

**NEVADA BELL TELEPHONE COMPANY
DESCRIPTION AND JUSTIFICATION
February 27, 2007
TRANSMITTAL NO. 150**

PURPOSE

With this filing, Nevada Bell Telephone Company (NBTC) is proposing to introduce a new volume and term discount plan, without minimum annual revenue commitments, which is being filed in compliance with Merger Commitment # 9 of F.C.C. Docket No. 06-74, for the AT&T/BellSouth merger. The new plan, named the AT&T Volume Discount Plan (AVDP), provides discounts for DS1, DS3, GigaMAN[®] and DecaMAN[®] Services.

DESCRIPTION

AVDP is a subscription overlay plan which provides discounts to circuits ordered on or after March 14, 2007, or circuits which have completed a term period and are subscribed to a new term period on or after March 14, 2007, under one, three and five-year term plans for DS1, DS3, GigaMAN[®] and DecaMAN[®] Services. These discounts are also in addition to discounts that NBTC will make in compliance with Merger Commitment # 6 of F.C.C. Docket No. 06-74, for the AT&T/BellSouth merger. A Customer may subscribe to AVDP by providing written notification to its Telephone Company account manager or the Business Office.

An annual Billing Credit Discount (BCD) is provided to plan subscribers. It is applied as a percentage discount to the total monthly recurring billed revenue for the subscription period of the current year for DS1, DS3, GigaMAN[®] and DecaMAN[®] channel terminations. The BCD will be paid as an annual discount credit to the Customer's bill in January of the following year for subscribed services in 2007, 2008, 2009 and 2010.

A Customer's BCD is determined by referencing the Billing Credit Discount (BCD) table in Section 28.1(B) using the monthly in-service volumes, aggregated by service type. Discounts vary by volume tier from 2.0 percent to 3.5 percent, increasing with average monthly volume. The average monthly in-service volume is calculated by totaling the number of channel

terminations by service each month, and dividing the total by the number of months for which the Customer was subscribed during the plan year.

Services described above will count toward the volume levels identified in Section 28.1(B), for the purpose of determining a Customer's BCD, from the day the Customer has notified the Telephone Company of its subscription to AVDP.

Services subject to the Customer's Managed Value Plan or a Price Flex Contract Tariff are not eligible for the AVDP offering.

AVDP expires on December 31, 2010. The last BCD will be paid in January 2011.

PRICE CAP COMPLIANCE

No supporting documentation is required for a new service filing, as discussed in Section 61.49 of the Commission's Rules.