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22. Discount Plans

The following discount plans are available to all customers who purchase the applicable services and meet the requirements for each such discount plan, as set forth in Section 22.1 following for National Discount Plan.

22.1 National Discount Plan#

22.1.1 General

(A) Overview

The National Discount Plan (NDP) is an optional discount plan that allows the NDP Customer to aggregate its Qualifying Services on a national basis. The NDP provides discounts on certain rate elements of Qualifying Services. The level of discount received by the NDP Customer corresponds to the NDP Customer's quantities of Qualifying Services, the customer's selection of a Commitment Matrix Option, and the Plan Year.

Subject to Section 1.1 preceding, the Telephone Company manages an NDP as a single plan and applies tariffed and detariffed rates, terms and conditions as applicable. Any references to detariffed services are solely to assist in understanding the overall plan and shall not be construed to mean that such services are offered under this tariff or are subject to Section 203 of the Act. (N) | | (N)

(B) Specific Terms and References

Unless otherwise defined in this tariff, the following terms are used in this Section 22.1. References to other sections of Section 22.1 are provided for further information on each term.

(1) **Achieved Discount Tier**: shall mean the Discount Tier (as determined in the Annual True-Up) that the NDP Customer could have achieved during the Annual True-Up Period.

(2) **ACNA:** shall mean Access Customer Name Abbreviation, as such term is generally understood in the Telecommunications Industry to be the name abbreviation for a purchaser of Special Access Services and Facilities for Interstate Access.

(3) **Actual Increase**: shall mean a measurement used in calculating the CBB Discount, that measures the difference between (i) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month one (1) of the Annual True-Up Period; and (ii) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month twelve (12) of the Annual True-Up Period.

(4) **Anniversary Date**: shall mean each twelve (12) month anniversary of the NDP Start Date during the Term.

Effective May 30, 2019 , subscriptions to new NDP are no longer permitted. Subject to Section 1.1 preceding, the Telephone Company will continue to provide NDP pursuant to this Section 22.1 on any existing NDP that was in-service as of May 30, 2019 (Existing NDPs), subject to the following conditions: (C) (T) (T)

- The Telephone Company will continue to provide Existing NDPs until (i) the customer discontinues NDP; or (ii) the current commitment period expires, whichever comes first.
- Renewal of an Existing NDP is not permitted.

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22. Discount Plans (Cont'd)

22.1 National Discount Plan# (Cont'd) (T)

22.1.1 General (Cont'd)

(B) Specific Terms and References (Cont'd) (M)

(5) **Annual True-Up**: shall mean the true-up conducted by the Telephone Company following the end of each Plan Year during which the Telephone Company shall measure, among other things, whether the NDP Customer has met and/or exceeded the Commitment Level and the Discount Tier for the Annual True-Up Period, as more specifically described in Section 22.1.7 following. A Final True-Up shall be conducted in accordance with Section 22.1.14(B)(1) following.

(6) **Annual True-Up Period**: shall mean the most recent Plan Year that has just been completed for which the Annual True-Up is being conducted.

(7) **Assigned Discount Tier:** shall mean the applicable Discount Tier that was in effect during an Annual True-Up Period.

(8) **Average Monthly Rate Per Equivalent DS1 CM**: shall mean the rate as calculated in accordance with Section 22.1.7(C)(2) following. (M)

Service availability limited. Refer to # footnote on Page 22-1. (N)

Certain material on this page formerly appeared on 1st Revised Page 22-1.

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22. **Discount Plans** (Cont'd)
22.1 **National Discount Plan#** (Cont'd)
22.1.1 **General** (Cont'd)
(B) Specific Terms and References (Cont'd)

(9) **Average Monthly Rate Per Equivalent DS1 CT**: shall mean the rate as calculated in accordance with in Section 22.1.7(C)(1) following.

(10) **Channel Termination(s)**: shall mean the applicable Special Access channel terminations for Qualifying Services (as used in the Telephone Company's Tariff FCC No. 1 (FCC1) and the Telephone Company's Tariff FCC No. 11 (FCC11)), the applicable Special Access Lines (SAL(s)) for Qualifying Services (as used in the Telephone Company's Tariff FCC No. 14 (FCC14)), and the applicable Circuit Terminations for Qualifying Services (as used in this tariff) as follows:

(a) Channel Terminations for Special Access DS1 Services which are described in Section 7.2.9 of FCC1, Section 7.2.9 of FCC11, Section 5.3.6 of FCC14, and Section 7.11.1 preceding of this tariff; and
(b) Channel Terminations for Special Access DS3 Services using electrical and optical interfaces which are described in Section 5.3.6 of FCC14, and Section 7.11.1 preceding of this tariff, and
(c) Secondary Channel Terminations for Special Access DS3 Services using electrical and optical interfaces which are described in Section 7.2.9 of FCC1, and Section 7.2.9 of FCC11; and (D)
(d) Channel Terminations for IEF Services.

(11) **Channel Termination Revenue Cap**: shall mean the total discounted monthly revenues associated with all in-service channel termination rate elements for Equivalent DS1 CTs for month one of the NDP multiplied by the appropriate Commitment Level percentage (e.g., 92% for Deluxe). In the event the Commitment Level changes, (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the Channel Termination (CT) Revenue Cap.

(12) **Channel Mileage**: shall mean the applicable channel mileage for Qualifying Services, the applicable Special Transport for Qualifying Services and the applicable Circuit Mileage for Qualifying Services. (D) (D)

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(D)

(13) **Channel Mileage Revenue Cap**: shall mean the total discounted monthly revenues associated with all in-service channel mileage rate elements for Equivalent DS1 CMs for month one of the NDP multiplied by the appropriate Commitment Level percentage (e.g., 92% for Deluxe). In the event the Commitment Level changes, (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the Channel Mileage (CM) Revenue Cap.

(14) **Commitment Buy Up Bonus:** shall mean an option available to the NDP Customer which allows the NDP Customer to increase (buy-up) their CT Commitment Level and/or their CM Commitment Level, and receive a discount one or both Commitment Levels, as described in Section 22.1.7(E) following.

(15) **CBB Discount:** shall mean the Commitment Buy-Up Bonus Discount as described in Section 22.1.7(E) following.

Service availability limited. Refer to # footnote on Page 22-1.

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.1 **General** (Cont'd)

(B) Specific Terms and References (Cont'd)

(16) **Commitment Level**: shall mean the CM Commitment Level (i.e., the total number of Equivalent DS1 CMs) and/or the CT Commitment Level (i.e., the total number of Equivalent DS1 CTs) that the NDP Customer must commit to the NDP, as described further in Section 22.1.4 following. If the NDP Customer has Channel Terminations and Channel Mileage, then the NDP Customer must establish a separate Commitment Level for Channel Terminations (CT Commitment Level) and a separate Commitment Level for Channel Mileage (CM Commitment Level).

(17) **Commitment Matrix**: shall mean the Premier Commitment Matrix, the Standard Commitment Matrix or the Deluxe Commitment Matrix, as each is described in Section 22.1.4(C) following.

(18) **Discount Tier**: shall mean the tier in each of the tables set forth in Section 22.1.4(B) following into which the NDP Customer falls based on the actual quantities of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable.

(19) **Discount Tier Adjustment:** shall mean the adjustment (if applicable) to a higher or a lower Discount Tier based on the difference (if any) between the NDP Customer's Achieved Discount Tier and Assigned Discount Tier, as calculated during the Annual True-Up Period. See Section 22.1.7(D) following for further explanation.

(20) **Discounted Rate Elements**: shall mean those rate elements of the Qualifying Services that receive a discount under the NDP. A listing of the Discounted Rate Elements is set forth in Section 22.1.5(A) following.

(21) **Equivalent DS1 CTs**: shall mean the total number of equivalent DS1 Channel Terminations for Qualifying Services for the ACNA(s) included in NDP as determined in accordance with Section 22.1.4 following.

(22) **Equivalent DS1 CMs**: shall mean the total number of equivalent DS1 Channel Miles for Qualifying Services for the ACNA(s) included in NDP as determined in accordance with Section 22.1.4 following.

(23) **Reserved.**

(24) **IEF Services**: shall mean, as applicable, either (a) Special Access IntelliLight® Entrance Facilities STS1 terminations (excluding interface options) as described in Section 7.2.15 of FCC1, Section 26.1.4 of FCC11, Section 20.4 of FCC14, and Section 20.4 preceding of this tariff; or (b) Telephone Company provided SONET entrance facility STS1 terminations (excluding interface options) provided by the Telephone Company where such service is technically and operationally feasible, as determined by the Telephone Company.

(25) **Initial Term**: shall mean the five (5) year initial term of the NDP.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.1 **General** (Cont'd)

(B) Specific Terms and References (Cont'd)

(26) **Monthly Average Count of Equivalent DS1 CMs**: shall mean the average number of Equivalent DS1 CMs that were in-service during each month of the Annual True-Up Period, as calculated in accordance with Section 22.1.7(B)(1) following.

(27) **Monthly Average Count of Equivalent DS1 CTs**: shall mean the average number of Equivalent DS1 CTs that were in-service during each month of the Annual True-Up Period, as calculated in accordance with Section 22.1.7(B)(1) following.

(28) **Monthly Charges**: shall mean the dollar amount of monthly recurring charges billed by the Telephone Company for Discounted Rate Elements.

(29) **Monthly Shortage**: shall mean the difference between (i) the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, as applicable; and (ii) the NDP Customer's CT Commitment Level or CM Commitment Level, respectively.

(30) **NDP Customer**: shall mean collectively the subscribing customer (as defined in Section 2.6 preceding) and all Persons that are included in the same NDP.

(31) **NDP Start Date**: shall mean the start date of the NDP Customer's NDP as described in Section 22.1.2(A)(1) following.

(32) **Non-Discounted Billed Amounts**: shall mean the Monthly Charges for the Discounted Rate Elements that would have been billed if the discount percentages of the NDP had not been applied, as calculated in accordance with Section 22.1.7(D) following.

(33) **Person**: shall mean any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

(34) **Plan Year**: shall mean each 12 month period during the Term of the NDP commencing on the NDP Start Date and each Anniversary Date thereafter, as applicable.

(35) **Qualifying Services**: shall mean Special Access DS1 Services, Special Access DS3 Services and IEF Services provided by the Telephone Company to the NDP Customer as more specifically described in Section 22.1.3 following of this tariff, Section 25.3.3 of FCC1, Section 25.2.3 of FCC11, and Section 23.1.3 of FCC14.

(36) **Renewal Term**: shall mean any renewed 5-year period of the NDP.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.1 **General** (Cont'd)

(B) Specific Terms and References (Cont'd)

(37) **Sale Adjustment**: shall mean an adjusted amount of Equivalent DS1 CTs and an adjusted amount of Equivalent DS1 CMs which are no longer provided to the NDP Customer as a result of a Telephone Company Sale.

(38) **Shortfall Penalty**: shall mean a penalty assessed against the NDP Customer when it fails to meet its CT Commitment Level and/or CM Commitment Level, as applicable, as further described in Section 22.1.7(C) following.

(39) **Special Access DS3 Service**: shall mean Special Access DS3 High Capacity Service as described in Section 7.11 of this tariff, Special Access DS3 High Capacity/44.736 Mbps Service as described in Section 7.2.9 of FCC1, Special Access High Capacity 44.736 Mbps Service as described in Section 7.2.9 of FCC11, and Special Access High Capacity Digital DS3 Service as described in Section 5.3.6(E) of FCC14, and detariffed interstate Special Access DS3 High Capacity/44.736 Mbps Services provided by the Telephone Company. (C) (C)

(40) **Special Access DS1 Service**: shall mean Special Access DS1 High Capacity Service as described in Section 7.11 of this tariff, Special Access DS1 High Capacity/1.544 Mbps Service as described in Section 7.2.9 of FCC1, Special Access High Capacity 1.544 Mbps Service as described in Section 7.2.9 of FCC11, and Special Access High Capacity Digital DS1 Service as described in Section 5.3.6(A) of FCC14, and detariffed Special Access DS1 High Capacity/1.544 Mbps Service provided by the Telephone Company. (C) (C)

(41) **Subscription Date**: shall mean the date that the Telephone Company receives an executed and completed subscription document from the NDP Customer as described in Section 22.1.2(A) following.

(42) **Telephone Company Sale**: shall mean the sale or other divestiture of an operating territory or a portion of an operating territory of a Telephone Company, whereby the Telephone Company no longer provides Qualifying Services in such operating territory or portion of an operating territory.

