

ACCESS SERVICE

25. Discount Plans25.1 Commitment Discount Plans

A Commitment Discount Plan provides for the application of a discount to the monthly recurring rates for service(s) included in the Plan based on a minimum commitment of channel terminations. For administrative purposes, all services included in the Commitment Discount Plan are managed as a single plan with separate commitment periods applicable to each type of service.

25.1.1 Commitment Discount Plan Availability

At the customer's request, certain Telephone Company Switched Access Services and Special Access Services may be provided under a Commitment Discount Plan. The types of services to be discounted, along with the specific discount percentages and available commitment periods, are set forth in 25.1.4 following.

Commitment Discount Plans for Direct Trunked Transport Switched Access Service are only available in states where Expanded Interconnection has become operational and either:

- a total within the state of 100 DS1 equivalent Entrance Facility Office Channel Terminations have been provided in the Zone 1 serving wire centers, access tandems or remote nodes in that state or;
- an average of 25 DS1 equivalent Entrance Facility Office Channel Terminations have been provided per Zone 1 serving wire center, access tandem or remote node in that state.

Based on the above requirements, Commitment Discount Plans for Direct Trunked Transport Switched Access Service are only available in the State of New York and in the State of Massachusetts. Commitment Discount Plans are not applicable to Switched Access Tandem Switched Transport Service. However, the customer may also subscribe to a Service Discount Plan for Switched Access Service Tandem Switched Transport as set forth in Section 6.7.16 preceding.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.1 Commitment Discount Plan Availability (Cont'd)

Separate commitment periods will be established for each of the following service types which are under the Commitment Discount Plan

<u>Type of Service</u>	<u>Rate Element Discounted</u>	<u>NYT</u>	<u>NET</u>
Switched Access DS1 Direct Trunked Transport	DS1 Entrance Facility		
	Standard Channel Termination	X	X
	DS1 Channel Mileage	X	X
Switched Access DS3 Direct Trunked Transport	Local Transport Multiplexing		
	Optional Feature or BSE	X	
	DS3 Entrance Facility		
Switched Access DS3 Direct Trunked Transport	Standard Channel Termination	X	X
	DS3 Channel Mileage	X	X
	Local Transport Multiplexing		
Special Access 44.736 Mbps High Capacity Service	Optional Feature or BSE	X	X
	Standard Channel Termination	X	X
	Channel Mileage	X	X
	DS3 to DS1 Multiplexing BSE	X	X
	Alternate Serving Wire Center		
	Optional Feature	X	X
	Automatic Loop Transfer BSE	X	

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.1 Commitment Discount Plan Availability (Cont'd)

Separate commitment periods will be established for each of the following service types which are under the Commitment Discount Plan (Cont'd)

<u>Type of Service</u>	<u>Rate Element Discounted</u>	<u>NYT</u>	<u>NET</u>
Special Access NYNEX Enterprise DS3 Service	Standard Channel Termination	X	
	Channel Mileage	X	
	Standby Channel Termination	X	
	Standby Channel Mileage	X	
Special Access 1.544 Mbps High Capacity Service	Standard Channel Termination	X	X
	Channel Mileage	X	X
	DS1 to Voice Multiplexing BSE	X	
	DS1 to DSO Multiplexing BSE	X	
	Alternate Serving Wire Center Optional Feature	X	X
	Automatic Loop Transfer BSE	X	

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.1 Commitment Discount Plan Availability (Cont'd)

Separate commitment periods will be established for each of the following service types which are under the Commitment Discount Plan (Cont'd)

<u>Type of Service</u>	<u>Rate Element Discounted</u>	<u>NYT</u>	<u>NET</u>
Special Access NYNEX Enterprise DS1 Service	Standard Channel Termination	X	
	Channel Mileage	X	
	Standby Channel Termination	X	
	Standby Channel Mileage	X	
Special Access NYNEX Enterprise FDS1 Service	Channel Termination	X	
	Channel Mileage	X	
Special Access NYNEX Enterprise DSO Service	Channel Termination	X	
	Channel Mileage	X	
Special Access DIGIPATH® digital service II	Channel Termination	X	X
	Channel Mileage	X	X
	Central Office Bridging Capability	X	X

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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 customer with one or more services has the option of requesting, at any time, a Commitment Discount Plan for its service(s). For each type of service (e.g., 1.544 Mbps High Capacity Service or NES DS1) as specified in 25.1.1 preceding, the Commitment Discount Plan must include all services of that type which the Telephone Company provides to the customer within any of its operating territories, except as specified in 25.1.1 preceding. 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 type of service 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 Commitment Discount Plan).

