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ORIGINAL

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July 26, 2007

SECRETARY'S OFFICE

2007 JUL 26 PM 4:27

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
P. O. Box 3265  
Harrisburg, PA 17105-3265

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

2006 Annual Price Stability Index/Service Price Index Filing of Buffalo Valley  
Telephone Company  
Docket Nos. P-00981428F1000 and R-00061375

2006 Annual Price Stability Index/Service Price Index Filing of Conestoga  
Telephone and Telegraph Company  
Docket Nos. P-00981429F1000 and R-00061376

2006 Annual Price Stability Index/Service Price Index Filing of Denver and  
Ephrata Telephone and Telegraph Company  
Docket Nos. P-00981430F1000 and R-00061377

Dear Secretary McNulty:

Enclosed herewith for filing on behalf of Conestoga Telephone and Telegraph Company are  
an original and three (3) copies of its Petition for Reconsideration at the above-referenced dockets.  
Both Proprietary and Non-Proprietary versions are being filed due to the proprietary information  
contained in Appendix A to the Petition. A Certificate of Service is attached thereto.

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

DOCUMENT  
FOLDER

Sincerely,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By

Jennifer M. Sultzberger

cc: Certificate of Service  
Honorable Susan D. Colwell (w/enclosure)  
Leonard J. Beurer (w/enclosure)

070726-McNulty-CTTC.wpd

ORIGINAL

Before The  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

SECRETARY'S BUREAU

2007 JUL 26 PM 4:27

Investigation Regarding Intrastate Access : I-00040105  
 Charges and IntraLATA Toll Rates of :  
 Rural Carriers and the Pennsylvania :  
 Universal Service Fund :  
 :  
 2006 Annual Price Stability Index/Service : P-00981428F1000  
 Price Index filing of Buffalo Valley : R-00061375  
 Telephone Company :  
 :  
 2006 Annual Price Stability Index/Service : P-00981429F1000  
 Price Index filing of Conestoga Telephone : R-00061376  
 and Telegraph Company :  
 :  
 2006 Annual Price Stability Index/Service : P-00981430F1000  
 Price Index filing of Denver and Ephrata : R-00061377  
 Telephone and Telegraph Company :

PETITION FOR RECONSIDERATION  
OF BUFFALO VALLEY TELEPHONE COMPANY,  
CONESTOGA TELEPHONE AND TELEGRAPH COMPANY AND  
DENVER AND EPHRATA TELEPHONE AND TELEGRAPH COMPANY

NOW COME, Buffalo Valley Telephone Company ("Buffalo Valley"),  
Conestoga Telephone and Telegraph Company ("Conestoga") and Denver and  
Ephrata Telephone and Telegraph Company ("D&E Telephone") (hereinafter  
collectively "D&E carriers" or "Companies"), all subsidiaries of D&E  
Communications, Inc. ("D&E"), and hereby file with the Pennsylvania Public Utility  
Commission ("Commission"), pursuant to 66 Pa.C.S. §703(g) and 52 Pa. Code  
§5.572, this Petition for Reconsideration of the Order of the Commission entered  
July 11, 2007, in the above-captioned matter. In support thereof, the D&E carriers  
represent and petition as follows:

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JUL 31 2007

## I. INTRODUCTION

### A. D&E Carriers' Accelerated Universal Broadband Commitments

1. On February 25, 2005, the D&E carriers filed Amended Chapter 30 Plans pursuant to Act 183.<sup>1</sup> These Amended Chapter 30 Plans accelerated their 100% broadband availability commitments from December 31, 2015 to December 31, 2008, in exchange for the elimination of the 2% inflation offset. It was the Companies' sincere belief that with the additional revenues from the elimination of the inflation offset they would have sufficient revenues to carry-out their accelerated broadband commitments. It was also the Companies belief that their management would have the latitude to reasonably change rates at their discretion based on competitive market constraints consistent with their Chapter 30 Plans.<sup>2</sup>

### B. D&E Carriers' 2006 PSI/SPI Filings

2. The current proceeding emanated from the annual Chapter 30 2006 Price Stability Index/ Service Price Index filings ("2006 PSI/SPI filings") of Buffalo Valley - Docket No. P-00981428F1000, Conestoga - Docket No. P-00981429F1000 and D&E Telephone - Docket No. P-00981430F1000.

3. The annual 2006 PSI/SPI filings were made on April 28, 2006, on the basis of changes in the Gross Domestic Product Price Index using the change in the 2004 and 2005 third quarter Gross Domestic Product - Price Index of 4.016% which produced an overall 3.70% increase in annual noncompetitive service revenues.

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<sup>1</sup>See 66 Pa.C.S. §3011 et seq.

<sup>2</sup>See D&E Statement No. 1 at 40-41.

4. Based upon a thorough review of its prior local rate changes since the Global proceeding and a thorough understanding of competitive marketplace forces within their rural service territories, the D&E carriers' management exercised their discretion as to which noncompetitive service rates to change to produce the Companies' annual Chapter 30 revenue entitlements. Management elected a multitude of rate changes. It elected to increase Buffalo Valley's basic local exchange, PBX and pay station rates, increase all three companies' non-basic local service rates, decrease Conestoga's Carrier Common Line Charge ("CC"), increase the D&E Telephone and Buffalo Valley CCs, and mirror all three companies' interstate traffic-sensitive switched access charges through increases in intrastate access charges.

5. By Opinions and Orders entered June 23, 2006 ("June 23 Orders"), the Commission permitted the proposed rate changes to be implemented adjusted for a change in the Companies' PSI/SPI procedure used for calculating the annual revenue allowances.<sup>3</sup> The Commission also raised concerns regarding the increases in intrastate access rates and directed that if the D&E carriers implemented the access rate increases, as modified for the aforesaid revenue procedure change, in lieu of banking or further increasing basic exchange rates, the lawfulness thereof would be addressed in the Commission's pending intercarrier compensation and universal service fund investigation at Docket No. I-00040105.

6. The D&E carriers on June 28, 2006, filed rate changes pursuant to the June 23 Orders ("June 28 Compliance Filings"). The said rate changes included the

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<sup>3</sup>Specifically, the Commission directed that the D&E carriers change the manner in which they calculated their base revenues for determining their annual revenue entitlements.

increases in intrastate access rates as proposed in the 2006 PSI/SPI filings, but were modified to reflect the impact of the aforesaid procedural change for calculating the annual revenue entitlements. The compliance tariffs became effective on July 1, 2006.<sup>4</sup>

### C. Proceeding Before ALJ Colwell

7. By Order entered November 15, 2006 ("November 15 Order"), the Commission bifurcated the issues regarding the D&E carriers' June 28 Compliance Filings from the industry proceeding regarding access rates and Universal Service in Docket No. I-00040105 and assigned the matter to the Office of Administrative Law Judge for recommended decision on an expedited basis. The November 15 Order at 15 directed that the goal was to determine whether, based on the record, any rescission or amendment to its June 23 Orders would be warranted regarding the Companies intrastate access rate increases, consistent with its access charge reform, and universal service policies and the Companies' Chapter 30 plans.

8. ALJ Colwell presided over the evidentiary hearing in this bifurcated proceeding on January 17, 2007. The D&E carriers, Office of Consumer Advocate ("OCA"), Office of Small Business Advocate ("OSBA"), and Verizon presented witnesses. Both the OCA and OSBA presented witnesses supporting the D&E

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<sup>4</sup>In the June 28 Compliance Filings (i) Buffalo Valley reduced its annual increase revenue entitlement by \$14,925 from \$328,482 to \$313,557. Buffalo Valley reduced its proposed CC increase from \$0.97 per line to \$0.91 per line and retained the mirroring of its interstate traffic-sensitive switched access rates and the basic and non-basic service rate increases as originally proposed; (ii) Conestoga reduced its annual increase revenue entitlement by \$40,738 from \$917,330 to \$876,592. Conestoga raised its proposed CC decrease from \$0.33 per line to \$0.39 per line and retained the mirroring of its interstate traffic-sensitive switched access rates and the non-basic service rate increases as originally proposed; and (iii) D&E Telephone reduced its annual Chapter 30 increase revenue entitlement sought in its 2006 PSI/SPI filing by \$46,575 from \$1,022,608 to \$976,033. D&E Telephone also reduced its proposed CC increase from \$1.20 per line to \$1.13 per line and retained the mirroring of its interstate traffic-sensitive switched access rates and the non-basic service rate increases originally proposed.

carriers' rate changes. Verizon opposed the access rate changes and advocated that the D&E carriers' local ratepayers should instead be forced to bear higher local exchange rates. Based on a fully developed record, prior access reform orders, Act 183, and the D&E carriers' Amended Chapter 30 Plans, as well as the factual and legal arguments of all the parties, ALJ Colwell issued her Recommended Decision on February 20, 2007 agreeing with the D&E carriers, OCA, and OSBA, affirming the justness and reasonableness of the June 28 Compliance Filings and concluding that no rescission or amendment of the Commission's June 23 Orders was warranted.

**D. July 11, 2007 Order**

9. Verizon filed exceptions to ALJ Colwell's Recommended Decision and the D&E carriers, OCA, and OSBA filed replies thereto. By Opinion and Order entered July 11, 2007 ("July 11, 2007 Order"), the Commission, with Vice Chairman James H. Cawley and Commissioner Tyrone J. Christy dissenting, granted the exceptions of Verizon, rejected the Recommended Decision of ALJ Colwell, rescinded and amended its prior June 23, 2006 Orders, rejected the increases in access rates of the D&E carriers and ordered the Companies to "provide refunds for access rates from November 15, 2006 forward."<sup>5</sup>

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<sup>5</sup>July 11, 2007 Order at 37-38.

## II. RECONSIDERATION REQUEST

### A. Standard of Review

10. The standard of review in connection with a petition seeking reconsideration of a Commission order is set forth in Phillip Duick et al. v. Pennsylvania Gas and Water Co., 56 Pa. P.U.C. 553, 559 (1982), as follows:

A petition for reconsideration under the provisions of 66 Pa.C.S. §703(g), may properly raise any matters designed to convince the Commission that it should exercise its discretion under this code section to rescind or amend a prior order in whole or in part.

The D&E carriers respectfully submit that the circumstances surrounding this Petition satisfy the Duick standard and warrant reconsideration of the Commission's July 11, 2007 Order.

### B. Retroactivity Needs to Be Addressed

11. Ordering paragraph 4 of the July 11, 2007 Order provides as follows:

4. That the D&E Companies shall file tariffs or tariff supplements designed to recover their allowable 2006 Annual PSI/SPI revenue in any manner consistent with their Chapter 30 plans. The proposed increases to access charge rates is expressly rejected. Said tariffs or tariff supplements shall be made within thirty (30) days of the entry date of this Opinion and Order and shall provide refunds for access rates from November 15, 2006 forward.

12. As can be seen, the compliance rates should be designed to recover the "allowable 2006 Annual PSI/SPI revenue in any manner consistent with" the Companies' Chapter 30 Plans. The Companies are directed to refund the increased access rate revenues back to November 15, 2006. There is, however, no specific direction that any new local exchange rates should likewise have retroactive application to November 15, 2006. The July 11, 2007 Order should be clarified or amended to assure that if the access rate decreases are to be retroactively applied,

any offsetting increases to local exchange rates should be recognized retroactive to November 15, 2006. Otherwise, the D&E carriers would be denied recovery of its 2006 PSI/SPI revenue opportunity from November 15, 2006, forward to the date of the new rates to be established pursuant to the July 11, 2007 Order.

13. The D&E carriers respectfully submit that such revenue denial would be in violation of their Amended Chapter 30 Plans which provide that new rates produce additional annual revenues in any PSI/SPI filing and "shall become effective within 30 days of filing."<sup>6</sup> The clear intent of the plans is to provide for the opportunity to recover additional revenue within 30 days of the PSI/SPI filing. Accordingly, the Companies respectfully request that the July 11, 2007 Order be reconsidered and clarified or amended to assure the D&E carriers the ability to recover from local exchange customers the revenue opportunity that originally was assigned to access customers from November 15, 2006, forward.

14. The D&E carriers respectfully submit they are entitled to the opportunity to recover these revenue increases. Their Amended Chapter 30 Plans are valid and effective plans granted in exchange for the Companies' December 31, 2008 universal broadband commitments. The D&E carriers are fast at work investing the capital necessary to carry-out these and other network commitments. In compliance with Act 183, they are entitled to ratemaking treatment to provide the opportunity to recognize and/or recover additional revenues resulting from the July 11, 2007 Order's adjusted operation of their 2006 PSI/SPI filing for the said period November 15, 2006, forward.

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<sup>6</sup>See e.g., Conestoga Amended Chapter 30 Plan at 11.

15. There is, however, a major issue with respect to the retroactive revenue recovery from the local exchange ratepayers. The Companies' 2007 PSI/SPI rates have gone into effect during this interim period. The Companies already increased basic local rates effective July 1, 2007 by \$0.55 for Buffalo Valley, \$0.35 for Conestoga and \$0.45 for D&E Telephone, not to mention increases in calling feature rates. Because the Commission had placed the review of the 2006 filing on an expedited basis, the Companies had hoped to have the 2006 filing resolved before the 2007 filing would be made. In discussions with Commission staff, D&E representatives expressed the need for a resolution of the 2006 PSI/SPI filing before the 2007 PSI/SPI filing went into effect and reiterated that the 2007 filing was dependent on the 2006 filing being approved as filed with no changes. D&E representatives pointed out that if changes were made to the 2006 filing, that this impact would change not only the rates filed in the 2007 filing, but would require the D&E carriers to reconsider their 2007 filed banked amount. The 2007 rate structure proposed and approved was specifically designed based on the 2006 filing being approved as filed. Rates in 2007 were set to specifically maintain an average R-1 rate below the existing \$18.00 R-1 rate cap.

16. In light of the constraints of competitive forces in the marketplace and the magnitude of the increases already borne by the local ratepayers, D&E cannot force its Buffalo Valley and Conestoga customers to bear yet another increase, as well as bear such higher rates retroactive to November 15, 2006. It would result in significant customer dissatisfaction and desertion from the network. Access line loss would be considerable resulting in the Companies never achieving the allowable 2006 PSI/SPI revenue increases. Accordingly, Buffalo Valley and

Conestoga will not increase basic exchange rates to offset the revenue losses arising from the intrastate access reductions going to Verizon and the other IXCs. The Companies therefore request that the 2006 PSI/SPI monthly amounts previously in access rates for Buffalo Valley and Conestoga be banked, and that such amount be added to the 2007 PSI/SPI banked amounts.

17. The July 11, 2007 Order, therefore, will result in these two companies being denied the opportunity to recover \$1,106,703 in annual cash revenues on an ongoing basis while at the same time being expected to be 100% broadband compliant by December 31, 2008. It should be recognized that the D&E carriers do not believe banking to be a reasonable option. The Companies are today investing the cash resources to be Chapter 30 compliant by December 31, 2008. Accordingly, they need cash revenues to support their capital investments. Banking produces no revenues, no earnings, and in light of competitive constraints, the dollars will, in all probability, never be recovered through rates.

**C. Pennsylvania Universal Service Fund Recovery Needs to Be Addressed**

18. D&E Telephone's average R-1 rate at the time of the 2006 PSI/SPI filing was at \$17.51 and average B-1 rate was at \$24.48. With its 2007 PSI/SPI filing, its average R-1 rate is at \$17.96 and average B-1 rate is at \$24.92. Recalculating said rates in accordance with the July 11, 2007 Order to recover its 2006 PSI/SPI allowable monthly revenue opportunity previously included in access rates will take the average R-1 rate to \$19.03 and the average B-1 rate to \$26.00. To the extent rates will exceed the Pennsylvania Universal Service Fund ("PaUSF") rate caps, such increases will not impact the local exchange ratepayers but instead be recoverable from the PaUSF pursuant to the terms established in the Global

Order.<sup>7</sup> The D&E carriers through this Petition respectfully seeks clarification or amendment of the July 11, 2007 Order to provide it with the opportunity to recover the resulting PaUSF recovery likewise from November 15, 2006, forward. Only through such clarification or amendment will D&E Telephone be made whole for the revenue loss arising from the reduction of its access rates retroactive to November 15, 2006.