(43) **Term**: shall mean the Initial Term, and any Renewal Term(s).

(44) **Upgrade or Upgraded**: shall mean the replacement of (i) a Qualifying Service with a Qualifying Service of a higher bandwidth or capacity (e.g., replacement of a Special Access DS3 Service with an IEF Service); or (ii) a Qualifying Service with another Telephone Company provided service of a higher bandwidth or capacity that is not a Qualifying Service (e.g., replacement of a Special Access DS3 Service with an Ethernet Service of a higher bandwidth).

(45) **Upgrade Adjustment**: shall mean an adjusted number of Equivalent DS1 CTs and an adjusted number of Equivalent DS1 CMs that were Upgraded by the NDP Customer during the Annual True-Up Period.

Service availability limited. Refer to # footnote on Page 22-1.

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.1 **General** (Cont'd)

(C) ACNAs Subscribing to NDPs Established Prior to July 16, 2016

(1) At the time of subscription to NDP, the subscribing customer must include all of its ACNAs in the NDP. The NDP Customer also has the option to include the ACNA(s) of one or more Person(s) in its NDP (subject to written authorization from the NDP Customer and the applicable Person(s)). In this case, the NDP Customer's NDP shall include (1) all of the subscribing customer's ACNA(s); and (ii) all of the ACNA(s) of the Person(s) that the subscribing customer wishes to include in its NDP (subject to written authorization from the NDP Customer and the applicable Person(s)).

(2) If, subsequent to the NDP Start Date, the NDP Customer wishes to add one or more ACNA(s) to its NDP for one of the following reasons, then all such ACNA(s) of the NDP Customer or Person(s), as applicable, shall be added to the NDP Customer's NDP at the time of the next Annual True-Up, in accordance with the terms set forth in Section 22.1.11 following.

(a) NDP Customer (at its option) wishes to include one or more Person(s) into its NDP that are not currently included in the NDP Customer's NDP (subject to written authorization from the NDP Customer and the applicable Person(s)); or

(b) NDP Customer or one of the Person(s) who is currently included in the NDP (at its option) has acquired one or more new ACNA(s) and wishes to include such ACNA(s) in the NDP Customer's NDP; or

(c) NDP Customer has acquired one or more ACNA(s) through merger, acquisition, or other transaction that are not currently included in the NDP Customer's NDP only when such ACNA(s) were already included in an NDP acquired by such merger, acquisition or other transaction. NDP Customer is not required to include ACNA(s) acquired through merger, acquisition, or other transaction that were not currently included in another NDP.

(3) No later than thirty calendar (30) days prior to each Anniversary Date, the NDP Customer must provide written notice to the Telephone Company indicating its intent to add such ACNA(s) to the NDP, and setting forth the affected ACNA(s) and the name of the Person (if applicable) who owns such ACNA(s).

(4) Once an ACNA is included in the NDP, it cannot concurrently be included in any other NDP. Combination or addition of ACNAs are further described in Section 22.1.11 following.

(5) For example, assume that a customer who has only one ACNA (ABC) subscribes to the NDP. Assume further that such NDP Customer has five (5) affiliates, but only wishes to include three (3) affiliates in its NDP as of the NDP Start Date. Assume also that each of the three (3) included affiliates each have one ACNA respectively (ACNAs LLL, MMM, and NNN, respectively). In this case, a single NDP will be established for the NDP Customer that includes the following ACNAs: ABC, LLL, MMM, and NNN. Assume further that during Plan Year 2, the NDP Customer decides to include its remaining two (2) affiliates in its NDP. Then, in accordance with this Section 22.1.1 and Section 22.1.11 following, the NDP Customer will include all of the ACNAs of such affiliates into the NDP.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.1 **General** (Cont'd)

(D) ACNAs Subscribing to NDPs Established on or after July 16, 2016

(1) At the time of subscription to NDP, the subscribing customer must designate to the Telephone Company its ACNAs that it wishes to include in the NDP. The NDP Customer also has the option to include some or all of the ACNA(s) of one or more Person(s) in its NDP (subject to written authorization from the NDP Customer and the applicable Person(s)).

(2) If, subsequent to the NDP Start Date, the NDP Customer adds one or more ACNA(s) to its NDP for one of the following reasons, then the subscribing customer must designate to the Telephone Company those ACNA(s) it wishes to have added to its NDP at the time of the next Annual True-Up, in accordance with the terms set forth in Section 22.1.11 following.

(a) NDP Customer (at its option) may include one or more Person(s) into its NDP that are not currently included in the NDP Customer's NDP (subject to written authorization from the NDP Customer and the applicable Person(s)); or

(b) NDP Customer or one of the Person(s) who is currently included in the NDP has acquired one or more new ACNA(s) and (at its option) wishes to include such ACNA(s) in the NDP Customer's NDP; or

(c) NDP Customer (at its option) may include one or more ACNA(s) into its NDP that are not currently included in the NDP Customer's NDP; or

(d) NDP Customer has acquired one or more ACNA(s) through merger, acquisition, or other transaction that is not currently included in the NDP Customer's NDP and such ACNA(s) was already included in an NDP acquired by such merger, acquisition or other transaction. NDP Customer is not required to include ACNA(s) owned by a Person that is not included in the NDP Customer's NDP or ACNA(s) acquired through merger, acquisition, or other transaction that was not currently included in another NDP.

(3) No later than thirty (30) calendar days prior to each Anniversary Date, the NDP Customer must provide written notice to the Telephone Company indicating its intent to add such ACNA(s) to the NDP, and setting forth the affected ACNA(s) and the name of the Person (if applicable) who owns such ACNA(s).

(4) Once an ACNA is included in the NDP, it cannot concurrently be included in any other NDP. Combination or addition of ACNAs are further described in Section 22.3.11 following.

(5) For example, assume that a customer who has only one ACNA (ABC) subscribes to the NDP. Assume further that such NDP Customer has five (5) affiliates, but only wishes to include three (3) affiliates in its NDP as of the NDP Start Date. Assume also that each of the three (3) included affiliates each have one ACNA respectively (ACNAs LLL, MMM, and NNN, respectively). In this case, a single NDP will be established for the NDP Customer that includes the following ACNAs: ABC, LLL, MMM, and NNN. Assume further that during Plan Year 2, the NDP Customer decides to include its remaining two (2) affiliates in its NDP. Then, in accordance with this Section 22.3.1 and Section 22.3.11 following, the NDP Customer will include all of the ACNAs of such affiliates into the NDP.

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.1 **General** (Cont'd)

(E) Subscription to Other Arrangements (D)

(1) At any time during the Term of the NDP, the NDP Customer may not simultaneously subscribe the Discounted Rate Elements for the ACNA(s) included in the NDP Customer's NDP to other existing or new arrangements (including a contract option, an individual case basis arrangement, specialized service arrangement (or the like), or other discount plan, such as DS1 Term Pricing Plans, subject to the exceptions set forth in Section 22.1.1(D)(1) following. Except as set forth in (D)(1)(a) through (e) following, if the NDP Customer subscribes to such other arrangement, then the NDP Customer shall be deemed to have terminated the NDP, and termination liability (as set forth in Section 22.1.13 following) shall apply. (D) | (D) (D)

(a) Unless specifically prohibited under a contract option, the NDP Customer may concurrently subscribe to and receive the benefits of the NDP and any existing or new contract option that provides discounts on a circuit specific basis on any Qualifying Service (including discounts or credits on Discounted Rate Elements); or (D) (D)

(b) Unless specifically prohibited under a contract option, the NDP Customer may concurrently subscribe to and receive the benefits of NDP and any existing or new contract option that provides discounts for achieving certain aggregate volume or revenue targets for IEF Services; or (D) (D)

(c) The specific arrangement (including the contract option) specifically permits concurrent subscription to the NDP and the applicable contract option; or (D) (D)

(d) The NDP Customer may subscribe concurrently to the NDP and an IEF term plan or an IEF Commitment Discount Plan; or

(e) The NDP Customer may concurrently subscribe Qualifying Services ordered on or after July 16, 2016 to other existing or new arrangements as long as said Qualifying Services are for an ACNA that is not included in the NDP Customer's NDP. (T) (D)

Service availability limited. Refer to # footnote on Page 22-1.

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.2 **Subscription**

(A) Subscription Requirements

The NDP Customer's request for subscription to the NDP must be in writing, must be signed by an authorized representative of the NDP Customer, and must be in a manner prescribed by the Telephone Company. In addition, the written request must include all of the following:

(1) NDP Start Date

Notwithstanding a different Subscription Date, the NDP shall start on one of the following dates as determined below:

(a) If the NDP Customer's Subscription Date to NDP is on or before the fifteenth (15th) calendar day of a month, the NDP Start Date shall be the first (1st) calendar day of the month following the Subscription Date. Application of discounts under the NDP shall begin with the first calendar day in the month following the Subscription Date. For example, assume the NDP Customer's Subscription Date to NDP is July 6th. Then, the NDP Start Date is August 1 and discounts under the NDP shall begin on August 1st.

(b) If the NDP Customer's Subscription Date to NDP is after the 15th calendar day of a month, the NDP Start Date shall be the 1st calendar day of the second calendar month following the Subscription Date. Application of discounts under the NDP shall begin with the first calendar day in the second month following the Subscription Date. For example, assume the NDP Customer's Subscription Date to NDP is July 17th. Then, the NDP Start Date is September 1st and discounts under the NDP shall begin on September 1st.

(2) Actual Quantities of Channel Terminations and Channel Mileage for Qualifying Services

The Telephone Company shall calculate and provide to the NDP Customer the actual quantities of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP during the month prior to the Subscription Date. The Telephone Company's records regarding the actual number of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP shall be deemed accurate in the case of any discrepancy between the NDP Customer's records and the Telephone Company's records. In accordance with Section 22.1.4 following, the Telephone Company shall derive the Equivalent DS1 CTs and the Equivalent DS1 CMs from the actual quantities of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP.

(3) Discount Tier

Based on the Equivalent DS1 CTs and Equivalent DS1 CMs determined in (2) above, the Telephone Company will determine the Discount Tier that the NDP Customer falls into in each of the applicable tables set forth in Section 22.1.4(B) following.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.2 Subscription (Cont'd)

(A) Subscription Requirements (Cont'd)

(4) Commitment Matrix and Commitment Levels

The NDP Customer must specify a Commitment Level by selecting from one of the following three (3) Commitment Matrix options: (1) Premier Commitment Matrix, as described in Section 22.1.4(C)(1) following; and (2) Standard Commitment Matrix, as described in Section 22.1.4(C)(2) following; and (3) Deluxe Commitment Matrix, as described in 22.1.4(C)(3) following. The NDP Customer's choice of the Commitment Matrix determines (a) the number of Equivalent DS1 CTs and/or Equivalent DS1 CMs that the NDP Customer must commit to the NDP; and (b) the discount on Discounted Rate Elements provided under the NDP.

(5) BANs

The NDP Customer must specify a BAN, per state (for each operating territory included in this tariff), against which the Telephone Company will apply adjustments (including Shortfall Penalties as set forth in Section 22.1.7(C) following, Discount Tier Adjustments as set forth in Section 22.1.7(D) following, and CBB Discounts as set forth in Section 22.1.7(E) following) associated with the NDP.

(6) ACNA(s)

For customers subscribing to NDP on or after July 16, 2016, the NDP Customer must specify the ACNA(s) it wishes to include in NDP in accordance with Section 22.1.1(D)(1) preceding.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.3 **Qualifying Services**

(A) Inclusion of Qualifying Services in NDP

The Qualifying Services are included in the NDP for purposes of determining the Equivalent DS1 CTs and Equivalent DS1 CMs.

(1) If the NDP Customer purchases one or more of the Qualifying Services under this tariff, and/or under FCC1, and/or FCC11 and/or FCC14, and/or on a detariffed basis, and subscribes to the NDP, the NDP Customer's NDP must include the Qualifying Services in the quantities set forth in (B) following that are purchased for the ACNA(s) included in NDP. For each Qualifying Service, the NDP Customer must include all quantities (i.e., one hundred percent (100%)) of such Qualifying Service purchased for the ACNA(s) included in NDP. (C) (D) (D)

(2) The NDP will be administered as a single discount plan across all of the Telephone Company's operating territories for which a single set of Commitment Levels, Discount Tiers, and Term shall apply. (C) (C)

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Service availability limited. Refer to # footnote on Page 22-1.

