus**: shall mean an option available to the NDP Customer which allows the NDP 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 25.2.7(E) following. (T)
- (15) **CBB Discount**: shall mean the Commitment Buy-Up Bonus Discount as described in Section 25.2.7(E) following. (T)
- (16) **Commitment Level**: 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 NDP Customer must commit to the NDP, as described further in Section 25.2.4 following. If the NDP Customer has Channel Terminations and Channel Mileage, then the NDP Customer must establish a separate Commitment Level for Channel Terminations (**CT Commitment Level**) and a separate Commitment Level for Channel Mileage (**CM Commitment Level**). (T)
- (17) **Commitment Matrix**: shall mean the Premier Commitment Matrix, the Standard Commitment Matrix or the Deluxe Commitment Matrix as each is described in Section 25.2.4(C) following. (T)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.1 General (Cont'd)

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

- (18) **Discount Tier**: shall mean the tier in each of the tables set forth in Section 25.2.4(B) following into which the NDP Customer falls based on the actual quantities of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable. (T)
- (19) **Discount Tier Adjustment**: shall mean the adjustment (if applicable) to a higher or a lower Discount Tier based on the difference (if any) between the NDP Customer's Achieved Discount Tier and Assigned Discount Tier, as calculated during the Annual True-Up Period. See Section 25.2.7(D) following for further explanation. (T)
- (20) **Discounted Rate Elements**: 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 25.2.5(A) following. (T)
- (21) **Equivalent DS1 CTs**: shall mean the total number of equivalent DS1 Channel Terminations for Qualifying Services for the ACNA(s) included in NDP as determined in accordance with Section 25.2.4 following. (T)
(N)
(N)
- (22) **Equivalent DS1 CMs**: shall mean the total number of equivalent DS1 Channel Miles for Qualifying Services for the ACNA(s) included in NDP as determined in accordance with Section 25.2.4 following. (T)
(N)
(N)
- (23) **FMS Services**: shall mean Special Access Service provided as Facilities Management Service under Section 7.2.16 preceding of this tariff, and Section 7.2.13 of FCC1. Switched Access FMS Services are not included in the NDP. (T)
- (24) **IEF Services**: shall mean, as applicable, either (a) Special Access IntelliLight® Entrance Facilities STS1 terminations (excluding interface options) as described in Section 7.2.15 of FCC1, Section 26.1.4 preceding of this tariff, Section 20.4 of FCC14, and Section 20.4 of FCC16; 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. (T)
- (25) **Initial Term**: shall mean the five (5) year initial term of the NDP. (T)
- (26) **Monthly Average Count of Equivalent DS1 CMs**: 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 25.2.7(B)(1) following. (T)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.1 General (Cont'd)

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

- (27) **Monthly Average Count of Equivalent DS1 CTs**: 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 25.2.7(B)(1) following. (T)
- (28) **Monthly Charges**: shall mean the dollar amount of monthly recurring charges billed by the Telephone Company for Discounted Rate Elements. (T)
- (29) **Monthly Shortage**: 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. (T)
- (30) **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. (T)
- (31) **NDP Start Date**: shall mean the start date of the NDP Customer's NDP, as described in Section 25.2.2(A)(1) following. (T)
- (32) **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 25.2.7(D). (T)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.1 General (Cont'd)

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

- (33) **Person:** shall mean any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization. (T)
- (34) **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. (T)
- (35) **Qualifying Services:** shall mean Special Access DS1 Services, Special Access DS3 Services, FMS Services, and IEF Services provided by the Telephone Company to the NDP Customer as more specifically described in Section 25.2.3 following of this Tariff, Section 25.3.3 of FCC1, Section 23.1.3 of FCC14, and Section 22.1,3 of FCC16. (T)
- (36) **Renewal Term:** shall mean any renewed 5-year period of the NDP. (T)
- (37) **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. (T)
- (38) **Shortfall Penalty:** shall mean a penalty assessed against the NDP Customer when it fails to meet its CT Commitment Level and/or CM Commitment Level, as applicable, during an Annual True-Up Period, as further described in Section 25.2.7(C) following. (T)
- (39) **Special Access DS3 Service:** shall mean Special Access DS3 High Capacity/44.736 Mbps Service as described in Section 7.2.9 of FCC1, Special Access High Capacity 44.736 Mbps Service as described in Section 7.2.9 preceding of this tariff, Special Access High Capacity Digital DS3 Service as described in Section 5.3.6(E) of FCC14, and Special Access DS3 High Capacity Service as described in Section 7.11 of FCC16. (T)
- (40) **Special Access DS1 Service:** shall mean Special Access DS1 High Capacity/1.544 Mbps Service as described in Section 7.2.9 of FCC1, Special Access High Capacity 1.544 Mbps Service as described in Section 7.2.9 preceding of this tariff, Special Access High Capacity Digital DS1 Service as described in Section 5.3.6(A) of FCC14, and Special Access DS1 High Capacity Service as described in Section 7.11 of FCC16. (T)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.1 General (Cont'd)

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

- (41) **Subscription Date**: shall mean the date that the Telephone Company receives an executed and completed subscription document from the NDP Customer. (T)
- (42) **Telephone Company Sale**: shall mean the sale or other divestiture of an operating territory or a portion of an operating territory of a Telephone Company, whereby the Telephone Company no longer provides Qualifying Services in such operating territory or portion of an operating territory. (T)
- (43) **Term**: shall mean the Initial Term and any Renewal Term(s). (T)
- (44) **Upgrade or Upgraded**: shall mean the replacement of (i) a Qualifying Service with a Qualifying Service of a higher bandwidth or capacity (e.g., replacement of a Special Access DS3 Service with an IEF Service); or (ii) a Qualifying Service with another Telephone Company provided service of a higher bandwidth or capacity that is not a Qualifying Service (e.g., replacement of a Special Access DS3 Service with an Ethernet Service of a higher bandwidth). (T)
- (45) **Upgrade Adjustment**: shall mean an adjusted number of Equivalent DS1 CTs and an adjusted number of Equivalent DS1 CMs that were Upgraded by the NDP Customer during the Annual True-Up Period. (T)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.1 General (Cont'd)

(C) ACNAs Subscribing to NDPs Established Prior to July 16, 2016 (T)

