

Transmittal No. 611, DSL Rate Change

**THE VERIZON TELEPHONE COMPANIES**

**TARIFF F.C.C. No. 1**

**New Jersey DSL Rate Reduction**

**DESCRIPTION AND JUSTIFICATION**

**Transmittal No. 611**

**August 15, 2005**

| <b>SECTION</b> | <b>DESCRIPTION</b>               |
|----------------|----------------------------------|
| 1              | DESCRIPTION AND JUSTIFICATION    |
| 2              | COMPLIANCE WITH COMMISSION RULES |
| 3              | WORKPAPER INDEX                  |

## **1.1 INTRODUCTION**

With this filing, Verizon<sup>1</sup> submits supporting information for a price cap rate change filing for certain DSL services. The supporting documentation contains material in support of a price cap rate change.

## **1.2 DESCRIPTION AND JUSTIFICATION**

In this part of the filing, Verizon provides tariff pages and supporting documentation to show the rate reduction to the Recurring charges for Infospeed DSL 768K/128K, Month-to-Month, 1-Year and 5-Year terms. The overall revenue impact of these rates changes is \$33.3M. In addition to the tariff pages, Verizon is also providing the necessary price cap supporting workpapers.

Workpaper SA Rates and Revenues demonstrates the rate reduction changes.

This filing will allow Verizon to maintain price parity for Infospeed DSL 768K/128K service in New Jersey with the reduction in price being made in the rest of the Verizon footprint. The rate reduction will further Verizon's ability to compete effectively and promote broadband penetration. It reflects the greater certainty in the regulatory environment in the wake of the Commission's recent adoption on August 5, 2005 of an order eliminating mandated sharing requirements on incumbents' wireline broadband Internet access services.

---

<sup>1</sup> The Verizon entities which are affected by this filing are: Verizon New Jersey.

## **SECTION 2**

### **2.1 COMPLIANCE WITH RULES**

Support information as specified in Sections 61.49 of the Commission's Rules is attached. The support documentation contains the necessary Workpapers, as well as the Tariff Review Plan (TRP).

In this filing, the Infospeed DSL 768K/128K Month-to-Month, 1-Year and 5-Year A, B and C rates are being reduced from their current levels. These changes result in revenues being lowered by \$33.3M. Workpapers providing documentation for this rate change are found in the Workpaper SA Rates and Revenues and Workpaper Revenue Summary.

In addition, the TRP also reflects the rate change.

## SECTION 3

### 3.1 WORKPAPERS AND TARIFF REVIEW PLANS

#### INTRODUCTION

The Verizon companies have provided the necessary detail to support the calculations of indices in various workpapers. The following is the index of such workpapers.

#### Workpaper Index

Workpaper Revenue Summary

Revenue Summary

Workpaper SA Rates and Revenues

Rates and Revenues—Special Access Basket

#### Tariff Review Plan

|                   |  |
|-------------------|--|
| <b>ANALYZER</b>   | TRP Analyzer   |
| <b>BNTR IND-1</b> | Price Cap Indices Display-Verizon-East                                 |
| <b>BNTR PCI-1</b> | Price Cap Index Calculations-Verizon-East                              |
| <b>BNTR TGT</b>   | Targeting: Inputs and Aggregate Target-Verizon-East                    |
| <b>NXTR TGT</b>   | Targeting: Inputs and Aggregate Target-Verizon-East, North, FCC No. 11 |
| <b>BATR TGT</b>   | Targeting: Inputs and Aggregate Target -Verizon-East, South, FCC No. 1 |
| <b>BNTR SUM-1</b> | Price Out Summary-Verizon-East   |
| <b>NXTR SUM-1</b> | Price Out Summary-Verizon-East, North, FCC No. 11                      |
| <b>BATR SUM-1</b> | Price Out Summary-Verizon-East, South, FCC No. 1                       |
| <b>BNTR EXG-1</b> | Exogenous Cost Changes-Verizon-East                                    |
| <b>BNTR EXG-2</b> | Net Exogenous Cost Shifts-Verizon-East                                 |
| <b>BNTR RTE-1</b> | Rate Detail-Verizon-East   |
| <b>NXTR RTE-1</b> | Rate Detail-Verizon-East, North, FCC No. 11 Pages 2-40                 |
| <b>BATR RTE-1</b> | Rate Detail-Verizon-East, South, FCC No. 1                             |