19. Based on the R-1 cap at \$18.00 and the corresponding B-1 cap at \$25.38,<sup>8</sup> D&E Telephone rates for Rate Band Six would exceed the caps requiring tariff language for a PaUSF credit for the difference between the new rate and the cap, with said difference being recovered from the PaUSF. Based on the 2006 PSI/SPI filing information, this amounts to a monthly PaUSF requirement of \$56,756 for D&E Telephone for the period beginning November 15, 2006. In addition, the 2007 PSI/SPI filing will now show for D&E Telephone an average R-1 rate of \$19.98 and an average B-1 rate of \$26.94. In addition to Rate Band Six, Rate Band Four customer rates will now exceed the residential cap. Based on the 2007 PSI/SPI filing information, this amounts to an additional monthly PaUSF requirement of

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<sup>7</sup>In concurrence with Pennsylvania Public Utility Commission Order entered September 30, 1999, under Docket Nos. P-00991648, P-00991649, hereafter referred to as the September 1999 Global Order, the PA Universal Service Credit (the "USF Credit") is an offset to specific local exchange service rates. The USF Credit is a separate line item on the customer bill which, when combined with the single-party residence rate, an exchange average of touch-tone (push-button), local usage, and exchange/zone mileage rates, creates a maximum monthly residential rate of \$16.00. As directed by the September 1999 Global Order, a proportionate USF Credit is also calculated and applied against the monthly single-party business rate to maintain parity between business and residence rates. By Order entered July 15, 2003, at Docket No. M-00021596, et al., the Commission approved modifications to the September 1999 Global Order including an increase of the \$16.00 residential cap to \$18.00.

<sup>8</sup>As directed by the September 1999 Global Order, a proportionate USF Credit is also calculated and applied against the monthly single-party business rate to maintain parity between business and residence rates. The calculated single-party business to single-party residence ratio is 141%. Therefore, the single-party business rate cap is \$18.00 multiplied by 141%, which results in a single-party business rate cap equal to \$25.38.

\$39,653 for D&E Telephone for the period beginning July 1, 2007. D&E has prepared the attached schedules to reflect these changes, based on data filed in the 2006 and 2007 PSI/SPI filings.<sup>9</sup>

20. Under these circumstances, D&E Telephone respectfully requests that the July 11, 2007 Order be amended to add language permitting D&E Telephone to (i) file tariffs or tariff supplements designed to recover its allowable 2006 and 2007 Annual PSI/SPI revenue opportunity through increases to local rates and (ii) to the extent such rates exceed the existing approved rate cap of \$18.00 for residential customers and \$23.58 B-1 rate cap established in prior Commission orders, such revenues should be permitted to be recovered from the PaUSF from November 15, 2006, forward. Again, if D&E Telephone is required to refund access revenues back to November 15, 2006, the offsetting PaUSF recovery associated with the offsetting local rate increases must also go back to November 15, 2006, in order for D&E Telephone to be made whole.

**D. This 2006 PSI/SPI Chapter 30 Proceeding Should Be Closed**

21. Ordering paragraph 5 of the July 11, 2007 Order does not close the current investigation into the 2006 Annual PSI/SPI filings of the D&E carriers at Docket Nos. P-00981428F1000, R-00061375, P-00981429F1000, R-00061376, P-000981430F1000, and R-00061377. Instead, the Order keeps the matter open pending resolution of the Commission's generic proceeding into further access charge, intercarrier compensation, and PaUSF reform at Docket No. I-00040105, et al. Ordering paragraph 5 reads, as follows:

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<sup>9</sup>See Appendix A hereto.

5. That this matter shall be marked closed upon entry of the final Order resulting from the limited and expedited rural access charge proceeding initiated by Commission Order entered November 15, 2006, at Docket No. I-00040105, et al.

22. The D&E carriers respectfully submit the limited issues in the current proceeding addressing the lawfulness of their July 1, 2006 intrastate access charge increases implemented pursuant to the aforesaid June 23 and November 15 Orders have now been decided upon by the Commission. Pursuant to the November 15 Order, the issues involving the lawfulness of the July 1, 2006 increases in intrastate access rates were "bifurcated" from the I-00040105 investigation and assigned to the Office of Administrative Law Judge for expedited resolution.<sup>10</sup> The issues in the I-00040105 proceeding addressing possible access charge, intercarrier compensation, and PaUSF reform on a generic basis apply to all incumbent local exchange carriers. The resolution of the I-00040105 investigation will not impact the July 11, 2007 Order's resolution of the lawfulness of the access rate increases implemented in the Companies' 2006 Annual PSI/SPI filings on July 1, 2006. Accordingly, the D&E carriers respectfully request that ordering paragraph 5 be amended to close the current bifurcated proceeding addressing only the Companies' 2006 Annual PSI/SPI access rate increases.

**E. Effective Date of New Rates**

23. Ordering paragraph 4 of the July 11, 2007 Order reads, as follows:

4. That the D&E Companies shall file tariffs or tariff supplements designed to recover their allowable 2006 Annual PSI/SPI revenue in any manner consistent with their Chapter 30 plans. The proposed increases to access charge rates is expressly rejected. Said tariffs or tariff supplements shall be made within thirty

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<sup>10</sup>See November 15, 2006 Order at 15.

(30) days of the entry of this Opinion and Order and shall provide refunds for access rates from November 15, 2006 forward.

The D&E carriers are filing with this Petition in Appendix A, tariff supplements with supporting schedules reflecting rate adjustments consistent with the July 11, 2007 Order and the clarifications and amendments sought herein. The Companies respectfully request that these tariff supplements be permitted to be filed effective on one day's notice upon approval of this Petition.

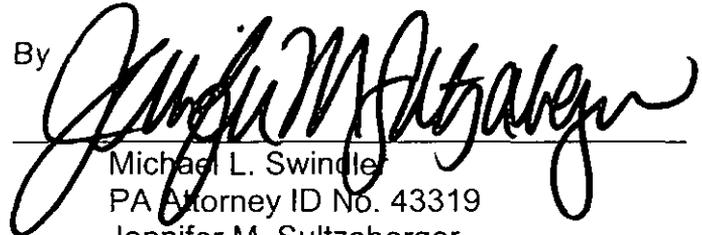
WHEREFORE, Buffalo Valley Telephone Company, Conestoga Telephone and Telegraph Company, and Denver and Ephrata Telephone and Telegraph Company respectfully request that the July 11, 2007 Order be reconsidered, clarified, and amended to (a) permit Buffalo Valley and Conestoga to bank the revenue opportunity resulting from the disallowance of their July 1, 2006 intrastate access rate increases, (b) permit D&E Telephone to increase monthly local rates based on their 2006 revenue opportunity resulting from the disallowance of their July 1, 2006 intrastate access rate increases retroactive to November 15, 2006, (c) permit D&E Telephone to increase monthly local rates based on its 2007 revenue opportunity by adding previously banked amounts to the amount approved for local increases retroactive to July 1, 2007, (d) permit D&E Telephone to collect through the PaUSF revenues resulting from its increase in basic exchange rates above the rate cap of \$18.00 for residential customers and \$23.58 for B-1 customers established via prior Commission orders for the 2006 revised filing retroactive to November 15, 2006 and the 2007 revised filing retroactive to July 1, 2007, (e) approve the tariff supplements in Appendix A hereto as consistent with the July 11, 2007 Order as clarified and amended, and (f) declare the July 11, 2007 Order to be

a final order terminating and resolving the Companies' 2006 Annual PSI/SPI dockets.

Respectfully submitted,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By



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Dated: July 26, 2007

D&E Petition for Reconsideration to Final Order.wpd

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	: I-00040105
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	:
	:
2006 Annual Price Stability Index/Service Price Index filing of Denver and Ephrata Telephone and Telegraph Company	: P-00981430F1000
	: R-00061377
	:

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CERTIFICATE OF SERVICE

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I hereby certify that I have this 26<sup>th</sup> day of July, 2007, served a true and correct copy of the foregoing Petition for Reconsideration, upon the persons listed below by first class mail, postage prepaid:

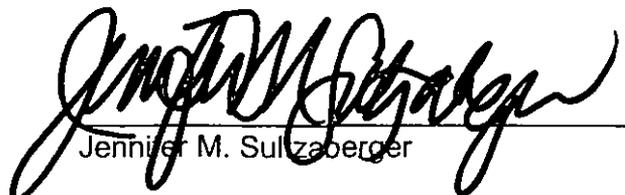
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Jennifer M. Sulzberger

APPENDIX A

2006 Rate Development Recalculation  
Buffalo Valley & Conestoga  
(Money Banked)

Buffalo Valley Telephone Company  
 2006 Chapter 30 Filing  
 Revised per PUC Order dated July 11, 2007

<b>Summary of Revenue Impacts</b>	<u>Original View</u>	<u>Revised View per 7/11/07 Order</u>
5001 Basic Area Rev		
5040 Local Private Line Rev		
5060 Other Local Exchange Rev		
Network Access Rev		
Long Distance Rev		
Other Operating Rev		
Total Revenue Impact	\$ 26,129.80	\$ 6,213.83
Total Revenue Banked	\$ 0.00	\$ 19,915.98
Total Revenue Opportunity	<u>\$ 26,129.80</u>	<u>\$ 26,129.80</u>

<b>Detail of Revenue Impacts</b>	<u>Original View</u>	<u>Revised View per 7/11/07 Order</u>
Revenue Opportunity		
Less: Network Access - Local Switching Rev		
Less: Network Access - Tandem Switching Rev		
Subtotal # 1	\$ 25,075.98	\$ 26,129.80
Less: Acct 5001 - 1 Party Res Dialtone Rev		
Less: Acct 5001 - 2 Party Res Dialtone Rev		
Less: Acct 5001 - Res Key Dialtone Rev		
Less: Acct 5001 - 1 Party Bus Dialtone Rev		
Less: Acct 5001 - Bus Key Dialtone Rev		
Less: Acct 5001 - Bus PBX Dialtone Rev		
Less: Acct 5001 - Payphone Dialtone Rev		
Less: Acct 5001 - Vacation Service Rev		
Subtotal # 2	\$ 19,247.58	\$ 20,301.40
Less: Acct 5001 - FX Dialtone Rev		
Less: Acct 5001 - FX Mileage Rev		
Subtotal # 3	\$ 18,999.58	\$ 20,053.40
Less: Acct 5040 - P.L. Rev		
Subtotal # 4	\$ 18,883.40	\$ 19,937.23
Less: Acct 5060 - Custom/CLASS Features Rev		
Subtotal # 5	\$ 18,883.40	\$ 19,937.23
Less: Acct 5060 - Returned Check Charge Rev		
Subtotal # 6	\$ 18,862.15	\$ 19,915.98
Less: Network Access - Carrier Charge		
Revenue Opportunity Banked	<u>\$ 0.00</u>	<u>\$ 19,915.98</u>

Signifies a revision to the original filing ----->

Conestoga Telephone Company  
 2006 Chapter 30 Filing  
 Revised per PUC Order dated July 11, 2007

<b>Summary of Revenue Impacts</b>	<u>Original View</u>	<u>Revised View per 7/11/07 Order</u>
5001 Basic Area Rev		
5040 Local Private Line Rev		
5060 Other Local Exchange Rev		
Network Access Rev		
Long Distance Rev		
Other Operating Rev		
Total Revenue Impact	\$ 73,049.30	\$ 740.01
Total Revenue Banked	\$ (0.00)	\$ 72,309.30
Total Revenue Opportunity	<u>\$ 73,049.30</u>	<u>\$ 73,049.30</u>

<b>Detail of Revenue Impacts</b>	<u>Original View</u>	<u>Revised View per 7/11/07 Order</u>
Revenue Opportunity		
Less: Network Access - Local Switching Rev		
Less: Network Access - Tandem Switching Rev		
Subtotal # 1	\$ (21,082.49)	\$ 73,049.30
Less: Acct 5001 - 1 Party Res Dialtone Rev		
Less: Acct 5001 - 2 Party Res Dialtone Rev		
Less: Acct 5001 - Res Key Dialtone Rev		
Less: Acct 5001 - 1 Party Bus Dialtone Rev		
Less: Acct 5001 - Bus Key Dialtone Rev		
Less: Acct 5001 - Bus PBX Dialtone Rev		
Less: Acct 5001 - Payphone Dialtone Rev		
Less: Acct 5001 - Vacation Service Rev		
Subtotal # 2	\$ (21,082.49)	\$ 73,049.30
Less: Acct 5001 - FX Dialtone Rev		
Less: Acct 5001 - FX Mileage Rev		
Subtotal # 3	\$ (21,301.44)	\$ 72,830.35
Less: Acct 5040 - P.L. Rev		
Subtotal # 4	\$ (21,766.66)	\$ 72,365.13
Less: Acct 5060 - Custom/CLASS Features Rev		
Subtotal # 5	\$ (21,766.66)	\$ 72,365.13
Less: Acct 5060 - Returned Check Charge Rev		
Subtotal # 6	\$ (21,822.49)	\$ 72,309.30
Less: Network Access - Carrier Charge		
Revenue Opportunity Banked	<u>\$ (0.00)</u>	<u>\$ 72,309.30</u>

Signifies a revision to the original filing ----->

2006 Rate Development Recalculation  
Denver and Ephrata

Denver & Ephrata Telephone Company  
 2006 Chapter 30 Filing  
 Revised per PUC Order dated July 11, 2007

<b>Summary of Revenue Impacts</b>	<u>Original View</u>	<u>Revised View per 7/11/07 Order</u>
5001 Basic Area Rev		
5040 Local Private Line Rev		
5060 Other Local Exchange Rev		
Network Access Rev		
Long Distance Rev		
Other Operating Rev		
Total Revenue Impact	\$ 81,336.10	\$ 81,215.26
Total Revenue Banked	\$ -	\$ 120.84
Total Revenue Opportunity	<u>\$ 81,336.10</u>	<u>\$ 81,336.10</u>

<b>Detail of Revenue Impacts</b>	<u>Original View</u>	<u>Revised View per 7/11/07 Order</u>
Revenue Opportunity		
Less: Network Access - Local Switching Rev		
Less: Network Access - Tandem Switching Rev		
Subtotal # 1	<u>\$ 68,532.43</u>	<u>\$ 81,336.10</u>
Less: Acct 5001 - 1 Party Res Dialtone Rev		
Less: Acct 5001 - 2 Party Res Dialtone Rev		
Less: Acct 5001 - Res Key Dialtone Rev		
Less: Acct 5001 - 1 Party Bus Dialtone Rev		
Less: Acct 5001 - Bus Key Dialtone Rev		
Less: Acct 5001 - Bus PBX Dialtone Rev		
Less: Acct 5001 - Payphone Dialtone Rev		
Less: Acct 5001 - Vacation Service Rev		
Subtotal # 2	<u>\$ 68,532.43</u>	<u>\$ 3,776.58</u>
Less: Acct 5001 - FX Dialtone Rev		
Less: Acct 5001 - FX Mileage Rev		
Subtotal # 3	<u>\$ 67,163.98</u>	<u>\$ 2,408.13</u>
Less: Acct 5040 - P.L. Rev		
Subtotal # 4	<u>\$ 64,986.69</u>	<u>\$ 230.84</u>
Less: Acct 5060 - Custom/CLASS Features Rev		
Subtotal # 5	<u>\$ 64,986.69</u>	<u>\$ 230.84</u>
Less: Acct 5060 - Returned Check Charge Rev		
Subtotal # 6	<u>\$ 64,876.69</u>	<u>\$ 120.84</u>
Less: Network Access - Carrier Charge		
Revenue Opportunity Banked	<u>\$ -</u>	<u>\$ 120.84</u>

Signifies a revision to the original filing ----->

D&E Telephone Company  
 2006 Chapter 30 Filing  
 Calculate R-1 Local Service Revenue Impact  
 For the year 2006

Denver & Ephrata	Res A.L.	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue	Revenue Impact
RB 4 - Denver		\$ 15.69		\$ 17.21		
RB 6 - Adamstown		\$ 17.85		\$ 19.37		
RB 6 - Akron		\$ 17.85		\$ 19.37		
RB 6 - Ephrata		\$ 17.85		\$ 19.37		
RB 6 - Lititz		\$ 17.85		\$ 19.37		
RB 6 - Manheim		\$ 17.85		\$ 19.37		
Total Company	39,773		\$ 696,573.33		\$ 757,028.29	\$ 60,454.96
<b>Ave Res 1-Party Rate</b>		\$ 17.51		\$ 19.03		

D&E Telephone Company  
 2006 Chapter 30 Filing  
 Calculate B-1 Local Service Revenue Impact  
 For the year 2006