- (1) At the time of subscription to NDP, the subscribing customer must include all of its ACNAs in the NDP. The NDP Customer also has the option to include the ACNA(s) of one or more Person(s) in its NDP (subject to written authorization from the NDP Customer and the applicable Person(s)). In this case, the NDP Customer's NDP shall include (i) all of the subscribing customer's ACNA(s); and (ii) all of the ACNA(s) of the Person(s) that the subscribing customer wishes to include in its NDP (subject to written authorization from the NDP Customer and the applicable Person(s)).
- (2) If, subsequent to the NDP Start Date, the NDP Customer wishes to add one or more ACNA(s) to its NDP for one of the following reasons, then all such ACNA(s) of the NDP Customer or Person(s), as applicable, shall be added to the NDP Customer's NDP at the time of the next Annual True-Up, in accordance with the terms set forth in Section 25.2.11 following.
- (a) NDP Customer (at its option) wishes to include one or more Person(s) into its NDP that are not currently included in the NDP Customer's NDP (subject to written authorization from the NDP Customer and the applicable Person(s)); or
- (b) NDP Customer or one of the Person(s) who is currently included in the NDP (at its option) has acquired one or more new ACNA(s) and wishes to include such ACNA(s) in the NDP Customer's NDP; or (C)
|
(C)
- (c) NDP Customer has acquired one or more ACNA(s) through merger, acquisition, or other transaction that are not currently included in the NDP Customer's NDP only when such ACNA(s) were already included in an NDP acquired by such merger, acquisition or other transaction. NDP Customer is not required to include ACNA(s) acquired through merger, acquisition, or other transaction that were not currently included in another NDP. (C)
|
(C)
- (3) No later than thirty (30) calendar days prior to each Anniversary Date, the NDP Customer must provide written notice to the Telephone Company indicating its intent to add such ACNA(s) to the NDP, and setting forth the affected ACNA(s) and the name of the Person (if applicable) who owns such ACNA(s).

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.1 General (Cont'd)

(C) ACNAs Subscribing to NDPs Established Prior to July 16, 2016 (T)
(Cont'd)

- (4) Once an ACNA is included in the NDP, it cannot concurrently be included in any other NDP. Combination or addition of ACNAs are further described in Section 25.2.11 following.
- (5) For example, assume that a customer who has only one ACNA (ABC) subscribes to the NDP. Assume further that such NDP Customer has five (5) affiliates, but only wishes to include three (3) affiliates in its NDP as of the NDP Start Date. Assume also that each of the three (3) included affiliates each have one ACNA respectively (ACNAs LLL, MMM, and NNN, respectively). In this case, a single NDP will be established for the NDP Customer that includes the following ACNAs: ABC, LLL, MMM, and NNN. Assume further that during Plan Year 2, the NDP Customer decides to include its remaining two (2) affiliates in its NDP. Then, in accordance with this Section 25.2.1 and Section 25.2.11 following, the NDP Customer will include all of the ACNAs of such affiliates into the NDP.

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.1 General (Cont'd)

- (D) ACNAs Subscribing to NDPs Established on or after July 16, 2016 (N)
- (1) At the time of subscription to NDP, the subscribing customer must designate to the Telephone Company its ACNAs that it wishes to include in the NDP. The NDP Customer also has the option to include some or all of the ACNA(s) of one or more Person(s) in its NDP (subject to written authorization from the NDP Customer and the applicable Person(s)).
 - (2) If, subsequent to the NDP Start Date, the NDP Customer adds one or more ACNA(s) to its NDP for one of the following reasons, then the subscribing customer must designate to the Telephone Company those ACNA(s) it wishes to have added to its NDP at the time of the next Annual True-Up, in accordance with the terms set forth in Section 25.3.11 following.
 - (a) NDP Customer (at its option) may include one or more Person(s) into its NDP that are not currently included in the NDP Customer's NDP (subject to written authorization from the NDP Customer and the applicable Person(s)); or
 - (b) NDP Customer or one of the Person(s) who is currently included in the NDP has acquired one or more new ACNA(s) and (at its option) wishes to include such ACNA(s) in the NDP Customer's NDP; or
 - (c) NDP Customer (at its option) may include one or more ACNA(s) into its NDP that are not currently included in the NDP Customer's NDP; or
 - (d) NDP Customer has acquired one or more ACNA(s) through merger, acquisition, or other transaction that is not currently included in the NDP Customer's NDP and such ACNA(s) was already included in an NDP acquired by such merger, acquisition or other transaction. NDP Customer is not required to include ACNA(s) owned by a Person that is not included in the NDP Customer's NDP or ACNA(s) acquired through merger, acquisition, or other transaction that was not currently included in another NDP.
 - (3) No later than thirty (30) calendar days prior to each Anniversary Date, the NDP Customer must provide written notice to the Telephone Company indicating its intent to add such ACNA(s) to the NDP, and setting forth the affected ACNA(s) and the name of the Person (if applicable) who owns such ACNA(s). (N)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.1 General (Cont'd)

- (D) ACNAs Subscribing to NDPs Established on or after July 16, 2016 (Cont'd) (N)
- (4) Once an ACNA is included in the NDP, it cannot concurrently be included in any other NDP. Combination or addition of ACNAs are further described in Section 25.3.11 following.
- (5) For example, assume that a customer who has only one ACNA (ABC) subscribes to the NDP. Assume further that such NDP Customer has five (5) affiliates, but only wishes to include three (3) affiliates in its NDP as of the NDP Start Date. Assume also that each of the three (3) included affiliates each have one ACNA respectively (ACNAs LLL, MMM, and NNN, respectively). In this case, a single NDP will be established for the NDP Customer that includes the following ACNAs: ABC, LLL, MMM, and NNN. Assume further that during Plan Year 2, the NDP Customer decides to include its remaining two (2) affiliates in its NDP. Then, in accordance with this Section 25.3.1 and Section 25.3.11 following, the NDP Customer will include all of the ACNAs of such affiliates into the NDP. (N)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.1 General (Cont'd)