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.3 **Qualifying Services**

(B) Qualifying Services

Subject to the terms of Section 22.1.1(D) preceding, the applicable percentage (as listed below) of each Qualifying Service provided by the Telephone Company to the NDP Customer pursuant to this tariff, FCC1, FCC11, FCC14, and on a detariffed basis for the ACNA(s) included in the NDP Customer's NDP, shall be included in the NDP at the time of subscription to NDP and, as applicable, at any time during the Term when the NDP Customer purchases additional quantities of such Qualifying Services. (C)

(1) All quantities (one hundred percent (100%)) of Special Access DS1 Service Channel Terminations;

(2) All quantities (one hundred percent (100%)) of Special Access DS3 Service Channel Terminations (including Individual System, 3 System, and Unlimited System configurations, and 12 Capacity System configurations); (D)

(3) All quantities (one hundred percent (100%)) of Special Access DS1 Service Channel Mileage (see Notes 1 and 3);

(4) All quantities (one hundred percent (100%)) of Special Access DS3 Service Channel Mileage (including Individual System, 3 System, and Unlimited System configurations, and Individual System, 3 Capacity System, 12 Capacity System and Unlimited System configurations); (D) (D)

(5) All quantities (one hundred percent (100%)) of IEF STS1 Channel Terminations.

(C) Shared Use Arrangements

For Qualifying Services that are provided as part of a Shared Use Arrangement as set forth in Section 7.2.5 preceding, the Special Access DS3 Service or Special Access DS1 Service will be included in the NDP. The Switched Access Portion for such services of the Shared Use Arrangement will not be included in the NDP or be subject to discounting under the NDP.

(D) Reserved for Future Use (C)

(D)
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(D)

Note 3: The MetroLAN Optional Arrangement is not a Qualifying Service. (D)
Service availability limited. Refer to # footnote on Page 22-1.

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.3 **Qualifying Services** (Cont'd)

(D)

(D)

(E) Addition of Services and Removal of Services

(1) Addition of Services

(a) The NDP Customer may add Special Access DS3 Service and Special Access DS1 Service for the ACNA(s) included in the NDP Customer's NDP at any time during the Term of the NDP. Qualifying Services are added to the NDP for the remainder of the Term (i.e., on a coterminous basis). The NDP Customer may add Special Access DS3 Service and Special Access DS1 Service for ACNA(s) not included in NDP only if it adds the ACNA(s) to the NDP Customer's NDP pursuant to Section 22.1.11 following.

(b) When the NDP Customer adds one or more IEF Services during the Term of the NDP, the added IEF Service will be added to the NDP solely for the purpose of calculating the number of Equivalent DS1 CTs and/or the number of Equivalent DS1 CMs used to administer the NDP.

(2) Removal of Services

(a) When the NDP Customer removes one or more Special Access DS3 Services or Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP, but not all Special Access DS3 Services and Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP, from NDP at any time during the Term, no termination liability charge applies.

(b) When the NDP Customer removes one or more IEF Services for the ACNA(s) included in the NDP Customer's NDP during the Term of the NDP, no termination liability under this Section 22.1 applies. However, the NDP Customer may be subject to (i) termination liability under its applicable term plan for IEF Service.

(c) When the NDP Customer removes all Special Access DS3 Services and all Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP from the NDP (i.e., the NDP Customer cancels its NDP in its entirety), termination liability applies in accordance with Section 22.1.13 following.

Service availability limited. Refer to # footnote on Page 22-1.

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.4 **Commitment Levels and Discount Tiers**

(A) Calculation of Equivalent DS1 CTs and Equivalent DS1 CMs

In order to establish Commitment Levels and Discount Tiers, Equivalent DS1 CTs and Equivalent DS1 CMs must be determined. Based on the actual quantities of Channel Terminations and Channel Mileage for the ACNA(s) included in the NDP Customer's NDP, and the percentage of each Qualifying Service that must be included in the NDP (i.e., 100% or 75%, as applicable), as set forth in Section 22.1.3(B) preceding, the Telephone Company will calculate the Equivalent DS1 CTs and Equivalent DS1 CMs.

(1) The Equivalent DS1 CTs shall be calculated as follows:

(Step 1) Determine the actual quantity of Channel Terminations for each Qualifying Service for the ACNA(s) included in the NDP Customer's NDP. (D)

(Step 2) Multiply the actual quantity of Channel Terminations for such Qualifying Service by 100% if the Qualifying Service is Special Access DS1 Service, Special Access DS3 Services, or an IEF Service.

(Step 3) Using Table 1, below, multiply (a) the applicable number in the column entitled "DS1 CT Multiplier" below; by (b) the number derived in Step 2 above.

(Step 4) Repeat the process in Steps (1) through (3) for each Qualifying Service.

(Step 5) Add the product of all of the equivalent Channel Terminations for all of the Qualifying Services derived in Steps (1) through (4) above.

Table 1: Calculation of Equivalent DSI CTs.

Qualifying Service	DS1 CT Multiplier
STS1 level	28
DS3 level	28
DS1 level	1

Service availability limited. Refer to # footnote on Page 22-1.

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.4 **Commitment Levels and Discount Tiers** (Cont'd)

(A) Calculation of Equivalent DS1 CTs and Equivalent DS1 CMs (Cont'd)

(2) The Equivalent DS1 CMs shall be calculated as follows:

(Step 1) Determine the actual quantity of Channel Mileage for each Qualifying Service for the ACNA(s) included in the NDP Customer's NDP. (D)

(Step 2) Multiply the actual quantity of Channel Mileage for such Qualifying Service by 100% if the Qualifying Service is a Special Access DS1 Service or a Special Access DS3 Services.

(Step 3) Using Table 2, below, multiply (a) the applicable number in the column entitled "DS1 CM Multiplier" below; by (b) the number derived in Step 2 above.

(Step 4) Repeat the process in Steps (1) through (3) for each Qualifying Service.

(Step 5) Add the product of all of the equivalent Channel Mileage for all of the Qualifying Services derived in Steps (1) through (4) above.

Table 2: Equivalent DSI CMs.

Qualifying Service	DS1 CM Multiplier
STS1 level	N/A
DS3 level	28
DS1 level	1

Service availability limited. Refer to # footnote on Page 22-1.

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.4 **Commitment Levels and Discount Tiers** (Cont'd)

(A) Calculation of Equivalent DS1 CTs and Equivalent DS1 CMs (Cont'd)

(2) (Cont'd)

As an example of the above, assume the NDP Customer has Channel Terminations for the ACNA(s) included in the NDP Customer's NDP in the following quantities:

- 200 IEF STS1 Channel Terminations
- 800 DS3 Channel Terminations
- 3,000 DS1 Channel Terminations

The Equivalent DS1 CTs would be determined as follows:

Channel Termination		DS1 CT Multiplier		Equivalent DS1 CTs
200 IEF STS1s	X	28	=	5,600
800 DS3 CTs	X	28	=	22,400
3000 DS1 CTs	X	1	=	3,000
Total Equivalent DS1 CTs			=	31,000

Further assume that NDP Customer has Channel Mileage for the ACNA(s) included in the NDP Customer's NDP in the following quantities:

- 5,000 DS3 Channel Miles
- 75,000 DS1 Channel Miles

The Equivalent DS1 CMs would be determined as follows:

Channel Mileage		DS1 CM Multiplier		Equivalent DS1 CMs
5,000 DS3 CMs	X	28	=	140,000
75,000 DS1 CMs	X	1	=	75,000
Total Equivalent DS1 CMs			=	215,000

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.4 **Commitment Levels and Discount Tiers** (Cont'd)

(B) Discount Tier Tables

(1) The Equivalent DS1 CTs calculated in (A) preceding determine the Discount Tier into which the NDP Customer falls pursuant to the table below:

Equivalent DS1 CTs	Discount Tier
0 – 30,000	A
30,001 – 60,000	B
60,001 - 120,000	C
120,001 - 195,000	D
195,001 - 275,000	E
275,001 - 350,000	F
350,001 - 420,000	G
420,001 - 485,000	H
485,001 - 550,000	I
550,001 or more	J

The Discount Tier determines the discount percentage (as set forth in Section 22.1.5(B) following) to be applied to the Channel Termination and multiplexer Discounted Rate Elements. The Discount Tier determined at the NDP Start Date will remain in effect for each Plan Year of the NDP, unless otherwise adjusted at the Annual True-Up in accordance with Section 22.1.7 following.

(2) The Equivalent DS1 CMs calculated in (A) preceding determine the Discount Tier into which the NDP Customer falls pursuant to the table below:

Equivalent DS1 CMs	Discount Tier
0 – 125,000	A
125,001 - 250,000	B
250,001 - 500,000	C
500,001 - 950,000	D
950,001 - 1,550,000	E
1,550,001 - 2,150,000	F
2,150,001 - 2,850,000	G
2,850,001 - 3,450,000	H
3,450,001 - 3,850,000	I
3,850,001 or more	J

The Discount Tier determines the discount percentage (as set forth in Section 22.1.5(B) following) to be applied to the Channel Mileage Discounted Rate Elements. The Discount Tier determined at the NDP Start Date will remain in effect for each Plan Year of the NDP, unless otherwise adjusted at the Annual True-Up in accordance with Section 22.1.7 following.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.4 **Commitment Levels and Discount Tiers** (Cont'd)

(C) As of the Subscription Date, and at the beginning of any Renewal Term (unless the NDP Customer chooses the Renewal Benefit Option as described in Section 22.1.14(C) following), the NDP Customer must specify a Commitment Matrix by selecting from one of the following three (3) Commitment Matrix options. The NDP Customer's selection of the Commitment Matrix option shall apply to both the CT Commitment Level and to the CM Commitment Level. The NDP Customer may not select a different Commitment Matrix for the CT Commitment Level and a different Commitment Matrix for the CM Commitment Level.

(i) Premier Commitment Matrix, as described in Section (C)(1) following;

(ii) Standard Commitment Matrix, as described in Section (C)(2) following; and

(iii) Deluxe Commitment Matrix, as described in Section (C)(3) following.

The NDP Customer's choice of the Commitment Matrix determines (a) the number of Equivalent DS1 CMs and/or Equivalent DS1 CTs (as calculated in Section 22.1.4(A) preceding) that NDP Customer must commit to the NDP; and (b) the discount on Discounted Rate Elements provided under the NDP.

(1) If Premier Commitment Matrix is selected by the NDP Customer, the Telephone Company will establish the CT Commitment Level by multiplying the total number of Equivalent DS1 CTs (as calculated in accordance with Section 22.1.4(A) preceding) by 90%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 22.1.4(A) preceding) by 90%. If the NDP Customer chooses the Premier Commitment Matrix, the NDP Customer shall receive the applicable discounts set forth in the table in Section 22.1.5(B)(2) following.

(2) If Standard Commitment Matrix is selected by the NDP Customer, the Telephone Company will establish the CT Commitment Level by multiplying the total number of Equivalent DS1 CTs (as calculated in accordance with Section 22.1.4(A) preceding) by 85%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 22.1.4(A) preceding) by 85%. If the NDP Customer chooses the Standard Commitment Matrix, the NDP Customer shall receive the applicable discounts set forth in the table in Section 22.1.5(B)(1) following.

(3) If Deluxe Commitment Matrix is selected by the NDP Customer, the Telephone Company will establish the CT Commitment Level by multiplying the total number of Equivalent DS1 CTs (as calculated in accordance with Section 22.1.4(A) preceding) by 92%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 22.1.4(A) preceding) by 92%. If the NDP Customer chooses the Deluxe Commitment Matrix, the NDP Customer shall receive the applicable discounts set forth in the table in Section 22.1.5(B)(3) following.

