

**NEVADA BELL TELEPHONE COMPANY
DESCRIPTION AND JUSTIFICATION
TRANSMITTAL NO. 55
NOVEMBER 6, 2003**

PURPOSE

Nevada Bell Telephone Company (NBTC) proposes to make the following modifications to DS3 High Capacity Service:

- Limit the month-to-month arrangement and the twelve-month extension for DS3 High Capacity Service to existing customers;
- Establish a one-year billing period for DS3 High Capacity Service;
- Establish monthly extension rates for DS3 High Capacity Service;
- Limit the month-to-month rates for DS3 High Capacity Service to existing customers;
- Modify the existing renewal process for DS3 High Capacity Service; and
- Clarify existing tariff language for the above service.

SERVICE DESCRIPTION

Under the existing tariff, the billing periods for DS3 High Capacity Service are month-to-month, one-, three- and five-years. The customer may renew service, extend the service for an additional twelve-month period at the current rates for the existing one-, three- or five-year billing periods or disconnect service upon expiration of the billing period. If the customer selects neither of these options, the current regulations for the month-to-month rate option, in which the customer may renew service at the original rate, on a month-to-month basis, will be applied. The month-to-month service can be terminated at anytime by the customer without termination liability and this service

arrangement represents only a one-month commitment on the part of the Customer or on the Telephone Company.

With the proposed tariff, new DS3 High Capacity Service customers can no longer order the service a month-to-month basis. The month-to-month option and the twelve-month extension option will be limited to existing customers.

A one-year minimum service period for DS3 High Capacity Service will be established. The billing periods for DS3 High Capacity are one-, three- and five-years.

Monthly extension rates, which are charges that the customer may elect to be converted to at the end of their billing period, until a new billing period is selected or service is disconnected, will be established for DS3 High Capacity Service. The month-to-month rates, for DS3 High Capacity will be limited to existing customers.

Modifications to the renewal process are as follows, at the expiration of the billing period, the customer may elect to renew the service for a new billing period, at rates and charges currently in effect, elect to be converted to monthly extension rates or elect to disconnect the service upon expiration of the billing period. If the customer does not choose one of the preceding options prior to the expiration date of the commitment period, monthly extension rates will be applied upon expiration of the commitment period. The customer must provide the Telephone Company with a written notice of intent to extend the DS3 billing period no later than one month prior to the expiration of the service.

PRICE CAP COMPLIANCE

NBTC proposes in this filing to eliminate the option for new customers to buy a month-to-month term and the 1 year month-to-month extension for DS3 High Capacity Service.

Monthly Extension Rates (MER) are being introduced in this filing as well as 1, 3, and 5-

year term plans for DS3 High Capacity channel mileage, channel mileage termination, and muxing. The proposed changes comply with the definition of a restructured service as outlined in Part 61.3(II) of the Commission's Rules that defines a restructured service filing.

RECAST OF BASE PERIOD DEMAND

NBTC has determined the proposed changes in this filing will alter the current base period demand quantities had the proposed changes been in effect at the beginning of the base period. Customers whose term plans expired during the base period and converted to the month-to-month plan have been restructured to the new MER rate. Customers who initially DS3 High Capacity Service on the month-to-month term plan will be allowed to continue on a month-to-month basis.

REVENUE EFFECT

The restructure of base period quantities for this filing are displayed on Exhibit A. The new MER are in parity with the existing month-to-month rates, therefore there is no change in Special Access revenue as demonstrated on the SUM-1 page of the Tariff Review Plan (TRP).

PRICE CAP INDICES

The Tariff Review Plan (TRP) provided for this filing shows the revisions proposed in this filing keep NBTC within all allowable price cap limits. The proposed changes in this filing will result in an Actual Price Index (API) that is less than the Price Cap Index (PCI).