- (E) Subscription to Other Tariff Arrangements (T)
- (1) At any time during the Term of the NDP, the NDP Customer may not simultaneously subscribe the Discounted Rate Elements for the ACNA(s) included in the NDP Customer's NDP to other existing or new tariff arrangements (including a contract tariff option (as set forth in Section 32 following), an individual case basis arrangement, specialized service arrangement (or the like), or other discount plan, such as Service Discount Plans (as set forth in Section 7.4.10 preceding) and Commitment Discount Plans (as set forth in Section 25.1.1 preceding) under this tariff, subject to the exceptions set forth in Section 25.2.1(D)(1) following. Except as set forth in (D)(1)(a) through (e) following, if the NDP Customer subscribes to such other tariff arrangement, then the NDP Customer shall be deemed to have terminated the NDP, and termination liability (as set forth in Section 25.2.13 following) shall apply. (N)
- (a) Unless specifically prohibited under a contract tariff option, the NDP Customer may concurrently subscribe to and receive the benefits of the NDP and any existing or new contract tariff option (as set forth in Section 32 following) that provides discounts on a circuit specific basis on any Qualifying Service (including discounts or credits on Discounted Rate Elements); or (N)
- (b) Unless specifically prohibited under a contract tariff option, the NDP Customer may concurrently subscribe to and receive the benefits of NDP and any existing or new contract tariff option (as set forth in Section 32 following) that provides discounts for achieving certain aggregate volume or revenue targets for FMS Services and/or IEF 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 FMS term plans.
- (e) The NDP Customer may subscribe concurrently to the NDP and an IEF term plan or an IEF Commitment Discount Plan.
- (f) The NDP Customer may concurrently subscribe Qualifying Services ordered on or after July 16, 2016 to other existing or new tariff arrangements as long as said Qualifying Services are for an ACNA that is not included in the NDP Customer's NDP. (N)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.1 General (Cont'd)

(E) Subscription to Other Tariff Arrangements (Cont'd) (T)

- (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 FMS Services, since rate elements of FMS Services are not Discounted Rate Elements under NDP. However, the NDP Customer may not subscribe to and receive discounts under a "Total Billed Revenue" contract option which provides discounts on aggregate revenue of Special Access DS1 Services and Special Access DS3 Services.

25.2.2 Subscription

(A) Subscription Requirements

The customer's request for subscription to the NDP must be in writing, must be signed by an authorized representative of the customer, and must be in a manner prescribed by the Telephone Company. In addition, the written request must include all of the following:

(1) NDP Start Date

Notwithstanding a different Subscription Date, the NDP shall start on one of the following dates as determined below:

- (a) If the NDP Customer's Subscription Date to NDP is on or before the fifteenth (15th) calendar day of a month, the NDP Start Date shall be the first (1st) calendar day of the month following the Subscription Date. Application of discounts under the NDP shall begin with the first bill day of the bill period associated with the NDP Customer's BAN in the month following the Subscription Date. For example, assume a NDP Customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the NDP Customer's Subscription Date to NDP is July 6th. Then, the NDP Start Date is August 1 and discounts under the NDP shall begin on August 11th.
- (b) If the NDP Customer's Subscription Date to NDP is after the 15th calendar day of a month, the NDP Start Date shall be the 1st calendar day of the second calendar month following the Subscription Date. Application of discounts under the NDP shall begin with the first bill day of the bill period associated with the NDP Customer's BAN in the second month following the Subscription Date. For example, assume a NDP Customer's bill period begins on the 11th calendar day of each month. Assume also that the NDP Customer's Subscription Date to NDP is July 17th. Then, the NDP Start Date is September 1st and discounts under the NDP shall begin on September 11th.

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25. Discount Plans (Cont'd)
 25.2 National Discount Plan (Cont'd)
 25.2.2 Subscription (Cont'd)
 (C) (Cont'd)

- (2) Actual Quantities of Channel Terminations and Channel Mileage for Qualifying Services

The Telephone Company shall calculate and provide to the NDP Customer the actual quantities of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP during the month prior to the Subscription Date. The Telephone Company's records regarding the actual number of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP shall be deemed accurate in the case of any discrepancy between the NDP Customer's records and the Telephone Company's records. In accordance with Section 25.2.4 following, the Telephone Company shall derive the Equivalent DS1 CTs and the Equivalent DS1 CMs from the actual quantities of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP.

- (3) Discount Tier

Based on the Equivalent DS1 CTs and Equivalent DS1 CMs determined in (2) above, the Telephone Company will determine the Discount Tier that the NDP Customer falls into in each of the applicable tables set forth in Section 25.2.4(B) following.

- (4) Commitment Matrix and Commitment Levels

The NDP Customer must specify a Commitment Level by selecting from one of the following three (3) Commitment Matrix options: (1) Premier Commitment Matrix, as described in Section 25.2.4(C)(1) following; (2) Standard Commitment Matrix, as described in Section 25.2.4(C)(2) following; and (3) Deluxe Commitment Matrix, as described in 25.2.4(C)(3) following. The NDP Customer's choice of the Commitment Matrix determines (a) the number of Equivalent DS1 CTs and/or Equivalent DS1 CMs that the NDP Customer must commit to the NDP; and (b) the discount on Discounted Rate Elements provided under the NDP.

- (5) BANs

The NDP Customer must specify a BAN, per state (for each operating territory included in this tariff), against which the Telephone Company will apply adjustments (including Shortfall Penalties as set forth in Section 25.2.7(C) following, Discount Tier Adjustments as set forth in Section 25.2.7(D) following, and CBB Discounts as set forth in Section 25.2.7(E) following) associated with the NDP.

- (6) ACNA(s)

For customers subscribing to NDP on or after July 16, 2016, the NDP Customer must specify the ACNA(s) it wishes to include in NDP in accordance with Section 25.2.1(D)(1) preceding.

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.3 Qualifying Services

(A) Inclusion of Qualifying Services in NDP

The Qualifying Services are included in the NDP for purposes of determining the Equivalent DS1 CTs and Equivalent DS1 CMs.

- (1) If the NDP Customer purchases one or more of the Qualifying Services under this tariff, and/or under FCC1, and/or FCC14 and/or FCC16, and subscribes to the NDP, the NDP Customer's NDP must include the Qualifying Services in the quantities set forth in (B) following that are purchased under such affected tariffs for the ACNA(s) included in NDP. For each Qualifying Service, with the exception of FMS Services, for which only seventy-five percent (75%) must be included, the NDP Customer must include all quantities (i.e., one hundred percent (100%)) of such Qualifying Services purchased under all affected tariffs for the ACNA(s) included in NDP. (N)
- (2) The NDP will be administered as a single discount plan across all such tariffs for which a single set of Commitment Levels, Discount Tiers, and Term shall apply. (N)

For example, assume an NDP Customer purchases Special Access DS3 Services under this tariff and under FCC1 and FCC14, and FMS Services under this tariff and under FCC1. In this case, the NDP Customer must subscribe to the NDP all (i.e., 100%) of such Special Access DS3 Services purchased under this tariff and under FCC1 and FCC14 for the ACNA(s) included in the NDP Customer's NDP. However, the NDP Customer is only required to include 75% of the FMS Services purchased by the NDP Customer under this tariff and FCC1 for the ACNA(s) included in the NDP Customer's NDP. The NDP Customer's NDP shall be administered as one discount plan across this tariff, FCC1, and FCC14. Assume further that in Plan Year 2, the NDP Customer purchases Special Access DS1 Services in FCC 16. Then, the Telephone Company shall include all (i.e., 100% of such Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP. (N)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.3 Qualifying Services