(4) Where the calculation in (1) or (2) preceding results in a fraction of an Equivalent DS1 CT or a fraction of an Equivalent DS1 CM, standard rounding practices shall apply. For example, if there are 9,999.4 Equivalent DS1 CTs, the Telephone Company will round down to 9,999 whole Equivalent DS1 CTs. Similarly, if there are 9,999.5 Equivalent DS1 CTs, the Telephone Company will round up to 10,000 whole Channel Terminations.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.4 **Commitment Levels and Discount Tiers** (Cont'd)

(C) (Cont'd)

(5) As an example, assume that at the time of subscription to the NDP, the NDP Customer had 31,020.04 Equivalent DS1 CTs, and 215,125.17 Equivalent DS1 CMs. In this case, the NDP Customer would fall into Discount Tier B for Channel Terminations and Discount Tier B for Channel Mileage. Assume further that the NDP Customer chose the Standard Commitment Matrix. Using the table in Section 22.1.5(B)(1) following, in Plan Year 1, the NDP Customer would receive a discount of 33% (i.e., Discount Tier B) on its Special Access DS1 Channel Terminations, and 31% (i.e., Discount Tier B) on its Special Access DS3 Channel Mileage. The Telephone Company would also establish a Commitment Level for Channel Terminations at 26,367 (i.e., 85% multiplied by 31,020.04, with the result rounded down), and a Commitment Level for Channel Mileage at 182,856 (i.e., 85% multiplied by 215,125.17, with the result rounded down).

(6) Changes to the Commitment Matrix

(a) Changes during an Initial Term or a Renewal Term, as applicable.

If the NDP Customer has selected the Premier Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may not change such Commitment Matrix during the Initial Term, or during a Renewal Term, as applicable. If the NDP Customer has selected either the Standard Commitment Matrix or the Deluxe Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may, at its option, change its Commitment Matrix selection to Premier Commitment Matrix at an Annual True-Up as set forth in Section 22.1.7(G) following.

(b) Changes at the end of an Initial Term or a Renewal Term, as applicable.

At the end of the Initial Term or any Renewal Term, as applicable, an NDP Customer that renews its NDP is permitted to pick a different Commitment Matrix for the Renewal Term, so long as such NDP Customer does not also concurrently select the Renewal Benefit Option as set forth in Section 22.1.14(C) following.

(D) Although IEF Services are used in determining the DS1 Equivalent CTs, rate elements for IEF Services are not Discounted Rate Elements (i.e., rate elements for such services are not discounted under NDP).

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.4 **Commitment Levels and Discount Tiers** (Cont'd)

(E) The initial Commitment Level(s) established as of the NDP Start Date, or upon renewal of the NDP, as applicable, will not change during the Term of the NDP, unless one of the following is in effect:

(1) If the NDP Customer's count of Equivalent DS1 CTs and/or count of Equivalent DS1 CMs exceeds one hundred sixty percent (160%) of the applicable Commitment Level in effect for the then applicable Annual True-Up Period, as described in Section 22.1.7 following, in which case, the Commitment Level(s) will be adjusted in accordance with Section 22.1.7(B)(2)(b) following; or

(2) The NDP Customer is permitted to change its Commitment Matrix as set forth in Section 22.1.4(C)(5) preceding; or

(3) The NDP Customer elects to exercise the Commitment Buy-Up Bonus Option as described in Section 22.1.7(E) following; or

(4) If the NDP Customer adds or removes an ACNA, then Commitment Levels will be adjusted in accordance with Section 22.1.11 following or Section 22.1.12 following, respectively.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.5 **Application of Discount**

(A) Discounted Rate Elements

The discounts provided under the NDP shall only be provided for the ACNA(s) included in the NDP Customer's NDP on the following Discounted Rate Elements:

(1) The following Discounted Rate Elements offered in the operating territories of Verizon Delaware LLC, Verizon Maryland LLC, Verizon New Jersey Inc., Verizon Pennsylvania LLC, Verizon Virginia LLC and Verizon Washington, D.C. Inc. are included in NDP. (C) | (C)

(a) Special Access DS1 Service Channel Terminations, Basic Service, Section 7.5.9(A) of FCC1, as determined in accordance with Section 14.8 of FCC1, and/or on a detariffed basis. (C)

(b) Detariffed Special Access DS1 Service Channel Mileage, Basic Service . (C)

(c) Detariffed Special Access DS1 Service DS1 to Voice Multiplexing, Basic Service. (C)

(d) Detariffed Special Access DS1 Service DS1 to Digital Multiplexing, Basic Service. (C)

(e) Detariffed Special Access DS1 Service DS1 to DS0 Multiplexing, Basic Service. (C)

(f) Detariffed Special Access DS3 Service primary Channel Terminations, Base Rates. (C)

(g) Special Access DS3 Service secondary Channel Terminations, Base Rates, Section 7.5.9(A) of FCC1, as determined in accordance with Section 14.8 of FCC1, and/or on a detariffed basis. (D) (C)

(h) Detariffed Special Access DS3 Service Channel Mileage, Banded Base Rates, as applicable. (C)

(i) Detariffed Special Access DS3 Service Channel Mileage, Base Rates, as applicable. (C)

(j) Detariffed Special Access DS3 Service DS3 to DS1 Multiplexing, Base Rates. (C)

Service availability limited. Refer to # footnote on Page 22-1.

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.5 **Application of Discount** (Cont'd)

(A) Discounted Rate Elements (Cont'd)

(2) The following Discounted Rate Elements offered in the operating territories of Verizon New England Inc. and Verizon New York Inc. are included in NDP. (C) (C)

(a) Special Access DS1 Service Channel Terminations, Section 30.7.9(A)(1)(a) and Section 31.7.9(A)(1)(a) of FCC11, as determined in accordance with Section 15.4 of FCC11, and/or on a detariffed basis. (C)

(b) Detariffed Special Access DS1 Service Channel Mileage. (C)

(c) Detariffed Special Access DS1 Service DS1 to Voice Multiplexing in New York/Connecticut. (C)

(d) Detariffed Special Access DS1 Service DS1 to DS0 Multiplexing in New York/Connecticut. (C)

(e) Detariffed Special Access DS3 Service primary Channel Terminations with optical and electrical interfaces, Base Rates. (C) (C)

(f) Special Access DS3 Service secondary Channel Terminations with optical and electrical interfaces, Base Rates, Section 31.7.9(A)(1)(c) of FCC11, as determined in accordance with Section 15.4 of FCC11, and/or on a detariffed basis. (D) (D) (C)

(g) Detariffed Special Access DS3 Service optical and electrical Channel Mileage, Banded Base Rates, as applicable. (C) (D)

(h) Detariffed Special Access DS3 Service optical and electrical Channel Mileage, Base Rates, as applicable. (C)

(i) Detariffed Special Access DS3 Service DS3 to DS1 Multiplexing, Base Rates. (C)

Service availability limited. Refer to # footnote on Page 22-1.

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.5 **Application of Discount** (Cont'd)

(A) Discounted Rate Elements (Cont'd)

(3) The following Discounted Rate Elements offered in the operating territories of Verizon North LLC (0169) and Verizon South Inc. (4337) are included in NDP: (C) (C)

(a) Special Access High Capacity DS1 (1.544 Mbps) Facilities - SAL rate elements of a Standard Arrangement as specified in Section 5.7.7 of FCC14, as determined in accordance with Section 19.2 of FCC14, and/or on a detariffed basis. (C) (C)

(b) Detariffed Special Access High Capacity DS1 (1.544 Mbps) Facilities - Special Transport Facility and Termination rate elements of a Standard Arrangement (see Note 2). (C) (D)

(c) Special Access High Capacity DS3 (44.736 Mbps) Facilities - SAL rate elements of an Individual System or a 3 System configuration (with or without Telephone Company electronics) as specified in Sections 5.7.10 and 5.7.12 of FCC14, respectively, as determined in accordance with Section 19.2 of FCC14, and/or on a detariffed basis (see Note 3). (C)

(d) Detariffed Special Access High Capacity DS3 (44.736 Mbps) Facilities - Banded Special Transport rate elements of an Individual System, a 3 System, or an Unlimited System configuration. (C) (D)

(e) Detariffed Special Access High Capacity DS3 (44.736 Mbps) Facilities - Special Transport Facilities and 44.736 Mbps Terminations of an Individual System, a 3 System or an Unlimited System configuration. (C) (D)

Note 2: All Special Transport rate elements of the MetroLAN Optional Arrangement are not Discounted Rate Elements.
Note 3: All SAL rate elements of an Unlimited System are not Discounted Rate Elements.

Service availability limited. Refer to # footnote on Page 22-1.

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.5 **Application of Discount** (Cont'd)

(A) Discounted Rate Elements (Cont'd)

(4) The following Discounted Rate Elements offered in the operating territories of Verizon North LLC (0170, 0201) and Verizon South Inc. (0864F, 0233) are included in NDP. (C) (C)

(a) Special Access High Capacity DS1 Service – Circuit Termination rate elements as specified in Section 7.11.5(A) preceding, and/or on a detariffed basis. (C)

(b) Detariffed Special Access High Capacity DS1 Service – Fixed and Per Mile Circuit Mileage rate elements (see Note 2). (C)

(c) Special Access High Capacity DS3 Service - Circuit Termination rate elements of an Individual System or a 3 Capacity System configuration (with or without Telephone Company electronics) as specified Section 7.11.5(E) preceding, and/or on a detariffed basis (see Note 3). (C)

(d) Detariffed Special Access High Capacity DS3 Service - Banded Circuit Mileage rate elements of an Individual System, an Unlimited System, a 3 Capacity System or a 12 Capacity System configuration . (C) (D)

(e) Detariffed Special Access High Capacity DS3 Service - Fixed and Per Mile Circuit Mileage rate elements of an Individual System, an Unlimited System, a 3 Capacity System or a 12 Capacity System configuration. (C) (D)

Note 2: All Circuit Mileage rate elements of the MetroLAN Optional Arrangement are not Discounted Rate Elements.
Note 3: All Circuit Termination rate elements of an Unlimited System, a 12 Capacity System, or a 24 Capacity System are not Discounted Rate Elements.

Service availability limited. Refer to # footnote on Page 22-1.

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.5 **Application of Discount** (Cont'd)

(B) The percentage of the discount applied to the Discounted Rate Elements set forth below during the Term is determined by the Discount Tier, NDP Customer's selection of the Standard Commitment Matrix, the Premier Commitment Matrix, or the Deluxe Commitment Matrix, and the Plan Year. Discount Tiers may change at an Annual True-Up as set forth in Section 22.1.7 following (e.g., Discount Tier may change at an Annual True-Up).

(1) **Standard Commitment Level Discount Percentages & Plan Year**

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier A					
DS1 CT	45.50%	45.75%	45.85%	45.95%	46.05%
DS3 CT	14.50%	14.75%	14.85%	14.95%	15.05%
DS1 CM	0.00%	0.00%	0.00%	0.00%	0.00%
DS3 CM	0.00%	0.25%	0.35%	0.45%	0.55%
Discount Tier B					
DS1 CT	47.00%	47.25%	47.35%	47.45%	47.55%
DS3 CT	17.00%	17.25%	17.35%	17.45%	17.55%
DS1 CM	0.00%	0.00%	0.10%	0.20%	0.30%
DS3 CM	0.25%	0.50%	0.60%	0.70%	0.80%
Discount Tier C					
DS1 CT	48.50%	48.75%	48.85%	48.95%	49.05%
DS3 CT	19.00%	19.25%	19.35%	19.45%	19.55%
DS1 CM	0.25%	0.50%	0.60%	0.70%	0.80%
DS3 CM	0.50%	0.75%	0.85%	0.95%	1.05%

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.5 **Application of Discount** (Cont'd)

(B) (Cont'd)

(1) **Standard Commitment Level Discount Percentages & Plan Year (Cont'd)**

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier D					
DS1 CT	49.50%	49.75%	49.85%	49.95%	50.05%
DS3 CT	21.00%	21.25%	21.35%	21.45%	21.55%
DS1 CM	0.75%	1.00%	1.10%	1.20%	1.30%
DS3 CM	0.75%	1.00%	1.10%	1.20%	1.30%
Discount Tier E					
DS1 CT	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CT	22.00%	22.25%	22.35%	22.45%	22.55%
DS1 CM	1.00%	1.25%	1.35%	1.45%	1.55%
DS3 CM	1.00%	1.25%	1.35%	1.45%	1.55%
Discount Tier F					
DS1 CT	50.50%	50.75%	50.85%	50.95%	51.05%
DS3 CT	23.00%	23.25%	23.35%	23.45%	23.55%
DS1 CM	1.25%	1.50%	1.60%	1.70%	1.80%
DS3 CM	1.25%	1.50%	1.60%	1.70%	1.80%
Discount Tier G					
DS1 CT	51.00%	51.25%	51.35%	51.45%	51.55%
DS3 CT	23.50%	23.75%	23.85%	23.95%	24.05%
DS1 CM	1.50%	1.75%	1.85%	1.95%	2.05%
DS3 CM	1.50%	1.75%	1.85%	1.95%	2.05%

