25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(B) Upgrades (N)

(1) The minimum commitment on an individual service type or combined service type will be adjusted when one (1) or more of those services are upgraded to a higher bandwidth/capacity service. Upgrades are subject to the requirements of (B)(3) following.

For example, if DS1 services are upgraded to a DS3 service, the minimum commitment for the DS1 services will be reduced by 90 percent (90%) of the total equivalent DS0 count of the DS1(s) involved in the upgrade, and the minimum commitment for the DS3 service will be increased by 90 percent (90%) of the total equivalent DS0 count of the DS3(s) being added.

(2) IEF or any other service under CDP may be upgraded to any Telephone Company provided optical service not included in CDP.

For example, if IEF is upgraded to Multiplexed IntelliLight Broadband Transport service as set forth in Section 8.2 preceding, the commitment for IEF services shall be reduced by ninety percent (90%) of the total equivalent DS0 count of the IEF services involved in the upgrade. Muxed IBT service shall not be included in CDP and shall be subject to the regulations set forth in Section 8.2 preceding.

(3) Upgrades are subject to all of the following conditions being met:

(a) Both the existing and new services are provided solely by the Telephone Company under this tariff.

(b) Total bandwidth of the upgraded service is equal to or greater than the total bandwidth of the discontinued service.

(c) Disconnect and new orders must be placed at the same time with due dates that are within ninety (90) days of each other.

(d) The commitment period for the upgraded service is equal to or greater than the commitment period for the discontinued service, except when an equal to or greater than commitment period is not available, in which case the service to which the customer is upgrading must be provided under the longest available commitment period under CDP. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd) (N)

(B) Upgrades (Cont'd)

(3) (Cont'd)

(e) No later than thirty (30) days after the Telephone Company provides the results of its true-up process as set forth in 25.1.7 following, the customer must provide written notification to the Telephone Company which includes order number information, including the purchase order number (PON) of the disconnected service and the PON of the new (replacing) service for any upgrade(s) for which written notification had not previously been submitted by customer, and which upgrade took place during the preceding true-up period.

(4) The effective date used to adjust minimum commitment levels for upgraded services is the effective date on which the orders to accomplish the upgrade are completed by the Telephone Company.

25.1.4 Commitment Periods by Service Type

(A) For each billing month, the Telephone Company will bill service under the CDP as follows:

(1) For DDS, Voice Grade, Special Access DS1, and IEF services, the TPP monthly rates shown in Sections 7.5.16, 7.5.3 and 7.5.21 preceding for such services respectively, will apply to the commitment period selected by customer from the table below. Such rates may change during the commitment period, subject to the regulations set forth in 25.1.6 following.

(2) For Switched Access DS3 and Special Access DS3 services, a discount percentage as set forth below will be applied to the Base Rates shown in Sections 6.9.1.1 and 7.5.9 preceding for Switched Access and Special Access services, respectively, for the commitment period selected by customer from the table below. Base Rates and/or the discount percentage may change during the commitment period, subject to the regulations set forth in 25.1.5 and 25.1.6 following.

(3) For Switched Access DS1 services, a discount percentage as set forth below will be applied to the month-to-month rates shown in Section 6.9.1.1 preceding for the commitment period selected by customer from the table below. Month-to-Month rates and/or the discount percentage may change during the commitment period, subject to the regulations set forth in 25.1.5 and 25.1.6 following. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.4 Commitment Periods by Service Type (Cont'd)

(B) Services included in a combined service type may have different commitment periods and rates associated with each individual service type. (N)

(C) For services provided with Base Rates or month-to-month rates, discount percentages applied will be the discount shown below that is associated with the commitment period of the individual service type. For all other services, the TPP monthly rate will apply.

(D) TPP monthly rates and discount percentages differ based on the length of the commitment period selected by the customer and the service type. The customer must select a commitment period from those offered following.

Service Type	Commitment Period	Rate under CDP
Switched DS1	2 Year	10% off Mo-Mo Rate
	3 Year	20% off Mo-Mo Rate
	5 Year	30% off Mo-Mo Rate
	7 Year	35% off Mo-Mo Rate
Switched DS3	3 Year	10% off Base Rate
	5 Year	35% off Base Rate
Voice Grade Service	3 Year	TPP Rate
	5 Year	TPP Rate
Digital Data Service	2 Year	TPP Rate
	3 Year	TPP Rate
	5 Year	TPP Rate
DS1 High Capacity/ 1.544 Mbps Service	2 Year	TPP Rate
	3 Year	TPP Rate
	5 Year	TPP Rate
	7 Year	TPP Rate
DS3 High Capacity/ 44.736 Mbps Service	3 Year	10% off Base Rate
	5 Year	35% off Base Rate
IntelliLight Entrance Facility (Switched & Special Access)	3 Year	TPP Rate
	5 Year	TPP Rate

(N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.5 Changes to the Discount Percentage (N)

(A) For services using discount percentages, the discount percentage set forth above will not be subject to Telephone Company initiated decreases during the commitment period. For example, if the Telephone Company initiates a decrease in the discount percentage for the Switched Access DS3 service type from 35 percent (35%) off Base Rates for a five (5) year term to twenty-five percent (25%) off Base Rates for a five (5) year term, the existing discount percentage of thirty-five percent (35%) will continue to be applied through the balance of the customer's commitment period.