(B) Qualifying Services

Subject to the terms of Section 25.2.1(D) preceding, the applicable percentage (as listed below) of each Qualifying Service provided by the Telephone Company to the NDP Customer pursuant to this tariff, FCC1, FCC14, and FCC16, for the ACNA(s) included in the NDP Customer's NDP, shall be included in the NDP at the time of subscription to NDP and, as applicable, at any time during the Term when the NDP Customer purchases additional quantities of such Qualifying Services. (N) (N)

- (1) All quantities (one hundred percent (100%)) of Special Access DS1 Service Channel Terminations (see Note 1);
- (2) All quantities (one hundred percent (100%)) of Special Access DS3 Service Channel Terminations (including Individual System, 3 System, and Unlimited System configurations in FCC14 and FCC16, and 12 Capacity System configurations in FCC 16) (see Note 2);
- (3) All quantities (one hundred percent (100%)) of Special Access DS1 Service Channel Mileage (see Notes 1 and 3);
- (4) All quantities (one hundred percent (100%)) of Special Access DS3 Service Channel Mileage (including Individual System, 3 System, and Unlimited System configurations in FCC14, and Individual System, 3 Capacity System, 12 Capacity System and Unlimited System configurations in FCC16) (see Note 3);
- (5) All quantities (one hundred percent (100%)) of IEF STS1 Channel Terminations;
- (6) Seventy-five percent (75%) of the quantities of FMS Service Primary Premises Channel Terminations with a DS1 Interface or a DS3 Interface in this tariff and FCC1;
- (7) Seventy-five percent (75%) of the quantities of FMS Service Channel Mileage in this tariff and FCC1.

Note 1: High Capacity Digital FT1 Facilities in FCC14 and FCC16 are not Qualifying Services.

Note 2: Channel Terminations and Channel Mileage for 12 and 24 Group Systems in FCC14 are not Qualifying Services.

Note 3: The MetroLAN Optional Arrangement in FCC14 and FCC16 is not a Qualifying Service.

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.3 Qualifying Services (Cont'd)

(C) Shared Use Arrangements

For Qualifying Services that are provided as part of a Shared Use Arrangement as set forth in Section 5.2.7 preceding, the Special Access DS3 Service, Special Access DS1 Service, IEF Service, or FMS Service will be included in the NDP. The Switched Access Portion for such services of the Shared Use Arrangement will not be included in the NDP or be subject to discounting under the NDP.

(D) Conversion of Qualifying Services

Upon subscription to NDP, all of the NDP Customer's individual circuit-specific term plans for Special Access DS3 Services and Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP, such as Service Discount Plans offered under Section 7.4.10 preceding, must be cancelled to include all such services in the NDP. Termination liability as set forth in Sections 7.4.10(C) preceding will not apply to such cancellations. (N)

Additionally, all of the NDP Customer's Commitment Discount Plans for Special Access DS3 Services and Special Access DS1 Services (as offered under Section 25.1 preceding of this tariff and under Section 25.1 of FCC1) (CDP) for the ACNA(s) included in the NDP Customer's NDP, or the affected portion of the CDP, as applicable, for the Special Access DS3 Services and Special Access DS1 Services that are to be included in the NDP, must be cancelled in order to include all such services in the NDP. Such cancellation(s) under this tariff may result in a change(s) to the commitment level of the services remaining under the CDP as further described in Section 25.1 preceding. Termination liability as set forth in Section 25.1.11 preceding will not apply to such cancellations. (N)

Further, all of the NDP Customer's individual circuit-specific term plans and term and volume plans for Special Access DS3 Services and Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP, such as (i) Term Pricing Plans (TPPs) as offered under FCC1; (ii) DS1 Term Volume Plan(s) (TVP(s)) and Eight and Ten Year DS1 Term Volume Plan(s) (ETTVP(s)) offered under FCC14; (iii) DS3 TVPs as offered under FCC14; and (iv) DS1 Term Payment Plans (DS1 TPPs) as offered under FCC16, must be cancelled in order to include all such services in the NDP. (N)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.3 Qualifying Services (Cont'd)

(E) Addition of Services and Removal of Services

(1) Addition of Services

- (a) The NDP Customer may add Special Access DS3 Service and Special Access DS1 Service for the ACNA(s) included in the NDP Customer's NDP at any time during the Term of the NDP. Qualifying Services are added to the NDP for the remainder of the Term (i.e., on a coterminous basis). The NDP Customer may add Special Access DS3 Service and Special Access DS1 Service for ACNA(s) not included in NDP only if it adds the ACNA(s) to the NDP Customer's NDP pursuant to Section 25.3.11 following. (N)
(N)
- (b) When the NDP Customer adds one or more Special Access DS3 Services or Special Access DS1 Services to NDP at any time during the Term, the Channel Termination nonrecurring charge which applies for such service is \$1.00 per Channel Termination added. (N)
- (c) When the NDP Customer adds one or more IEF Services or one or more FMS Services during the Term of the NDP, the added IEF Service or FMS Service will be added to the NDP solely for the purpose of calculating the number of Equivalent DS1 CTs and/or the number of Equivalent DS1 CMs used to administer the NDP. (N)

(2) Removal of Services

- (a) When the NDP Customer removes one or more Special Access DS3 Services or Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP, but not all Special Access DS3 Services and Special Access DS1 Services, from NDP at any time during the Term, no termination liability charge applies. (N)
(N)
- (b) When the NDP Customer removes one or more IEF Services for the ACNA(s) included in the NDP Customer's NDP, or one or more FMS Services for the ACNA(s) included in the NDP Customer's NDP during the Term of the NDP, no termination liability under this Section 25.2 applies. However, the NDP Customer may be subject to (i) termination liability under its applicable term plan for IEF Service; or (ii) termination liability under its FMS Service term plan in accordance with Section 7.2.16 preceding. (N)
(N)
- (c) When the NDP Customer removes all Special Access DS3 Services and all Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP from the NDP (i.e., the NDP Customer cancels its NDP in its entirety), termination liability applies in accordance with Section 25.2.13 following. (N)
(N)

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25. Discount Plans (Cont'd)