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.5 **Application of Discount** (Cont'd)

(B) (Cont'd)

(1) **Standard Commitment Level Discount Percentages & Plan Year (**Cont'd)

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier H					
DS1 CT	51.50%	51.75%	51.85%	51.95%	52.05%
DS3 CT	24.00%	24.25%	24.35%	24.45%	24.55%
DS1 CM	1.75%	2.00%	2.10%	2.20%	2.30%
DS3 CM	1.75%	2.00%	2.10%	2.20%	2.30%
Discount Tier I					
DS1 CT	52.00%	52.25%	52.35%	52.45%	52.55%
DS3 CT	24.50%	24.75%	24.85%	24.95%	25.05%
DS1 CM	2.00%	2.25%	2.35%	2.45%	2.55%
DS3 CM	2.00%	2.25%	2.35%	2.45%	2.55%
Discount Tier J					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	25.00%	25.25%	25.35%	25.45%	25.55%
DS1 CM	2.25%	2.50%	2.60%	2.70%	2.80%
DS3 CM	2.25%	2.50%	2.60%	2.70%	2.80%

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.5 **Application of Discount** (Cont'd)

(B) (Cont'd)

(2) **Premier Commitment Level Discount Percentages & Plan Year**

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier A					
DS1 CT	46.50%	46.75%	46.85%	46.95%	47.05%
DS3 CT	15.50%	15.75%	15.85%	15.95%	16.05%
DS1 CM	0.25%	0.50%	0.60%	0.70%	0.80%
DS3 CM	1.00%	1.25%	1.35%	1.45%	1.55%
Discount Tier B					
DS1 CT	48.00%	48.25%	48.35%	48.45%	48.55%
DS3 CT	18.00%	18.25%	18.35%	18.45%	18.55%
DS1 CM	0.75%	1.00%	1.10%	1.20%	1.30%
DS3 CM	1.25%	1.50%	1.60%	1.70%	1.80%
Discount Tier C					
DS1 CT	49.50%	49.75%	49.85%	49.95%	50.05%
DS3 CT	20.00%	20.25%	20.35%	20.45%	20.55%
DS1 CM	1.25%	1.50%	1.60%	1.70%	1.80%
DS3 CM	1.50%	1.75%	1.85%	1.95%	2.05%

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.5 **Application of Discount** (Cont'd)

(B) (Cont'd)

(2) **Premier Commitment Level Discount Percentages & Plan Year** (Cont'd)

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier D					
DS1 CT	50.50%	50.75%	50.85%	50.95%	51.05%
DS3 CT	22.00%	22.25%	22.35%	22.45%	22.55%
DS1 CM	1.75%	2.00%	2.10%	2.20%	2.30%
DS3 CM	1.75%	2.00%	2.10%	2.20%	2.30%
Discount Tier E					
DS1 CT	51.00%	51.25%	51.35%	51.45%	51.55%
DS3 CT	23.00%	23.25%	23.35%	23.45%	23.55%
DS1 CM	2.00%	2.25%	2.35%	2.45%	2.55%
DS3 CM	2.00%	2.25%	2.35%	2.45%	2.55%
Discount Tier F					
DS1 CT	51.50%	51.75%	51.85%	51.95%	52.05%
DS3 CT	24.00%	24.25%	24.35%	24.45%	24.55%
DS1 CM	2.25%	2.50%	2.60%	2.70%	2.80%
DS3 CM	2.25%	2.50%	2.60%	2.70%	2.80%
Discount Tier G					
DS1 CT	52.00%	52.25%	52.35%	52.45%	52.55%
DS3 CT	24.50%	24.75%	24.85%	24.95%	25.05%
DS1 CM	2.50%	2.75%	2.85%	2.95%	3.05%
DS3 CM	2.50%	2.75%	2.85%	2.95%	3.05%

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.5 Application of Discount (Cont'd)

(B) (Cont'd)

(2) **Premier Commitment Level Discount Percentages & Plan Year** (Cont'd)

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier H					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	25.00%	25.25%	25.35%	25.45%	25.55%
DS1 CM	2.75%	3.00%	3.10%	3.20%	3.30%
DS3 CM	2.75%	3.00%	3.10%	3.20%	3.30%
Discount Tier I					
DS1 CT	53.00%	53.25%	53.35%	53.45%	53.55%
DS3 CT	25.50%	25.75%	25.85%	25.95%	26.05%
DS1 CM	3.00%	3.25%	3.35%	3.45%	3.55%
DS3 CM	3.00%	3.25%	3.35%	3.45%	3.55%
Discount Tier J					
DS1 CT	53.50%	53.75%	53.85%	53.95%	54.05%
DS3 CT	26.00%	26.25%	26.35%	26.45%	26.55%
DS1 CM	3.25%	3.50%	3.60%	3.70%	3.80%
DS3 CM	3.25%	3.50%	3.60%	3.70%	3.80%

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.5 **Application of Discount** (Cont'd)

(B) (Cont'd)

(3) **Deluxe Commitment Level Discount Percentages & Plan Year**

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier A					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	20.00%	20.25%	20.35%	20.45%	20.55%
DS1 CM	3.50%	3.75%	3.85%	3.95%	4.05%
DS3 CM	3.50%	3.75%	3.85%	3.95%	4.05%
Discount Tier B					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	20.00%	20.25%	20.35%	20.45%	20.55%
DS1 CM	3.50%	3.75%	3.85%	3.95%	4.05%
DS3 CM	3.50%	3.75%	3.85%	3.95%	4.05%
Discount Tier C					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	20.00%	20.25%	20.35%	20.45%	20.55%
DS1 CM	3.50%	3.75%	3.85%	3.95%	4.05%
DS3 CM	3.50%	3.75%	3.85%	3.95%	4.05%

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.5 **Application of Discount** (Cont'd)

(B) (Cont'd)

(3) **Deluxe Commitment Level Discount Percentages & Plan Year (Cont'd)**

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier D					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	20.00%	20.25%	20.35%	20.45%	20.55%
DS1 CM	3.50%	3.75%	3.85%	3.95%	4.05%
DS3 CM	3.50%	3.75%	3.85%	3.95%	4.05%
Discount Tier E					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	20.00%	20.25%	20.35%	20.45%	20.55%
DS1 CM	3.50%	3.75%	3.85%	3.95%	4.05%
DS3 CM	3.50%	3.75%	3.85%	3.95%	4.05%
Discount Tier F					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	20.00%	20.25%	20.35%	20.45%	20.55%
DS1 CM	3.50%	3.75%	3.85%	3.95%	4.05%
DS3 CM	3.50%	3.75%	3.85%	3.95%	4.05%
Discount Tier G					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	20.00%	20.25%	20.35%	20.45%	20.55%
DS1 CM	3.50%	3.75%	3.85%	3.95%	4.05%
DS3 CM	3.50%	3.75%	3.85%	3.95%	4.05%

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.5 **Application of Discount** (Cont'd)

(B) (Cont'd)

(3) **Deluxe Commitment Level Discount Percentages & Plan Year (Cont'd)**

Tier	Year 1	Year 2	Year 3	Year 4	Year 5
Discount Tier H					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	20.00%	20.25%	20.35%	20.45%	20.55%
DS1 CM	3.50%	3.75%	3.85%	3.95%	4.05%
DS3 CM	3.50%	3.75%	3.85%	3.95%	4.05%
Discount Tier I					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	20.00%	20.25%	20.35%	20.45%	20.55%
DS1 CM	3.50%	3.75%	3.85%	3.95%	4.05%
DS3 CM	3.50%	3.75%	3.85%	3.95%	4.05%
Discount Tier J					
DS1 CT	52.50%	52.75%	52.85%	52.95%	53.05%
DS3 CT	20.00%	20.25%	20.35%	20.45%	20.55%
DS1 CM	3.50%	3.75%	3.85%	3.95%	4.05%
DS3 CM	3.50%	3.75%	3.85%	3.95%	4.05%

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)
22.1 **National Discount Plan#** (Cont'd)
22.1.6 **Special Access DS3 Service Channel Mileage Rates**

Special Access DS3 Service Channel Mileages Rates are detariffed. (N)

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22.1.7 **Annual True-Up**

After each Anniversary Date during the Term, the Telephone Company will conduct an Annual True-Up which shall be used to determine the NDP Customer's compliance with its established Commitment Levels and Discount Tiers for the Annual True-Up Period.

(A) The Annual True-Up shall consist of the following steps which shall be conducted by the Telephone Company in the following order:

(1) Calculate the Monthly Average Count of Equivalent DS1 CTs and Monthly Average Count of Equivalent DS1 CMs, each as described in Section 22.1.7(B) following; and

(2) Compare the Monthly Average Count of Equivalent DS1 CMs against the CM Commitment Level, and the Monthly Average Count of Equivalent DS1 CTs against the CT Commitment Level to determine if the NDP Customer (a) has met its applicable Commitment Level(s); or (b) has exceeded its applicable Commitment Level(s), as each is described in (B) following; and

(3) If the NDP Customer has not met its CT Commitment Level and/or CM Commitment Level, as applicable, then calculate the Shortfall Penalty that is due in accordance with Section 22.1.7(C) following. If the NDP Customer has exceeded its CT Commitment Level or CM Commitment Level, as applicable, then calculate any adjustment to one or both Commitment Level(s) in accordance with Section 22.1.7(B) following; and

(4) Determine if the Achieved Discount Tier is the same as the Assigned Discount Tier. For an NDP Customer under a Standard Commitment Matrix or Premier Commitment Matrix, if the Assigned Discount Tier is different than the Achieved Discount Tier, then the Telephone Company shall calculate the applicable Discount Tier Adjustment in accordance with Section 22.1.7(D) following. No Discount Tier Adjustment is calculated for an NDP Customer under a Deluxe Commitment Matrix; and

(5) Assuming the NDP Customer is eligible for the Commitment Buy-Up Bonus for either its CT Commitment Level or CM Commitment Level, or both, and the NDP Customer elects to exercise such Commitment Buy-Up Bonus Option, the Telephone Company will calculate the applicable CBB Discount in accordance with Section 22.1.7(E) following. No later than thirty (30) calendar days prior to the Anniversary Date of its NDP, the NDP Customer must notify the Telephone Company in writing of its intent to exercise the Commitment Buy-Up Bonus Option.

Service availability limited. Refer to # footnote on Page 22-1.

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(A) (Cont'd)

(6) If the NDP Customer added or removed one or more ACNA(s) under Section 22.1.11 or Section 22.1.12 following, respectively, during the Annual True-Up Period, the Telephone Company will adjust the CT Commitment Level and/or CM Commitment Level, as applicable, to reflect such added or removed ACNA(s). No later than thirty (30) calendar days prior to the Anniversary Date of the NDP Customer's NDP, the NDP Customer must notify the Telephone Company in writing of any such changes to its ACNAs.

(7) Subject to the requirements set forth in Section 22.1.7(F) following, assign the Discount Tiers applicable to the next Plan Year; and

(8) Assuming the NDP Customer qualifies for a change from the Standard Commitment Matrix to the Deluxe Commitment Matrix or the Premier Commitment Matrix, or for a change from the Deluxe Commitment Matrix to the Premier Commitment Matrix, and the NDP Customer elects to make such change, the Telephone Company will calculate and set the new Commitment Levels associated with the choice of a Deluxe Commitment Matrix or a Premier Commitment Matrix, as applicable and Discount Tiers in accordance with Section 22.1.7(G) following.

(B) Calculation of Monthly Counts and Measuring Monthly Counts Against Commitment Levels

(1) The Telephone Company will calculate the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs for the Qualifying Services purchased under the NDP that were in service for each month of the Annual True-Up Period. The Monthly Average Count of Equivalent DS1 CTs is calculated as follows:

(Step 1) add the actual number of Equivalent DS1 CTs for Qualifying Services purchased for the ACNA(s) included under the NDP for each month of the Annual True-Up Period (including any Equivalent DS1 CTs that were replaced by a Replacing Service using the methodology for a Technology Migration specified in Section 2.9.3 preceding);

(Step 2) add the result from Step 1 preceding to the quantities of Equivalent DS1 CTs determined in (i) and (ii) following:

(i) the Upgrade Adjustment, as calculated in accordance with Section 22.1.7(H) following, for any Qualifying Service(s) that has been Upgraded ; and/or

(ii) the Sale Adjustment, as calculated in accordance with Section 22.1.10 following, for any Qualifying Service(s) which are affected by a Telephone Company Sale;

(Step 3) divide the number derived in Step 2 preceding by 12 months.