(B) For services using discount percentages, the discount percentage is subject to Telephone Company initiated increases during the commitment period. For example, if the Telephone Company initiates an increase in the discount percentage for Switched Access DS3 service type from thirty-five percent (35%) off Base Rates for a five (5) year term to forty percent (40%) off Base Rates for a five (5) year term, the new forty percent (40%) discount will be applied through the balance of the customer's commitment period. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.6 Changes to the Base Rates/TPP Rates (N)

(A) If the Telephone Company initiates a decrease in the TPP rates during the commitment period, the decreased rates shall apply to all services under the CDP which bill such TPP rates as set forth above. If the Telephone Company initiates an increase in the TPP rates during the commitment period, the increased rates shall apply to all services under the CDP which bill such TPP rates, subject to the applicable regulations set forth in this tariff, Sections 6.8.22(C)(1), 6.8.23(B)(6), 6.8.25(C)(5)(e), 7.2.15(E), 7.4.13(C), 7.4.17(C), and 7.4.18(C).

(B) The Base Rates to which the discount percentage is applied under the CDP as set forth above are subject to change over the commitment period selected by the customer. An increase in the Base Rate will result in an increase to the rates under the CDP for the applicable service type. A decrease in the Base Rate will result in a decrease to the rates under the CDP for the applicable service. In no event will the Base Rate exceed the non-discounted monthly rate for the service.

(C) In the event the Telephone Company initiates a rate increase and the total discounted monthly billing for the affected service type increases by eight percent (8%) or more, the customer may cancel a CDP for the affected service type without the application of termination liability as set forth in 25.1.9 following. The customer must exercise its option to cancel the CDP for the affected service type by providing written notice to the Telephone Company within thirty (30) days of the date of the effective rate increase. The CDP for other services shall remain in effect. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or TPP Rates (N)

(A) The Telephone Company shall apply the discount percentage or TPP rate, as applicable, on a monthly basis during the commitment period to each monthly rate element specified in 25.1.1 preceding.

(1) During any true-up period as set forth below, the customer may exceed its minimum commitment by up to thirty percent (30%) (i.e., the maximum service level). In such event, the regulations set forth in 25.1.7(D) following shall apply. For example, assume that a customer has a minimum commitment of 10,000 equivalent DS0s, and the customer has in-service as of the applicable true-up period 15,000 equivalent DS0s. The maximum service level would be thirty percent (30%) or 13,000 equivalent DS0s which will receive the discount. Amounts in excess of 13,000 equivalent DS0s will be treated in accordance with 25.1.7(D) following.

(2) The true-up process for each service type will determine if the customer (1) has not met its minimum commitment and is therefore subject to a shortfall adjustment, (2) has met its minimum commitment and no adjustment to the commitment level is necessary, or (3) has met its minimum commitment and exceeded its maximum commitment level. Beginning on month six (6) after the customer's subscription to CDP and every six (6) months thereafter, the Telephone Company will conduct a true-up which compares the average number of equivalent DS0s actually in service over the preceding six (6) months to the average number of equivalent DS0s which comprise the minimum commitment.

(3) For customers subscribing to CDP on or before December 31, 2004, the first true-up will not occur until twelve (12) months after the customer subscribes to CDP. Thereafter, true-ups will be conducted on a six (6) month basis. All references to the true-up process and to the calculation thereof shall be deemed to refer to either the initial twelve (12) month true-up (for eligible customers as set forth in this paragraph) or the six (6) month true-up process, as applicable. During the first true-up for such customers, all references to six (6) months shall be substituted by twelve (12) months in the calculations set forth below.

(4) In the event the customer disputes the amount adjusted by the Telephone Company following the true-up process, the customer must notify the Telephone Company of the dispute within six (6) months of the adjustment being applied (i.e., prior to the next scheduled true-up).

(5) For purposes of applying the discount percentage or TPP rates, and administering the terms and conditions of the CDP, service provided as part of a Shared Use Arrangement is considered to be completely Switched Access or completely Special Access as determined by the type of facility ordered to the Hub. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or TPP Rates (Cont'd)

(B) If the customer fails to maintain its minimum commitment for a service type or combined service type over the preceding six (6) months, the customer shall be assessed an amount equal to the difference between (1) the total dollar amount associated with that service type or combined service type over the preceding six (6) months and (2) the total dollar amount associated with that service type or combined service type which would have been applied over the preceding six (6) months had the minimum commitment been satisfied. The Telephone Company will calculate the difference as follows: (N)

(Step 1) The Telephone Company will calculate the average number of DS0 equivalent Channel Terminations which were in service over the preceding six (6) months by summing the actual number of DS0 equivalent Channel Terminations for each of the last six (6) months, adjusting the minimum commitment for any service upgraded as described in 25.1.3 preceding, and dividing by six (6). The resulting number represents the average equivalent DS0 Channel Terminations per month (i.e., monthly equivalent DS0 count).

(Step 2) The Telephone Company will calculate the average rate assessed per DS0 equivalent by first summing the total monthly charges associated with all channel terminations, channel mileage, multiplexing arrangements, and IEF terminations or IEF interface rate elements for that service type or combined service type over the preceding six (6) months and dividing by six (6). The resulting amount is then divided by the average monthly equivalent DS0 count determined in Step 1.

(Step 3) The Telephone Company will calculate the average minimum commitment for that service type or combined service type by first summing the minimum commitment for each of the preceding six (6) months, adjusting the minimum commitment for service upgrades as described in 25.1.3 preceding, and dividing the resulting total by six (6). The resulting number represents the average minimum commitment for the preceding six (6) months.

(Step 4) The Telephone Company will determine the shortfall by subtracting the average number of equivalent DS0s in service as determined in Step 1 from the number of equivalent DS0s which comprise the average minimum commitment as determined by Step 3.

