

ACCESS SERVICE

32. Contract Tariffs (Cont'd)

32.XX Contract Tariff Option YY

(N)

(A) Scope

- (1) Contract Tariff Option YY (**Option YY**) provides a customer with a discount to the monthly recurring rates for Special Access multiplexed High Capacity 44.736 Mbps Services and certain SONET services when the customer subscribes to this Option YY in accordance with the terms and conditions set forth herein.
- (2) In order to receive the Option YY discount, a customer must concurrently subscribe to Option XX of Tariff F.C.C. No. 1 (**FCC1 Option XX**) and Option ZZ of Tariff F.C.C. No. 14 (**FCC 14 Option ZZ**).
- (3) The Option YY discount will only apply to those services specified in (E) following which the customer orders under Option YY of this tariff.

(B) Eligibility

The customer must meet all of the criteria set forth following in order to be eligible to receive the Option YY discounts.

- (1) A customer subscribes to Option YY by submitting a written authorization in a manner designated by the Telephone Company during the sixty (60) day period which begins on **June xx, 2005** and ends **August xx, 2005** (**Subscription Period**).
- (2) For calendar year ending December 31, 2004, a customer must have at least six thousand (6,000) High Capacity 44.736 Mbps (**DS3**) channel terminations (**DS3 Terminations**) which are in service anywhere within the operating territories of this tariff and of the Telephone Company's Tariff F.C.C. No. 1, Tariff F.C.C. No. 14, and Tariff F.C.C. No. 16. When counting DS3 Terminations, the Telephone Company will include the following:
  - (a) Special Access High Capacity 44.736 Mbps Primary Premises Channel Terminations and Special Access High Capacity 44.736 Mbps High Capacity Secondary Premises Channel Terminations in this tariff and in Tariff F.C.C. No. 1; and/or
  - (b) Special Access DS3 Special Access Lines in Tariffs F.C.C. Nos. 14 and 16.

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(3) Within eight (8) months of the effective date of Option YY (**ramp up period**), a customer subscribing to this Option YY must have ordered a minimum of two hundred fifty (250) new Special Access multiplexed DS3s (**minimum commitment**) anywhere within the operating territories of this tariff and of the Telephone Company's Tariff F.C.C. No. 1, Tariff F.C.C. No. 14, and Tariff F.C.C. No. 16 in order to continue to receive the Option YY discount under this tariff on Special Access multiplexed High Capacity 44.736 Mbps Services (as specified in (E) following) and new SONET (as specified in (E) following). The Serving Area is specified in (D)(1) following. The minimum commitment is subject to (a) through (d) following.

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(a) The following service arrangements will count as new Special Access multiplexed DS3s (**new SpA muxed DS3s**) for the purpose of determining if the customer has met the minimum commitment, provided that such new SpA muxed DS3 service arrangements are ordered on or after **March xx, 2005** and prior to the end of the ramp up period:

- (1) new SpA muxed DS3 that terminates on a DS3 Termination as defined in (B)(2) preceding; and
- (2) new SpA muxed DS3 that connects to a DS3 port of an IntelliLight® Dedicated SONET Ring (**IDSR**) or Verizon Dedicated SONET Ring (**DSR**); and
- (3) new SpA muxed DS3 that terminates over an IntelliLight® Entrance Facility (**IEF**) with a Fractional OC48 interface; and
- (4) new SpA muxed DS3 that connects to a DS3 Rider of a Custom Connect Service; and
- (5) new SpA muxed DS3 that connects to a multiplexed IntelliLight® Broadband Transport Service (**IBT**).

(b) The count of new SpA muxed DS3s described in (a) preceding will not include the following:

- (1) High Capacity multiplexed DS3 services that connect to a collocated arrangement; or
- (2) NYNEX Enterprise DS3 Service as set forth in Section 7.2.13 preceding of this tariff; or
- (3) Facilities Management Service utilizing a DS3 interface as set forth in Section 7.2.16 preceding and Section 7.2.13 of Tariff F.C.C. No.1; or
- (4) DS3 facilities utilizing an IDSR or DSR DS3 Transmux Port; or
- (5) any SpA muxed DS3 that is disconnected from its current location and installed as new at that same location for the purpose of subscribing that SpA muxed DS3 to this Option YY.