A similar calculation is performed by the Telephone Company for calculating the Monthly Average Count of Equivalent DS1 CMs for the Qualifying Services purchased under the NDP by using Equivalent DS1 CMs for the ACNA(s) included in the NDP Customer's NDP instead of using Equivalent DS1 CTs.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(B) (Cont'd)

(2) The Telephone Company will compare the Monthly Average Count of Equivalent DS1 CTs against the CT Commitment Level, and the Monthly Average Count of Equivalent DS1 CMs against the CM Commitment Level. If the NDP Customer's Monthly Average Count of Equivalent DS1 CTs is equal to or greater than (subject to certain restrictions as set forth in (a) following) the CT Commitment Level, then the NDP Customer shall be deemed to have met its CT Commitment Level. If the NDP Customer's Monthly Average Count of Equivalent DS1 CMs is equal to or greater than (subject to certain restrictions as set forth in (a) following) the CM Commitment Level, then the NDP Customer shall be deemed to have met its CM Commitment Level.

(a) Where the NDP Customer has met its CT Commitment Level and/or CM Commitment Level, as applicable, but has not exceeded such Commitment Level by more than sixty percent (i.e., the NDP Customer's Monthly Average Count of Equivalent DS1 CTs and/or Monthly Average Count of Equivalent DS1 CMs, as applicable, is less than 160% of the applicable Commitment Level), no action is required. An NDP Customer who elected the Premier Commitment Matrix may be eligible to voluntarily increase (buy up) its CT Commitment Level and/or its CM Commitment Level as specified in Section 22.1.7(E) following.

(b) Where the NDP Customer has exceeded its CT Commitment Level and/or its CM Commitment Level, as applicable, by more than sixty percent (i.e., the NDP Customer's Monthly Average Count of Equivalent DS1 CTs and/or Monthly Average Count of Equivalent DS1 CMs, as applicable, is more than 160% of its applicable Commitment Level), the exceeded Commitment Level(s) will be adjusted as follows:

(1) Where the NDP Customer elected the Standard Commitment Matrix, and exceeded its CT Commitment Level and/or exceeded its CM Commitment Level by more than 60%, the exceeded Commitment Level(s) will be adjusted to eighty-five percent (85%) of the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, as applicable, for the Annual True-Up Period. Any adjustments to the CT Commitment Level, as described in this Section (B)(2)(b)(1), is made independent of any adjustment to the CM Commitment Level.

(2) Where the NDP Customer elected the Premier Commitment Matrix and exceeded its CT Commitment Level and/or exceeded its CM Commitment Level by more than 60%, the exceeded Commitment Level(s) will be adjusted to ninety percent (90%) of the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, as applicable, for the Annual True-Up Period. An adjustment to the CT Commitment Level, as described in this Section (B)(2)(b)(2), is made independent of an adjustment to the CM Commitment Level.

(3) Where the NDP Customer elected the Deluxe Commitment Matrix and exceeded its CT Commitment Level and/or exceeded its CM Commitment Level by more than 60%, the exceeded Commitment Level(s) will be adjusted to ninety-two percent (92%) of the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs, as applicable, for the Annual True-Up Period. An adjustment to the CT Commitment Level, as described in this Section (B)(2)(b)(3), is made independent of an adjustment to the CM Commitment Level.

(3) Where the NDP Customer has not met its CT Commitment Level and/or has not met its CM Commitment Level, as applicable, a Shortfall Penalty as set forth in Section 22.1.7(C) following applies to each missed Commitment Level.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.7 **Annual True-Up (**Cont'd)

(C) Shortfall Penalty

A Shortfall Penalty is assessed against (i) the CT Commitment Level when the NDP Customer's Monthly Average Count of Equivalent DS1 CTs is less than the CT Commitment Level; or (ii) the CM Commitment Level is less than the NDP Customer's Monthly Average Count of Equivalent DS1 CMs. There are two methods (i.e., Option 1 or Option 2) of determining and calculating the Shortfall Penalty. The Telephone Company will calculate the Shortfall Penalty using both methods and apply the method that produces the lesser Shortfall Penalty.

(1) Option 1 Shortfall Penalty Method and Calculation

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs during the Annual True-Up Period as set forth in Section 22.1.7(B)(1) preceding.

(Step 2) Determine the Monthly Shortage of Equivalent DS1 CTs and/or the Monthly Shortage of Equivalent DS1 CMs, as applicable.

(a) The NDP Customer's Monthly Shortage of Equivalent DS1 CTs will be determined by subtracting (i) the Monthly Average Count of Equivalent DS1 CTs determined in Step 1; from (ii) the CT Commitment Level.

(b) The NDP Customer's Monthly Shortage of Equivalent DS1 CMs will be determined by subtracting (i) the Monthly Average Count of Equivalent DS1 CMs determined in Step 1; from (ii) the CM Commitment Level.

(Step 3) Calculate the Average Monthly Rate per Equivalent DS1 CT and/or the Average Monthly Rate per Equivalent DS1 CM, as applicable.

(a) The Average Monthly Rate per Equivalent DS1 CT is calculated by (i) adding the total Monthly Charges billed for all Channel Termination and multiplexing (multiplexing is excluded in the operating territories of Verizon North LLC and Verizon South Inc.) Discounted Rate Elements, during each month of the Annual True-Up Period; and (ii) dividing the result in (i) preceding by twelve months; and (iii) dividing the result in (ii) preceding by the Average Monthly Count of Equivalent DS1 CTs calculated in Step 1. (C) (C)

(b) The Average Monthly Rate per Equivalent DS1 CM is calculated by (i) adding the total Monthly Charges billed for all Channel Mileage Discounted Rate Elements, during each month of the Annual True-Up Period; and (ii) dividing the result in (i) preceding by twelve months; and (iii) dividing the result in (ii) preceding by the Average Monthly Count of Equivalent DS1 CMs calculated in Step 1.

Service availability limited. Refer to # footnote on Page 22-1.

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(C) Shortfall Penalty

(1) Option 1 Shortfall Penalty Method and Calculation (Cont'd)

(Step 4) Calculate the Shortfall Penalty for the CT Commitment Level and/or the CM Commitment Level, as applicable

(a) The Telephone Company will calculate the Shortfall Penalty for the CT Commitment Level by multiplying (i) the Monthly Shortage determined in Step 2; by (ii) the Average Monthly Rate per Equivalent DS1 CT calculated in Step 3; and by (iii) twelve (12) months.

(b) The Telephone Company will calculate the Shortfall Penalty for the CM Commitment Level by multiplying (i) the Monthly Shortage determined in Step 2; by (ii) the Average Monthly Rate per Equivalent DS1 CM calculated in Step 3; and by (iii) twelve (12) months.

(2) As an illustrative example of the Option 1 Shortfall Penalty calculation for the CT Commitment Level, assume that at an Annual True-Up, an NDP Customer who selected the Premier Commitment Matrix had the following results: (i) the NDP Customer has met but has not exceeded by more than 60% its CM Commitment Level of 75,000 Equivalent DS1 CMs; (ii) the NDP Customer has not met its CT Commitment Level of 120,000 Equivalent DS1 CTs; and (iii) the Monthly Average Count of Equivalent DS1 CTs is 118,000. No Shortfall Penalty is applicable to the NDP Customer's CM Commitment Level since the NDP Customer has met its CM Commitment Level. Shortfall Penalty is due on the CT Commitment Level and is calculated as follows (using Steps 1-4 above):

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs. In this example, this number is 118,000 Equivalent DS1 CTs

(Step 2) Calculate the Monthly Shortage of Equivalent DS1 CTs. [120,000 Commitment Level – 118,000 Monthly Average Count of Equivalent DS1 CTs = 2,000 Equivalent DS1 CTs]

(Step 3) Calculate the Average Monthly Rate per Equivalent DS1 CT. In this example, assume that the sum of the total Monthly Charges billed for all Channel Termination and multiplexing Discounted Rate Elements during each month of the Annual True-Up Period is $150,000,000. The Average Monthly Rate per Equivalent DS1 CT is $105.93. [$150,000,000/12 months/118,000 Monthly Average Count of Equivalent DS1 CTs]

(Step 4) Calculate the Shortfall Penalty. The Shortfall Penalty is $2,542,320 (the Monthly Shortage of 2,000 Equivalent DS1 CTs x $105.93 Average Monthly Rate per Equivalent DS1 CT x 12 months).

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)
22.1 **National Discount Plan#** (Cont'd) (T)
22.1.7 **Annual True-Up** (Cont'd)

(C) Shortfall Penalty

(3) Option 2 Shortfall Penalty Method and Calculation

The Shortfall Penalty will be an amount equal to the difference between (1) the Channel Termination Revenue Cap and/or the Channel Mileage Revenue Cap and (2) the actual total dollar Channel Termination revenue for Equivalent DS1 CTs in each of the twelve (12) months of the true-up period. The Telephone Company will calculate the difference as follows:

(Step 1) The Telephone Company will first determine the Channel Termination Revenue Cap by multiplying the total discounted monthly revenues associated with all in-service channel termination rate elements for Equivalent DS1 CTs for month one of the NDP by the appropriate Commitment Level percentage (e.g., 92% for Deluxe)(CT Revenue Cap). In the event the Commitment Level changes, (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the CT Revenue Cap. The adjusted CT Revenue Cap will be used beginning with the month in which the Commitment Level was changed.

(Step 2) The Telephone Company will then determine the actual channel termination revenues by calculating the total discounted monthly revenues associated with all in-service Equivalent DS1 CT rate elements for each month of the twelve (12) month true-up period.

(Step 3) For each month of the twelve (12) month true-up period, subtract the actual channel termination revenues from the CT Revenue Cap.

(Step 4) The Telephone Company will determine the Channel Mileage Revenue Cap by multiplying the total discounted monthly revenues associated with all in-service channel mileage rate elements for Equivalent DS1 CMs for month one of NDP by the appropriate Commitment Level percentage (e.g., 92% for Deluxe) (CM Revenue Cap). In the event the Commitment Level changes, (e.g., as a result the NDP Customer exceeding its Maximum Service Level), the Telephone Company will make a commensurate adjustment to the CM Revenue Cap. The adjusted CM Revenue Cap will be used beginning with the month in which the Commitment Level was changed.

(Step 5) The Telephone Company will then determine the actual channel mileage revenues associated with all in-service Equivalent DS1 CM rate elements for each month of the twelve (12) month true-up period.

(Step 6) For each month of the twelve (12) month true-up period, subtract the actual channel mileage revenues from the CM Revenue Cap.

(Step 7) To determine the amount due from the NDP Customer, the Telephone Company will sum the amounts calculated in Step 3 and Step 6.

(4) The Telephone Company will apply the lesser Shortfall Penalty calculated in (C)(1) or (C)(3) preceding to the BANs designated by the NDP Customer under Section 22.1.2(C)(5) preceding. The Shortfall Penalty is not subject to late payment penalty under Section 2.4.1 preceding, except when the bill containing such Shortfall Penalty is not paid by the payment date.

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(D) Discount Tier Adjustment

(1) At each Annual True-Up, the Telephone Company will automatically adjust the Discount Tier(s) if the Achieved Discount Tier is a higher or a lower Discount Tier than the Assigned Discount Tier that was in effect during the Annual True-Up Period. Such action shall be referred to as the Discount Tier Adjustment. The Achieved Discount Tier and the Assigned Discount Tier are independently determined for Channel Terminations and Channel Mileage. For NDP Customers who elected either the Standard Commitment Matrix or the Premier Commitment Matrix, the Discount Tier Adjustment is set forth in Step 1 through Step 6 of (D)(2) following, the result of which may be an increase or decrease in the discount percentage that was applied during the Annual True-Up Period, and shall be reflected as a credit or debit on the NDP Customer's bill.

(2) A Discount Tier Adjustment is calculated as follows:

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs during the Annual True-Up Period as set forth in Section 22.1.7(B)(1) preceding.

(Step 2) Determine the Achieved Discount Tiers for the Monthly Average Count of Equivalent DS1 CTs and Monthly Average Count of Equivalent DS1 CMs, respectively.