(Step 5) To determine the amount due from the customer, the Telephone Company will multiply the average rate per equivalent DS0 determined in Step 2 by the shortfall determined in Step 4 and multiply the resulting amount by six (6). The amount due is not subject to any late payment factor as specified in Section 2.4.1 preceding. However, a late payment factor will apply in accordance with Section 2.4.1 preceding if such amount is not paid by the bill due date of the month in which such amount first appears on the bill. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or TPP Rates (Cont'd)

(C) If the customer has satisfied its minimum commitment and is below the maximum service level for the preceding six (6) months, no corrective action will be taken. (N)

(D) If the customer has satisfied its minimum commitment for the preceding six (6) months but exceeded its maximum service level, the Telephone Company will apply an adjustment in order to true-up the discount percentages or TPP rates that were applied in excess of that allowed by the maximum service level. The true-up will result in an adjustment (charge up) of the discounted excess amount back to standard, non-discounted rates, unless the customer elects to increase its minimum commitment upward to at least ninety percent (90%) of the total number of DS0 equivalent Channel Terminations for the service type or combined service type involved at the time the true-up was performed. If an adjustment is to be applied, the Telephone Company will calculate the adjustment as follows:

(Step 1) The Telephone Company will calculate the average number of equivalent DS0 Channel Terminations that were in service over the preceding six (6) months by summing the actual number of equivalent DS0s for each of the last six (6) months, adjusting the minimum commitment for any service upgraded as described in 25.1.3 preceding, and dividing the resulting total by six (6). The resulting number represents the average monthly equivalent DS0 Channel Termination count (i.e., monthly equivalent DS0 count.)

(Step 2) The Telephone Company will calculate the average rate assessed per equivalent DS0 by first summing the total reduced monthly charges associated with all channel termination and channel mileage rate elements for the preceding six (6) months and dividing by six (6). The resulting amount is then divided by the average monthly equivalent DS0 count determined in Step 1.

(Step 3) The Telephone Company will calculate the average minimum commitment by first summing the minimum commitment for each of the preceding six (6) months and dividing by six (6). The resulting number represents the average minimum commitment for the preceding six (6) months.

(Step 4) The Telephone Company will determine the maximum service level by multiplying the minimum commitment by 1.3 (i.e., the minimum commitment plus thirty percent (30%)). (N)

Lataille/Jordan/Slattery Reply Decl. - Exhibit 9

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount Percentage or TPP Rates (Cont'd)

(D) (Cont'd) (N)

(Step 5) The Telephone Company will determine the number of equivalent DS0s that already received a discount over the preceding six (6) months, but were in excess of the maximum service level by subtracting the maximum service level calculated in Step 4 from the average equivalent DS0 Channel Termination count determined in Step 1.

(Step 6) To determine the total dollar amount associated with the equivalent DS0s that received a discount in excess of the maximum service level, the Telephone Company will multiply the excess equivalent DS0 Channel Terminations in Step 5 by the average total rate per DS0 equivalent in Step 2 and multiply the result by six (6).

(Step 7) To determine the non-discounted total dollar amount for the equivalent DS0s which were in excess of the maximum service level, the Telephone Company will recalculate the amount determined in Step 6 back to standard, non-discounted rates as follows. First, the Telephone Company will multiply the average total rate per equivalent DS0 determined in Step 2 by the number of equivalent DS0s which were in excess of the maximum service level in Step 5 and divide the result by the discount factor or equivalent (i.e., one (1) minus the discount percentage or equivalent). The equivalent discount factor can be determined by the percent differential between the month-to-month channel termination rate and the applicable TPP channel termination rate. For combined DS3 and IEF services, the equivalent discount factor will be the percent differential between the DS3 month-to-month channel termination rate and the applicable DS3 TPP channel termination rate. For example, a ten percent (10%) discount would result in a calculation of one (1) minus .1 for a discount factor of .9. The resulting amount is then multiplied by six (6).

(Step 8) To determine the amount due from the customer, the Telephone Company will subtract the amount paid in Step 6 from the amount owed in Step 7. The resulting amount will be the amount adjusted (charged up) as a result of the true-up process. The amount due from the customer is not subject to any late payment factor as specified in Section 2.4.1 preceding. However, a late payment factor will apply in accordance with Section 2.4.1 preceding if such amount is not paid by the bill due date of the month in which such amount first appears on the bill. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (N)

The commitment period for each service is the actual number of months for which the CDP will be in effect for such service during which period the percentage discount or TPP rates will be applied.

(A) Selection of a Commitment Period

(1) When establishing a CDP, the customer must select a commitment period for each service type included in CDP. Services included in a combined service type may have different commitment periods associated with each individual service type. The commitment period will be the number of months over which the percentage discount or TPP rates associated with that commitment period will apply. The commitment periods and any associated percentage discounts or TPP rates, as applicable, are specified in 25.1.4 preceding.

(2) Customers will have the option of establishing coterminous end dates for DS3 and IEF service types. Customers choosing this option must select a commitment period for the IEF service type equal to the longest commitment period of the customer's DS3 service type under CDP. The expiration date of the IEF service type under CDP will equal the existing expiration date of the customer's DS3 service type under CDP with the longest commitment period. Customers who choose this option shall receive the IEF rates associated with the IEF commitment period that matches the longest DS3 commitment period.