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(C) Service Period

- (1) Subject to the limitations in (C)(3) following, the service period for each new SpA muxed DS3 ordered under an individual circuit specific term plan in accordance with (B)(3) preceding is equal to the individual term commitment selected for such SpA muxed DS3 (**muxed DS3 service period**). Term plans for new SpA muxed DS3s are specified in (B)(3)(d) preceding.
- (2) Subject to the limitations in (C)(3) following, the service period for each new SpA muxed DS3 ordered under a term plan that includes DS3 services and is managed on a non-circuit specific basis (e.g., CDP) is equal to the common expiration date for such DS3 term plan, or the time remaining in such existing DS3 term plan, as applicable. Available circuit specific term commitments for new SpA muxed DS3s are specified in (B)(3)(d) preceding.
- (3) For new SpA muxed DS3 subscribed to this Option YY, and regardless of any term plan subscribed to by customer, the service period and corresponding discount in (F)(1)(a) following shall not extend beyond December 31, 2010.
- (4) The service period for new SONET ordered under a term plan in accordance with this Option YY is equal to the individual term plan selected for the specific new SONET involved and shall terminate coincident with expiration of the initial commitment period on such term plan (**SONET service period**). Term plans for such new SONET are specified in (F)(1)(a) following.

(D) Serving Area

- (1) The serving area for new SpA muxed DS3s includes all of the Phase I and Phase II MSAs of this tariff and of the Telephone Company's Tariff F.C.C. Nos. 1 and 14, except for the Honolulu MSA of Tariff F.C.C. No. 14. The FCC14 Option ZZ discount does not apply in the state of Hawaii). (x)  
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(N)

(E) Services Eligible to Receive the Option YY Discount (Cont'd)

- (2) The percentage discounts set forth in (F)(1)(a) following will only be applied to the rate elements specified in (E)(1) preceding and only in those MSAs specified in (D) preceding that have achieved Phase I or Phase II pricing flexibility. Wire centers for the Phase II MSAs are listed in Section 15.3 preceding of this tariff, Section 14.7 of Tariff F.C.C. No. 1, and Section 19.1 of Tariff F.C.C. No. 14. No discount will be applied to new SpA muxed DS3 or new SONET within the Telephone Company operating territories of Tariff F.C.C. No. 16.

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(F) Terms and Conditions

(1) Percentage Discounts

- (a) The discounts under this Option YY are percentage based and are applied for the duration of the Service Period to the applicable rate elements set forth in (E)(1) preceding which are ordered by the customer in accordance with the terms of this Option YY. The customer will receive the following discount that coincides with the term plan selected by the customer for the newly installed SpA muxed DS3 and newly installed, converted, or upgraded SONET, as applicable.

<u>Term</u>	<u>Percentage Discount</u>
3-year	20%
5-year	20%
7-year	10%

- (b) The Telephone Company will first apply any discount associated with the available term plan (such as SDP, TPP or CDP) under which the service is ordered, and then apply the Option YY discount to that already discounted rate. When the service involved is also under another contract tariff option for which minimum revenue, total revenue, or minimum quantities are measured on an aggregate basis, the Telephone Company will apply the Option YY discount prior to applying any discount associated with such other contract tariff option. For example: assume that the monthly rate for SpA muxed DS3 is \$1,500 and that the TPP discount is twenty percent (20%). Also assume that the applicable discount under this Option YY is ten percent (10%). The Telephone Company will first apply the TPP discount to the monthly rate [ $\$1,500 - (\$1,500 \times 20\%) = \$1,200.00$ ] and then apply the Option YY discount to that already reduced rate [ $\$1,200 - (\$1,200 - 10\%) = 1,080$ ].

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