25.2 National Discount Plan (Cont'd)

25.2.4 Commitment Levels and Discount Tiers

(A) Calculation of Equivalent DS1 CTs and Equivalent DS1 CMs

In order to establish Commitment Levels and Discount Tiers, Equivalent DS1 CTs and Equivalent DS1 CMs must be determined. Based on the actual quantities of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP, and the percentage of each Qualifying Service that must be included in the NDP (i.e., 100% or 75%, as applicable), as set forth in Section 25.2.3(B) preceding, the Telephone Company will calculate the Equivalent DS1 CTs and Equivalent DS1 CMs. (N)

(1) The Equivalent DS1 CTs shall be calculated as follows:

- (Step 1) Determine the actual quantity of Channel Terminations for each Qualifying Service across this tariff and FCC1, FCC14, and FCC16, as applicable, for the ACNA(s) included in the NDP Customer's NDP. (N)
- (Step 2) Multiply the actual quantity of Channel Terminations for such Qualifying Service by either (a) 100% if the Qualifying Service is Special Access DS1 Service, Special Access DS3 Services, or an IEF Service; or (b) 75% if the Qualifying Service is an FMS Service. (N)
- (Step 3) Using Table 1, below, multiply (a) the applicable number in the column entitled "DS1 CT Multiplier" below; by (b) the number derived in Step 2 above.
- (Step 4) Repeat the process in Steps (1) through (3) for each Qualifying Service.
- (Step 5) Add the product of all of the equivalent Channel Terminations for all of the Qualifying Services derived in Steps (1) through (4) above.

Table 1: Calculation of Equivalent DSI CTs.

<u>Qualifying Service</u>	<u>DS1 CT Multiplier</u>
STS1 level	28
DS3 level	28
DS1 level	1
FMS level	1/24th

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25. Discount Plans (Cont'd)

25.2 National Discount Plan (Cont'd)

25.2.4 Commitment Levels and Discount Tiers (Cont'd)

(A) Calculation of Equivalent DS1 CTs and Equivalent DS1 CMs (Cont'd)

(2) The Equivalent DS1 CMs shall be calculated as follows:

(Step 1) Determine the actual quantity of Channel Mileage for each Qualifying Service across this tariff and FCC1, FCC14, and FCC16, as applicable, for the ACNA(s) included in the NDP Customer's NDP. (N)

(Step 2) Multiply the actual quantity of Channel Mileage for such Qualifying Service by either (a) 100% if the Qualifying Service is a Special Access DS1 Service or a Special Access DS3 Services; or (b) 75% if the Qualifying Service is an FMS Service. (N)

(Step 3) Using Table 2, below, multiply (a) the applicable number in the column entitled "DS1 CM Multiplier" below; by (b) the number derived in Step 2 above.

(Step 4) Repeat the process in Steps (1) through (3) for each Qualifying Service.

(Step 5) Add the product of all of the equivalent Channel Mileage for all of the Qualifying Services derived in Steps (1) through (4) above.

Table 2: Equivalent DS1 CMs.

<u>Qualifying Service</u>	<u>DS1 CM Multiplier</u>
STS1 level	N/A
DS3 level	28
DS1 level	1
FMS level	1/24th

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.4 Commitment Levels and Discount Tiers (Cont'd)

(A) Calculation of Equivalent DS1 CTs and Equivalent DS1 CMs (Cont'd)

(2) (Cont'd)

As an example of the above, assume that NDP Customer has Channel Terminations for the ACNA(s) included in the NDP Customer's NDP (N) in the following quantities:

- 200 IEF STS1 Channel Terminations
- 800 DS3 Channel Terminations
- 3,000 DS1 Channel Terminations
- 481 FMS Channel Terminations (this number represents 75% of the total quantity of FMS Channel Terminations in accordance with Section 25.2.3(A) preceding)

The Equivalent DS1 CTs would be determined as follows:

Channel Termination		DS1 CT	Multiplier	=	Equivalent DS1 CTs
200 IEF STS1s	X	28		=	5,600
800 DS3 CTs	X	28		=	22,400
3000 DS1 CTs	X	1		=	3,000
481 FMS CTs	X	1/24		=	20.04
Total Equivalent DS1 CTs				=	31,020.04

Further assume that NDP Customer has Channel Mileage for the ACNA(s) included in the NDP Customer's NDP in the following quantities: (N)

- 5,000 DS3 Channel Miles
- 75,000 DS1 Channel Miles
- 3,004 FMS Channel Miles (this number represents 75% of the total quantity of FMS Channel Mileage in accordance with Section 25.2.3(A) preceding)

The Equivalent DS1 CMs would be determined as follows:

Channel Mileage		DS1 CM	Multiplier	=	Equivalent DS1 CMs
5,000 DS3 CMs	X	28		=	140,000
75,000 DS1 CMs	X	1		=	75,000
3,004 FMS CMs	X	1/24		=	125.17
Total Equivalent DS1 CMs				=	215,125.17

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.5 Application of Discount

(A) Discounted Rate Elements

The discounts provided under the NDP shall only be provided for (N)
the ACNA(s) included in the NDP Customer's NDP on the following (N)
Discounted Rate Elements:

- (1) The following Discounted Rate Elements from FCC1 are included in NDP.
- (a) Special Access DS1 Service Channel Terminations, Basic Service, Section 7.5.9(A) of FCC1, as determined in accordance with Section 14.7 of FCC1.
 - (b) Special Access DS1 Service Channel Mileage, Basic Service, Section 7.5.9(B) of FCC1, as determined in accordance with Section 14.7 of FCC1.
 - (c) Special Access DS1 Service DS1 to Voice Multiplexing, Basic Service, Section 7.5.9(C) of FCC1, as determined in accordance with Section 14.7 of FCC1.
 - (d) Special Access DS1 Service DS1 to Digital Multiplexing, Basic Service, Section 7.5.9(C) of FCC1, as determined in accordance with Section 14.7 of FCC1.
 - (e) Special Access DS1 Service DS1 to DS0 Multiplexing, Basic Service, Section 7.5.9(C) of FCC1, as determined in accordance with Section 14.7 of FCC1.
 - (f) Special Access DS3 Service primary and secondary Channel Terminations with optical and electrical interfaces, Base Rates, Section 7.5.9(A) of FCC1, as determined in accordance with Section 14.7 of FCC1.
 - (g) Special Access DS3 Service Channel Mileage, Banded Base Rates, as applicable, Section 7.5.9(B)(1)(e)(ii) of FCC1.
 - (h) Special Access DS3 Service Channel Mileage, Base Rates, as applicable, Section 7.5.9(B)(1)(e)(i) of FCC1, as determined in accordance with Section 14.7 of FCC1.
 - (i) Special Access DS3 Service DS3 to DS1 Multiplexing, Base Rates, Section 7.5.9(C) of FCC1, as determined in accordance with Section 14.7 of FCC1.
 - (j) Special Access DS3 Service DS3 Premises Multiplexer, Base Rates, Section 7.5.9(C) of FCC1, as determined in accordance with Section 14.7 of FCC1.