For purposes of administering the terms and conditions of the Commitment Discount Plan, 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.

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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)

When a Commitment Discount Plan is established, the customer agrees to the following requirements pertaining to all of its existing Service Discount Plans as provided under Sections 6.7.16 or 7.4.10 preceding.

- The customer may continue with, or establish new, any available Service Discount Plan for the following services which are not eligible for inclusion in the Commitment Discount Plan. The regulations for the Service Discount Plan on these services are set forth in Section 7.4.10 preceding.

- Special Access DOVPATH service
- 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
- Special Access NYNEX Enterprise Shared Digital Access Service
- Special Access NYNEX Enterprise Voice Service
- IntelliLight® Dedicated SONET Ring

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- Enterprise SONET Services

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- The 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.
- For all other Switched Access or Special Access Services (i.e., services which are under the Commitment Discount Plan), the Service Discount Plan(s) will be cancelled in order to include the service(s) in the Commitment Discount Plan. Service Discount Plan Termination Liability will not apply to the cancelled plan(s).
- The customer agrees to establish a separate Commitment Discount Plan for each type of service specified in 25.1.1 preceding. The customer may not establish any new Service Discount Plan(s) on any of these services while a Commitment Discount Plan is in effect.

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

The Commitment Discount Plan 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 channel terminations which the Telephone Company provides to the customer in all of its operating territories. The minimum commitment shall be expressed as the equivalent number of DSOs for the Standard Channel Termination rate elements of all services involved.

The total number of channel terminations determined above will be converted into an equivalent number of DSOs using the following DSO equivalent table.

<u>Type of Channel Termination</u>	<u>DSO Equivalent</u>
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 DSO	1
DDS II	1

The customer agrees to an initial minimum commitment of at least ninety percent (90%) of the total number of channel terminations for the type of service involved (e.g., the customer agrees to commit at least 90% of its 1.544 Mbps High Capacity Service Standard Channel Terminations). FMS Standard Channel Terminations are not included in the Commitment Discount Plan.

When the calculation of the minimum commitment of DSOs results in a fraction of a DSO, always round up to the next whole DSO.

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

The customer must specify a minimum commitment for each service type that is at least ninety percent (90%) of the total number of channel terminations for that type of service. However, a Commitment Discount Plan will not be provided if the combined number of equivalent DSOs for all service types specified in 25.1.1 preceding is less than 336.

The minimum commitment on an individual service type will be adjusted when one or more of those services is upgraded to a NYNEX Enterprise Service of the same or higher bit rate or to another type of service with a higher bit rate under a separate Commitment Discount Plan. For example, if DS1 services are upgraded to a DS3, the minimum commitment for the DS1 services will be reduced by ninety percent (90%) of the total equivalent DS0 count of the DS1(s) involved in the upgrade and the minimum commitment for the DS3 services will be increased by ninety percent (90%) of the 672 equivalent DS0s of the DS3 being added. Termination liability will not apply to the reduced minimum commitment. The adjusted minimum commitment will be reflected in all calculations involved in the true-up process.

The customer may increase the minimum commitment coincident with the results of the six months true-up process as set forth in 25.1.6 following with the increased commitment applying for the balance of the commitment period or until such time as the customer wishes to increase its minimum commitment again.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.4 Commitment Periods and Discount Percentages

For each billing month, the Telephone Company will apply the discount percentage to the monthly rates for the commitment period associated with the type of service involved. Such rates may change during the commitment period subject to the regulations set forth in 25.1.7 following. The discount is applied as set forth in 25.1.6 following.

The discount percentage to be applied differs based on the length of the commitment period selected by the customer and the type of service. The customer must select a commitment period from those following by specifying the number of months over which the discount is to be applied. The discount percentage to be applied will be the discount percentage for the commitment period selected by the customer.