Denver & Ephrata	Res A.L.	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue	Revenue Impact
1-Party Service						
RB 4 - Denver		\$ 21.05		\$ 22.57		
RB 6 - Adamstown		\$ 25.10		\$ 26.62		
RB 6 - Akron		\$ 25.10		\$ 26.62		
RB 6 - Ephrata		\$ 25.10		\$ 26.62		
RB 6 - Lititz		\$ 25.10		\$ 26.62		
RB 6 - Manheim		\$ 25.10		\$ 26.62		
Total Company	10,243		\$ 250,724.60		\$ 266,293.96	\$ 15,569.36
<b>Ave Bus 1-Party Rate</b>		\$ 24.48		\$ 26.00		

D&E Telephone Company  
 2006 Chapter 30 Filing  
 Calculate Bus Trunk Revenue Impact  
 For the year 2006

Denver & Ephrata	Res A.L.	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue	Revenue Impact
RB 4 - Denver		\$ 21.05		\$ 22.57		
RB 6 - Adamstown		\$ 25.10		\$ 26.62		
RB 6 - Akron		\$ 25.10		\$ 26.62		
RB 6 - Ephrata		\$ 25.10		\$ 26.62		
RB 6 - Lititz		\$ 25.10		\$ 26.62		
RB 6 - Manheim		\$ 25.10		\$ 26.62		
Total Company	775		\$ 18,930.05		\$ 20,108.05	\$ 1,178.00
<b>Ave Bus PBX Trunk Rate</b>		<b>\$ 24.43</b>		<b>\$ 25.95</b>		

D&E Telephone Company  
 2006 Chapter 30 Filing  
 Calculate Payphone Revenue Impact  
 For the year 2007

Denver & Ephrata	Res A.L.	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue	Revenue Impact
RB 4 - Denver		\$ 17.38		\$ 18.90		
RB 6 - Adamstown		\$ 21.43		\$ 22.95		
RB 6 - Akron		\$ 21.43		\$ 22.95		
RB 6 - Ephrata		\$ 21.43		\$ 22.95		
RB 6 - Lititz		\$ 21.43		\$ 22.95		
RB 6 - Manheim		\$ 21.43		\$ 22.95		
Total Company	235		\$ 4,801.15		\$ 5,158.35	\$ 357.20
<b>Ave Payphone Line Rate</b>		\$ 20.43		\$ 21.95		

D&E Telephone Company  
 2006 Chapter 30 Filing  
 Calculate PA USF Revenue Increase

Local Service Price Caps	Rate Band 4		Rate Band 6	
	1-R Lines	1-B Lines	1-R Lines	1-B Lines
1-R Price Cap			\$ 18.00	
1-B Rate prior to threshold				\$ 25.10
divided by 1-R Rate prior to threshold				<u>17.85</u>
equal Bus to Res proportion				141%
times 1-R Cap				<u>\$ 18.00</u>
equal 1-B Price Cap				\$ 25.38
<b>Monthly Pa USF Revenue per ALs</b>				
Current Rate			\$ 19.37	\$ 26.62
Less: Price Cap			<u>\$ 18.00</u>	<u>\$ 25.38</u>
Monthly Pa USF Revenue per line			\$ 1.37	\$ 1.24
<b>Monthly Pa USF Revenue</b>				
Monthly Pa USF Revenue per line			\$ 1.37	\$ 1.24
Total lines			<u>33,581</u>	<u>8,669</u>
Monthly Pa USF Revenue per month			<u>\$ 46,006</u>	<u>\$ 10,750</u>
Grand Total per Month				<u>\$ 56,756</u>

2007 Rate Development Recalculation  
Denver and Ephrata

Denver & Ephrata Telephone Company  
 2007 Chapter 30 Filing  
 Revised per PUC Order dated July 11, 2007

<b>Summary of Revenue Impacts</b>	<u>Original View</u>	<u>Revised View per 7/11/07 Order</u>
5001 Basic Area Rev		
5040 Local Private Line Rev		
5060 Other Local Exchange Rev		
Network Access Rev		
Long Distance Rev		
Other Operating Rev		
Total Revenue Impact	\$ 46,905.64	\$ 71,672.02
Total Revenue Banked	\$ 24,954.08	\$ 187.70
Total Revenue Opportunity	<u>\$ 71,859.72</u>	<u>\$ 71,859.72</u>

<b>Detail of Revenue Impacts</b>	<u>Original View</u>	<u>Revised View per 7/11/07 Order</u>
Revenue Opportunity		
Less: Network Access - Local Switching Rev		
Less: Network Access - Tandem Switching Rev		
Subtotal # 2	<u>\$ 71,859.72</u>	<u>\$ 71,859.72</u>
Less: Acct 5001 - 1 Party Res Dialtone Rev		
Less: Acct 5001 - Res Key Dialtone Rev		
Less: Acct 5001 - 1 Party Bus Dialtone Rev		
Less: Acct 5001 - Bus Key Dialtone Rev		
Less: Acct 5001 - Bus PBX Dialtone Rev		
Less: Acct 5001 - Payphone Dialtone Rev		
Less: Acct 5001 - Vacation Service Rev		
Subtotal # 3	<u>\$ 49,824.35</u>	<u>\$ 25,057.97</u>
Less: Acct 5001 - FX Dialtone Rev		
Less: Acct 5001 - FX Mileage Rev		
Subtotal # 4	<u>\$ 49,824.35</u>	<u>\$ 25,057.97</u>
Less: Acct 5040 - P.L. Rev		
Subtotal # 4	<u>\$ 49,824.35</u>	<u>\$ 25,057.97</u>
Less: Acct 5060 - Custom/CLASS Features Rev		
Subtotal # 5	<u>\$ 30,099.45</u>	<u>\$ 5,333.07</u>
Less: Acct 5060 - Other Rev		
Subtotal # 6	<u>\$ 24,954.08</u>	<u>\$ 187.70</u>
Less: Network Access - Carrier Charge		
2006 Revenue Opportunity Banked	<u>\$ 24,954.08</u>	<u>\$ 187.70</u>

Signifies a revision to the original filing ----->

D&E Telephone Company  
 2007 Chapter 30 Filing  
 Calculate R-1 Local Service Revenue Impact  
 For the year 2007

Denver & Ephrata	Res A.L.	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue	Revenue Impact
RB 4 - Denver		\$ 17.21		\$ 18.16		
RB 6 - Adamstown		\$ 19.37		\$ 20.32		
RB 6 - Akron		\$ 19.37		\$ 20.32		
RB 6 - Ephrata		\$ 19.37		\$ 20.32		
RB 6 - Litzitz		\$ 19.37		\$ 20.32		
RB 6 - Manheim		\$ 19.37		\$ 20.32		
Total Company	38,234		\$ 727,604.50		\$ 763,926.80	\$ 36,322.30
<b>Ave Res 1-Party Rate</b>		\$ 19.03		\$ 19.98		

D&E Telephone Company  
 2007 Chapter 30 Filing  
 Calculate B-1 Local Service Revenue Impact  
 For the year 2007

Denver & Ephrata	Bus A.L.	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue	Revenue Impact
1-Party Service						
RB 4 - Denver		\$ 22.57		\$ 23.52		
RB 6 - Adamstown		\$ 26.62		\$ 27.57		
RB 6 - Akron		\$ 26.62		\$ 27.57		
RB 6 - Ephrata		\$ 26.62		\$ 27.57		
RB 6 - Lititz		\$ 26.62		\$ 27.57		
RB 6 - Manheim		\$ 26.62		\$ 27.57		
Total Company	10,077		\$ 261,887.19		\$ 271,460.34	\$ 9,573.15
<b>Ave Bus 1-Party Rate</b>		<b>\$ 25.99</b>		<b>\$ 26.94</b>		

D&E Telephone Company  
 2007 Chapter 30 Filing  
 Calculate Bus Trunk Local Service Revenue Impact  
 For the year 2007

Denver & Ephrata	Res A.L.	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue	Revenue Impact
RB 4 - Denver		\$ 22.57		\$ 23.52		
RB 6 - Adamstown		\$ 26.62		\$ 27.57		
RB 6 - Akron		\$ 26.62		\$ 27.57		
RB 6 - Ephrata		\$ 26.62		\$ 27.57		
RB 6 - Lititz		\$ 26.62		\$ 27.57		
RB 6 - Manheim		\$ 26.62		\$ 27.57		
Total Company	755		\$ 19,624.25		\$ 20,341.50	\$ 717.25
<b>Ave Bus PBX Trunk Rate</b>		<b>\$ 25.99</b>		<b>\$ 26.94</b>		

D&E Telephone Company  
 2007 Chapter 30 Filing  
 Calculate Payphone Local Service Revenue Impact  
 For the year 2007

Denver & Ephrata	Res A.L.	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue	Revenue Impact
RB 4 - Denver		\$ 18.90		\$ 19.85		
RB 6 - Adamstown		\$ 22.95		\$ 23.90		
RB 6 - Akron		\$ 22.95		\$ 23.90		
RB 6 - Ephrata		\$ 22.95		\$ 23.90		
RB 6 - Lititz		\$ 22.95		\$ 23.90		
RB 6 - Manheim		\$ 22.95		\$ 23.90		
Total Company	199		\$ 4,392.90		\$ 4,581.95	\$ 189.05
<b>Ave Payphone Line Rate</b>		<b>\$ 22.07</b>		<b>\$ 23.02</b>		

D&E Telephone Company  
 2007 Chapter 30 Filing  
 Calculate PA USF Revenue Increase

<b>Local Service Price Caps</b>	<b>Rate Band 4</b>		<b>Rate Band 6</b>	
	1-R Lines	1-B Lines	1-R Lines	1-B Lines
1-R Cap	\$ 18.00		\$ 18.00	
1-B Rate prior to threshold		\$ 22.57		\$ 25.10
divided by 1-R Rate prior to threshold		\$ 17.21		\$ 17.85
equal Bus to Res proportion		131%		141%
times 1-R Cap		\$ 18.00		\$ 18.00
equal 1-B Cap		\$ 23.58		\$ 25.38
<b>Monthly Pa USF Revenue per A.L.s</b>				
Current Rate	\$ 17.21	\$ 22.57	\$ 19.37	\$ 26.62
Proposed Rate	\$ 18.16	\$ 23.52	\$ 20.32	\$ 27.57
Less: Price Cap	\$ 18.00	\$ 23.58	\$ 18.00	\$ 25.38
Monthly Pa USF Revenue per line	\$ 0.16	\$ -	\$ 0.95	\$ 0.95
<b>Monthly Pa USF Revenue</b>				
Monthly Pa USF Revenue per line	\$ 0.16	\$ -	\$ 0.95	\$ 0.95
Total lines	6,013	1,571	32,221	8,506
Monthly Pa USF Revenue per month	\$ 962	\$ -	\$ 30,610	\$ 8,081
Grand Total per Month			<u>\$ 39,653</u>	

2007 Banking Reports  
Buffalo Valley, Conestoga and Denver and Ephrata

Buffalo Valley Telephone Company  
 2007 Chapter 30 Filing  
 Revenue Banking Report  
 For the years 2004 - 2007

	Original Banked Annual Revenue	Unbanking Adjustment	Current Banked Annual Revenue
Banked annual revenue increase - 2007 PSI/SPI Filing	\$ 50,812	\$ -	\$ 50,812
Banked annual revenue increase - 2006 PSI/SPI Filing	\$ 238,992	\$ -	\$ 238,992
Banked annual revenue increase - 2005 PSI/SPI Filing	\$ -	\$ -	\$ -
Banked annual revenue increase - 2004 PSI/SPI Filing	\$ -	\$ -	\$ -
Banked annual revenue increase - Total	<u>\$ 289,804</u>	<u>\$ -</u>	<u>\$ 289,804</u>

Conestoga Telephone Company  
 2007 Chapter 30 Filing  
 Revenue Banking Report  
 For the years 2004 - 2007

	Original Banked Annual Revenue	Unbanking Adjustment	Current Banked Annual Revenue
Banked annual revenue increase - 2007 PSI/SPI Filing	\$ 140,378	\$ -	\$ 140,378
Banked annual revenue increase - 2006 PSI/SPI Filing	\$ 867,712	\$ -	\$ 867,712
Banked annual revenue increase - 2005 PSI/SPI Filing	\$ -	\$ -	\$ -
Banked annual revenue increase - 2004 PSI/SPI Filing	\$ -	\$ -	\$ -
Banked annual revenue increase - Total	<u>\$ 1,008,090</u>	<u>\$ -</u>	<u>\$ 1,008,090</u>

Denver & Ephrata Telephone Company  
 2007 Chapter 30 Filing  
 Revenue Banking Report  
 For the years 2004 - 2007

	Original Banked Annual Revenue	Unbanking Adjustment	Current Banked Annual Revenue
Banked annual revenue increase - 2007 PSI/SPI Filing	\$ 2,252	\$ -	\$ 2,252
Banked annual revenue increase - 2006 PSI/SPI Filing	\$ 1,450	\$ -	\$ 1,450
Banked annual revenue increase - 2005 PSI/SPI Filing	\$ -	\$ -	\$ -
Banked annual revenue increase - 2004 PSI/SPI Filing	\$ -	\$ -	\$ -
Banked annual revenue increase - Total	<u>\$ 3,702</u>	<u>\$ -</u>	<u>\$ 3,702</u>

DRAFT TARIFF PAGES

Denver and Ephrata Telephone and Telegraph Company  
d/b/a D&E Telephone Company

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RATES AND RULES

Governing the Furnishing of Telephone Service

IN

Berks, Lancaster and Lebanon Counties, Pennsylvania

as Shown on Sheet 5

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Issued: INSERT DATE

Effective: INSERT DATE

Issued By:  
Leonard Beurer, Vice President Regulatory and External Affairs  
Denver and Ephrata Telephone and Telegraph Company  
124 East Main Street  
Ephrata, PA 17522

**Notice**

See Sheet 2

Supplement No. 264 - Telephone - PA P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company  
d/b/a D&E Telephone Company

Sheet 2

SHEETS AFFECTED BY THIS SUPPLEMENT	CHANGES MADE BY THIS SUPPLEMENT
Section 2, LOCAL EXCHANGE SERVICE, Twenty-Third Revised Sheet 1A	Increased local exchange service rates. Added effective date for those rates, and removed footnote (revised and moved to Section 2 Original Sheet 1B)
Section 2, LOCAL EXCHANGE SERVICE, Original Sheet 1B	Revised and moved footnote from Section 2, Sheet 1A to Original Sheet 1B.
Section 2, LOCAL EXCHANGE SERVICE, Twenty-Fourth Revised Sheet 2 Sixteenth Revised Sheet 3 Sixteenth Revised Sheet 4 Sixteenth Revised Sheet 5 Eighteenth Revised Sheet 6 Eighteenth Revised Sheet 7	Increased rates effective July 1, 2007, added USF Credits, and added historical rates effective November 15, 2006 in accordance with Commission Order entered July 11, 2007

Issued: INSERT DATE

Effective: INSERT DATE

Denver and Ephrata Telephone  
and Telegraph Company d/b/a D&E Telephone Company

189th Revised Sheet 4  
Canceling 188th Revised Sheet 4

CHECK SHEET

Title Page	Original*
Sheet 2	Original*
Sheet 3	47th Revised
Sheet 3A	23rd Revised
Sheet 4	189th Revised*
Sheet 4A	32nd Revised
Sheet 5	5th Revised

Sec.	Sheet	Rev.	Sec.	Sheet	Rev.	Sec.	Sheet	Rev.
1	1	5th	2A	3	Orig.	4	3	7th
1	2	3rd	2A	4	1st	4	4	7th
1	3	5th	2A	5	Orig.	4	5	1st
1	3A	1st	2A	6	Orig.	4	5A	1st
1	4	13th	2A	7	Orig.	4	5B	3rd
1	5	3rd	2A	8	1st	4	5C	1st
1	6	5th	2A	9	Orig.	4	6	3rd
1	7	2nd	2A	10	Orig.	4	7	2nd
1	8	54th	2A	11	Orig.	4	8	2nd
1	9	Orig.	2A	12	Orig.	4	9	1st
1	10	3rd	2A	13	Orig.	4	10	1st
1	11	1st	2A	14	Orig.	4	11	2nd
1	12	Orig.	2A	15	Orig.	4	11A	Orig.
1	13	1st	2A	16	Orig.	4	11B	Orig.
2	1	29th	2A	17	1st	4	12	2nd
2	1A	23 <sup>rd</sup> *	2A	18	Orig.	4	13	1st
2	1B	Orig.*	2A	19	Orig.	4	14	3rd
2	2	24 <sup>th</sup> *	2A	20	Orig.	4	15	5th
2	3	16 <sup>th</sup> *	2A	21	Orig.	4	16	2nd
2	4	16 <sup>th</sup> *	3	1	18th	4	17	1st
2	5	16 <sup>th</sup> *	3	2	12th	4	18	1st
2	6	18 <sup>th</sup> *	3	2A	1st	4	19	1st
2	7	18 <sup>th</sup> *	3	3	4th	4	20	3rd
2	8	2nd	3	4	4th	4	21	2nd
2	9	3rd	3	5	2nd	4	22	2nd
2	10	1st	3	5A	4th	4	23	1st
2	11	2nd	3	6	8th	4	24	Orig.
2	12	Orig.	3	7	3rd	4A	1	Orig.
2	13	Orig.	3	8	1st	4A	2	1st
2A	1	1st	4	1	11th	4A	3	1st
2A	2A	Orig.	4	2	11th			

Issued: INSERT DATE

Effective: INSERT DATE

\*Sheets issued with this supplement

Denver and Ephrata Telephone and Telegraph Company  
d/b/a D&E Telephone Company

Section 2  
Twenty-Third Revised Sheet 1A  
Canceling Twenty-Second Revised Sheet 1A

LOCAL EXCHANGE SERVICE (cont.)

