

Citizens Telecommunications Companies  
TARIFF F.C.C. NO. 1  
DESCRIPTION AND JUSTIFICATION  
TRANSMITTAL NO. 148  
March 19, 2004

1. Introduction

Citizens Telecommunications Companies ("Citizens") submits herewith its Description and Justification ("D&J") in support of changes to its Tariff F.C.C. No. 1 filed under Transmittal No. 148, pursuant to sections 61.41 through 61.49 of the Commission's rules and relevant Commission orders. In this Transmittal, Citizens creates two limited time promotional offerings for its ADSL service and makes administrative changes to tariff language.

2. Promotional Offering at Ogden Telephone

In this filing, Citizens creates a limited time promotional offering of ADSL Channel Class R1 or Class R2 service at Ogden Telephone Company. For orders placed from April 5, 2004 through May 30, 2004, customers who agree to a three month commitment will receive the first, fourth, and eighth month of service at no charge. If service is removed before the end of the three month commitment period, the customer must pay a termination liability equal to the normal tariffed rate for first month of service plus applicable taxes and surcharges. The customer must pay the tariffed rate for the second and third months in order to receive the

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eleventh month at no charge, and must also pay the tariffed rate for the fifth through seventh months in order to receive the eighth month at no charge. As a result of this promotion, Citizens expects to sell approximately 1.3 thousand additional monthly ADSL Channels and receive an additional \$16 thousand ADSL revenue for the first twelve months following the effective date of this filing. There are no complementary or cross-elastic revenue impacts expected as a result of this promotion.

3. Promotional Offering at Selected Companies

In this filing, Citizens creates a limited time promotional offering of ADSL Channel Class R1 or Class R2 service at the following companies: Citizens Utilities Rural Company, CTC of California, CTC of Idaho, CTC of Illinois, CTC of Minnesota, CTC of Montana, CTC of Nebraska, CTC of Nevada, CTC of Oregon, CTC of Tuolumne, CTC of Utah, CTC of the Golden State, CTC of the White Mountains, Navajo Communications Company, and Rhinelander Telephone. For orders placed from April 10, 2004 through April 30, 2004, customers will receive the ADSL Channel at

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no charge for the first month of service. Customers must commit to keeping the service for twelve months in order to receive this promotion. Customers canceling the service prior to the end of the twelve month commitment period will be charged a termination liability equal to what they would have paid for the first month of service at the tariffed rate. As a result of this promotion, Citizens expects to sell approximately 5.7 thousand additional monthly ADSL Channels and receive an additional \$63 thousand ADSL revenue for the first twelve months following the effective date of this filing. There are no complementary or cross-elastic revenue impacts expected as a result of this promotion.

#### 4. Other Changes

Citizens makes administrative changes to its rate pages removing references to payphones in connection with PICC charges. PICC charges were assessed on payphones through September 30, 2003. Payphones became exempt from PICC charges on October 1, 2003, pursuant to Section 3.4.5 of Citizens' tariff.