<u>Service Type</u>	<u>Commitment Period</u>	<u>Discount Percentage</u>
Special Access DDSII	24 months	5%
	36 months	10%
	60 months	20%
	84 months	25%
Special Access 1.544 Mbps	24 months	10%
	36 months	20%
	60 months	30%
	84 months	35%
Special Access 44.736 Mbps	24 months	5%
	36 months	10%
	60 months	35%
	84 months	40%

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.4 Commitment Periods and Discount Percentages (Cont'd)

<u>Service Type</u>	<u>Commitment Period</u>	<u>Discount Percentage</u>
Special Access NYNEX Enterprise DSO or Fractional DS1	24 months	5%
	36 months	10%
	60 months	25%
	84 months	30%
Special Access NYNEX Enterprise DS1	24 months	5%
	36 months	15%
	60 months	25%
	84 months	30%
Special Access NYNEX Enterprise DS3	24 months	5%
	36 months	10%
	60 months	35%
	84 months	40%

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.4 Commitment Periods and Discount Percentages (Cont'd)

<u>Service Type</u>	<u>Commitment Period</u>	<u>Discount Percentage</u>
Switched Access DS1 Direct Trunked Transport and Entrance Facility	24 months	10%
	36 months	20%
	60 months	30%
	84 months	35%
Special Access DS3 Direct Trunked Transport and Entrance Facility	24 months	5%
	36 months	10%
	60 months	35%
	84 months	40%

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.5 Changes to the Discount Percentage

The discount percentage will not be subject to Telephone Company initiated decreases during the commitment period. For example, if the Telephone Company initiates a decrease in the discount percentage for a particular commitment period from 25 percent to 20 percent, the existing discount percentage of 25 percent will continue to be applied through the balance of the customer's commitment period.

If the Telephone Company initiates an increase in the discount percentage during the commitment period, the increased discount percentage will be used to determine the rates applicable to the customer. For example, if the Telephone Company initiates an increase in the discount percentage for a particular commitment period from 25 percent to 30 percent, the new 30 percent discount will be applied through the balance of the customer's commitment period.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.6 Application of the Discount

The Telephone Company shall apply the discount percentage on a monthly basis during the commitment period to each Channel Termination, Channel Mileage, Optional Feature or Function or BSE monthly rate element.

The customer may exceed its minimum commitment by up to thirty percent (i.e., the maximum service level), for example, if the minimum commitment is 10,000 equivalent DSOs, the maximum service level would be 30% greater or 13,000 equivalent DSOs which will receive the discount.

Beginning on month six and every six months thereafter, the Telephone Company will conduct a true-up which compares the average number of equivalent DSOs actually in service over the preceding six months to the average number of equivalent DSOs which comprise the minimum commitment. The true-up process will determine if the customer has not met its minimum commitment, has met its minimum commitment and is below the maximum service level, or has met its minimum commitment and exceeded the maximum service level.

For purposes of applying the discount percentage and administering the terms and conditions of the Commitment Discount Plan, 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.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.6 Application of the Discount (Cont'd)

If the customer failed to maintain its minimum commitment for a service type over the preceding six months, the customer shall be assessed an amount equal to the difference between the total dollar amount associated with that service type over the preceding six months and the total dollar amount associated with that 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.

(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, adjusting the minimum commitment for any service upgraded as described in 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 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.

(Step 3) The Telephone Company will calculate the average minimum commitment for that service type by first summing the minimum commitment for each of the preceding six months, adjusting the minimum commitment for service upgrades as described in 25.1.3 preceding, and dividing the resulting total by six. The resulting number represents the average minimum commitment for the preceding six months.

(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 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.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.6 Application of the Discount (Cont'd)

If the customer has satisfied its minimum commitment and is below the maximum service level for the preceding six months, no corrective action will be taken.

If the 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 customer elects to increase its minimum commitment upward to at least 90% of the total number of DS0 equivalent Standard Channel Terminations for the type of service 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.

(Step 1) The Telephone Company will calculate the average number of equivalent DS0 Standard Channel Terminations which were in service over the preceding six months by summing the actual number of equivalent DS0s for each of the last six months, adjusting the minimum commitment for any service upgraded as described in 25.1.3 preceding, 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.)

(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 and optional features or functions or BSEs 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 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 maximum service level by multiplying the minimum commitment by 1.3 (i.e., the minimum commitment plus thirty percent).

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.6 Application of the Discount (Cont'd)

(Step 5) The Telephone Company will determine the number of equivalent DS0s which already received a discount over the preceding six months, but were in excess of the maximum service level by subtracting the maximum service level calculated in Step 4 from the average equivalent DS0 Standard Channel Termination count determined in Step 1.

(Step 6) To determine the total dollar amount associated with the equivalent DS0s which received a discount in excess of the maximum service level, the Telephone Company will multiply the excess equivalent DS0 Channel Terminations in Step 5 by the average total rate per DS0 equivalent in Step 2 and multiply the result by six.