For example, assume that the customer has Switched Access DS3 service on a 5 year plan and Special Access DS3 service on a 3 year plan, and the customer wants to include IEF service with a coterminous end date. Assume further that there is 2 years remaining on the Switched Access DS3 commitment period. The customer must choose the IEF commitment period that is equal to the Switched Access DS3 commitment period that is the longer of the two DS3 commitment periods in this example. The expiration date for the IEF service and the Switched Access DS3 service will be the same (i.e., 2 years from the date of establishment of the IEF plan under CDP). The customer will receive the TPP rates associated with the 5 year commitment period for IEF service.

(a) There shall be no change to the DS3 commitment period or DS3 rates. Minimum period obligations as set forth 25.1.10 following shall apply regardless of the end date chosen. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(B) Effective Date of Commitment Period (N)

Where the CDP is requested to be provided coincident with the connection of new services or on existing services, the commitment period will begin the first bill day in the month following the month in which the customer subscribes to CDP. The customer must subscribe to CDP by providing the Telephone Company with written confirmation in a manner designated by the Telephone Company. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(C) Expiration of a Commitment Period (N)

(1) At the expiration (end) of its selected commitment period, the customer may choose one (1) of the following options:

(a) Select any then effective commitment period for the service type involved, including combined service types, to establish a new CDP. All terms and conditions of CDP, including termination liability, shall apply to the new commitment period.

(b) Extend the expiring commitment period as set forth in (D)(2) or (D)(3) following (in which case the then current discount percentage or TPP rates and terms and conditions of the existing plan will continue to apply).

(c) Discontinue CDP and continue receiving service without any discount plan. The customer may not subscribe to any other discount plan (including TPP) if at least one (1) service type remains under CDP (i.e., all commitment periods for all service types under CDP have not expired).

(2) If the customer does not notify the Telephone Company of its choice of ((a), (b), or (c) above, in writing at least sixty (60) days prior to the expiration of the commitment period, the Telephone Company will continue two (2) additional months of CDP billing. If the customer does not notify the Telephone Company of its choice during the two (2) month extension, a new CDP will begin based on the previously effective commitment period and commitment level. All terms and conditions of CDP, including termination liability, will apply to the new CDP commitment period.

(3) If all commitment periods for all services under the CDP are expiring, the customer also has the option of selecting any then effective TPP which may be available for such services. (N)

Lataille/Jordan/Slattery Reply Decl. - Exhibit 9

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(D) Extension of a Commitment Period (N)

(1) Select New CDP with Equal or Longer Commitment Period

(a) At any time prior to the expiration of the selected commitment period for an existing CDP, the customer may extend the commitment period by canceling the existing plan and selecting a new plan with a commitment period which is equal to or longer than the original commitment period associated with the cancelled plan. The customer must choose from the commitment periods available for each service type as set forth in 25.1.4 preceding.

(b) If the customer chooses to extend the expiration date for DDS or Voice Grade service pursuant to this Section D(1), the new minimum commitment level will be the higher of (1) the then-existing minimum commitment level; or (2) at least seventy-five percent (75%) of the total number of then in service channel terminations for DDS or Voice Grade service. For all other service types, the new minimum commitment level will be the higher of (1) the then-existing minimum commitment level; and (2) at least ninety percent (90%) of the total number of then in service channel terminations for such service type.

(c) If the customer chooses to extend the expiration date for one (1) or both of the service types offered under a combined service type, the new minimum commitment level will be the higher of (1) the then existing commitment level for the combined services; or (2) at least ninety percent (90%) of the total number of in service channel terminations for the combined service type.

(d) Termination liability charges as set forth in 25.1.9 following are not applicable when extending the commitment period, provided that the commitment period of the new plan is equal to or longer than the commitment period of the plan being cancelled. Time in service credit is not applicable when extending the commitment period. All CDP terms and conditions, including termination liability, will apply to the new CDP commitment period. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(D) Extension of a Commitment Period (Cont'd)

(2) Extend Expiration Date of Commitment Period (for all services except Combined Service Types which are set forth in (3) following) (N)

(a) At the expiration of its selected commitment period for a service type that is not part of a combined service type, the customer has the option to extend the expiration date of the commitment period for a specific service type to a longer commitment period for a customer-subscribed service type under CDP. The customer shall continue to receive the same TPP rate or discount percentage, as applicable, that it received prior to such extension.

For example, assume that a customer has a combined service type with a five (5) year commitment for DDS service. Assume also that the longest commitment period the customer has under CDP is a seven (7) year commitment on Special Access DS1 service with two (2) years remaining on the commitment period for that service. The customer may extend the expiration of the DDS service commitment period for two (2) additional years at the five (5) year DDS service rates.

(b) If the customer chooses to extend the expiration date for DDS or Voice Grade service pursuant to this Section D(2), the new minimum commitment level will be the higher of (1) the then-existing minimum commitment level; or (2) at least seventy-five percent (75%) of the total number of then in service channel terminations for DDS or Voice Grade service. For all other service types, the new minimum commitment level will be the higher of (1) the then-existing minimum commitment level; or (2) at least ninety percent (90%) of the total number of then in service channel terminations for such service type.

(c) If the customer chooses to extend the expiration date for one (1) or both of the service types offered under a combined service type, the new minimum commitment level will be the higher of (1) the then existing commitment level for the combined services; or (2) at least ninety percent (90%) of the total number of in service channel terminations for the combined service type.

(d) Time in service credit is not applicable when extending the commitment period. All terms and conditions of CDP, including termination liability, will apply to the new CDP commitment period. During the period of the extension, the customer is still subject to the true-up process as set forth in 25.1.7. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(D) Extension of a Commitment Period (Cont'd)

(3) Extend Expiration Date of Commitment Period for Combined Service Types (N)

At the expiration of the commitment period for a combined service type, the customer has the following options:

(a) Extend the expiration date of the commitment period to a longer commitment period for a customer-subscribed service type under CDP. The customer shall receive the same TPP rate or discount percentage, as applicable, that it received prior to such extension.