A.4.b (continued)

Table of Monthly Rates by Rate Group

Rate Group	<u>BUSINESS:</u>			<u>RESIDENCE:</u>			Effective Date:	(C)
	<u>One Party</u>	<u>PBX Trunk</u>	<u>Pay Telephone</u>	<u>One Party</u>	<u>(C)</u>			
I	\$17.92 (I)	\$17.92 (I)	\$14.25 (I)	\$15.22 (I)		07-01-07		
II	\$19.67 (I)	\$19.67 (I)	\$16.00 (I)	\$16.15 (I)		07-01-07		
III	\$21.52 (I)	\$21.52 (I)	\$17.85 (I)	\$17.13 (I)		07-01-07		
IV	\$23.52 (I)	\$23.52 (I)	\$19.85 (I)	\$18.16 (I)		07-01-07		
V	\$25.52 (I)	\$25.52 (I)	\$21.85 (I)	\$19.24 (I)		07-01-07		
VI	\$27.57 (I)	\$27.57 (I)	\$23.90 (I)	\$20.32 (I)		07-01-07		
VII	\$29.67 (I)	\$29.67 (I)	\$26.00 (I)	\$21.40 (I)		07-01-07		

- c. When the Company proposes to reclassify service in an exchange from one Rate Group to another because of an increase or decrease in the number of access lines, notice of the reclassification to the proper Rate Group shall be given by filing revised Tariffs with the Commission. Such revised Tariffs will be filed only (1) when the number of access lines has exceeded or fallen below its Rate Group access line limits as determined on two consecutive semi-annual reviews, provided that the two most recent consecutive reviews exceed the lower limit or fall below the upper limit of the new Rate Group by at least two percent, or (2) when an additional exchange is added to the local calling area of the exchange and the new number of access lines exceeds the upper limit of the Rate Group.

[Text has been revised and moved to Section 2, Original Sheet 1B]

(C)

(I) Indicates Increase

(C) Indicates Change

Issued: INSERT DATE

Effective: INSERT DATE

Denver and Ephrata Telephone and Telegraph Company  
d/b/a D&E Telephone Company

Section 2  
Original Sheet 1B

LOCAL EXCHANGE SERVICE (cont.)

A.4 (continued)

d. PA Universal Credit Description

In concurrence with Pennsylvania Public Utility Commission Order entered September 30, 1999, under Docket Nos. P-00991648, P-00991649, hereafter referred to as the September 1999 Global Order, the PA Universal Service Credit (the "USF Credit") is an offset to specific local exchange service rates. The USF Credit is a separate line item on the customer bill which, when combined with the single-party residence rate, an exchange average of touch-tone (push-button), local usage, and exchange/zone mileage rates, creates a maximum monthly residential rate of \$16.00. As directed by the September 1999 Global Order, a proportionate USF Credit is also calculated and applied against the monthly single-party business rate to maintain parity between business and residence rates.

By Order entered July 15, 2003, at Docket No. M-00021596, et al., the Commission approved modifications to the September 1999 Global Order including an increase of the \$16.00 residential cap to \$18.00.

Denver and Ephrata Telephone and Telegraph Company  
d/b/a D&E Telephone Company

Section 2  
Twenty-Fourth Revised Sheet 2  
Canceling Twenty-Third Revised Sheet 2

LOCAL EXCHANGE SERVICE (cont.)

B. Monthly Rates

1. Adamstown Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 1, the following rates apply and are effective July 1, 2007 in accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al. (C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$27.57 (I)	\$20.32 (I)
USF Credit	(\$2.19)	(\$2.32)
PBX Trunk	\$27.57 (I)	--
Pay Telephone	\$23.90 (I)	--

(C)

(C)

In accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al., the following rates were effective November 15, 2006 through June 30, 2007:

(C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$26.62	\$19.37
USF Credit	(\$1.24)	(\$1.37)
PBX Trunk	\$26.62	--
Pay Telephone	\$22.95	--

- b. The local service area for Adamstown exchange includes the following additional exchanges:

Akron, Denver, Ephrata, Lititz, Manheim,  
Terre Hill and Reading

(I) Indicates Increase

(C) Indicates Change

Denver and Ephrata Telephone and Telegraph Company  
d/b/a D&E Telephone Company

Section 2  
Sixteenth Revised Sheet 3  
Canceling Fifteenth Revised Sheet 3

LOCAL EXCHANGE SERVICE (cont.)

B. Monthly Rates (continued)

2. Akron Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 2, the following rates apply and are effective July 1, 2007 in accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al. (C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$27.57 (I)	\$20.32 (I)
USF Credit	(\$2.19)	(\$2.32)
PBX Trunk	\$27.57 (I)	--
Pay Telephone	\$23.90 (I)	--

In accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al., the following rates were effective November 15, 2006 through June 30, 2007: (C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$26.62	\$19.37
USF Credit	(\$1.24)	(\$1.37)
PBX Trunk	\$26.62	--
Pay Telephone	\$22.95	--

- b. The local service area for Akron exchange includes the following additional exchanges:

Adamstown, Denver, Ephrata, Lititz, Manheim, Leola,  
New Holland, Terre Hill and Lancaster

(I) Indicates Increase

(C) Indicates Change

Denver and Ephrata Telephone and Telegraph Company  
d/b/a D&E Telephone Company

Section 2  
Sixteenth Revised Sheet 4  
Canceling Fifteenth Revised Sheet 4

LOCAL EXCHANGE SERVICE (cont.)

B. Monthly Rates (continued)

3. Denver Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 3, the following rates apply and are effective July 1, 2007 in accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al. (C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$23.52 (I)	\$18.16 (I)
USF Credit	--	(\$0.16) (C)
PBX Trunk	\$23.52 (I)	--
Pay Telephone	\$19.85 (I)	--

In accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al., the following rates were effective November 15, 2006 through June 30, 2007: (C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$22.57	\$17.21
USF Credit	--	--
PBX Trunk	\$22.57	--
Pay Telephone	\$18.90	--

- b. The local service area for Denver exchange includes the following additional exchanges:

Akron, Adamstown, Ephrata, Lititz, Manheim, and Terre Hill

(I) Indicates Increase

(C) Indicates Change

Supplement No. 264 - Telephone - PA. P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company  
d/b/a D&E Telephone Company

Section 2  
Sixteenth Revised Sheet 5  
Canceling Fifteenth Revised Sheet 5

LOCAL EXCHANGE SERVICE (continued)

B. Monthly Rates (continued)

4. Ephrata Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 4, the following rates apply and are effective July 1, 2007 in accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al. (C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$27.57 (I)	\$20.32 (I)
USF Credit	(\$2.19)	(\$2.32) (C)
PBX Trunk	\$27.57 (I)	--
Pay Telephone	\$23.90 (I)	--

In accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al., the following rates were effective November 15, 2006 through June 30, 2007: (C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$26.62	\$19.37
USF Credit	(\$1.24)	(\$1.37)
PBX Trunk	\$26.62	--
Pay Telephone	\$22.95	--

- b. The local service area for Ephrata exchange includes the following additional exchanges:

Akron, Adamstown, Denver, Lititz, Manheim,  
Leola, New Holland, Terre Hill, and Lancaster

(I) Indicates Increase

(C) Indicates Change

Issued: INSERT DATE

Effective: INSERT DATE

Supplement No. 264 - Telephone - PA. P.U.C. No. 15

Denver and Ephrata Telephone and Telegraph Company  
d/b/a D&E Telephone Company

Section 2  
Eighteenth Revised Sheet 6  
Canceling Seventeenth Revised Sheet 6

LOCAL EXCHANGE SERVICE (cont.)

B. Monthly Rates (continued)

5. Lititz Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 5, the following rates apply and are effective July 1, 2007 in accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al. (C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$27.57 (I)	\$20.32 (I)
USF Credit	(\$2.19)	(\$2.32)
PBX Trunk	\$27.57 (I)	--
Pay Telephone	\$23.90 (I)	--

In accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al., the following rates were effective November 15, 2006 through June 30, 2007: (C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$26.62	\$19.37
USF Credit	(\$1.24)	(\$1.37)
PBX Trunk	\$26.62	--
Pay Telephone	\$22.95	--

- b. The local service area for Lititz exchange includes the following additional exchanges:

Adamstown, Akron, Denver, Ephrata, Manheim, Leola  
Lancaster and Landisville

(I) Indicates Increase

(C) Indicates Change

Denver and Ephrata Telephone and Telegraph Company  
d/b/a D&E Telephone Company

Section 2  
Eighteenth Revised Sheet 7  
Canceling Seventeenth Revised Sheet 7

LOCAL EXCHANGE SERVICE (cont.)

B. Monthly Rates (continued)

6. Manheim Exchange

- a. Within the exchange area as shown on map, Section 9, Sheet 6, the following rates apply and are effective July 1, 2007 in accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al. (C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$27.57 (I)	\$20.32 (I)
USF Credit	(\$2.19)	(\$2.32)
PBX Trunk	\$27.57 (I)	--
Pay Telephone	\$23.90 (I)	--

In accordance with Commission Order entered July 11, 2007 at Docket No. I-00040105 et al., the following rates were effective November 15, 2006 through June 30, 2007: (C)

<u>Grade of Service</u>	<u>Business</u>	<u>Residence</u>
One-Party	\$26.62	\$19.37
USF Credit	(\$1.24)	(\$1.37)
PBX Trunk	\$26.62	--
Pay Telephone	\$22.95	--

- b. The local service area for Manheim exchange includes the following additional exchanges:

Adamstown, Akron, Denver, Ephrata, Lititz, Mt. Joy  
Lancaster and Landisville

(I) Indicates Increase

(C) Indicates Change

BUFFALO VALLEY TELEPHONE COMPANY

Supplement No. 9 to  
Telephone-PA P.U.C. No. 8

ACCESS SERVICE

BUFFALO VALLEY TELEPHONE COMPANY

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES  
APPLYING TO INTRASTATE ACCESS SERVICE  
WITHIN THE STATE OF PENNSYLVANIA

Issued:

Effective:

Issued By:  
Leonard Beurer, Vice President Regulatory and External Affairs  
Buffalo Valley Telephone Company  
124 East Main Street  
Ephrata, PA 17522

N O T I C E

SHEETS AFFECTED BY THIS SUPPLEMENT

Section 17, ACCESS SERVICE, Rates and Charges

- Sixth Revised Page 17-1
- Fourth Revised Page 17-3
- Fourth Revised Page 17-5

CHANGES MADE BY THIS SUPPLEMENT

Section 17, ACCESS SERVICE, Rates and Charges

- Page 17-1-Decreased Carrier Common Line Access Service rate, added footnote.
- Page 17-3-Decreased Tandem Switching, Per Access Minute Per Tandem rate, added footnote.
- Page 17-5-Decreased Local Switching, Per Access Minute rate, added footnote.

Buffalo Valley Telephone Company

Sixth Revised Sheet A  
 Canceling Fifth Revised Sheet A

CHECK SHEET

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6	Orig.	2-25	Orig.	2-70	Orig.	5-14.1	Orig.
7	Orig.	2-26	Orig.	2-71	Orig.	5-14.2	Orig.
8	Orig.	2-27	Orig.	2-72	Orig.	5-14.3	Orig.
9	Orig.	2-28	Orig.	2-73	Orig.	5-14.4	Orig.
10	Orig.	2-29	Orig.	2-74	Orig.	5-14.5	Orig.
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13	Orig.	2-32	Orig.	2-77	Orig.	5-17	Orig.
14	Orig.	2-33	Orig.	2-78	Orig.	5-18	Orig.
15	Orig.	2-34	Orig.	2-79	Orig.	5-19	Orig.
16	Orig.	2-35	Orig.	2-80	Orig.	5-20	Orig.
17	Orig.	2-36	Orig.	2-81	Orig.	5-21	1 <sup>st</sup>
18	Orig.	2-37	Orig.	2-82	Orig.	5-22	Orig.
19	Orig.	2-38	Orig.	2-83	Orig.	5-23	Orig.
20	3 <sup>rd</sup>	2-39	Orig.	2-84	Orig.	5-24	Orig.
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22	Orig.	2-41	Orig.	2-86	Orig.	5-26	Orig.
23	Orig.	2-42	Orig.	2-87	Orig.	5-27	1 <sup>st</sup>
24	Orig.	2-43	Orig.	2-88	Orig.	5-28	Orig.
25	Orig.	2-44	Orig.	2-89	Orig.	5-29	Orig.
1-1	Orig.	2-45	Orig.	2-90	Orig.	5-30	Orig.
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2-3	Orig.	2-48	Orig.	2-93	Orig.	6-2	Orig.
2-4	Orig.	2-49	Orig.	2-94	Orig.	6-3	Orig.
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2-6	Orig.	2-51	Orig.	3-1	Orig.	6-5	Orig.
2-7	Orig.	2-52	Orig.	3-2	Orig.	6-6	Orig.
2-8	Orig.	2-53	Orig.	3-3	Orig.	6-7	Orig.
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2-18	Orig.	2-63	Orig.	5-8	Orig.	6-17	Orig.
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Buffalo Valley Telephone Company

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8-22	Orig.	8-74	Orig.	13-6	Orig.	17-15	Orig.
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8-24	Orig.	8-76	Orig.	13-8	Orig.		
8-25	Orig.	8-77	Orig.	13-9	Orig.		
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\*Sheets issued with this supplement

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ACCESS SERVICE

17. Rates and Charges

This section contains rates for all access services except Special Access and Billing and Collection Services. See Sections 7 and 8 for Special Access and Billing and Collection Services and Rates.

17.1 Common Line Access Service

17.1.1 Carrier Common Line Access Service

Regulations concerning Carrier Common Line Access Service are set forth in Section 3 preceding.

	<u>Rate</u>	
Per access line, per month	\$4.20**	(D) (C)

\*\*Effective November 15, 2006 pursuant to Commission Order entered July 11, 2007 at Docket No. I-00040105 et al. (C)  
|

(C) Indicates Change (D) Indicates Decrease

Issued:

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ACCESS SERVICE

17. Rates and Charges (Cont'd)

17.2 Switched Access Service (Cont'd)

17.2.2 Local Transport	<u>Rate</u>	<u>Tariff Section Reference</u>
<u>Premium Access</u>		6.1.3(A) (1)
- <u>Entrance Facility</u>		
Per Termination		
- Voice Grade Two-Wire	\$22.29	
- Voice Grade Four-Wire	\$35.67	
- High Capacity DS1	\$115.90	
- High Capacity DS3	\$1,344.56	
- <u>Direct Trunked Transport</u>		6.1.3(A) (2)
- <u>Direct Trunked Facility</u>		
Per Mile		
- Voice Grade	\$1.59	
- High Capacity DS1	\$12.80	
- High Capacity DS3	\$97.63	
- <u>Direct Trunked Termination</u>		
Per Termination		
- Voice Grade	\$15.95	
- High Capacity DS1	\$66.43	
- High Capacity DS3	\$362.70	
- <u>Multiplexing</u>		6.1.3(A) (5)
Per Arrangement		
- DS3 to DS1	\$311.92	- -
- DS1 to Voice	\$120.42	
- <u>Tandem Switched Transport</u>		6.1.3(A) (3)
- <u>Tandem Switched Facility</u>	\$.000036	
Per Access Minute Per Mile		
- <u>Tandem Switched Termination</u>	\$.000184	
Per Access Minute Per Termination		
- <u>Tandem Switching</u>	\$.000385**	(D) (C)
Per Access Minute Per Tandem		

\*\*Effective November 15, 2006 pursuant to Commission Order entered July 11, 2007 at Docket No. I-00040105 et al. (C)

(C) Indicates Change (D) Indicates Decrease

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Effective:

ACCESS SERVICE

17. Rates and Charges (Cont'd)

17.2 Switched Access Service (Cont'd)

17.2.3 End Office

(A) Local Switching

Premium

Per Access Minute

\$.010455\*\*

(D) (C)

(B) Information Surcharge

- Premium Per 100 Access Minutes \$.007560

\* Local Switching 1 when applied to Feature Group B with an ADA is multiplied by the ADA rate factor listed in 17.2.4 following.