(Step 7) To determine the non-discounted total dollar amount for the equivalent DS0s which were in excess of the maximum service level, the Telephone Company will recalculate the amount determined in Step 6 back to standard, non-discounted rates as follows. First, the Telephone Company will multiply the average total rate per equivalent DS0 determined in Step 2 by the number of equivalent DS0s which were in excess of the maximum service level in Step 5 and divide the result by the discount factor (i.e., 1 minus the discount percentage). For example, a ten percent discount would result in a calculation of 1 minus .1 for a discount factor of .9. The resulting amount is then multiplied by six.

(Step 8) To determine the amount due from the customer, the Telephone Company will subtract the amount paid in Step 6 from the amount owed in Step 7. The resulting amount will be the amount adjusted (charged up) as a result of the true-up process. The amount due from the customer is not subject to any late payment factor as specified in Section 2.4.1 preceding.

In the event that the customer disputes the amount adjusted by the Telephone Company following the true-up process, the customer must notify the Telephone Company of the dispute within six months of the adjustment being applied (i.e., prior to the next scheduled true-up).

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Rate Changes

The rates to which the discount percentage is applied are subject to change over the commitment period selected by the customer. An increase in the rate will result in an increase to the rates applicable to the customer or a decrease in the rate will result in a decrease to the rates applicable to the customer. For services which are provided with rate stability or base rates, rate changes are subject to the regulations specified in 25.1.8 following.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.8 Rate Stability and Base Rates

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For NYNEX Enterprise Services which are provided with Rate Stability, the discount percentage is applied to the rate stability base rates specified in Section 31. following. Such rates will not be subject to Telephone Company initiated rate increases over the commitment period selected by the customer. However, the Telephone Company may initiate an increase in the discount percentage as set forth in 25.1.4 preceding or may decrease the rate stability base rate. A decrease in the Rate Stability base rate will result in a decrease to the rates applicable to the customer. In no case will the Rate Stability base rate exceed the non-discounted monthly rate for the service.

For services provided with Base Rates (without rate stability), the discount percentage is applied to the Base Rates specified in Section 31. following. Such rates are not rate stable and may change during the commitment period, causing an increase or decrease in the rates applicable to the customer. In no case will the Base Rate exceed the non-discounted monthly rate for the service.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.9 Commitment Periods

The commitment period is the actual number of months for which the Commitment Discount Plan will be in effect and the percentage discount will be applied.

(A) Selection of a Commitment Period

When establishing a Commitment Discount Plan, the customer must select a commitment period for each type of service included in the plan. The commitment period will be the number of months over which the percentage discount associated with that commitment period will be applied to the monthly rate elements for the type of service involved. The commitment periods and their associated percentage discounts are specified in 25.1.4 preceding.

(B) Effective Date of Commitment Period

Where the Commitment Discount Plan is requested to be provided coincident with the connection of new services or on existing services, the commitment period will begin the first bill day in the month following the month in which the customer provided the Telephone Company with written confirmation to have service provided under a Commitment Discount Plan.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plan (Cont'd)

25.1.9 Commitment Periods (Cont'd)

(C) Expiration of a Commitment Period

At the expiration (end) of its selected commitment period, the customer will have the option of selecting any then effective commitment period for the type of service involved, extending the expiring commitment period as set forth in (D) following (in which case the current discount percentage and terms and conditions of the existing plan will continue to apply) or continuing service without any discount plan. If all commitment periods under the Commitment Discount Plan expired, the customer also has the option of selection 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.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.9 Commitment Periods (Cont'd)(D) Extension of a Commitment Period

At any time prior to the expiration of the selected commitment period for an existing Commitment Discount Plan, the 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. Termination liability charges as set forth in 25.1.10 following are not applicable provided that the commitment period of the new plan is equal to or longer than the commitment period of the plan being cancelled. The customer also has the option to extend the expiration date of the commitment period for a specific service level at the same discount percentage currently being applied, provided that the new expiration date for the commitment period is the same as, or sooner than, the expiration date associated with the longest commitment period under the customer's Commitment Discount Plan. Termination liability charges as set forth in 25.1.10 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 (D) preceding, cancellation of a Commitment Discount Plan will result in the application of termination liability as set forth in 25.1.10 following.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.9 Commitment Periods (Cont'd)(F) Time In-Service Credit

Time in-service credit will be granted for each type of service being converted from a Service Discount Plan to the Commitment Discount Plan if at least one of the services of the type being converted has been under its Service Discount Plan for at least twenty-four months. The amount of time in-service credit granted for each eligible service type is determined by the commitment period the customer selects for its Commitment Discount Plan as follows.