For example, assume that a customer has a combined service type with a five (5) year commitment for Switched Access DS3 service. Assume also that the longest commitment period the customer has under CDP is a seven (7) year commitment on Special Access DS1 service with two (2) years remaining on the commitment period for that service. The customer may extend the expiration of the Switched Access DS3 service commitment period for two (2) additional years at the five (5) year Switched Access DS3 service rates.

(i) If the customer chooses to extend the expiration date for one (1) or both of the service types offered under a combined service type, the new minimum commitment level will be the higher of (1) the then existing commitment level for the combined services; or (2) at least ninety percent (90%) of the total number of in service channel terminations for the combined service type.

(ii) Time in service credit is not applicable when extending the commitment period. All terms and conditions of CDP, including termination liability, will apply to the new CDP commitment period. During the period of the extension, the customer is still subject to the true-up process as set forth in 25.1.7. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(D) Extension of a Commitment Period (Cont'd)

(3) Extend Expiration Date of Commitment Period for Combined Service Types (Cont'd)

(b) The customer may extend the expiration date of the shorter commitment period of a combined service type to the expiration date of the longer commitment period of the other service type that is part of the combined service type. During any such extension period, the customer is eligible for the higher discount associated with the longer commitment period of the service type that is expiring. The discounts are described in 25.1.4 preceding. (N)

For example, assume that a customer has a combined service type with a five (5) year plan for Switched Access DS1 service (which entitles the customer to thirty percent (30%) discount off month-to-month rates) that is expiring. Assume also that a customer has a seven (7) year plan for Special Access DS1 service (which entitles the customer to a seven (7) Year TPP rate) that has two (2) years remaining in the commitment period. The customer may extend the expiration date of the Switched Access DS1 service by two (2) years to match the expiration date of the Special Access DS1 service. The customer may also select the seven (7) year discount percentage associated with the Switched Access DS1 service (which entitles the customer to thirty-five percent (35%) discount off month-to-month rates) for the remaining two (2) years of the commitment period.

(i) If the customer chooses to extend the expiration date for one (1) or both of the service types offered under a combined service type, the new minimum commitment level will be the higher of (1) the then existing commitment level for the combined services; or (2) at least ninety percent (90%) of the total number of in service channel terminations for the combined service type.

(ii) Time in service credit is not applicable when extending the commitment period. All terms and conditions of CDP, including termination liability, will apply to the new CDP commitment period. During the period of the extension, the customer is still subject to the true-up process as set forth in 25.1.7. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(E) Cancellations (N)

Except as set forth in 25.1.8(D)(1) and 25.1.6(C) preceding, cancellation of a CDP will result in the application of termination liability as set forth in 25.1.9 following.

(F) Time In-Service Credit

(1) Time in-service credit (TISC) will be granted for each service type being converted from a TPP to the CDP if at least one (1) of the services of the type being converted has been under its TPP for at least two (2) years.

(2) TISC will be applied to the end of the CDP commitment period. TISC reduces the number of months from the end of the selected commitment period to which termination liability charges are applicable. There will be no change to the CDP commitment period. For example, a commitment period of five (5) years with one (1) year of TISC granted is still a commitment period of five (5) years, however, the customer will not be subject to termination liability after month forty-eight (48) (i.e., 5 years minus TISC of 1 year = 4 years) if the customer cancels or terminates the CDP prior to the end of the commitment period. The amount of TISC granted for each eligible service type is determined as follows.

(3) In order to calculate the applicable TISC, first, determine the amount of time spent under a TPP in the table below. Second, determine the customer's selected CDP commitment period. Third, determine the TISC using the table and criteria set forth below. If the customer selects a CDP commitment period of equal or greater length than the amount of time spent under a TPP, the TISC associated with the Time In-Service for the TPP shall apply. If the customer selects a CDP with a shorter term than the amount of time spent under a TPP, the TISC associated with the CDP term shall apply.

For example, if a customer has service under a TPP for thirty-eight (38) months, but chooses a CDP with a commitment period of only three (3) years (i.e., three (3) year term for CDP is less than the thirty-eight (38) months spent under TPP), the TISC would be six (6) months which is the maximum TISC for a three (3) year CDP commitment period. Alternatively, as an example, if the customer had two (2) years of service under a TPP, but chooses a CDP commitment period for that service type of seven (7) years (i.e., seven (7) year CDP commitment period is longer than the two (2) year time spent under TPP), the TISC would be three (3) months credit, which is the maximum TISC available having satisfied a two (2) year TPP commitment period. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(F) Time In-Service Credit (Cont'd) (N)

Time In-Service for TPP	CDP Term	Time In-Service Credit for CDP
24 months	2 Years or Longer	3 months credit
25 to 36 months	3 Years or Longer	6 months credit
37 to 60 months	5 Years or Longer	12 months credit
61 months or greater	7 Years or Longer	18 months credit

(G) Nonrecurring Charges

When service is newly installed under a CDP, the channel termination nonrecurring charge that applies is $1.00, which applies in lieu of any applicable nonrecurring charge specified in Section 6.8 for Switched Access, Section 7.5.16 for Special Access, or Section 7.5.21(C) for IEF.