\*\* Effective November 15, 2006 pursuant to Commission Order entered July 11, 2007 at Docket No. I-00040105 et al.

(C)

|

(C) Indicates Change

(D) Indicates Decrease

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CONESTOGA TELEPHONE & TELEGRAPH COMPANY

Supplement No. 8 to  
Telephone - PA P.U.C. No. 11

ACCESS SERVICE

CONESTOGA TELEPHONE & TELEGRAPH COMPANY

REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES  
APPLYING TO INTRASTATE ACCESS SERVICE  
WITHIN THE STATE OF PENNSYLVANIA

Issued:

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Issued By:  
Leonard Beurer, Vice President Regulatory and External Affairs  
Conestoga Telephone & Telegraph Company  
124 East Main Street  
Ephrata, PA 17522

N O T I C E

SHEETS AFFECTED BY THIS SUPPLEMENT

Section 17, ACCESS SERVICE, Rates and Charges

- Fifth Revised Page 17-1
- Fourth Revised Page 17-3
- Fourth Revised Page 17-5

CHANGES MADE BY THIS SUPPLEMENT

Section 17, ACCESS SERVICE, Rates and Charges

- Page 17-1, Increased Carrier Common Line Access Service rate, added footnote
- Page 17-3, Decreased Tandem Switching Per Access Minute rate, added footnote
- Page 17-5, Decreased Local Switching Per Access Minute rate, added footnote

CONESTOGA TELEPHONE & TELEGRAPH COMPANY

Fifth Revised Sheet A  
 Canceling Fourth Revised Sheet A

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13	Orig.	2-36	Orig.	2-85	Orig.	5-29	Orig.
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16	Orig.	2-39	Orig.	2-88	Orig.	6-1	Orig.
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1-1	Orig.	2-49	Orig.	3-3	Orig.	6-11	Orig.
2-1	Orig.	2-50	Orig.	3-4	Orig.	6-12	Orig.
2-2	Orig.	2-51	Orig.	4-1	Orig.	6-13	Orig.
2-3	Orig.	2-52	Orig.	5-1	Orig.	6-14	Orig.
2-4	Orig.	2-53	Orig.	5-2	Orig.	6-15	Orig.
2-5	Orig.	2-54	Orig.	5-3	Orig.	6-16	Orig.
2-6	Orig.	2-55	Orig.	5-4	Orig.	6-17	Orig.
2-7	Orig.	2-56	Orig.	5-5	Orig.	6-18	Orig.
2-8	Orig.	2-57	Orig.	5-6	Orig.	6-19	Orig.
2-9	Orig.	2-58	Orig.	5-7	Orig.		
2-10	Orig.	2-59	Orig.	5-8	Orig.		
2-11	Orig.	2-60	Orig.	5-9	Orig.		
2-12	Orig.	2-61	Orig.	5-10	Orig.		
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2-14	Orig.	2-63	Orig.	5-12	Orig.		
2-15	Orig.	2-64	Orig.	5-13	Orig.		
2-16	Orig.	2-65	Orig.	5-14	Orig.		
2-17	Orig.	2-66	Orig.	5-14.1	Orig.		
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CONESTOGA TELEPHONE  
& TELEGRAPH COMPANY

Second Revised Sheet D  
Canceling First Revised Sheet D

Page	Rev.	Page	Rev.	Page	Rev.	Page	Rev.
8-5	Orig.	8-57	Orig.	9-1	Orig.	15-23	Orig.
8-6	Orig.	8-58	Orig.	10-1	Orig.	15-24	Orig.
8-7	Orig.	8-59	Orig.	10-2	Orig.	16-1	Orig.
8-8	Orig.	8-60	Orig.	10-3	Orig.	17-1	5 <sup>th</sup> *
8-9	Orig.	8-61	Orig.	10-4	Orig.	17-2	Orig.
8-10	Orig.	8-62	Orig.	10-5	Orig.	17-3	4 <sup>th</sup> *
8-11	Orig.	8-63	Orig.	10-6	Orig.	17-4	2 <sup>nd</sup>
8-12	Orig.	8-64	Orig.	10-7	Orig.	17-5	4 <sup>th</sup> *
8-13	Orig.	8-65	Orig.	10-8	Orig.	17-6	Orig.
8-14	Orig.	8-66	Orig.	11-1	Orig.	17-7	Orig.
8-15	Orig.	8-67	Orig.	11-2	Orig.	17-8	Orig.
8-16	Orig.	8-68	Orig.	12-1	Orig.	17-9	Orig.
8-17	Orig.	8-69	Orig.	13-1	Orig.	17-10	Orig.
8-18	Orig.	8-70	Orig.	13-2	Orig.	17-11	Orig.
8-19	Orig.	8-71	Orig.	13-3	Orig.	17-12	Orig.
8-20	Orig.	8-72	Orig.	13-4	Orig.	17-13	Orig.
8-21	Orig.	8-73	Orig.	13-5	Orig.	17-14	Orig.
8-22	Orig.	8-74	Orig.	13-6	Orig.	17-15	Orig.
8-23	Orig.	8-75	Orig.	13-7	Orig.	17-16	Orig.
8-24	Orig.	8-76	Orig.	13-8	Orig.		
8-25	Orig.	8-77	Orig.	13-9	Orig.		
8-26	Orig.	8-78	Orig.	13-10	Orig.		
8-27	Orig.	8-79	Orig.	13-11	Orig.		
8-28	Orig.	8-80	Orig.	13-12	Orig.		
8-29	Orig.	8-81	Orig.	13-13	Orig.		
8-30	Orig.	8-82	Orig.	13-14	Orig.		
8-31	Orig.	8-83	Orig.	13-15	Orig.		
8-32	Orig.	8-84	Orig.	13-16	Orig.		
8-33	Orig.	8-85	Orig.	13-17	Orig.		
8-34	Orig.	8-86	Orig.	14-1	Orig.		
8-35	Orig.	8-87	Orig.	15-1	Orig.		
8-36	Orig.	8-88	Orig.	15-2	Orig.		
8-37	Orig.	8-89	Orig.	15-3	Orig.		
8-38	Orig.	8-90	Orig.	15-4	Orig.		
8-39	Orig.	8-91	Orig.	15-5	Orig.		
8-40	Orig.	8-92	Orig.	15-6	Orig.		
8-41	Orig.	8-93	Orig.	15-7	Orig.		
8-42	Orig.	8-94	Orig.	15-8	Orig.		
8-43	Orig.	8-95	Orig.	15-9	Orig.		
8-44	Orig.	8-96	Orig.	15-10	Orig.		
8-45	Orig.	8-97	Orig.	15-11	Orig.		
8-46	Orig.	8-98	Orig.	15-12	Orig.		
8-47	Orig.	8-99	Orig.	15-13	Orig.		
8-48	Orig.	8-100	Orig.	15-14	Orig.		
8-49	Orig.	8-101	Orig.	15-15	Orig.		
8-50	Orig.	8-102	Orig.	15-16	Orig.		
8-51	Orig.	8-103	Orig.	15-17	Orig.		
8-52	Orig.	8-104	Orig.	15-18	Orig.		
8-53	Orig.	8-105	Orig.	15-19	Orig.		
8-54	Orig.	8-106	Orig.	15-20	Orig.		
8-55	Orig.	8-107	Orig.	15-21	Orig.		
8-56	Orig.	8-108	Orig.	15-22	Orig.		

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Effective:

\*Sheets issued with this supplement

ACCESS SERVICE

17. Rates and Charges

This section contains rates for all access services except Special Access and Billing and Collection Services. See Sections 7 and 8 for Special Access and Billing and Collection Services and Rates.

17.1 Common Line Access Service

17.1.1 Carrier Common Line Access Service

Regulations concerning Carrier Common Line Access Service are set forth in Section 3. preceding.

	<u>Rate</u>	
Per access line, per month	\$4.83**	(I) (C)

\*\*Effective November 15, 2006 pursuant to Commission Order entered July 11, 2007 at Docket No. I-00040105 et al. (C)  
|

(C) Indicates Change (I) Indicates Increase

Issued:

Effective:

ACCESS SERVICE

17. Rates and Charges (Cont'd)

17.2 Switched Access Service (Cont'd)

Tariff

Section

17.2.2 Local Transport Rate Reference

Premium Access

- Entrance Facility

Per Termination

6.1.3(A) (1)

- Voice Grade Two-Wire \$23.18

- Voice Grade Four-Wire \$37.08

- High Capacity DS1 \$116.79

- High Capacity DS3 \$1,354.88

- Direct Trunked Transport

6.1.3(A) (2)

- Direct Trunked Facility

Per Mile

- Voice Grade \$1.65

- High Capacity DS1 \$12.64

- High Capacity DS3 \$87.04

- Direct Trunked Termination

Per Termination

- Voice Grade \$16.59

- High Capacity DS1 \$62.34

- High Capacity DS3 \$347.20

- Multiplexing

6.1.3(A) (5)

Per Arrangement

- DS3 to DS1 \$313.30

- DS1 to Voice \$120.96

- Tandem Switched Transport

6.1.3(A) (3)

- Tandem Switched Facility

\$ .000176

Per Access Minute Per Mile

- Tandem Switched Termination

\$ .000869

Per Access Minute Per

Termination

- Tandem Switching

\$ .001825\*\*

(D) (C)

Per Access Minute Per Tandem

\*\*Effective November 15, 2006 pursuant to Commission Order entered July 11, 2007 at Docket No. I-00040105 et al.

(C)

|

(C) Indicates Change

(D) Indicates Decrease

Issued:

Effective:

ACCESS SERVICE

17. Rates and Charges (Cont'd)

17.2 Switched Access Service (Cont'd)

17.2.3 End Office

(A) Local Switching

Premium

Per Access Minute

\$.010193\*\*

(D) (C)

(B) Information Surcharge

- Premium Per 100 Access Minutes

\$.011425

\* Local Switching 1 when applied to Feature Group B with an ADA is multiplied by the ADA rate factor listed in 17.2.4 following.

\*\*Effective November 15, 2006 pursuant to Commission Order entered July 11, 2007 at Docket No. I-00040105 et al.

(C)  
|

(C) Indicates Change

(D) Indicates Decrease

Issued:

Effective:

Denver and Ephrata Telephone and Telegraph Company

d/b/a

**D&E TELEPHONE COMPANY**

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REGULATIONS AND SCHEDULE OF INTRASTATE CHARGES

Governing the Provisioning of Switched and Special Access Services  
For Connection to Communications Facilities Within  
the Commonwealth of Pennsylvania

Issued:

Effective:

Issued By:

Leonard Beurer, Vice President Regulatory and External Affairs  
Denver and Ephrata Telephone and Telegraph Company  
124 East Main Street  
Ephrata, PA 17522

**NOTICE**

Supplement No.11 - Telephone - PA P.U.C. No. 16

Denver and Ephrata Telephone  
and Telegraph Company  
d/b/a D&E Telephone Company

Sheet 2

SHEETS AFFECTED BY THIS SUPPLEMENT

Section 17, ACCESS SERVICE, Rates and Charges

- Fifth Revised 17-1
- Fourth Revised 17-3
- Fourth Revised 17-5

CHANGES MADE BY THIS SUPPLEMENT

Section 17, ACCESS SERVICE, Rates and Charges

- Page 17-1, Decreased Carrier Common Line Access Service rate, added footnote
- Page 17-3, Decreased Tandem Switching, Per Access Minute rate, added footnote
- Page 17-5, Decreased Local Switching, Per Access Minute rate, added footnote

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Effective:

Denver and Ephrata Telephone  
and Telegraph Company  
d/b/a D&E Telephone Company

Seventh Revised Sheet 3  
Canceling Sixth Revised Sheet 3

CHECK SHEET

Sheet 1	Original*
Sheet 2	Original*
Sheet 3	Seventh Revised*
Sheet 3A	Original
Sheet 3B	First Revised
Sheet 3C	Fourth Revised*

Sheet	Rev.	Sheet	Rev.	Sheet	Rev.	Sheet	Rev.
1	Orig.	2-19	Orig.	2-63	Orig.	5-7	Orig.
2	Orig.	2-20	Orig.	2-64	Orig.	5-8	Orig.
3	Orig.	2-21	Orig.	2-65	Orig.	5-9	Orig.
4	Orig.	2-22	Orig.	2-66	Orig.	5-10	Orig.
5	Orig.	2-23	Orig.	2-67	Orig.	5-11	Orig.
6	Orig.	2-24	Orig.	2-68	Orig.	5-12	Orig.
7	Orig.	2-25	Orig.	2-69	Orig.	5-13	Orig.
8	Orig.	2-26	Orig.	2-70	Orig.	5-14	Orig.
9	Orig.	2-27	Orig.	2-71	Orig.	5-14.1	Orig.
10	Orig.	2-28	Orig.	2-72	Orig.	5-14.2	Orig.
11	Orig.	2-29	Orig.	2-73	Orig.	5-14.3	Orig.
12	Orig.	2-30	Orig.	2-74	Orig.	5-14.4	Orig.
13	Orig.	2-31	Orig.	2-75	Orig.	5-14.5	Orig.
14	Orig.	2-32	Orig.	2-76	Orig.	5-15	Orig.
15	Orig.	2-33	Orig.	2-77	Orig.	5-16	Orig.
16	Orig.	2-34	Orig.	2-78	Orig.	5-17	Orig.
17	Orig.	2-35	Orig.	2-79	Orig.	5-18	Orig.
18	Orig.	2-36	Orig.	2-80	Orig.	5-19	Orig.
19	Orig.	2-37	Orig.	2-81	Orig.	5-20	Orig.
20	Orig.	2-38	Orig.	2-82	Orig.	5-21	1 <sup>st</sup>
21	Orig.	2-39	Orig.	2-83	Orig.	5-22	Orig.
22	Orig.	2-40	Orig.	2-84	Orig.	5-23	Orig.
23	Orig.	2-41	Orig.	2-85	Orig.	5-24	Orig.
24	Orig.	2-42	Orig.	2-86	Orig.	5-25	Orig.
25	Orig.	2-43	Orig.	2-87	Orig.	5-26	Orig.
1-1	Orig.	2-44	Orig.	2-88	Orig.	5-27	1 <sup>st</sup>
2-1	Orig.	2-45	Orig.	2-89	Orig.	5-28	Orig.
2-2	Orig.	2-46	Orig.	2-90	Orig.	5-29	Orig.
2-3	Orig.	2-47	Orig.	2-91	Orig.	5-30	Orig.
2-4	Orig.	2-48	Orig.	2-92	Orig.	5-31	Orig.
2-5	Orig.	2-49	Orig.	2-93	Orig.	6-1	Orig.
2-6	Orig.	2-50	Orig.	2-94	Orig.	6-2	Orig.
2-7	Orig.	2-51	Orig.	2-95	Orig.	6-3	Orig.
2-8	Orig.	2-52	Orig.	3-1	Orig.		
2-9	Orig.	2-53	Orig.	3-2	Orig.		
2-10	Orig.	2-54	Orig.	3-3	Orig.		
2-11	Orig.	2-55	Orig.	3-4	Orig.		
2-12	Orig.	2-56	Orig.	4-1	Orig.		
2-13	Orig.	2-57	Orig.	5-1	Orig.		
2-14	Orig.	2-58	Orig.	5-2	Orig.		
2-15	Orig.	2-59	Orig.	5-3	Orig.		
2-16	Orig.	2-60	Orig.	5-4	Orig.		
2-17	Orig.	2-61	Orig.	5-5	Orig.		
2-18	Orig.	2-62	Orig.	5-6	Orig.		