(a) Using the Equivalent DS1 CT table set forth in Section 22.1.4(B)(1) preceding, (a) find the Achieved Discount Tier for the Monthly Average Count of Equivalent DS1 CTs determined in Step 1 above; and

(b) Using the Equivalent DS1 CM table set forth in Section 22.1.4(B)(2)(B) preceding, find the Achieved Discount Tier for the Monthly Average Count of Equivalent DS1 CMs determined in Step 1 above.

If an Achieved Discount Tier for Channel Terminations or Channel Mileage, as applicable, is the same Discount Tier as the Assigned Discount Tier for Channel Terminations or Channel Mileage, as applicable, no Discount Tier Adjustment will be made. In this case, Step 3 through Step 6 following do not apply.

For NDP Customers who elected the Standard Commitment Matrix or the Premier Commitment Matrix, if an Achieved Discount Tier for Channel Terminations or Channel Mileage, as applicable, is a higher or lower Discount Tier than the Assigned Discount Tier for Channel Terminations or Channel Mileage, as applicable, a Discount Tier Adjustment (as calculated in Steps 3 through Step 6) following applies.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)
22.1 **National Discount Plan#** (Cont'd)
22.1.7 **Annual True-Up** (Cont'd)
(D) Discount Tier Adjustment

(2) (Cont'd)

(Step 3) Calculate the Non-Discounted Billed Amounts.

The Non-Discounted Billed Amount(s) are (a) the total Monthly Charges for the Channel Termination and multiplexer Discounted Rate Elements that the NDP Customer would have paid during the Annual True-Up Period if the discount percentages as set forth in Section 22.1.5(B) preceding were not applied; and (b) the total Monthly Charges for the Channel Mileage Discounted Rate Elements that the NDP Customer would have paid during the Annual True-Up Period, if the discount percentages as set forth in Section 22.1.5(B) preceding were not applied. Discounted Rate Elements are specified in Section 22.1.5(A) preceding. The Non-Discounted Billed Amount(s) are calculated as follows.

(1) Calculate the Non-Discounted Billed Amount for Special Access DS1 Service Channel Termination Discounted Rate Elements (excluding the operating territories of Verizon North LLC and Verizon South Inc.) by (i) adding the billed Monthly Charges for all such Channel Terminations in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (C) (C)

As an illustrative example, assume the total Monthly Charges billed for such Channel Terminations was $12,000,000 and, pursuant to the discount tables set forth in Section 22.2.5(B) preceding, the Assigned Discount Tier yielded a discount percentage of 36%. The total Non-Discounted Billed Amount would have been $12,000,000/(1 - 0.36) = $18,750,000.

(2) Calculate the Non-Discounted Billed Amount for the Special Access DS1 Service multiplexer Discounted Rate Elements (multiplexing is excluded in the operating territories of Verizon New England Inc., Verizon North LLC and Verizon South Inc.) by (i) adding the billed Monthly Charges for all such multiplexers in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (C) (C)

(3) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service Channel Termination Discounted Rate Elements (excluding the operating territories of Verizon North LLC and Verizon South Inc.) by (i) adding the billed Monthly Charges for all such Channel Terminations in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (C) (C)

(4) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service multiplexer Discounted Rate Elements (excluding the operating territories of Verizon North LLC and Verizon South Inc.) by (i) adding the billed Monthly Charges for all such multiplexers in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (C) (C)

Service availability limited. Refer to # footnote on Page 22-1.

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.7 **Annual True-Up** (Cont'd)

(D) Discount Tier Adjustment

(2) (Cont'd)

(Step 3) (Cont'd)

(5) Calculate the Non-Discounted Billed Amount for Special Access DS1 Service SAL Discounted Rate Elements and Special Access DS1 Service Circuit Termination Discounted Rate Elements in the operating territories of Verizon North LLC and Verizon South Inc. by (i) adding the billed Monthly Charges for all such SALs and Circuit Terminations in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (D) (C)

(6) Calculate the Non-Discounted Billed Amount for Special Access DS3 SAL Discounted Rate Elements and Special Access DS3 Service Circuit Termination Discounted Rate Elements in the operating territories of Verizon North LLC and Verizon South Inc. by (i) adding the billed Monthly Charges for all such SALs and Circuit Terminations in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (D) (C)

(7) Calculate the Non-Discounted Billed Amount for Special Access DS1 Service Channel Mileage Discounted Rate Elements (excluding the operating territories of Verizon North LLC and Verizon South Inc.) by (i) adding the billed Monthly Charges for all such Channel Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (C) (C)

(8) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service Channel Mileage (including Banded Channel Mileage and Base Rate Channel Mileage) Discounted Rate Elements (excluding the operating territories of Verizon North LLC and Verizon South Inc.) by (i) adding the billed Monthly Charges for all such Channel Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (C)

(9) Calculate the Non-Discounted Billed Amount for Special Access DS1 Service Special Transport Discounted Rate Elements and Special Access DS1 Service Circuit Mileage in the operating territories of Verizon North LLC and Verizon South Inc. by (i) adding the billed Monthly Charges for all such Special Transport and Circuit Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element. (C) (C)

Service availability limited. Refer to # footnote on Page 22-1.

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.7 **Annual True-Up** (Cont'd)

(D) Discount Tier Adjustment

(2) (Cont'd)

(Step 3) (Cont'd)

(10) Calculate the Non-Discounted Billed Amount for Special Access DS3 Service Special Transport (including Banded Special Transport and Special Transport) Discounted Rate Elements and (D)
Special Access DS3 Service Circuit Mileage (including Banded Circuit Mileage and Circuit
Mileage) in the operating territories of Verizon North LLC and Verizon South Inc. by (i) adding the (C)
billed Monthly Charges for all such Special Transport and Circuit Mileage in each month of the Annual True-Up Period; and (ii) then dividing the number derived in (i) preceding by one (1) minus the discount percentage associated with the Assigned Discount Tier for such Discounted Rate Element.

(Step 4) Calculate the difference in the discount percentages.

For each of the Discounted Rate Element categories specified in (1) through (10) of Step 3 above, using the discount percentages set forth in 22.1.5(B) preceding, individually calculate the difference between (i) the discount percentage of the Achieved Discount Tier; and (ii) the discount percentage of the Assigned Discount Tier.

For example, if the Assigned Discount Tier for Channel Terminations across FCC1 and FCC11 under category (1) of Step 3 preceding has a discount percentage of 36% and the Achieved Discount Tier for category (1) of Step 3 preceding has a discount percentage of 35%, then the difference in the discount percentages is 1%.

(Step 5) Individually calculate the dollar amount of the Discount Tier Adjustments.

For each Discounted Rate Element category specified in (1) through (10) of Step 3 above, individually calculate the dollar amount of the Discount Tier Adjustment by multiplying (i) the Non-discounted Billed Amount calculated for each Discounted Rate Element category in Step 3 above; by (ii) the difference in the discount percentage determined in Step 4 above for such Discounted Rate Element category.

(Step 6) Calculate the total Discount Tier Adjustment for the NDP

(a) Add the total of the Discount Tier Adjustments for the Channel Termination and multiplexer rate elements as calculated in Step 5. The resulting total is the Discount Tier Adjustment for Channel Terminations and multiplexers.

(b) Add the total of the Discount Tier Adjustments for the Channel Mileage rate elements as calculated in Step 5. The resulting total is the Discount Tier Adjustment for Channel Mileage.

Service availability limited. Refer to # footnote on Page 22-1.

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd)

22.1.7 **Annual True-Up** (Cont'd)

(D) Discount Tier Adjustment

(3) For NDP Customers who elected the Standard Commitment Matrix or the Premier Commitment Matrix, Discount Tier Adjustments may result in a debit adjustment or credit adjustment to the NDP Customer's bill. The Telephone Company will apply the Discount Tier Adjustment calculated in (D)(2)(a) preceding to the BAN(s) designated by the NDP Customer under Section 22.1.2(C)(5) preceding. The Discount Tier Adjustment is not subject to late payment penalty under Section 2.4.1 preceding, except when the bill containing a debit Discount Tier Adjustment is not paid by the payment date.

(4) As an illustrative example of an adjustment to a higher Discount Tier for Channel Terminations, assume that (i) the NDP Customer is under the Premier Commitment Matrix; and (ii) the Assigned Discount Tier for Channel Terminations is Discount Tier D (120,001 to 195,000 Equivalent DS1 CTs) which provides a 36% discount for DS1 Channel Terminations; and (iii) no Discount Tier Adjustment is required for Channel Mileage because the NDP Customer's Achieved Discount Tier is the same as the Assigned Discount Tier for the Annual True-Up Period (i.e., the Telephone Company will disregard categories (7) through (10) of Step 3 in Section 22.1.7(D)(3) preceding).

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs in accordance with Section 22.1.7(B)(1) preceding. In this example, assume that this number is calculated as 201,000 Equivalent DS1 CTs.

(Step 2) Determine the Achieved Discount Tier in accordance with category (a) of Step 3 in Section 22.1.7(D)(2)(a) preceding. For purposes of this example, assume that Achieved Discount Tier for Channel Terminations (excluding the operating territories of Verizon North LLC and Verizon South Inc.) is Tier E (195,001 to 275,000 which has a 37% discount). Since the Monthly Average Count of Equivalent DS1 CTs is 201,000 Equivalent DSI CTs, the corresponding Achieved Discount Tier for Channel Terminations is Tier E (195,001 to 275,000 which has a corresponding discount percentage of 37% discount). (C) (C)

Since the Achieved Discount Tier (Tier E) is a higher Discount Tier than the Assigned Discount Tier (Tier D), proceed with Steps 3 through 6 of Section 22.1.7(D)(2)(a) preceding.

(Step 3) Calculate the Non-Discounted Billed Amounts for each Channel Termination and multiplexer Discounted Rate Element category specified in Step 3 of Section 22.1.7(D)(2)(a) preceding.

The Non-Discounted Billed Amount for DS1 Channel Terminations under FCC1 and FCC11 (i.e., category (1) of Step 3 in Section 22.1.7(D)(2)(a) preceding), is calculated as follows:

(i) For this example, assume the total billed Monthly Charges for DS1 Channel Terminations under FCC1 and FCC11 is $12,000,000.

(ii) Remove the discount associated with the Assigned Discount Tier [$12,000,000 / (1 - 0.36) = $18,750,000].

Service availability limited. Refer to # footnote on Page 22-1.

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22. **Discount Plans** (Cont'd)
22.1 **National Discount Plan#** (Cont'd)
22.1.7 **Annual True-Up** (Cont'd)
(D) Discount Tier Adjustment

(4) (Cont'd)

(Step 3) (Cont'd)

The monthly Non-Discounted Billed Amount for DS1 Channel Terminations (i.e., category (1) of Step 3 in Section 22.1.7(D)(2)(a) preceding) is $18,750,000. (D)

In accordance with Step 3 of Section 22.1.7(D)(2)(a) preceding, calculate the monthly Non-Discounted Billed Amount for each of the remaining Channel Termination and multiplexer Discounted Rate Elements (categories (2) through (6) of Step 3 in Section 22.1.7(D)(2)(a) preceding).

(Step 4) Calculate the difference in the discount percentage between the Assigned Discount Tier and the Achieved Discount Tier for the Channel Termination Discounted Rate Elements (i.e., category (1) of Step 3 in Section 22.1.7(D)(2)(a) preceding). For this Discounted Rate Element category, the difference is calculated as follows: [37% Achieved Discount Tier - 36% Assigned Discount Tier = 1% difference] (D)

In accordance with Step 4 of Section 22.1.7(D)(2)(a) preceding, calculate the difference in the discount percentage between the Assigned Discount Tier and the Achieved Discount Tier for each of the remaining Channel Termination and multiplexer Discounted Rate Elements (i.e., categories (2) through (6) of Step 3 in Section 22.1.7(D)(2)(a) preceding).

(Step 5) Calculate the dollar amount of the Discount Tier Adjustments for the Channel Termination Discounted Rate Elements (i.e., category (1) of Step 3 in Section 22.1.7(D)(2)(a) preceding). For this Discounted Rate Element category, the dollar amount is calculated as follows [18,750,000 Non-Discounted Billed Amount from Step 3 x 1% difference in discount percentage from Step 4 = $187,500]. (D)

In accordance with Step 5 of Section 22.1.7(D)(2)(a) preceding, calculate the dollar amount for each of the remaining Channel Termination and multiplexer Discounted Rate Elements (i.e., categories (2) through (6) of Step 3 in Section 22.1.7(D)(2)(a) preceding).