25.1.9 Termination Liability

(A) Termination liability applies to all services included in the CDP (1) when one or more service types in the CDP are disconnected, cancelled, or terminated prior to the end of the customer selected commitment period for each such service type, unless such cancellation is associated with the extension of a commitment period as set forth in 25.1.8(D)(1) preceding; or (2) when all services in the CDP are disconnected, cancelled, or terminated prior to the end of the customer selected commitment period. The only exception to the foregoing shall be termination by customer in accordance with 25.1.6(C) preceding for which the customer shall not be charged termination liability in accordance with this section for the specific service type terminated. If the customer terminates another service type not subject to 25.1.6(C) preceding, then the customer shall be subject to termination liability for the other service types in accordance with this section.

(B) The termination liability charge applies in addition to any applicable minimum period charges as set forth in 25.1.10 following.

(C) There are two methods (i.e., Option 1 or Option 2) of determining and calculating the termination liability charge, except for IEF services for which termination liability charges shall be calculated using Option 1 only. The Telephone Company will calculate the charge using both methods, and apply the method that produces the lesser termination liability charge. (N)

Lataille/Jordan/Slattery Reply Decl. - Exhibit 9

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(C) (Cont'd)

(1) Option 1 Termination Liability Charge Method and Calculation (N)

(a) Under Option 1, the termination liability charge is fifty percent (50%) of the applicable monthly rates for each month or fraction thereof remaining in the selected commitment period, less any TISC which may be applicable. The termination liability charge applies in addition to the charge associated with satisfying the minimum period requirement as set forth in 25.1.10 following.

(b) The termination liability charge will be calculated as follows:

(Step 1) The Telephone Company will conduct a final true-up to determine the average number of equivalent DS0 Channel Terminations in service since the last true-up was performed and the total dollar amount for each service type since the last true-up was performed.

(Step 2) Using the data from Step 1, the Telephone Company will calculate an average rate per equivalent DS0 by dividing the total dollar amount from Step 1 by the DS0 channel terminations, each as calculated in accordance with Step 1 above.

(Step 3) The Telephone Company will multiply the following: (A) the average rate per equivalent DS0 from Step 2 times (B) 50 percent (50%) times (C) the number of equivalent DS0s which comprise minimum commitment times (D) the number of months from the end of the minimum period requirement to the end of the commitment period, less any TISC which may be applicable.

For example, assume the average rate per equivalent DS0 is $1, the number of DS0s which comprise the minimum commitment is 10,000, and the number of months from the end of the minimum period requirement to the end of the five (5) year commitment period, less any TISC which may be applicable, is two (2) years. The calculation would be as follows:

(($1 times 50%) times 10,000 DS0 equivalents) times 24 months = $120,000)

(c) The amount due from the customer is not subject to any late payment factor as specified in Section 2.4.1 preceding. However, a late payment factor will apply in accordance with Section 2.4.1 preceding if such amount is not paid by the bill due date of the month in which such amount first appears on the bill. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(C) (Cont'd)

(2) Option 2 Termination Liability Charge Method and Calculation (N)

(a) Termination liability under Option 2 will be calculated using either Method A or Method B as set forth following.

Method A: Where the customer has not maintained the service for the lowest available commitment period offered under CDP for a particular service type (e.g., less than two (2) years for Switched Access DS1 service), the termination liability charge will be the difference between (1) the total dollar amount of the full (non-discounted) monthly rates; and (2) the total dollar amount of the discounted monthly rates for the period of time that the plan was in effect.

For example, assume a customer with a five (5) year commitment period for Switched Access DS1 service is billed $10,000 per month in discounted monthly charges for these services. In accordance with 25.1.4, this monthly rate reflects a thirty percent (30%) discount from non-discounted monthly rates. Also assume that the customer disconnects all Switched Access DS1 services in CDP after eighteen (18) months. Hence, the customer's termination liability is calculated in accordance with Method A since the customer has not met any CDP commitment for Switched Access DS1 service. The non-discounted monthly rate is $14,286. This is calculated using the following equation:

$10,000 divided by (1 minus .30) = $14,286

The customer would be charged termination liability of $77,148, which is the difference between $14,286 (the non-discounted monthly rate) and $10,000 (the monthly discounted five (5) year rate) for each of the eighteen (18) months the customer was subscribed to CDP.

($14,286 minus $10,000) times 18 months = $77,148 (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(C) (Cont'd)

(2) Option 2 Termination Liability Charge Method and Calculation (Cont'd)

(a) (Cont'd)

Method B: Where there is a CDP commitment period for the particular service type that is less than or equal to the actual time the service type under CDP has been in effect, the termination liability charge will be the difference between (1) the total dollar amount of the discounted monthly rates resulting from the highest CDP commitment period that could have been satisfied prior to disconnection of service or cancellation of the plan; and (2) the total dollar amount of the discounted monthly rates resulting from the CDP which was selected by the customer for the period of time that the plan was in effect. (N)

For example, assume a customer with a five (5) year commitment period for Switched Access DS1 service is billed $10,000 per month in discounted monthly charges for these services. In accordance with 25.1.4 preceding, this monthly rate reflects a thirty percent (30%) discount from non-discounted monthly rates. Also assume that the customer disconnects all Switched Access DS1 services in CDP after three (3) years. Hence, the customer's termination liability is calculated in accordance with Method B since the customer has not met the three (3) year CDP commitment for Switched Access DS1 service. The discount associated with a three (3) year term for Switched Access DS1 service is twenty percent (20%). The non-discounted monthly rate is $14,286. This is calculated using the following equation:

$10,000 divided by (1 minus .30) = $14,286

To determine the monthly rate for the three (3) year period the service was in affect, use the following equation

$14,286 times (1 minus 0.2) = $11,429

The customer would be charged termination liability of $51,444, which is the difference between $11,429 (monthly discounted three (3) year rate) and $10,000 (monthly discounted five (5) year rate) for each of the three (3) years they were subscribed to CDP.