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Effective:

\*Sheets issued with this supplement

Denver and Ephrata Telephone  
and Telegraph Company  
d/b/a D&E Telephone Company

First Revised Sheet 3B  
Canceling Original Sheet 3B

Sheet	Rev.	Sheet	Rev.	Sheet	Rev.	Sheet	Rev.
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7-54	Orig.	7-104	Orig.	7-154	Orig.	7-204	Orig.
7-55	Orig.	7-105	Orig.	7-155	Orig.	7-205	Orig.
7-56	Orig.	7-106	Orig.	7-156	Orig.	7-206	Orig.
7-57	Orig.	7-707	Orig.	7-157	Orig.	7-207	Orig.
7-58	Orig.	7-108	Orig.	7-158	Orig.	7-208	1 <sup>st</sup> *
7-59	Orig.	7-109	Orig.	7-159	Orig.	7-209	Orig.
7-60	Orig.	7-110	Orig.	7-160	Orig.	7-210	1 <sup>st</sup> *
7-61	Orig.	7-111	Orig.	7-161	Orig.	7-211	1 <sup>st</sup> *
7-62	Orig.	7-112	Orig.	7-162	Orig.	7-212	Orig.
7-63	Orig.	7-113	Orig.	7-163	Orig.	7-213	Orig.
7-64	Orig.	7-114	Orig.	7-164	Orig.	7-214	1 <sup>st</sup> *
7-65	Orig.	7-115	Orig.	7-165	Orig.	7-215	Orig.
7-66	Orig.	7-116	Orig.	7-166	Orig.	7-216	Orig.
7-67	Orig.	7-117	Orig.	7-167	Orig.	7-217	Orig.
7-68	Orig.	7-118	Orig.	7-168	Orig.	7-218	Orig.
7-69	Orig.	7-119	Orig.	7-169	Orig.	7-219	Orig.
7-70	Orig.	7-120	Orig.	7-170	Orig.	7-220	Orig.
7-71	Orig.	7-121	Orig.	7-171	Orig.	7-221	Orig.
7-72	Orig.	7-122	Orig.	7-172	Orig.	7-222	1 <sup>st</sup> *
7-73	Orig.	7-123	Orig.	7-173	Orig.	7-223	Orig.
7-74	Orig.	7-124	Orig.	7-174	Orig.	7-224	Orig.
7-75	Orig.	7-125	Orig.	7-175	Orig.	7-225	Orig.
7-76	Orig.	7-126	Orig.	7-176	Orig.	7-226	Orig.
7-77	Orig.	7-127	Orig.	7-177	Orig.	7-227	Orig.
7-78	Orig.	7-128	Orig.	7-178	Orig.	7-228	Orig.
7-79	Orig.	7-129	Orig.	7-179	Orig.	7-229	Orig.
7-80	Orig.	7-130	Orig.	7-180	Orig.	7-230	Orig.
7-81	Orig.	7-131	Orig.	7-181	Orig.	7-231	Orig.
7-82	Orig.	7-132	Orig.	7-182	Orig.	7-232	Orig.
7-83	Orig.	7-133	Orig.	7-183	Orig.	7-233	Orig.
7-84	Orig.	7-134	Orig.	7-184	Orig.	7-234	Orig.
7-85	Orig.	7-135	Orig.	7-185	Orig.	7-235	Orig.
7-86	Orig.	7-136	Orig.	7-186	Orig.	7-236	Orig.
7-87	Orig.	7-137	Orig.	7-187	Orig.	7-237	Orig.
7-88	Orig.	7-138	Orig.	7-188	Orig.	7-238	Orig.
7-89	Orig.	7-139	Orig.	7-189	Orig.	7-239	Orig.
7-90	Orig.	7-140	Orig.	7-190	Orig.	7-240	Orig.
7-91	Orig.	7-141	Orig.	7-191	Orig.	7-241	Orig.
7-92	Orig.	7-142	Orig.	7-192	Orig.	7-242	Orig.
7-93	Orig.	7-143	Orig.	7-193	Orig.	7-243	Orig.
7-94	Orig.	7-144	Orig.	7-194	Orig.	7-244	Orig.
7-95	Orig.	7-145	Orig.	7-195	Orig.	7-245	Orig.
7-96	Orig.	7-146	Orig.	7-196	Orig.	7-246	Orig.
7-97	Orig.	7-147	Orig.	7-197	Orig.	7-247	Orig.
7-98	Orig.	7-148	Orig.	7-198	Orig.	7-248	Orig.
7-99	Orig.	7-149	Orig.	7-199	Orig.	7-249	Orig.
7-100	Orig.	7-150	Orig.	7-200	Orig.	7-250	Orig.
7-101	Orig.	7-151	Orig.	7-201	Orig.	7-251	Orig.
7-102	Orig.	7-152	Orig.	7-202	Orig.	7-252	Orig.

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DENVER AND EPHRATA TELEPHONE AND TELEGRAPH COMPANY  
d/b/a D&E Telephone Company

Fifth Revised Page 17-1  
Canceling Fourth Revised Page 17-1

ACCESS SERVICE

17. Rates and Charges

This section contains rates for all access services except Special Access and Billing and Collection Services. See Sections 7 and 8 for Special Access and Billing and Collection Services and Rates.

17.1 Common Line Access Service

17.1.1 Carrier Common Line Access Service

Regulations concerning Carrier Common Line Access Service are set forth in Section 3. preceding.

	<u>Rate</u>	
Per access line, per month	\$4.04**	(D) (C)

\*\*Effective November 15, 2006 pursuant to Commission Order entered July 11, 2007 at Docket No. I-00040105 et al.

(C)  
|

(C) Indicates Change (D) Indicates Decrease

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DENVER AND EPHRATA TELEPHONE AND TELEGRAPH COMPANY  
 d/b/a D&E Telephone Company

Fourth Revised Page 17-3  
 Canceling Third Revised Page 17-3

ACCESS SERVICE

17. Rates and Charges (Cont'd)

17.2 Switched Access Service (Cont'd)

17.2.2 Local Transport

Rate

Tariff  
Section  
Reference

Premium Access

- Entrance Facility

Per Termination

6.1.3(A) (1)

- Voice Grade Two-Wire \$23.47

- Voice Grade Four-Wire \$37.54

- High Capacity DS1 \$118.26

- High Capacity DS3 \$1,371.83

- Direct Trunked Transport

6.1.3(A) (2)

- Direct Trunked Facility

Per Mile

- Voice Grade \$1.68

- High Capacity DS1 \$12.80

- High Capacity DS3 \$88.13

- Direct Trunked Termination

Per Termination

- Voice Grade \$16.80

- High Capacity DS1 \$63.12

- High Capacity DS3 \$351.55

- Multiplexing

6.1.3(A) (5)

Per Arrangement

- DS3 to DS1 \$317.22

- DS1 to Voice \$122.47

- Tandem Switched Transport

6.1.3(A) (3)

- Tandem Switched Facility

\$ .000179

Per Access Minute Per Mile

- Tandem Switched Termination

\$ .000880

Per Access Minute Per

Termination

- Tandem Switching

\$ .001848\*\*

(D) (C)

Per Access Minute Per Tandem

\*\*Effective November 15, 2006 pursuant to Commission Order entered July 11, 2007 at Docket No. I-00040105 et al.

(C)  
1

(C) Indicates Changes (D) Indicates Decrease

Issued:

Effective:

DENVER AND EPHRATA TELEPHONE AND TELEGRAPH COMPANY  
d/b/a D&E Telephone Company

Fourth Revised Page 17-5  
Canceling Third Revised Page 17-5

ACCESS SERVICE

17. Rates and Charges (Cont'd)

17.2 Switched Access Service (Cont'd)

17.2.3 End Office

(A) Local Switching

Premium

Per Access Minute

\$.017201\*\* (D) (C)

(B) Information Surcharge

Premium Per 100 Access Minutes

\$0.011570

\* Local Switching 1 when applied to Feature Group B with an ADA is multiplied by the ADA rate factor listed in 17.2.4 following.

\*\* Effective November 15, 2006 pursuant to Commission Order entered July 11, 2007 at Docket No. I-00040105 et al. (C)

(C) Indicates Change (D) Indicates Decrease

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PA UNIVERSAL SERVICE CREDIT DESCRIPTION  
(Tariff Pages – Other telcos)

S15. LOCAL EXCHANGE RATES

S15.1 LOCAL EXCHANGE SCHEDULE

B. Schedule of Banded Rates

The rates below are restricted to existing customers who do not subscribe to Tel-Touch Service at existing locations as of July 1, 2002.

	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	Band 9																							
<b>(a) Residence</b>																																
Base Rate Area																																
One Party	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.49	\$16.45	\$17.40																							
Two Party	12.50	13.75	14.50	14.75	15.00	15.00	15.25	15.50	15.50	(I)																						
Comm. Trunk	18.25	18.25	19.25	21.25	21.25	21.25	22.00	24.00	24.00	(I)																						
<table border="0" style="width: 100%; text-align: center;"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>****</td> <td>****</td> <td>****</td> <td></td> </tr> <tr> <td></td> <td>Band 1</td> <td>Band 2</td> <td>Band 3*</td> <td>Band 4</td> <td>Band 5*</td> <td>Band 6*</td> <td>Band 7</td> <td>Band 8</td> <td>Band 9</td> <td></td> </tr> </table>																		****	****	****			Band 1	Band 2	Band 3*	Band 4	Band 5*	Band 6*	Band 7	Band 8	Band 9	
							****	****	****																							
	Band 1	Band 2	Band 3*	Band 4	Band 5*	Band 6*	Band 7	Band 8	Band 9																							
<b>(b) Business</b>																																
Base Rate Area																																
One Party	\$19.00	\$20.00	\$22.00	\$23.00	\$25.00	\$26.00	\$29.00	\$31.00	\$32.00																							
Two Party **	19.00	19.75	21.00	22.00	24.00	24.00	24.00	26.00	27.00	(I)																						
PBX Trunk	36.95	36.95	36.95	37.95	39.95	41.98	42.00	45.00	47.00	(I)																						
Key System	29.45	30.95	32.95	34.95	38.95	40.95	42.00	43.00	44.00	(I)																						

\* The following are exceptions to the rates shown above:

	One Party Residence	One Party Business
Greensboro	\$14.10	\$21.10
Coalport	\$13.00	\$23.00
Enon Valley	\$13.60	\$24.60

\*\* Restricted to existing customers at their present locations as of April 20, 1995.

\*\*\* Residential one-party Customers in Rate Groups 7, 8, and 9 will receive credits of \$.49, \$1.45, and \$2.40 respectively.

\*\*\*\* Business one-party Customers in Rate Groups 7, 8, and 9 will receive credits of \$1.11, \$1.19, and \$1.26 respectively.

In concurrence with the Pennsylvania Public Utility Commission Order entered September 30, 1999, under Docket Nos. P-00991648, P-00991648, hereafter referred to as the September 1999 Global Order, and the establishment of the Pennsylvania USF, the PA Universal Service Credit (the "USF Credit") is an offset to specific local exchange service rates. The USF Credit is a separate line item on the customer bill which, when combined with the single-party residence rate, an exchange average of touch-tone (push button), local usage, and exchange/zone mileage rates, effectively creates a maximum monthly residential rate of \$16.00. As directed by the September 1999 Global Order, a proportionate USF Credit is also calculated and applied against the monthly single-party business rate to maintain the existing parity between business and residence rates. The USF Credit mechanism expires December 31, 2003, or as otherwise ordered by the Commission or appellate courts.

(I) Indicates Rate Increase

Pymatuning Independent  
Telephone Company

RATES AND RULES COVERING LOCAL EXCHANGE SERVICE  
IN  
TRANSFER

PA UNIVERSAL SERVICE CREDIT DESCRIPTION

In concurrence with Pennsylvania Public Utility Commission Order entered September 30, 1999, under Docket Nos. P-00991648, P-00991649, hereafter referred to as the September 1999 Global Order, and the establishment of the Pennsylvania USF, the PA Universal Service Credit (the "USF Credit") is an offset to specific local exchange service rates. The USF Credit is a separate line item on the customer bill which, when combined with the one-party residence rate, an exchange average of touch-tone (push-button), local usage, and exchange/zone mileage rates, effectively creates a maximum monthly residential rate of \$16.00.

As directed by the September 1999 Global Order, a proportionate USF Credit is also calculated and applied against the monthly one-party business rate to maintain the existing parity between business and residence rates. The USF Credit mechanism expires December 31, 2003, or as otherwise ordered by the Commission or appellate courts.

Reference: September 1999 Global Order, Section XIII.F.

PA Universal Service Credit	Residence	One-Party	<\$ .68 >	(C)
	Business	One-Party	<\$1.33>	(C)

(C) Indicates Change

Issued: March 22, 2000

Effective: April 1, 2000

TDS Telecom/  
 Sugar Valley  
 Telephone Company

Section 2  
 20th Revised Sheet 2  
 Cancels 19th Revised Sheet 2

**LOCAL EXCHANGE SERVICE**

**LOCAL EXCHANGE SERVICE WITH NETWORK ACCESS**

C. MONTHLY RATES

Access Line Count Of Local Calling Area	Rate Group	R1 Party	R2 Party	B1 Party	Key	PBX Trunk
NA	NA	\$18.50	\$15.45	\$33.30	\$41.60	\$49.95

- D. PA UNIVERSAL SERVICE CREDIT (C)
- |           |           |          |
|-----------|-----------|----------|
| Residence | One Party | <\$2.50> |
| Business  | One Party | <\$4.50> |

**PA Universal Service Credit Description**

In concurrence with Pennsylvania Public Utility Commission Order entered September 30, 1999, under Docket Nos. P-00991648, P-00991649, hereafter referred to as the September 1999 Global Order, and the establishment of the Pennsylvania USF, the PA Universal Service Credit (the "USF Credit") is an offset to specific local exchange service rates. The USF Credit is a separate line item on the customer bill which, when combined with the single-party residence rate, an exchange average of touch-tone (push-button), local usage, and exchange/zone mileage rates, effectively creates a maximum monthly residential rate of \$16.00. As directed by the September 1999 Global Order, a USF Credit is also calculated and applied against the monthly single-party business rate to maintain the historic differential between business and residence rates. The USF Credit is provided to the Customer so long as the Company obtains receipts from the Universal Service Fund sufficient to compensate for the Credit. The USF Credit mechanism expires December 31, 2003, or as otherwise ordered by the Commission or appellate courts.

Reference: September 1999 Global Order, Section XIII.F.  
 (C)

E. EXCHANGE AND RATE GROUP CLASSIFICATION

- |                                  |                   |
|----------------------------------|-------------------|
| 1. <u>Sugar Valley Exchanges</u> | <u>Rate Group</u> |
| Loganton                         | NA                |

**NOTE:**

1. Credits will be effective with the billing cycle. (C)

(C) Indicates Change



THOMAS, THOMAS,  
ARMSTRONG & NIESEN

*Attorneys and Counsellors at Law*

MICHAEL L. SWINDLER  
Direct Dial: 717.255.7609  
mswindler@ttanlaw.com

August 17, 2007

**ORIGINAL**

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
P. O. Box 3265  
Harrisburg, PA 17105-3265

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

2006 Annual Price Stability Index/Service Price Index Filing of Buffalo Valley  
Telephone Company  
Docket Nos. P-00981428F1000 and R-00061375

2006 Annual Price Stability Index/Service Price Index Filing of Conestoga  
Telephone and Telegraph Company  
Docket Nos. P-00981429F1000 and R-00061376

2006 Annual Price Stability Index/Service Price Index Filing of Denver and  
Ephrata Telephone and Telegraph Company  
Docket Nos. P-00981430F1000 and R-00061377

Dear Secretary McNulty:

Enclosed herewith for filing on behalf of Buffalo Valley Telephone Company, Conestoga Telephone and Telegraph Company, and Denver and Ephrata Telephone and Telegraph Company are an original and three (3) copies of their Reply to Verizon's Answer to Petition for Reconsideration. A Certificate of Service is attached thereto.

