

Citizens Telecommunications Companies
TARIFF F.C.C. NO. 1
DESCRIPTION AND JUSTIFICATION
TRANSMITTAL NO. 150
May 27, 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. 150, pursuant to sections 61.41 through 61.49 of the Commission's rules and relevant Commission orders.

In this Transmittal, Citizens corrects a clerical error made in Transmittal No. 149, under authority of Special Permission No. 04-041; creates limited time promotional offerings for its ADSL service; changes its rate schedules to add additional exchanges where Local Number Portability (LNP) is now available so that Citizens may recover the LNP investment and expenses; and makes administrative changes.

2. Correction of Date from Transmittal No. 149

On May 17, 2004 Citizens filed Transmittal No. 149, which is scheduled to become effective on June 1, 2004. In Transmittal No. 149, Citizens reduced the recovery period of its Local Number Portability (LNP) Surcharge rate element for exchanges where this charge is already in effect, under authority of a waiver of §52.33(a)(1)(iv) of the Commission's

Citizens Telecommunications Companies
TARIFF F.C.C. NO. 1
DESCRIPTION AND JUSTIFICATION
TRANSMITTAL NO. 150
May 27, 2004

rules granted by an Order released by the Commission On April 30, 2004 (DA 04-1252). After Transmittal No. 149 was filed, a clerical error was discovered in the ending effective date of the LNP Surcharge for Blooming Prairie, MN and its remotes. Citizens sought and was granted a waiver of §61.58 and §61.59 to correct this clerical error while retaining the June 1, 2004 effective date. Citizens now makes this correction under authority of Special Permission No. 04-041. Documentation to support the ending date being changed was supplied with Transmittal No. 149 and is incorporated herein by reference.

3. 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 June 14, 2004 through July 31, 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

Citizens Telecommunications Companies
TARIFF F.C.C. NO. 1
DESCRIPTION AND JUSTIFICATION
TRANSMITTAL NO. 150
May 27, 2004

service plus applicable taxes and surcharges. The customer must pay the tariffed rate for the second and third months in order to receive the fourth 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.

4. 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 New York, CTC of Oregon, CTC of Tennessee, CTC of Utah, CTC of the Golden State, CTC of the Volunteer State, CTC of Tuolumne, CTC of West Virginia, CTC of West Virginia (Mountain State),

Citizens Telecommunications Companies
TARIFF F.C.C. NO. 1
DESCRIPTION AND JUSTIFICATION
TRANSMITTAL NO. 150
May 27, 2004

CTC of the White Mountains, Navajo Communications Company, and Rhinelander Telephone. For orders placed from June 21, 2004 through July 30, 2004, customers will receive the ADSL Channel at no charge for the first two months 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 two months of service at the tariffed rate. As a result of this promotion, Citizens expects to sell approximately 15 thousand additional monthly ADSL Channels and receive an additional \$174 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.

5. LNP Surcharge

In this filing, Citizens changes its rate schedules to add additional exchanges where Local Number Portability (LNP) is now available so that Citizens may recover the LNP investment and expenses. The recovery of

Citizens Telecommunications Companies
TARIFF F.C.C. NO. 1
DESCRIPTION AND JUSTIFICATION
TRANSMITTAL NO. 150
May 27, 2004

these costs was provided for in the FCC's Third Report and Order in Docket CC No. 95-116, "In the Matter of Telephone Number Portability," released May 12, 1998.

Citizens has received bona fide requests for Local Number Portability in numerous additional switches. In this filing, Citizens implements the LNP Surcharge rates developed in the material accompanying Transmittal No. 149, dated May 17, 2004, to the exchanges served by these switches and their associated host-remote complexes. The five year cost recovery period is set to start on July 1, 2004. Citizens will have the ability to provide permanent LNP to competitors in the requested exchanges effective with that date.

6. Other Changes

Citizens makes administrative changes to a diagram to more clearly align labels with the appropriate portions of the diagram.