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September 19, 2011

**VIA ELECTRONIC FILING**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
400 North Street, Second Floor  
Harrisburg, PA 17120

Re: Investigation Regarding Intrastate Access Charges and IntraLATA Toll Rates of  
Rural Carriers and the Pennsylvania Universal Service Fund  
Docket No. I-00040105

AT&T Communications of Pennsylvania, LLC., TCG New Jersey, Inc. and TCG  
Pittsburgh, Inc. vs. Armstrong Telephone Company – Pennsylvania, et al.  
Docket Nos. C-2009-2098380, C-2009-2099805 and C-2009-20098735

Dear Secretary Chiavetta:

On behalf of The United Telephone Company of Pennsylvania LLC d/b/a CenturyLink (hereinafter "CenturyLink") please find a copy of CenturyLink's Reply Comments in the above-referenced matter. A copy of CenturyLink's Reply Comments has been served upon all parties via first-class mail and electronic mail as evidenced on the certificate of service.

Should you have any questions, please do not hesitate to contact me.

Sincerely,  
  
Sue Benedek

Enclosures

cc: Certificate of Service (*via electronic and first-class mail*)

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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Investigation Regarding Intrastate	:	
Access Charges and IntraLATA Toll	:	
Rates of Rural Carriers and	:	
The Pennsylvania Universal	:	
Service Fund	:	Docket No. I-00040105
	:	
AT&T Communications of	:	
Pennsylvania, LLC	:	
Complainant	:	
	:	
v.	:	Docket Nos. C-2009-2098380, <i>et al.</i>
	:	
Armstrong Telephone Company -	:	
Pennsylvania, et al.	:	
Respondents	:	

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**CERTIFICATE OF SERVICE**

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I hereby certify that I have this 19<sup>th</sup> day of September, 2011, served a true copy of the foregoing Reply Comments upon the persons listed below, via electronic and first-class mail, in accordance with the requirements of 52 Pa. Code §1.54:

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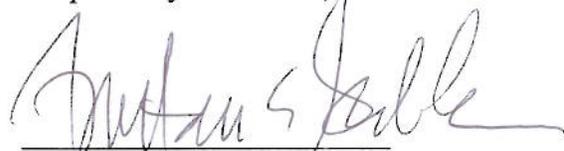
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Respectfully Submitted,



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implementing rebalancing. If this second component of AT&T's comments is adopted, no other approach to implementing rate increases (such as on an average or other basis) could be undertaken to achieve alleged revenue neutrality. With 35 plus RLECs in the Commonwealth of Pennsylvania, a one-size-fits-all approach forced on all RLECs as suggested by AT&T would be unwise and would unduly restrict how the Commission will achieve revenue neutral rate rebalancing as required by Act 183. Moreover, the *PA RLEC Access Order* did not impose one standard or uniform way to mirror interstate rates for all RLECs and certainly did not require that mirroring be undertaken on an element-by-element basis. Nor has AT&T cited to any provision in the *PA RLEC Access Order* in support of AT&T's suggested clarification. AT&T's attempt to impose, at this stage, a requirement "ensuring that all of the RLEC's...move to parity with their interstate counterparts" must be rejected.

A list of each intrastate switched access rate elements, as requested in the first part of AT&T's comments, would give the Commission information it needs to determine how best to implement the Order's requirements for any particular RLEC. However, to go so far as AT&T suggests and require mirroring of "interstate counterparts" would be unwise and contrary to the *PA RLEC Access Order*.

**B. "Initial" Demand Period**

AT&T claims that the Proposed Template does not specify December 31, 2010 as the start date for the RLECs' calculations. *Id.* CenturyLink is not opposed to inserting a header/footer on each Tab (as currently exists on the Tab labeled "Income Statement") referencing population of the spreadsheet with data ended December 31, 2010 *for implementation of Phase 1*. However, as addressed in CenturyLink's comments, the Proposed

Template applicable to each subsequent phase should be clarified to require those spreadsheets to be populated with only the most recent available data for each subsequent rebalancing phase.

**C. Additional Ministerial Matters**

AT&T proposes linking the various Tabs in Proposed Template. AT&T's suggestion has not been demonstrated to be necessary or warranted. The Tabs are populated and can be referenced or cross referenced by those reviewing the inputs. Thus, the alleged ability to "override" calculations is without merit.

AT&T also requests that the Proposed Template (Tab 5) should clarify that the \$3.50 limit on local rate increases only applies to R-1 residential local rates, but not to B-1 business rates. *Id.*, at p. 3. The Commission in the *PA RLEC Access Order* explained that the ALJ's recommendation to eliminate the rate of \$18.00/month along with establishing a recommended affordability rate of \$23.00/month for residential customers was not intended to result in "business customers being the 'payors of last resort' or that business rates will be raised without limit. *PA RLEC Access Order* at p. 162. The Commission then expressly found as follows:

We agree that any RLEC's switched access rate rebalancing should result in proportionate rates change for both residential as well as business customers. This is consistent with our prior access charge reform rulings.

*PA RLEC Access Order* at p. 162. Thus, AT&T's clarification is inconsistent with the *PA RLEC Access Order* and must be rejected.

Finally, AT&T claims that that the "Summary of Revenue" Tab should include another line item entitled "Miscellaneous Local Rate 4." AT&T does not indicate what rates or revenues would be impacted by this suggestion. AT&T also does not indicate which RLECs have a "Miscellaneous Local Rate 4". A vague, catch-all category as proposed by AT&T prejudices

participants to a process and creates arbitrary results and decision making. AT&T's proposal should be rejected.

Accordingly, CenturyLink respectfully requests that the Commission reject AT&T's comments and modify the Proposed Template in accordance with CenturyLink's comments and reply comments.

Respectfully submitted,



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Dated: September 19, 2011