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.6 Special Access DS3 Service Channel Mileage Rates

- (A) Special Access DS3 Service Channel Mileage Banded Base Rates set forth in Section 31.7.9(B)(5) following will apply to Special Access DS3 Services for the ACNA(s) included in the NDP (N)
Customer's NDP that are provided between two serving wire centers (N)
of the same Verizon Telephone Company.
- (B) Except as set forth in (A) preceding, the Channel Mileage Base Rates set forth in Section 31.7.9(B)(4) following apply to all other Special Access DS3 Services for the ACNA(s) included in the NDP Customer's NDP that are included in the NDP and provided (N)
between (i) two (2) Verizon Telephone Companies; or (ii) between a Verizon Telephone Company and another exchange telephone company in accordance with Section 2.4.7 preceding. For example, the Base Rates as set forth in Section 31.7.9(B)(4) following would apply to the Verizon New Jersey Inc. portion of a Special Access DS3 Service provided between a point in the North Jersey LATA and a point in the New York Metropolitan LATA of the New York and New Jersey Corridor. (N)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.7 Annual True-Up (Cont'd)

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

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

(Step 1) add the actual number of Equivalent DS1 CTs for Qualifying Services purchased for the ACNA(s) included under the NDP for each month of the Annual True-Up Period (including any Equivalent DS1 CTs that were replaced by a Replacing Service(s) using the methodology for a Technology Migration specified in Section 2.10.4 preceding); (N)

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

- (i) the Upgrade Adjustment, as calculated in accordance with Section 25.2.7(H) following, for any Qualifying Service(s) that has been Upgraded; and/or
- (ii) the Sale Adjustment, as calculated in accordance with Section 25.2.10 following, for any Qualifying Service(s) which are affected by a Telephone Company Sale;

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

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.7 Annual True-Up (Cont'd)

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

(1) (Cont'd)

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 for the ACNA(s) included in the NDP Customer's NDP instead of using Equivalent DS1 CTs. (N)
(N)

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

(a) Where the NDP Customer has met its CT Commitment Level and/or CM Commitment Level, as applicable, but has not exceeded such Commitment Level by more than sixty percent (i.e., the NDP Customer's Monthly Average Count of Equivalent DS1 CTs and/or Monthly Average Count of Equivalent DS1 CMs, as applicable, is less than 160% of the applicable Commitment Level), no action is required. An NDP Customer who elected the Premier Commitment Matrix may be eligible to voluntarily increase (buy up) its CT Commitment Level and/or its CM Commitment Level as specified in Section 25.2.7(E) following.

(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:

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25. Discount Plans (Cont'd)

25.2 National Discount Plan (Cont'd)

25.2.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty

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 is less than the NDP Customer's Monthly Average Count of Equivalent DS1 CMs. There are two methods (i.e., Option 1 or Option 2) of determining and calculating the Shortfall Penalty. The Telephone Company will calculate the Shortfall Penalty using both methods and apply the method that produces the lesser Shortfall Penalty. (N)

(1) Option 1 Shortfall Penalty Method and Calculation (C)

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs during the Annual True-Up Period as set forth in Section 25.2.7(B)(1) preceding.

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(1) Option 1 Shortfall Penalty Method and Calculation (Cont'd) (N)

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

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

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

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

(a) The Average Monthly Rate per Equivalent DS1 CT is calculated by (i) adding the total Monthly Charges billed for all Channel Termination and multiplexing (this tariff and FCC1 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. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(1) Option 1 Shortfall Penalty Method and Calculation (Cont'd) (N)

(Step 4) 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.

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

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

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs. In this example, this number is 118,000 Equivalent DS1 CTs.

(Step 2) 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]

(Step 3) 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. [$\$150,000,000 / 12 \text{ months} / 118,000 \text{ Monthly Average Count of Equivalent DS1 CTs}$]

(Step 4) 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).

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(3) Option 2 Shortfall Penalty Method and Calculation

(N)

The Shortfall Penalty for Equivalent DS1 CTs will be an amount equal to the difference between (1) the Channel Termination Revenue Cap and (2) the actual total dollar Channel Termination revenue for Equivalent DS1 CTs in each of the twelve (12) months of the true-up period. The Shortfall Penalty for Equivalent DS1 CMs will be an amount equal to the difference between (1) the Channel Mileage Revenue Cap and (2) the actual total dollar Channel Mileage revenue for Equivalent DS1 CMs in each of the twelve (12) months of the true-up period. The Telephone Company will calculate the difference as follows:

(Step 1) The Telephone Company will first determine the Channel Termination Revenue Cap by multiplying the total discounted monthly revenues associated with all in-service channel termination rate elements for Equivalent DS1 CTs for month one of the NDP by the appropriate Commitment Level percentage (e.g., 92% for Deluxe)(CT Revenue Cap). In the event the Commitment Level changes (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the CT Revenue Cap. The adjusted CT Revenue Cap will be used beginning with the month in which the Commitment Level was changed.

(Step 2) The Telephone Company will then determine the actual channel termination revenues by calculating the total discounted monthly revenues associated with all in-service Equivalent DS1 CT rate elements for each month of the twelve (12) month true-up period.

(Step 3) For each month of the twelve (12) month true-up period, subtract the actual channel termination revenues from the CT Revenue Cap.

(Step 4) The Telephone Company will determine the Channel Mileage Revenue Cap by multiplying the total discounted monthly revenues associated with all in-service channel mileage rate elements for Equivalent DS1 CMs for month one of NDP by the appropriate Commitment Level percentage (e.g., 92% for Deluxe) (CM Revenue Cap). In the event the Commitment Level changes (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the CM Revenue Cap. The adjusted CM Revenue Cap will be used beginning with the month in which the Commitment Level was changed.

(N)

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25. Discount Plans (Cont'd)

25.2 National Discount Plan (Cont'd)

25.2.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(3) Option 2 Shortfall Penalty Method and Calculation (Cont'd)

(N)

(Step 5) The Telephone Company will then determine the actual channel mileage revenues associated with all in-service Equivalent DS1 CM rate elements for each month of the twelve (12) month true-up period.