|                              |   |
|------------------------------|---|
| <b>CAP-1 (BNTR)</b>          | Calculation of EUCL Limit, PICC and CCL Rates—Verizon-East        |
| <b>CAP-2 (BNTR)</b>          | Manual Input of EUCL rates-Verizon-East                           |
| <b>CAP-3 (BNTR)</b>          | Calculation of Minimum and Maximum End User Rates-Verizon-East    |
| <b>CAP-4 (BNTR)</b>          | Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East |
| <b>CAP- 5 (BNTR)</b>         | Verification of Recovered CMT Revenue-Verizon-East                |
| <b>NXTR RTE-1J</b>           | Rate Detail-Verizon-East, North, FCC No. 11 Page 1                |
| <b>NXTR CAP-1J</b>           | Calculation of EUCL Limit, PICC and CCL Rates                     |
| <b>NXTR CAP-2J</b>           | Manual Input of EUCL rates-Verizon-East                           |
| <b>NXTR CAP-3J</b>           | Calculation of Minimum and Maximum End User Rates-Verizon-East    |
| <b>NXTR CAP-4J</b>           | Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East |
| <b>NXTR CAP- 5J</b>          | Verification of Recovered CMT Revenue-Verizon-East                |
| <b>NXTR ANALYZER – JURIS</b> | Analyzer Page 2   |
| <b>DC RTE-1J</b>             | Rate Detail-Verizon-East, North, FCC No. 1 Page 1                 |
| <b>DC CAP-1J</b>             | Calculation of EUCL Limit, PICC and CCL Rates                     |
| <b>DC CAP-2J</b>             | Manual Input of EUCL rates-Verizon-East                           |
| <b>DC CAP-3J</b>             | Calculation of Minimum and Maximum End User Rates-Verizon-East    |
| <b>DC CAP-4J</b>             | Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East |
| <b>DC CAP- 5J</b>            | Verification of Recovered CMT Revenue-Verizon-East                |
| <b>DC ANALYZER – JURIS</b>   | Analyzer Page 2   |
| <b>MD RTE-1J</b>             | Rate Detail-Verizon-East, North, FCC No. 1 Page 1                 |
| <b>MD CAP-1J</b>             | Calculation of EUCL Limit, PICC and CCL Rates                     |
| <b>MD CAP-2J</b>             | Manual Input of EUCL rates-Verizon-East                           |
| <b>MD CAP-3J</b>             | Calculation of Minimum and Maximum End User Rates-Verizon-East    |
| <b>MD CAP-4J</b>             | Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East |
| <b>MD CAP- 5J</b>            | Verification of Recovered CMT Revenue-Verizon-East                |
| <b>MD ANALYZER – JURIS</b>   | Analyzer Page 2   |
| <b>VA RTE-1J</b>             | Rate Detail-Verizon-East, North, FCC No. 1 Page 1                 |
| <b>VA CAP-1J</b>             | Calculation of EUCL Limit, PICC and CCL Rates                     |
| <b>VA CAP-2J</b>             | Manual Input of EUCL rates-Verizon-East                           |
| <b>VA CAP-3J</b>             | Calculation of Minimum and Maximum End User Rates-Verizon-East    |
| <b>VA CAP-4J</b>             | Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East |
| <b>VA CAP- 5J</b>            | Verification of Recovered CMT Revenue-Verizon-East                |
| <b>VA ANALYZER – JURIS</b>   | Analyzer Page 2   |
| <b>WV RTE-1J</b>             | Rate Detail-Verizon-East, North, FCC No. 1 Page 1                 |
| <b>WV CAP-1J</b>             | Calculation of EUCL Limit, PICC and CCL Rates                     |
| <b>WV CAP-2J</b>             | Manual Input of EUCL rates-Verizon-East                           |
| <b>WV CAP-3J</b>             | Calculation of Minimum and Maximum End User Rates-Verizon-East    |
| <b>WV CAP-4J</b>             | Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East |
| <b>WV CAP- 5J</b>            | Verification of Recovered CMT Revenue-Verizon-East                |
| <b>WV ANALYZER – JURIS</b>   | Analyzer Page 2   |
| <b>DE RTE-1J</b>             | Rate Detail-Verizon-East, North, FCC No. 1 Page 1                 |
| <b>DE CAP-1J</b>             | Calculation of EUCL Limit, PICC and CCL Rates                     |
| <b>DE CAP-2J</b>             | Manual Input of EUCL rates-Verizon-East                           |
| <b>DE CAP-3J</b>             | Calculation of Minimum and Maximum End User Rates-Verizon-East    |
| <b>DE CAP-4J</b>             | Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East |
| <b>DE CAP- 5J</b>            | Verification of Recovered CMT Revenue-Verizon-East                |
| <b>DE ANALYZER – JURIS</b>   | Analyzer Page 2   |
| <b>NJ RTE-1J</b>             | Rate Detail-Verizon-East, North, FCC No. 1 Page 1                 |
| <b>NJ CAP-1J</b>             | Calculation of EUCL Limit, PICC and CCL Rates                     |
| <b>NJ CAP-2J</b>             | Manual Input of EUCL rates-Verizon-East                           |
| <b>NJ CAP-3J</b>             | Calculation of Minimum and Maximum End User Rates-Verizon-East    |

Transmittal No. 611, DSL Rate Change

|                            |   |
|----------------------------|---|
| <b>NJ CAP-4J</b>           | Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East |
| <b>NJ CAP- 5J</b>          | Verification of Recovered CMT Revenue-Verizon-East                |
| <b>NJ ANALYZER – JURIS</b> | Analyzer Page 2   |
| <b>PA RTE-1J</b>           | Rate Detail-Verizon-East, North, FCC No. 1 Page 1                 |
| <b>PA CAP-1J</b>           | Calculation of EUCL Limit, PICC and CCL Rates                     |
| <b>PA CAP-2J</b>           | Manual Input of EUCL rates-Verizon-East                           |
| <b>PA CAP-3J</b>           | Calculation of Minimum and Maximum End User Rates-Verizon-East    |
| <b>PA CAP-4J</b>           | Allocation of Pool Revenues to MLB PICC and MLB EUCL-Verizon-East |
| <b>PA CAP- 5J</b>          | Verification of Recovered CMT Revenue-Verizon-East                |
| <b>PA ANALYZER – JURIS</b> | Analyzer Page 2   |

|                         |   |
|-------------------------|---|
| <b>Supplemental TRP</b> | Percent Change in Revenues by Band BATR-Verizon-East, South |
|-------------------------|---|

|                         |   |
|-------------------------|---|
| <b>Supplemental TRP</b> | Percent Change in Revenues by Band NXTR-Verizon-East, North |
|-------------------------|---|