($11,429 minus $10,000) times 36 months = $51,444 (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(C) (Cont'd)

(2) Option 2 Termination Liability Charge Method and Calculation (Cont'd)

(b) The above steps will be repeated for each service type included in the CDP plan. Upon determining the total termination liability for all service types under Option 2, the Telephone Company will compare the termination liability charge calculated under Option 2 with the termination liability charge calculated under Option 1, and shall apply the method that produces the lesser termination liability charge. For example, if the termination liability charge under Option 1 were calculated at $120,000 and the termination liability charge calculated under Option 2 (Method B) was $51,444; the $51,444 under Option 2 (Method B) would apply. (N)

(c) For services based on TPP rates, the discount percentage is calculated as one (1) minus the percentage difference between the discounted channel termination rate applied and the month-to-month rate for the channel termination.

(i) Prior to subtracting the percentage difference from the number one (1), the percentage difference shall be converted to a positive (+) number.

For example, assume that the month to month TPP rate for Special Access DS1 service is $100 and that the discounted TPP rate is $70. The percentage difference is calculated by the following equation:

(70 minus 100) divided by 100 = -0.3.

(ii) To calculate the discount percentage, the percentage discount -0.3 shall be converted to a positive (+) number prior to subtracting it from number one (1). In this example, the calculation of the discount percentage shall be 1 minus (+0.3) which equals 0.7.

25.1.10 Minimum Period

The minimum period for any service provided under the CDP is one (1) year. When a service is disconnected prior to the expiration of the minimum period, the customer shall be responsible for charges for the balance of the minimum period. The calculation for the Minimum Period Charge will be determined as set forth in Section 5.2.6 preceding. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.11 Coterminous Plans (N)

(A) Upon establishment of a new commitment period under CDP under this tariff (excluding any extensions pursuant to 25.1.8(D)(2) or (3), a customer will have the option to match the plan's expiration date with the expiration date for each service type offered under a CDP in the Telephone Company's Tariff F.C.C. No. 11, provided that, the selected services are under the same length term plan in both tariffs, and provided further that, there is at least fifty percent (50%) of the time remaining in the CDP term in Tariff F.C.C. No. 11. If the same term plan lengths are not available in both tariffs (e.g., DS3), the selected service must be the longest term plan length available in this tariff. The rates, terms, and conditions associated with each service will be provided pursuant to the tariff from which the service was ordered. (x) (x) (x)

(B) TISC, when applicable, will be adjusted when the customer elects coterminous plans. The number of months of TISC shall be the difference between (a) the TISC available to the customer on the new CDP under this tariff calculated in accordance with 25.1.8(F) preceding; and (b) the number of months or fraction thereof that the new CDP commitment period under this tariff is reduced in order to make that date coterminous with the expiration date of the customer's commitment period under CDP in Tariff F.C.C. No. 11. No TISC will be applied if the difference from the prior sentence (i.e., (a) minus (b)) results in a net TISC that is less than or equal to zero (0). (x)

Example 1:
Assume a customer establishing a seven (7) year CDP under this tariff is eligible to receive eighteen (18) months of TISC for the period of time the service was under a TPP. Assume the customer also has an existing seven (7) year CDP in Tariff F.C.C. No. 11 for the same service type with six (6) years remaining in the seven (7) year commitment period (i.e., one (1) year has elapsed). In order to make the plans coterminous, the customer's new commitment period for this service type under this tariff would be six (6) years (or a reduction of one (1) year from the full commitment period of seven (7) years that the customer would otherwise have subscribed to on a seven (7) year plan). The customer is eligible to make the new plan under this tariff coterminous with the commitment period for the same service type under Tariff F.C.C. No. 11 because the selected services are under the same length term plan in both tariffs (i.e., seven (7) years), and there is at least fifty percent (50%) of the time remaining in the CDP term in Tariff F.C.C. No. 11 (i.e., only one (1) year out of six (6) years have elapsed). (x) (x) (x) (x) (N) (x)

(x) Issued under authority of Special Permission No. 04-042 of the Federal Communications Commission

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.11 Coterminous Plans (Cont'd)

(B) (Cont'd)

Example 1 (Cont'd)

In this case, the customer would be eligible for TISC under the new CDP in this tariff of only six (6) months in lieu of the eighteen (18) months of TISC that would have been granted if coterminous expiration dates had not been established (i.e., eighteen (18) months of TISC less one (1) year reduction for the coterminous expiration date equals six (6) months of TISC). (N)

Example 2:
If the customer in Example 1 was only eligible for six (6) months of TISC under this tariff, no TISC would be granted if coterminous expiration dates had been established (i.e., six (6) months of TISC less one (1) year reduction for the coterminous expiration date equals a negative TISC and therefore, no credit is granted). (N)

REPLY DECLARATION OF RONALD H. LATAILLE, MARION C. JORDAN, AND JULIE K. SLATTERY

EXHIBIT 10

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.5 Changes to the Discount Percentage

For services using discount percentages, the discount percentage will not be subject to Telephone Company initiated decreases during the commitment period. For example, if the Telephone Company initiates a decrease in the discount percentage for a particular commitment period from 25 percent to 20 percent, the existing discount percentage of 25 percent will continue to be applied through the balance of the customer's commitment period. (C)

If the Telephone Company initiates an increase in the discount percentage during the commitment period, the increased discount percentage will be used to determine the rates applicable to the customer. For example, if the Telephone Company initiates an increase in the discount percentage for a particular commitment period from 25 percent to 30 percent, the new 30 percent discount will be applied through the balance of the customer's commitment period.