(Step 6) For each month of the twelve (12) month true-up period, subtract the actual channel mileage revenues from the CM Revenue Cap.

(Step 7) To determine the amount due from the NDP Customer, the Telephone Company will sum the amounts calculated in Step 3 and Step 6. The amount due 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.

(N)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

- (4) The Telephone Company will apply the lesser Shortfall Penalty calculated in (C)(1) or (C)(3) preceding to the BANS designated by the NDP Customer under Section 25.2.2(C)(5) preceding. The Shortfall Penalty is not subject to late payment penalty under Section 2.4.1 preceding, except when the bill containing such Shortfall Penalty is not paid by the payment date. (C) (C)

(D) Discount Tier Adjustment

- (1) At each Annual True-Up, the Telephone Company will automatically adjust the Discount Tier(s) if the Achieved Discount Tier is a higher or a lower Discount Tier than the Assigned Discount Tier that was in effect during the Annual True-Up Period. Such action shall be referred to as the Discount Tier Adjustment. The Achieved Discount Tier and the Assigned Discount Tier are independently determined for Channel Terminations and Channel Mileage. For NDP Customers who elected either the Standard Commitment Matrix or the Premier Commitment Matrix, the Discount Tier Adjustment is set forth in Step 1 through Step 6 of (D)(2) following, the result of which may be an increase or decrease in the discount percentage that was applied during the Annual True-Up Period, and shall be reflected as a credit or debit on the NDP Customer's bill.

- (2) A Discount Tier Adjustment is calculated as follows:

- (Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs during the Annual True-Up Period as set forth in Section 25.2.7(B)(1) preceding.

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.7 Annual True-Up (Cont'd)

(F) Assign the Discount Tier(s) for the Next Plan Year

The Telephone Company will assign the Discount Tier(s) applicable to the next Plan Year (i.e., from the most recent Anniversary Date to the next successive Anniversary Date) if the Achieved Discount Tier in month twelve (12) of the Annual True-Up Period (taking into account any (i) Upgrade Adjustment, as calculated in accordance with Section 25.2.7(H) following, for any Qualifying Service(s) that has been Upgraded; and (ii) any Sale Adjustment, as calculated in accordance with Section 25.2.10 following, for any Qualifying Service(s) for the ACNA(s) included in the NDP Customer's NDP which are affected by a Telephone Company Sale) is a higher or lower Discount Tier than the Assigned Discount Tier for the Annual True-Up Period. With respect to either Channel Terminations or Channel Mileage, the new Discount Tier for the next Plan Year (i.e., the new Assigned Discount Tier) shall result in an increased or decreased discount percentage pursuant to Section 25.2.5(B) preceding. If the Achieved Discount Tier (as determined in accordance with Section 25.2.7(D) preceding) is the same as the Assigned Discount Tier for the Annual True-Up, no action will be taken. (N) (N)

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

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.11 Addition of an ACNA(s) to an Existing NDP

- (A) One of the following two (2) options must be chosen by the NDP Customer when adding one or more ACNA(s) to its NDP:
- (1) If an NDP Customer adds one or more ACNA(s) to its NDP (as permitted under Section 25.2.1(C) and (D) preceding), and such ACNA(s) is/are not already included in a different NDP, then the NDP Customer may include such ACNA(s) in its NDP in accordance with the terms of Section 25.2.11(B)(1) following; or (N) (C)
- (2) If an NDP Customer adds one or more ACNA(s) to its NDP (as permitted under Section 25.2.1(C) and (D) 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 25.2.11(B)(2) following. (N)

The terms of Section 25.2.1(C) preceding apply in addition to any requirements set forth herein.

- (B) No 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 ACNAs 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 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.

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(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 25.2.11(A)(1) preceding (i.e., such ACNA(s) is/are not already included in another NDP), the NDP Customer's NDP shall be augmented to include the quantities of the Qualifying Services of such added ACNAs.

(a) At the next Annual True-Up following the effective date of the NDP Customer acquiring the additional ACNA(s), the Telephone Company will complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.2.7(A) preceding as if the NDP Customer had not acquired the additional ACNA(s).

(b) Upon completion of Section 25.2.7(A)(1) through (A)(5) preceding, and in accordance with Section 25.2.1(C) or (D) preceding, the acquired ACNA(s) will be added to the NDP and all of the following shall occur: (N) (N)

(1) Adjust Commitment Levels

The Telephone Company will adjust Commitment Levels of the NDP to include the Qualifying Services of the acquired ACNA(s) as follows:

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.11 Addition of an ACNA(s) to an Existing NDP (Cont'd)

(B) (Cont'd)

(2) Combine NDPs (Cont'd)

(c) New NDP Option (Cont'd)

(2) The new NDP shall be established using the quantities of Qualifying Services for the ACNAs of Plan A and Plan B as determined in the Final True-Up for each plan, and shall be established and maintained in accordance with the requirements of this Section 25.2.

25.2.12 Removal of an ACNA(s) as a Result of a Customer Sale

(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 contract or otherwise.

(1) When an NDP Customer is subject to a Customer Sale, and seeks to remove one or more ACNA(s) from its NDP, the terms of Section (A)(2) following shall apply, and the Telephone Company shall automatically at the next Annual True-Up modify the existing NDP by removing the affected ACNAs and the Qualifying Services associated with the affected ACNA(s). No later than thirty (30) calendar days prior to the Anniversary Date, the NDP Customer must provide a written notice with supporting documentation that describes the Customer Sale, and the ACNAs 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 25.2.1(C) or (D) 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 contract or otherwise. (T)

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.14 Renewal and Termination of NDP

(A) Description

No 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 election of one of the following options.