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

Sincerely,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By

Michael L. Swindler

**DOCUMENT  
FOLDER**

cc: Certificate of Service (w/enclosure)

**RECEIVED**

AUG 17 2007

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**ORIGINAL**

Before The  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Investigation Regarding Intrastate Access : I-00040105  
 Charges and IntraLATA Toll Rates of :  
 Rural Carriers and the Pennsylvania :  
 Universal Service Fund :  
 :  
 2006 Annual Price Stability Index/Service : P-00981428F1000  
 Price Index filing of Buffalo Valley : R-00061375  
 Telephone Company :  
 :  
 2006 Annual Price Stability Index/Service : P-00981429F1000  
 Price Index filing of Conestoga Telephone : R-00061376  
 and Telegraph Company :  
 :  
 2006 Annual Price Stability Index/Service : P-00981430F1000  
 Price Index filing of Denver and Ephrata : R-00061377  
 Telephone and Telegraph Company :

**RECEIVED**

AUG 17 2007

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**DOCKETED**  
AUG 21 2007

BUFFALO VALLEY TELEPHONE COMPANY,  
 CONESTOGA TELEPHONE AND TELEGRAPH COMPANY, AND  
 DENVER AND EPHRATA TELEPHONE AND TELEGRAPH COMPANY  
 REPLY TO VERIZON'S ANSWER  
 TO PETITION FOR RECONSIDERATION

**DOCUMENT  
FOLDER**

NOW COME, Buffalo Valley Telephone Company ("Buffalo Valley"),  
 Conestoga Telephone and Telegraph Company ("Conestoga"), and Denver and  
 Ephrata Telephone and Telegraph Company ("D&E Telephone") (hereinafter  
 collectively "D&E carriers" or "Companies"), all subsidiaries of D&E  
 Communications, Inc. ("D&E"), and reply to the Answer filed by the Verizon  
 Companies ("Verizon") to the Petition for Reconsideration filed by the D&E carriers  
 in the above-captioned matter on July 26, 2007, as follows:

**I. INTRODUCTION**

1. By Opinion and Order entered July 11, 2007 ("July 11, 2007 Order"),  
 the Commission, with Vice Chairman James H. Cawley and Commissioner Tyrone

J. Christy dissenting, addressed the D&E carriers' 2006 Annual PSI/SPI Chapter 30 rate filings. The said Order rescinded and amended the Commission's prior June 23, 2006 Orders and rejected the increases in access rates of the D&E carriers implemented pursuant to said Orders. The July 11, 2007 Order also directed the Companies to file tariffs designed to recover their revenue entitlements consistent with their Chapter 30 Plans and provide refunds for access rates from November 15, 2006 forward. Ordering paragraph 4 reads, as follows:

4. That the D&E Companies shall file tariffs or tariff supplements designed to recover their allowable 2006 Annual PSI/SPI revenue in any manner consistent with their Chapter 30 plans. The proposed increases to access charge rates is [sic] expressly rejected. Said tariffs or tariff supplements shall be made within thirty (30) days of the entry date of this Opinion and Order and shall provide refunds for access rates from November 15, 2006 forward.

July 11, 2007 Order, ordering paragraph 4.

2. By Petition for Reconsideration ("PFR") dated July 26, 2007, the D&E carriers sought reconsideration, clarification, and amendment of the July 11, 2007 Order on various grounds. One of the grounds is the D&E carriers' request to amend or clarify ordering paragraph 4 to recognize that any local rate increases pursuant to their Amended Chapter 30 Plans should likewise be applied retroactive to November 15, 2006. In addition, D&E Telephone requests clarification of the July 11, 2007 Order contending that the universal service funding resulting from its basic exchange rates exceeding the applicable universal service rate caps should be retroactive to November 15, 2006.

3. On August 6, 2007, the Office of Consumer Advocate ("OCA") filed an Answer supporting the PFR to the extent D&E Telephone seeks recovery from the

Pennsylvania Universal Service Fund ("PaUSF") retroactive to November 15, 2006, in lieu of the company's residential customers bearing increases above the Commission's established \$18.00 monthly R-1 universal service rate cap.

4. On August 8, 2007, Verizon filed an Answer to the PFR arguing that the PFR does not satisfy the Commission's standards for granting a petition for reconsideration. Verizon then sidesteps the PFR's retroactivity issue and, in an effort to convince the Commission not to recognize D&E Telephone's universal service fund recovery rights retroactive to November 15, 2006, sets forth **new** and **novel** arguments contesting D&E Telephone's right to PaUSF recovery.<sup>1</sup>

5. The D&E carriers are compelled to file this Response to the **new** and **novel** contentions raised and relief sought by Verizon and request that the Commission accept this Response as a reply to an answer seeking affirmative relief or raising new matter pursuant to 52 Pa. Code §5.63.<sup>2</sup> In the alternative and under

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<sup>1</sup>See Verizon Answer at 2.

<sup>2</sup>Although not expressly labeled as such, Verizon's Answer to the PFR seeks affirmative relief and raises new matter conforming to the guidelines of 52 Pa. Code §5.62 as set forth in Re Duquesne Light Company, 72 Pa. P.U.C. 131 (1990), and justifying the within reply under 52 Pa. Code §5.63. Verizon's Answer raises questions of law or fact common to those of the petition, including, inter alia, that D&E's PFR "is simply a vehicle for the D&E companies to make a new proposal to extract cash from other carriers ... (Verizon Answer at 2); "Moreover, it is not a foregone conclusion that D&E is entitled to **any** additional subsidies from the USF to support implementation of its annual price change opportunities" (Verizon Answer at 3) (emphasis in original); "The Commission cannot simply accept D&E's claimed entitlement to new USF subsidies without further examination – an examination that should occur in a separate proceeding with notice to all affected parties. It is not a foregone conclusion, as D&E would have the Commission believe, that in choosing to raise its basic service rates Denver & Ephrata is automatically entitled to new USF subsidies" (Verizon Answer at 8); "If the Commission were even to consider providing Denver & Ephrata with any new USF subsidies, it would first have to create a mechanism to obtain the funds to do so..." and "Third, it is not even clear that the \$18 R-1 benchmark still survives today" (Verizon Answer at 9); "... in light of current market realities [the \$18.00 cap] may not be the correct level to determine when a carrier should be permitted to make a claim to the USF. At the very least, it should have increased each year based on the change in the rate of inflation" (Verizon Answer at 10). Verizon challenges the proportionate credit for a cap in B-1 rates expressly resulting from the Global settlement (Verizon Answer at 11).

Second, there is an injury claimed to be suffered by the participant filing the Answer that D&E would "get through the back door the same result that the Commission rejected in its July 11, 2007 (continued...)

the circumstances, D&E requests that this Response be considered under 52 Pa. Code §1.2. Without the Commission's recognition of this Response, D&E will be unfairly denied the opportunity to address Verizon's newly conceived arguments.

## II. ARGUMENT

### A. The PFR Satisfies 52 Pa. Code §5.572 and the Duick Standard

6. Verizon states that D&E's PFR "does not actually seek reconsideration" but rather "is simply a vehicle for the D&E companies to make a new proposal to extract cash from other carriers...."<sup>3</sup> Contrary thereto, D&E's PFR was properly filed pursuant to 52 Pa. Code §5.572, entitled "Petitions for relief." Section 5.572(a) describes such petitions for relief as petitions for rehearing, reargument, reconsideration, clarification, rescission, amendment, supersedeas or the like. Accordingly, the fact that the D&E PFR primarily seeks clarification and amendment on reconsideration of the July 11, 2006 Order is completely appropriate relief under §5.572.

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<sup>2</sup>(...continued)

Order" (Verizon Answer at 2); "that D&E intends to recover revenue from other carriers [including Verizon] rather than from its end users" (Verizon Answer at 7).

Lastly, there is relief sought against D&E. "If the D&E companies wish to make a separate claim to expand their receipts from the USF, then the Commission should address that claim in a separate proceeding and should provide notice and an opportunity to be heard to all carrier contributors to the USF" (Verizon Answer at 3); "At the very least, there is no basis for D&E to claim entitlement to an automatic subsidy for business rates without further examination" (Verizon Answer at 11). "Meanwhile, Denver & Ephrata can file a tariff supplement proposing to charge its customers more than \$18 for R-1 rates and \$23.58 to B-1 rates without USF subsidy, and ask the Commission to waive whatever caps might still exist" (Verizon Answer at 12) (emphasis added).

Having raised additional questions of law and fact, alleged injury and requested relief, Verizon's Answer seeks affirmative relief and raises new matter, warranting this reply by D&E under §5.63.

<sup>3</sup>Verizon Answer at 2.

7. Verizon further argues that the D&E carriers misstate the Duick standard in their PFR.<sup>4</sup> To the contrary, the Companies directly quote from the Commission's Duick decision.<sup>5</sup> Verizon argues the Companies should have also cited that portion of the Duick decision that requires a petition for reconsideration to address "new and novel arguments, not previously heard, or considerations which appear to have been overlooked or not addressed by the Commission."<sup>6</sup> This is **precisely** what the PFR does. D&E raises in its petition that while the July 11, 2007 Order directs the D&E carriers to refund the increased access rate revenues back to November 15, 2006, it provides no specific direction that any new local exchange rates and any resulting PaUSF recovery should likewise have retroactive application to November 15, 2006.<sup>7</sup> Thus, the retroactivity of local rate increases and PaUSF recovery to counterbalance the retroactive refund of the access charge increase is not a "manufactured omission" but is a matter that was clearly "overlooked or not addressed" in the July 11, 2007 Order. Accordingly, the Companies are justified in seeking clarification or amendment of the Order under §5.572.

8. With its 2006 Annual PSI/SPI average residential rate now exceeding the applicable \$18.00 R-1 universal service rate cap, D&E Telephone is seeking amendment or clarification of the July 11, 2007 Order to recognize its right to

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<sup>4</sup>Verizon Answer at 3.

<sup>5</sup>See D&E PFR at 6.

<sup>6</sup>Verizon Answer at 3.

<sup>7</sup>PFR at 8.

PaUSF recovery retroactive to November 15, 2006, consistent with its Amended Chapter 30 Plan. At pages 18-19, under Consumer Protections, the Plan provides:

During the pendency of the Pennsylvania USF, the Company retains the right to change and rebalance its intrastate rates in accordance with the PSP [Price Stability Plan], and if such rates are found to be just and reasonable, they shall be permitted to become effective. Further, should the new rates exceed the \$16.00 monthly residential rate ceiling and applicable business rate ceiling established in the Global Order for the duration of the Pennsylvania USF, the Company is permitted to recover the revenue difference arising from application of the Global Order rate ceilings from the Pennsylvania USF. By Order entered July 15, 2003, at Docket No. M-00021596, et al., the Commission approved modifications to the Global Order including a continuation of the USF and an increase of the \$16.00 residential cap to \$18.00.

The July 11, 2007 Order fails to recognize this right and is in need of clarification or amendment to address the application thereof from a timing perspective.

Contrary to Verizon's claim, this is not "a new proposal at the thirteenth hour."<sup>8</sup> This precise contention was set forth in D&E witness Beurer's testimony where he stated that, "because D&E Telephone's average R-1 rate is approximately \$17.50, allocating the entire 2006 PSI increase to local rates would have increased the average R-1 rates for D&E Telephone above the \$18.00 rate cap requiring the amounts in excess of \$18.00 billed to end users to be credited and collected from the PaUSF."<sup>9</sup> This testimony was simply overlooked in the July 11, 2007 Order justifying reconsideration under the Duick standard.

## **B. D&E Telephone's Right to Recovery from the Universal Service Fund**

9. **Ignoring** the straight-forward provisions of D&E Telephone's Amended Chapter 30 Plan, the Verizon Answer entertains a lengthy discussion to

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<sup>8</sup>Verizon Answer at 3.

<sup>9</sup>D&E Statement No. 1-R at 6.

convince this Commission that D&E Telephone is not entitled to any PaUSF recovery let alone recovery retroactive to November 15, 2006. D&E respectfully submits that Verizon's new and novel statements are contradictory to D&E's Amended Chapter 30 Plan and, therefore, violate ordering paragraph 4 of the July 11, 2007 Order.

**1. PaUSF Plan and Global Order**

10. Verizon argues that the PaUSF is for the "limited purpose" of supporting access and toll rate reductions<sup>10</sup> and there is "no mechanism" for additional USF funding.<sup>11</sup> This argument is flawed.

The existing PaUSF arose from the settlement plan sponsored by Verizon in its petition commencing the Global proceeding at Docket No. P-00991649. In that petition, Verizon (formerly Bell Atlantic-Pennsylvania, Inc.) and the Rural Telephone Company Coalition, et al., proposed a universal service funding plan which they labeled in paragraph 81 of the petition as the "Small Company Universal Service Fund Settlement." The plan was attached in Appendix II to the petition. The alternative petition filed in Global by Nextlink Pennsylvania, Inc., et al., at Docket No. P-00991648, supported the Small Company universal service funding plan with various modifications.<sup>12</sup> The plan was ultimately approved in the Global Order subject to modifications.<sup>13</sup>

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<sup>10</sup>Verizon Answer at 9.

<sup>11</sup>Verizon Answer at 10.

<sup>12</sup>Joint Petition of Nextlink Pennsylvania, Inc., et al., Docket Nos. P-00991648 and P-00991649, Order entered September 30, 1999 ("Global Order") at 48-50.

<sup>13</sup>Id. at 150-155.

11. A review of the Small Company Universal Service Fund Settlement plan sponsored by Verizon and as adopted with modifications in the Global Order, shows that the plan was initially established for funding access and toll rate reductions on the part of the rural ILECs. The plan calls for the size of the fund to be recalculated annually to reflect actual access line growth. In addition, the plan specifically recognizes that on an annual basis the size of the fund is "**expected to expand/contract for various reasons**"<sup>14</sup> (emphasis added). Thus, the PaUSF, as approved in the Global Order, does provide for the expansion of the fund for various reasons.

12. One of those reasons is when a fund recipient's local rates exceed the rate cap imposed by the Commission. The initial PaUSF Plan as sponsored by Verizon initially established the monthly average R-1 cap at \$16.00 and the B-1 at the "proportionate amount."<sup>15</sup> Appendix II to the Verizon petition in Global, at page 5, reads as follows:

5) Small ILECs with monthly residential one-party basic, local rates above \$16.00 at the time the Fund is implemented will provide a Universal Service credit in an amount that will effectively reduce the rate to \$16.00 with their business rates receiving a proportionate credit.

The modified plan sponsored by the Nextlink parties and spelled out on pages 48-50 of the Global Order specifically recognized that the fund is to be increased when an ILEC's rates exceed the R-1 rate cap stating: "If insufficient funds exist to cover the new level of USF support to assure compliance with the

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<sup>14</sup>See Verizon Petition at Docket No. P-00991649, Appendix II, Appendix A at 3.

<sup>15</sup>In other words, only when the average R-1 rate exceeds the applicable R-1 cap does an ILEC calculate the "proportionate" B-1 rate cap for universal service funding purposes.

\$16.00 rate ceiling, the Commission will require that the USF be increased to the required level with all contributors paying their respective share of the increase."<sup>16</sup>

13. The Commission in the Global Order recognized this **additional** PaUSF funding provision stating, "if such ILEC's one-party residential rate is above \$16.00 per month, and is found to be just and reasonable by the Commission, the revenue associated with the difference between the rate ceiling and the approved rates will be recovered from the Pennsylvania USF."<sup>17</sup> Pursuant thereto, the initial PaUSF level was established to assist those rural ILECs with funding to the extent their local rates exceed the \$16.00 R-1 cap and proportionate B-1 cap.

14. In summary, the PaUSF was not established for the sole purpose of funding access and toll rate reductions by the applicable ILECs as Verizon has stated. Instead, the PaUSF was also established to provide funding for other reasons including those instances where the Commission approves just and reasonable rates for an ILEC which exceed the applicable R-1 rate cap. Further, the Commission's modified PaUSF plan in Global did provide for increasing the funding level.

## **2. Access Charge Order**

15. The Commission in its subsequent Access Charge Order entered July 15, 2003,<sup>18</sup> adopted a Joint Procedural Stipulation sponsored by Verizon, the Rural Telephone Company Coalition and others, that continued the PaUSF beyond

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<sup>16</sup>See Global Order at 49.

<sup>17</sup>Global Order at 201.

<sup>18</sup>Access Charge Investigation per Global Order of September 30, 1999, et al., Docket Nos. M-00021596, etc., Order entered July 15, 2003.

December 31, 2003, and increased the applicable average R-1 monthly rate cap from \$16.00 to \$18.00.<sup>19</sup> This Joint Procedural Stipulation specifically provided "[a]ny approved future increases in rates above the \$18.00 rate cap for any ILEC shall also be recoverable from the USF under the exact same terms and conditions as approved in the Global Order."<sup>20</sup> Consequently, the Commission in the Access Charge Order again recognized for PaUSF funding purposes those ILECs whose rates exceed the applicable R-1 rate cap of \$18.00. Since the Access Charge Order, the aforesaid cap has not been modified or terminated by the Commission.<sup>21</sup>

### 3. D&E Carriers Amended Chapter 30 Plans

16. Following the implementation of Act 183,<sup>22</sup> D&E Telephone filed an Amended Chapter 30 Plan accelerating its universal broadband commitment to December 31, 2008. The Amended Plan was approved by the Commission.<sup>23</sup> This Amended Plan which remains in effect today specifically provides under Consumer Protections:

During the pendency of the Pennsylvania USF, the Company retains the right to change and rebalance its intrastate rates in accordance with the PSP [Price Stability Plan], and if such rates are found to be

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<sup>19</sup>See Access Charge Order at Attachment A at 18.