25.1.6 Changes to the IEF Term Plan Rates (N)

If the Telephone Company initiates a decrease in the IEF Term Plan rates during the commitment period, the decreased rates shall apply to all services under the CDP which bill such IEF Term Plan rates as set forth above. If the Telephone Company initiates an increase in the IEF Term Plan rates during the commitment period, the increased rates shall apply to all services under the CDP which bill such IEF Term Plan rates, subject to the applicable regulations set forth in this tariff, including Section 26.1.4 following. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount (T)

The Telephone Company shall apply the discount percentage on a monthly basis during the commitment period to each Channel Termination, Channel Mileage, Optional Feature or Function or BSE, (C)
IEF Termination or IEF Interface monthly rate element. (C)

The customer may exceed its minimum commitment by up to thirty percent (i.e., the maximum service level), for example, if the minimum commitment is 10,000 equivalent DS0s, the maximum service level would be 30% greater or 13,000 equivalent DS0s which will receive the discount.

Beginning on month six and every six months thereafter, the Telephone Company will conduct a true-up which compares the average number of equivalent DS0s actually in service over the preceding six months to the average number of equivalent DS0s which comprise the minimum commitment. The true-up process will determine if the customer has not met its minimum commitment, has met its minimum commitment and is below the maximum service level, or has met its minimum commitment and exceeded the maximum service level.

For purposes of applying the discount percentage and administering the terms and conditions of the Commitment Discount Plan, service provided as part of a Shared Use Arrangement is considered to be completely Switched Access or completely Special Access as determined by the type of facility ordered to the Hub.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount (Cont'd) (T)

If the customer failed to maintain its minimum commitment for a service type or combined service type over the preceding six months, the customer shall be assessed an amount equal to the difference between the total dollar amount associated with that service type or combined service type over the preceding six months and the total dollar amount associated with that service type or combined service type which would have been applied over the preceding six months had the minimum commitment been satisfied. The Telephone Company will calculate the difference as follows.

(Step 1) The Telephone Company will calculate the average number of DS0 equivalent Standard Channel Terminations which were in service over the preceding six months by summing the actual number of DS0 equivalent Standard Channel Terminations for each of the last six months, adjusting the minimum commitment for any service upgraded as described in 25.1.3 preceding, and dividing by six. The resulting number represents the average equivalent DS0 Standard Channel Terminations per month (i.e., monthly equivalent DS0 count).

(Step 2) The Telephone Company will calculate the average rate assessed per DS0 equivalent by first summing the total monthly charges associated with all channel terminations, channel mileage and optional features and functions or BSEs rate elements for that type of service or combined service type over the preceding six months and dividing by six. The resulting amount is then divided by the average monthly equivalent DS0 count determined in Step 1.

(Step 3) The Telephone Company will calculate the average minimum commitment for that service type or combined service type by first summing the minimum commitment for each of the preceding six months, adjusting the minimum commitment for service upgrades as described in 25.1.3 preceding, and dividing the resulting total by six. The resulting number represents the average minimum commitment for the preceding six months.

(Step 4) The Telephone Company will determine the shortfall by subtracting the average number of equivalent DS0s in service as determined in Step 1 from the number of equivalent DS0s which comprise the average minimum commitment.

(Step 5) To determine the amount due from the customer, the Telephone Company will multiply the average rate per equivalent DS0 determined in Step 2 by the shortfall determined in Step 4 and multiply the resulting amount by six. The amount due is not subject to any late payment factor as specified in Section 2.4.1 preceding.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.7 Application of the Discount (Cont'd) (T)

If the customer has satisfied its minimum commitment and is below the maximum service level for the preceding six months, no corrective action will be taken.

If the customer has satisfied its minimum commitment for the preceding six months but exceeded its maximum service level, the Telephone Company will apply an adjustment in order to true-up the discount which was applied in excess of that allowed by the maximum service level. The true-up will result in an adjustment (charge up) of the discounted excess amount back to standard, non-discounted rates, unless the customer elects to increase its minimum commitment upward to at least 90% of the total number of DS0 equivalent Standard Channel Terminations for the type of service or combined service type involved at the time the true-up was performed. If an adjustment is to be applied, the Telephone Company will calculate the adjustment as follows.

(Step 1) The Telephone Company will calculate the average number of equivalent DS0 Standard Channel Terminations which were in service over the preceding six months by summing the actual number of equivalent DS0s for each of the last six months, adjusting the minimum commitment for any service upgraded as described in 25.1.3 preceding, and dividing the resulting total by six. The resulting number represents the average monthly equivalent DS0 Standard Channel Termination count (i.e., monthly equivalent DS0 count.)

(Step 2) The Telephone Company will calculate the average rate assessed per equivalent DS0 by first summing the total reduced monthly charges associated with all channel termination, channel mileage, optional features or functions or BSEs and IEF (C)
terminations or IEF interfaces rate elements for the preceding six (C)
months and dividing by six. The resulting amount is then divided by the average monthly equivalent DS0 count determined in Step 1.

(Step 3) The Telephone Company will calculate the average minimum commitment by first summing the minimum commitment for each of the preceding six months and dividing by six. The resulting number represents the average minimum commitment for the preceding six months.

(Step 4) The Telephone Company will determine the maximum service level by multiplying the minimum commitment by 1.3 (i.e., the minimum commitment plus thirty percent).