<u>Time In-Service for SDP</u>	<u>Time In-Service Credit for CDP</u>
Up to 24 months	3 months credit on a CDP of 24 months or longer
24 months to 36 months	6 months credit on a CDP commitment period of 36 months or longer
37 to 60 months	12 months credit on a CDP commitment period of 60 months or longer
61 months or 84 months	18 months credit on a CDP commitment period of 60 months or longer

Time in-service credit will be applied to the end of the Commitment Discount Plan commitment period thereby reducing the number of months for which termination liability charges are applicable. For example, a commitment period of sixty months with twelve months of time in-service credit applied will not be subject to termination liability charges after the forty-eighth month of the sixty month commitment period.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.10 Termination Liability

Termination liability applies (1) when a Commitment Discount Plan is cancelled prior to the end of the customer selected commitment period, unless such cancellation is associated with the extension of a commitment period as set forth in 25.1.9(D) preceding; or (2) when all services in the Commitment Discount Plan are disconnected prior to the end of the customer selected commitment period.

The termination liability charge applies in addition to any applicable minimum period charges.

There are two methods (i.e., Option 1 or Option 2) of determining and calculating the termination liability charge. The Telephone Company will calculate the charge using both methods and apply the method which produces the lesser termination liability charge.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.10 Termination Liability (Cont'd)Option 1 Termination Liability Charge Method and Calculation

Under Option 1, the termination liability charge is 50% of the applicable monthly rates for each month or fraction thereof remaining in the selected commitment period, less any time in-service credit 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.

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 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.

(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 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 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 which may have been applied, as applicable. The amount due from the 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)25.1 Commitment Discount Plans (Cont'd)25.1.10 Termination Liability (Cont'd)Option 2 Termination Liability Charge Method and Calculation

Termination liability under Option 2 will be calculated as follows.

- Where there is no Commitment Discount Plan commitment period less than the actual time the Commitment Discount Plan has been in effect, the termination liability charge will be the difference between the total dollar amount of the full (non-discounted) monthly rates and the total dollar amount of the discounted monthly rates for the period of time that the plan was in effect. The Telephone Company will conduct a final true-up on the plan for the period of time since the last true-up was performed up to the date of disconnection or cancellation. The termination liability charge will be calculated using data from the final true-up and any previous true-up(s) performed since the plan was established.
- Where there is a Commitment Discount Plan commitment period less than the actual time the Commitment Discount Plan has been in effect, the termination liability charge will be the difference for the prior twenty-four months between the discounted monthly rates resulting from the highest Commitment Discount Plan commitment period that could have been satisfied prior to disconnection of service or cancellation of the plan and the discounted monthly rates resulting from the Commitment Discount Plan which was selected by the customer. The following example illustrates the application of a termination liability charge. If a customer with a 60 month commitment period were to disconnect all services in the plan after 40 months and 5 days, the highest Commitment Discount Plan commitment period which could have been satisfied is 36 months. To determine the termination liability charge, the Telephone Company will conduct a final true-up on the plan for the period of time since the last true-up was performed to the date of disconnection or cancellation.

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25. Discount Plans (Cont'd)25.1 Commitment Discount Plans (Cont'd)25.1.10 Termination Liability (Cont'd)Option 2 Termination Liability Method and Calculation (Cont'd)

Using the data from the final true-up and any previous true-up data necessary to recalculate the prior twenty-four months, the Telephone Company will calculate the termination liability charge as follows.

- (1) Determine the total dollar amount associated with all of the monthly rate elements which were discounted over the previous twenty-four months (i.e., the actual discounted dollar amounts for the prior twenty-four months).
- (2) Determine the total dollar amount (with no discount applied) for the same rate elements in (1) for the prior twenty-four months and apply the discount percentage for the highest commitment period which could have been satisfied (36 months in this example).
- (3) If the total dollar amount in (1) is greater than the total amount in (2), the Telephone Company will subtract the total dollar amount in (2) from the total dollar amount in (1) and credit the difference to the customer. If the total dollar amount in (2) is greater than the total dollar amount in (1), the Telephone Company will subtract the total dollar amount in (1) from the total dollar amount in (2) and apply the difference as an adjustment (charge up) to the customer.

25.1.11 Minimum Period

The minimum period for any service provided under the Commitment Discount Plan is one year.

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