- | | | |
|-----|--|-----------------|
| (1) | Renew its NDP for a 5-year Renewal Term as described in Section 25.2.14(B) including providing written election of its subscription to the Renewal Benefit Option as set forth in Section 25.2.14(C) following; or | (T)
(T) |
| (2) | subscribe to a new NDP with a different set of ACNA(s) to be included. All terms and conditions of NDP, including termination liability, shall apply to the new Initial Term. The Renewal Benefit Option is not applicable to this option. | (N)

(N) |
| (3) | 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 | (T) |
| (4) | continue with service on a month-to-month basis without any discount or term plan; or | (T) |
| (5) | discontinue service for all Qualifying Services without the application of termination liability as set forth in Section 25.2.13 preceding. | (T) |

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.14 Renewal and Termination of NDP (Cont'd)

(B) Renewal

The NDP Customer's election to renew its NDP for another Renewal Term under Section 25.2.14(A)(1) preceding must be provided in writing, must include a list of ACNA(s) designated to be included in the NDP Renewal Term, and must be received by the Telephone Company no 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 election under Section 25.2.14(A) preceding, and subject to the following requirements, the expiring NDP shall automatically renew for a 5-year Renewal Term at the end of the Initial Term or Renewal Term, as applicable, for the ACNA(s) included in the expiring NDP. (C)

- (1) The Telephone Company will conduct a Final Annual True-Up for Plan Year 5 in accordance with Section 25.2.7 preceding (Final True-Up), except that such Final True-Up shall not include the following:
- (a) The Commitment Buy-Up option as set forth in Section 25.2.7(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 25.2.14(C) following, where the NDP Customer provides timely notice of its election under Section 25.2.14(A) preceding, the NDP Customer may change the Commitment Matrix to any available Commitment Matrix option.

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25. Discount Plans (Cont'd)

25.2 National Discount Plan (Cont'd)

25.2.14 Renewal and Termination of NDP (Cont'd)

(B) Renewal (Cont'd)

- (2) The Telephone Company shall establish the renewed NDP using the quantities of Qualifying Services for the NDP Customer's ACNA(s) as determined in Section 25.2.1(D) preceding (including any ACNA(s) associated with any Person(s) that are included in the NDP Customer's NDP, as determined in Section 25.2.1(D) preceding). The renewed NDP shall be established and maintained in accordance with the requirements of this Section 25.2 and shall be subject to the following conditions:
 - (a) A Renewal Term of five (5) years; and
 - (b) All Qualifying Services that the NDP Customer subscribed to in month twelve (12) of Plan Year 5 of the expiring Initial Term or a Renewal Term, as applicable, must be included in the Renewed NDP; and
 - (c) The NDP Customer must specify a Commitment Matrix Option for the Renewal Term from those offered under Section 25.2.4(C) preceding, except where the NDP Customer selects the Renewal Benefit Option under Section 25.2.14(C) following, in which case the NDP Customer must select either the Premier Commitment Matrix or the Deluxe Commitment Matrix; and
 - (d) The Telephone Company will develop a new CT Commitment Level for the Renewal Term using (i) the actual number of Equivalent DS1 CTs for Qualifying Services that were subscribed to in month twelve (12) of Plan Year 5 of the expiring Initial Term or the Renewal Term, as applicable, for the NDP Customer's ACNA(s) that it designated to be included in the Renewal Term, and (ii) in the event the NDP customer is adding ACNA(s) to the plan, the actual number of Equivalent DS1 CTs for Qualifying Services that were in service for the new ACNA(s) during month 12 of Plan Year 5. The calculation shall be performed in accordance with Section 25.3.4 preceding; and
 - (e) The Telephone Company will develop a new CM Commitment Level for the Renewal Term using (i) the actual number of Equivalent DS1 CMs for Qualifying Services that were subscribed to in month twelve (12) of Plan Year 5 of the expiring Initial Term or the Renewal Term, as applicable, for the NDP Customer's ACNA(s) that it designated to be included in the Renewal Term, and (ii) in the event the NDP Customer is adding ACNA(s) to the plan, the actual number of Equivalent DS1 CMs for Qualifying Services that were in service for the new ACNA(s) during month 12 of Plan Year 5. The calculation shall be performed in accordance with Section 25.3.4 preceding; and

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25. Discount Plans (Cont'd)25.2 National Discount Plan (Cont'd)25.2.14 Renewal and Termination of NDP (Cont'd)

(B) Renewal (Cont'd)

(2) (Cont'd)

- (f) New Discount Tiers will be assigned for the renewed NDP using the actual quantity of Equivalent DS1 CTs or actual quantity of Equivalent DS1 CMs, as applicable, that were used to determine the new CT and CM Commitment Levels as describe in (d) and (e) preceding; and (C)
(C)
- (g) The renewed NDP shall begin in Plan Year 1 but shall continue to receive the discounts associated with Plan Year 5 as set forth in Section 25.2.5(B) preceding.

(C) Renewal Benefit Option

- (1) If the NDP Customer elects the Renewal Benefit Option, and makes such election in a timely manner as set forth in Section 25.2.14(A) preceding, the expiring NDP shall be renewed at the end of the expiring Initial Term or Renewal Term, as applicable, in accordance with the requirements of (B)(2) preceding. If the NDP Customer does not provide timely notice of its election to renew under Section 25.2.14 preceding, the NDP Customer is not eligible for the Renewal Benefit Option.
- (2) When the Renewal Benefit Option is selected, termination liability under Section 25.2.13 preceding is only applicable for the first forty-two (42) months of the Renewal Term. Termination Liability is not applicable in month 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 25.2.13 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 25.2.13 preceding applies.

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ACCESS SERVICE

31. The Verizon Telephone Companies Rates and Charges (Cont'd)31.7 Special Access Service (Cont'd)31.7.9 High Capacity Service

(A) Channel Terminations

(1) Standard Channel Termination
Per Point of Termination:

(a) 1.544 Mbps

	<u>USOC</u>	<u>Monthly Rates</u>	<u>Nonrecurring Charge</u>	
			<u>First</u>	<u>Add'l</u>
Massachusetts				
Pricing Zone 1	TMECS#	\$207.02 (I)(x)	\$275.00	\$165.00
Pricing Zone 2	TMECS#	229.25 (I)(x)	275.00	165.00
Pricing Zone 3	TMECS#	243.27 (I)(x)	275.00	165.00
New York/Connecticut				
Pricing Zone 1	TMECS#	186.13 (I)(x)	275.00	165.00
Pricing Zone 2	TMECS#	229.25 (I)(x)	275.00	165.00
Pricing Zone 3	TMECS#	243.27 (I)(x)	275.00	165.00
Rhode Island	TMECS#	243.27 (I)(x)	275.00	165.00
			<u>Nonrecurring Charge</u>	
Non-Standard Premises (NSP) Connection - All States				
- Per customer, Per NSP, First Service Only	NRBWR		\$0.00	
(b) 3.152 Mbps*	TWT++	ICB	ICB	None

* Verizon New England Inc. only.

Substitute USOC TZGHX for USOC TMECS when the 1.544 Mbps Service is connected to NYNEX Enterprise Service, Enterprise SONET Service or provides access to Frame Relay Service.

ICB rates and charges are filed in 31.7.14 following.

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