<sup>20</sup>Id.

<sup>21</sup>In fact, the Commission in its pending investigation into intrastate access charges, intraLATA toll rates, and the PaUSF, at Docket No. I-00040105, has stayed the investigation and continued the PaUSF "until such time as regulations are promulgated eliminating or modifying the Fund." See Order entered November 15, 2006, Investigation Regarding Intrastate Access Charges and IntraLATA Toll Rates of Rural Carriers and the Pennsylvania Universal Service Fund, ordering paragraph 9. The said November 15, 2006 Order directed no modifications in the \$18.00 R-1 universal service cap established under the Access Charge Order.

<sup>22</sup>66 Pa.C.S. §3011-3019.

<sup>23</sup>Petition for an Amended Alternative Regulation and Network Modernization Plan for the Denver and Ephrata Telephone and Telegraph Company, Docket No. P-00981430F1000, Order entered June 3, 2005.

just and reasonable, they shall be permitted to become effective. Further, should the new rates exceed the \$16.00 monthly residential rate ceiling and applicable business rate ceiling established in the Global Order for the duration of the Pennsylvania USF, the Company is permitted to recover the revenue difference arising from application of the Global Order rate ceilings from the Pennsylvania USF. By Order entered July 15, 2003, at Docket No. M-00021596, et al., the Commission approved modifications to the Global Order including a continuation of the USF and an increase of the \$16.00 residential cap to \$18.00.

D&E Telephone Amended Chapter Plan at 18-19.

17. Ordering paragraph 4 of the Commission's July 11, 2007 Order directs D&E Telephone to design rates to recover its allowable revenues "consistent" with its Chapter 30 Plan and without increasing its access rates. The local rates set forth in the PFR are designed **consistent** with the D&E Telephone Amended Chapter 30 Plan and such rates exceed the \$18.00 R-1 cap and proportionate B-1 cap. Consequently, under the Plan, D&E Telephone is entitled to PaUSF support to the extent its rates exceed the applicable caps. All D&E Telephone is seeking through the PFR is clarification of the July 11, 2007 Order to provide that the universal service funding should be retroactive to November 15, 2006, the date of the access rate decreases. Without retroactive recovery, D&E Telephone will not be permitted to fully recover its allowable revenue opportunity under its 2006 Annual PSI/SPI Filing. It must be emphasized that D&E Telephone under the Access Charge Order and its Amended Chapter 30 Plan is **not** allowed to charge rates in excess of an average \$18.00 R-1 and the proportionate B-1 rate caps. Instead, D&E Telephone is permitted to recover the revenues from the PaUSF. Violating these two consumer safeguards would be a violation of D&E Telephone's Amended Chapter

30 Plan which in turn would violate the July 11, 2007 Order which requires the new tariffs to be consistent with the Chapter 30 Plan.

18. It is also important to recognize Act 183 at 66 Pa.C.S. §3013(b) states that, "[E]xcept for changes to existing alternative form of regulation and network modernization plans as authorized by this chapter, no change to any alternative form of regulation or network modernization plan may be made without the express agreement of both the Commission and the Local Exchange Telecommunications Company." Accordingly, the Consumer Protections provisions of the Amended Chapter 30 Plan recognizing a \$18.00 R-1 rate cap and proportionate B-1 rate cap with universal service funding must be followed.

**4. Verizon's New and Novel PaUSF Contentions are Erroneous**

19. As discussed in paragraphs 10-15 hereof, Verizon has been a major participant in the establishment of the current PaUSF recognizing that funding levels may be increased when an ILEC's rates exceed the applicable rate cap and are found just and reasonable by the Commission. In lieu of abiding with the PaUSF, decisions of this Commission and the D&E carriers' Amended Chapter 30 Plans, Verizon has made **erroneous** contentions, which could cloud the appropriate course of action by this Honorable Commission.

20. For example, Verizon states that the only purpose of universal service funding was for "access and toll rate **reductions**."<sup>24</sup> Yet, as stated above, the Global Order recognized that funding levels could increase when an ILEC's rates exceed the applicable rate cap. Likewise, Verizon was a sponsor of the Joint

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<sup>24</sup>Verizon Answer at 9.

Procedural Stipulation addressed in the Access Charge Order which specifically recognized PaUSF funding to keep rates below the average \$18.00 R-1 cap.

21. Verizon also states that there is "no mechanism" to obtain additional funds from contributing carriers. This is in sharp contrast to the Small Company Universal Service Fund Settlement Plan that it sponsored in Global which recognized the PaUSF could be expanded for "various reasons." Further, it is in sharp contrast to the Global Order which recognized additional universal service funding when an ILEC's rates exceed universal service rate caps.

22. Verizon claims that D&E cannot engage in rightful recovery of amounts over the set \$18.00 cap without an examination in a separate proceeding with "notice and an opportunity to be heard to all carrier contributors to the USF."<sup>25</sup> Verizon's claim is without merit. No complex, independent examination is required. D&E Telephone's Amended Chapter 30 Plan provides for USF funding when the residential R-1 rate cap is exceeded. There is certainly no necessity for further notice and hearings for the purpose of directing the fund administrator to expand the PaUSF consistent with the Global Order to permit D&E Telephone recovery of its 2006 Annual PSI/SPI revenue entitlement under the provisions of its Amended Chapter 30 Plan. Again, the Global Order citing the modifications to the universal service plan sponsored by Nextlink, et al., specifically recognized that the Commission "will require that the USF be increased to the required level" when the R-1 rate cap is exceeded.

23. Moreover, the Commission recognized in its Access Reform Order that due process had been afforded parties regarding the terms of the PaUSF:

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<sup>25</sup>Verizon Answer at 3.

This is a unanimous Joint Proposal. Thus, even though no evidentiary hearing has been held, we believe due process is being afforded the parties in ruling to approve the Joint Proposal since the Joint Proposal was published, and all parties that filed comments to the Joint Proposal are in agreement with the Proposal. Accordingly, since we find the Joint Proposal to be in the public interest, we shall order that the Joint Proposal, included as "Attachment A" to this Order is granted. The PaUSF will continue beyond December 31, 2003, until amended through a rulemaking proceeding which will commence before December 31, 2004.

Access Reform Order at 11.

24. Verizon further contends that the \$18.00 R-1 "benchmark" may not survive today.<sup>26</sup> The \$18.00 R-1 rate cap (not benchmark) was established in the Access Charge Order. The cap has never been terminated by the Commission. Moreover, the cap is set forth in D&E Telephone's **effective** Amended Chapter 30 Plan. The July 11, 2007 Order has instructed D&E Telephone to adjust its rates consistent with its Chapter 30 Plan.

25. Verizon also states "there is no basis in today's competitive environment for D&E to claim that it is entitled to USF subsidies from other carriers to cap its business rates."<sup>27</sup> Again, the PaUSF has been established by this Commission providing for both residential and business rate credits and universal service funding when the R-1 \$18.00 rate cap and proportionate B-1 rate are exceeded. The D&E Telephone Amended Chapter 30 Plan is consistent therewith. The July 11, 2007 Order has instructed D&E Telephone to adjust its rates consistent with its Chapter 30 Plan.

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<sup>26</sup>Id. at 9-10.

<sup>27</sup>Id. at 11.

26. It appears that Verizon, on page 11 of its Answer, where it states D&E Telephone's existing B-1 rate already exceeds the applicable rate cap, does **not** understand how the PaUSF process was established, works, and is administered. D&E Telephone did not previously request universal service funding for business rates because the initial criteria for receiving additional PaUSF support for B-1 rates had not been triggered. Only when the average residential local service rate exceeds the \$18.00 rate cap does an ILEC calculate the proportionate business line cap.

**5. Other Erroneous Verizon Assertions**

27. Verizon, in its Answer, puts forth several other misleading assertions which the D&E carriers are compelled to reply so that such misinformation may be brought to the attention of the Commission:

Verizon Answer - Page 2: Verizon states that "D&E proposes to get through the back door the same result that the Commission rejected in the Order." This is **not** correct. In D&E Telephone's original 2006 Annual PSI/SPI Filing, it sought recovery of its allowable revenue entitlement, in part, through increases in access rates. The revised filing as set forth in Appendix A of its PFR increases local service rates to offset reductions in access rates as directed by the July 11, 2007 Order. The rate design is directly consistent with the provisions of its Amended Chapter 30 Filing. There is certainly nothing "back door" about the filing.

Verizon Answer - Page 3: Verizon states that "[t]he Commission should not allow the D&E companies to use the pendency of this PFR to delay their access reductions." Again, this is **not** the case. The D&E carriers filed on August 13, 2007,

tariff supplements decreasing their access rates consistent with the July 11, 2007 Order.

Verizon Answer - Page 6: Verizon alleges that the Commission by directing refunds only back to November 15, 2006, is "allowing the D&E companies to keep approximately \$1 million in revenues obtained from carrier access customers through these now invalidated rate increases." While the revenue opportunity from the access rate increases was approximately \$1 million, the D&E carriers only billed and collected \$552,135 from non-affiliated carriers for the period July 1, 2006 to November 14, 2006. By comparison, the D&E carriers have spent over \$30 million in capital expenditures to improve their networks in order to become 98% universal broadband compliant at this time. Obviously, the aforesaid additional revenue from access customers pales in comparison to the ongoing capital carrying cost associated with these additional capital expenditures.

Verizon Answer - Page 7: Verizon claims that D&E "does not actually propose to recover **any** of the revenue ostensibly allocated to basic rates from its end users, but rather intends to recover it from other carriers." This is again **incorrect**. D&E Telephone's revised 2006 Annual PSI/SPI Filing set forth in Appendix A to the PFR increases local service rates. These increases now result in 28% of the revenue opportunity originally assigned to access customers to be recovered from end users via local rate increases and 72% recovered via the PaUSF to conform with its Amended Chapter 30 Plan. As a result of exceeding the rate cap in 2006, D&E Telephone's revised 2007 Annual PSI/SPI Filing does not bank any revenue opportunities but instead increases local service rates. The 2007

revenue opportunity would now be 45% recovered from end users via local rate increases and 55% recovered from the PaUSF.

Verizon Answer - Pages 7-8: Verizon claims that if the PFR is approved, D&E Telephone will collect, on an annual basis going forward, an amount from the PaUSF which is "actually more" than the amount its increased access rates were to produce. We respectfully submit that the Verizon numbers are based upon a two-year period reflecting the impact of the revisions to the 2006 and 2007 Annual PSI/SPI Filings. Verizon is comparing the two-year total from PaUSF to the one-year filing originally in access. Thus, Verizon's claim is nothing more than an apples and oranges comparison and has no value whatsoever. The truth of the matter is that D&E Telephone in the PFR reduced access rates and increased local rates consistent with the provisions of its Amended Chapter 30 Plan and pursuant to the directions given by the Commission in its July 11, 2007 Order. This Chapter 30 rate design produces no excess PaUSF recovery whatsoever. D&E Telephone simply requests clarification that its PaUSF recovery rights in accordance with its Chapter 30 Plan are retroactive to November 15, 2006.

**III. CONCLUSION**

WHEREFORE, Buffalo Valley Telephone Company, Conestoga Telephone and Telegraph Company, and Denver and Ephrata Telephone and Telegraph Company respectfully request that the Verizon Answer seeking affirmative relief and raising new matter be denied and the D&E carriers' Petition for Reconsideration in this proceeding be granted in its entirety.

Respectfully submitted,

THOMAS, THOMAS, ARMSTRONG & NIESEN

By



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PA Attorney ID No. 43319  
Jennifer M. Sultzaberger  
PA Attorney ID No. 200993

Attorneys for Buffalo Valley Telephone Company, Conestoga Telephone and Telegraph Company, and Denver and Ephrata Telephone and Telegraph Company

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Harrisburg, PA 17108-9500  
(717) 255-7600

Dated: August 17, 2007

Before the  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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Investigation Regarding Intrastate Access : I-00040105  
Charges and IntraLATA Toll Rates of Rural :  
Carriers and the Pennsylvania Universal Service :  
Fund :  
: P-00981428F1000  
2006 Annual Price Stability Index/Service Price : R-00061375  
Index filing of Buffalo Valley Telephone :  
Company : P-00981429F1000  
: R-00061376  
2006 Annual Price Stability Index/Service Price :  
Index filing of Conestoga Telephone and :  
Telegraph Company : P-00981430F1000  
: R-00061377  
2006 Annual Price Stability Index/Service Price :  
Index filing of Denver and Ephrata Telephone :  
and Telegraph Company :

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CERTIFICATE OF SERVICE

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I hereby certify that I have this 17<sup>th</sup> day of August, 2007, served a true and correct copy of the foregoing Reply to Verizon's Answer to Petition for Reconsideration, upon the persons and in the manner listed below:

**Via Email and First Class Mail**

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A handwritten signature in black ink, appearing to read "MSidler", written over a horizontal line.

Michael L. Swindler



THOMAS, LONG,  
NIESEN & KENNARD

*Attorneys and Counsellors at Law*

NORMAN J. KENNARD  
Direct Dial: 717.255.7627  
nkennard@thomaslonglaw.com

September 16, 2008

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
400 North Street  
P.O. Box 3265  
Harrisburg, PA 17105-3265

**DOCUMENT  
FOLDER**

RECEIVED  
2008 SEP 17 AM 10:42  
PA P.U.C.  
SECRETARY'S BUREAU

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

2006 Annual Price Stability Index/Service Price Index Filing of Buffalo Valley  
Telephone Company; Docket Nos. P-00981428F1000 and R-00061375

2006 Annual Price Stability Index/Service Price Index Filing of Conestoga  
Telephone and Telegraph Company;  
Docket Nos. P-00981429F1000 and R-00061376

2006 Annual Price Stability Index/Service Price Index Filing of Denver and  
Ephrata Telephone and Telegraph Company;  
Docket Nos. P-00981430F1000 and R-00061377

Dear Secretary McNulty:

Enclosed please find an original and three (3) copies of the executed signature page  
of Appendix A (Affidavit of Leonard J. Beurer) to the Joint Petition to Rescind and/or Amend  
Prior Commission Orders, a scanned copy of which was attached to yesterday's filing.

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

Sincerely,

THOMAS, LONG, NIESEN & KENNARD

By:

  
Norman J. Kennard

Enclosures

In short, the proposed resolution of this proceeding achieves a reasonable balance by providing the D&E Carriers with the opportunity to achieve much needed additional revenues necessary to offset the costs incurred in carrying out their accelerated Chapter 30 commitments, while maintaining a respite for local service customers who have incurred numerous increases in their rates. The proposal recognizes that, given the aggressive access rate reductions during this same time frame, a small step to bring local switching and tandem switching access rates up to levels at parity with interstate is just and reasonable.

Dated at 15, Pennsylvania this 15 day of September,    2008.  
Ephrata, Pa.

Leonard J. Beurer  
Leonard J. Beurer

Commonwealth of Pennsylvania  
County of LANCASTER

Leonard J. Beurer

On this 15 day of September,    2008, personally appeared \_\_\_\_\_, and made oath that the foregoing instrument, subscribed by him is true.

Before me,

John H. Eitner  
Notary Public

My Commission Expires: \_\_\_\_\_

COMMONWEALTH OF PENNSYLVANIA  
Notarial Seal  
John H. Eitner, Notary Public  
Ephrata Boro, Lancaster County  
My Commission Expires June 28, 2011  
Member, Pennsylvania Association of Notaries

CERTIFICATE OF SERVICE

I hereby certify that I have this 16<sup>th</sup> day of September, served a true and correct copy of the foregoing letter upon the persons and in the manner listed below:

**FIRST CLASS MAIL**

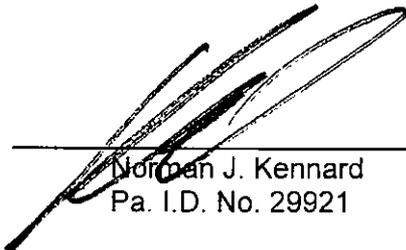
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Norman J. Kennard  
Pa. I.D. No. 29921