Assume the calculations in Steps 3 through 5 above preceding are done for each of the remaining Channel Termination and multiplexer Discounted Rate Elements (i.e., categories(2) through (6) of Step 3 in Section 22.1.7(D)(2)(a) preceding). Further assume the calculations yield the following Discount Tier Adjustments:

DS1 Multiplexer	$100,000	(D)
DS3 CT	$200,000	(D)
DS3 Multiplexer	$150,000	(D)
DS1 CT Verizon North LLC and Verizon South Inc.	$100,000	(C)
DS3 CT Verizon North LLC and Verizon South Inc.	$200,000	(C)

Service availability limited. Refer to # footnote on Page 22-1.

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(D) Discount Tier Adjustment

(4) (Cont'd)

(Step 6) Calculate the Total Discount Tier Adjustment in accordance with Step 6 of Section 22.1.7(D)(2)(a) preceding. The total Discount Tier Adjustment for Channel Termination and multiplexer Discounted Rate Elements is equal to $937,500 [$187,500 + $100,000 + $200,000 + $150,000 + $100,000 + $200,000]. The NDP Customer would receive a credit of $937,500 on its BANs for this Discount Tier Adjustment.

(5) No change will be made to the NDP Customer's Commitment Levels, regardless of whether or not the Discount Tier was adjusted upward or downward. An NDP Customer subscribed to the Premier Commitment Matrix may qualify for the Commitment Buy-Up Bonus Option and receive a CBB Discount under Section 22.1.7(E) following.

(E) Commitment Buy-Up Bonus

During an Annual True-Up, an NDP Customer that meets the following criteria may choose to exercise the Commitment Buy-Up Bonus option. The CBB Discount is provided in connection with the Annual True-Up Period, and is in addition to any other discounts provided under NDP.

(1) If the NDP Customer meets all of the requirements of (a) through (c) following, the NDP Customer is eligible to exercise the Commitment Buy-Up Bonus Option with respect to either or both Commitment Levels:

(a) the NDP Customer subscribes to the Premier Commitment Matrix during the Annual True-Up Period; and

(b) the NDP Customer has met both its CT Commitment Level and its CM Commitment Level (assuming it established both such Commitment Levels) under Section 22.1.7(B) preceding; and

(c) the actual quantity of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, in month twelve (12) of the Annual True-Up Period is five percent (5%) or more greater than the actual quantity of Equivalent DS1 CTs or CMs, as applicable, in month one (1) of the Annual True-Up Period.

(2) If the NDP Customer elects to increase its CT Commitment Level and/or CM Commitment Level, the new Commitment Level(s) for the NDP will be set at ninety (90%) of the month 12 count of Equivalent DS1 CTs; or at ninety (90%) of the month 12 count of Equivalent DS1 CMs, as applicable. In determining the month 12 counts, the Telephone Company will include any Upgrade Adjustment or Sale Adjustment as set forth in Sections 22.1.7(H) and 22.1.10 following, respectively.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(E) Commitment Buy-Up Bonus (Cont'd)

(3) Where an increase in (E)(2) above occurs, the CBB Discount shall be calculated in accordance with (E)(4) following, and such calculation shall use the Percent Increase and corresponding CBB Discount Percentage achieved by the NDP Customer in accordance with the table below:

Percent Increase	CBB Discount Percentage
Less than 5%	No Discount
5% - 9.99%	1%
10% – 14.99%	2%
15% - 19.99%	3%
20% - 24.99%	4%
25% or more	5%

(4) The CBB Discount is calculated as follows.

(Step 1) Calculate the Percent Increase and Corresponding CBB Discount Percentage

A Percent Increase will be calculated for the Equivalent DS1 CTs and a separate Percent Increase will be calculated for the Equivalent DS1 CMs.

(a) The Percent Increase for the Equivalent DS1 CTs is calculated as follows:

(1) subtract (i) the actual count of Equivalent DS1 CTs in month one (1) of the Annual True-Up Period; from (ii) the actual count of Equivalent DS1 CTs in month twelve (12) of the Annual True-Up Period; and

(2) divide the result from (a)(1) preceding by the actual count of Equivalent DS1 CTs in month one (1) of the Annual True-Up Period.

(b) The Percent Increase for the Equivalent DS1 CM is calculated as follows:

(1) subtract (i) the actual count of Equivalent DS1 CMs in month one (1) of the Annual True-Up Period; from (ii) the actual count of Equivalent DS1 CMs in month twelve (12) of the Annual True-Up Period; and

(2) divide the result from (b)(1) preceding by the actual count of Equivalent DS1 CMs in month one (1) of the Annual True-Up Period.

The applicable CBB Discount Percentage is derived from the table in Section 22.1.7(E)(3) preceding by using the Percent Increase as calculated in this Step 1. The CBB Discount Percentage is separately derived for Channel Terminations and Channel Mileage from the table in Section 22.1.7(E)(3) preceding.

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(E) Commitment Buy-Up Bonus (Cont'd)

(4) (Cont'd)

(Step 1) Calculate the Percent Increase and Corresponding CBB Discount Percentage (Cont'd)

For example, if the Percent Increase (as calculated in Step 1) for Equivalent DS1 CTs is 11%, and the Percent Increase for Equivalent DS1 CMs is 22%, then the corresponding CBB Discount Percentage from the table in (E)(3) preceding is 2% for Equivalent DS1 CTs and 4% for Equivalent DS1 CMs.

(Step 2) Calculate the Monthly Average Count of Equivalent DS1 CTs or Monthly Average Count of Equivalent DS1 CMs

Calculate the Monthly Average Count of Equivalent DS1 CTs in accordance with Step 1 of Section 22.1.7(B)(1) preceding and/or the Monthly Average Count of Equivalent DS1 CMs in accordance with Step 1 of Section 22.1.7(B)(1) preceding, as applicable.

(Step 3) Calculate the Average Monthly Rate per Equivalent DS1 CTs or Equivalent DS1 CMs

The Average Monthly Rate per Equivalent DS1 CT is calculated in accordance with Step 3 of Section 22.1.7(C)(1) preceding.

The Average Monthly Rate per Equivalent DS1 CM is calculated in accordance with Step 3 of Section 22.1.7(C)(2) preceding.

(Step 4) Calculate the Actual Increase in Equivalent DS1 CTs and Equivalent DS1 CMs

The Actual Increase in the count of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, is calculated by subtracting (i) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month one (1) of the Annual True-Up Period; from (ii) the number of Equivalent DS1 CTs or Equivalent DS1 CMs (as applicable) in month twelve (12) of the Annual True-Up Period.

(Step 5) Calculate the CBB Discount

The CBB Discount is equal to the product of the following:

(a) the Average Monthly Rate per Equivalent DS1 CT or Equivalent DS1 CM, as applicable, as determined in Step 3 preceding; multiplied by

(b) the Actual Increase determined in Step 4 preceding; multiplied by

(c) the applicable CBB Discount Percentage determined in Step 1; multiplied by

(d) 12 months.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(E) Commitment Buy-Up Bonus (Cont'd)

(5) As an illustrative example of the Commitment Buy-Up Bonus and the calculation of the CBB Discount for the CT Commitment Level, assume that the actual number of Equivalent DS1 CTs in month one (1) of the Annual True-Up Period was 6,046 Equivalent DS1 CTs and the actual number of Equivalent DS1 CTs in month twelve (12) of the Annual True-Up Period was 7,001.

(Step 1) Calculate the Percent Increase and corresponding CBB Discount Percentage in accordance with Step 1 of Section 22.1.7(E)(4) preceding.

In this example, the Percent Increase for Equivalent DS1 CTs is 16% [(7,001 – 6,046)/6,046]. The corresponding CBB Discount Percentage per the table in Section 22.1.7(E)(3) preceding is 3%.

(Step 2) Calculate the Monthly Average Count of Equivalent DS1 CTs in accordance with Step 2 of Section 22.1.7(E)(4) preceding. For this example, assume that the Monthly Average Count of Equivalent DS1 CTs is 6,350 Equivalent DS1 CTs.

(Step 3) Calculate the Average Monthly Rate per Equivalent DS1 CT in accordance with Step 3 of Section 22.1.7(E)(4) preceding. For this example, assume that the total charges over the Annual True-Up Period were $9,475,000 which results in an average of $124.34 per Equivalent DS1 CT. [(9,475,000 divided by 12 months) = $789,583] ($789,583 divided by 6,350 = an Average Monthly Rate of Equivalent DS1 CTs is $124.34 per Equivalent DS1 CT]

(Step 4) Determine the Actual Increase in Equivalent DS1 CTs in accordance with Step 4 of Section 22.1.7(E)(4) preceding. In this example, the Actual Increase for Equivalent DS1 CTs is 955 Equivalent DS1 CTs (7,001 – 6046).

(Step 5) Determine the CBB Discount for the CT Commitment Level in accordance with Step 5 of Section 22.1.7(E)(4) preceding. In this example, the CBB Discount is $42,748 [955 Actual Increase x $124.34 Average Rate per Equivalent DS1 CT x 3% Percent Increase x 12 months = $42,748 CBB Discount].

(F) Assign the Discount Tier(s) for the Next Plan Year

The Telephone Company will assign the Discount Tier(s) applicable to the next Plan Year (i.e., from the most recent Anniversary Date to the next successive Anniversary Date) if the Achieved Discount Tier in month twelve (12) of the Annual True-Up Period (taking into account any (i) Upgrade Adjustment, as calculated in accordance with Section 22.1.7(H) following, for any Qualifying Service(s) that has been Upgraded; and (ii) any Sale Adjustment, as calculated in accordance with Section 22.1.10 following, for any Qualifying Service(s) for the ACNA(s) included in the NDP Customer's NDP which are affected by a Telephone Company Sale) is a higher or lower Discount Tier than the Assigned Discount Tier for the Annual True-Up Period. With respect to either Channel Terminations or Channel Mileage, the new Discount Tier for the next Plan Year (i.e., the new Assigned Discount Tier) shall result in an increased or decreased discount percentage pursuant to Section 22.1.5(B) preceding. If the Achieved Discount Tier (as determined in accordance with Section 22.1.7(D) preceding) is the same as the Assigned Discount Tier for the Annual True-Up, no action will be taken.

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(F) Assign the Discount Tier(s) for the Next Plan Year (Cont'd)

For example, assume that the NDP Customer's Assigned Discount Tier in Plan Year 2 for Channel Mileage Discounted Rate Elements was Discount Tier B. Further assume that the NDP Customer's Achieved Discount Tier for such Channel Mileage Discounted Rate Elements in month 12 of the Annual True-Up Period was Discount Tier C. In this case, the Telephone Company will assign Discount Tier C as the Discount Tier for the next Plan Year.

(G) Changes to Commitment Matrix During an Annual-True-Up

(1) Permitted Changes:

If the NDP Customer has selected the Standard Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may, at its option, change its Commitment Matrix selection to either the Deluxe Commitment Matrix or the Premier Commitment Matrix at an Annual True-Up. If the NDP Customer has selected the Deluxe Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may, at its option, change its Commitment Matrix selection to the Premier Commitment Matrix at an Annual True-Up. Such request must be in writing and made no later than thirty (30) calendar days prior to the Anniversary Date of the NDP Customer's NDP. The Telephone Company will set the new Commitment Levels based on the Commitment Matrix selected in accordance with Section 22.1.4(C) preceding. Such new Commitment Levels shall apply on a going forward basis for the balance of the Initial Term or Renewal Term, as applicable.

(2) Prohibited Changes

If the NDP Customer has selected the Premier Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may not change such Commitment Matrix during the Initial Term, or during a Renewal Term, as applicable, including during an Annual True-Up. If the NDP Customer has selected the Deluxe Commitment Matrix at the beginning of the Initial Term or the Renewal Term, as applicable, the NDP Customer may not change such Commitment Matrix to the Standard Commitment Matrix during the Initial Term, or during a Renewal Term, as applicable, including during an Annual True-Up.

(3) Certain Other Changes to the Commitment Matrix

As described further in Section 22.1.14 following, at the end of the Initial Term or any Renewal Term, as applicable, an NDP Customer that renews its NDP is permitted to pick a different Commitment Matrix for the Renewal Term, so long as the NDP Customer does not also concurrently select the Renewal Benefit Option.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(H) Upgrades

(1) For customers who subscribe to NDP on or after December 2, 2010, or renew an expiring NDP on or after December 2, 2010, the NDP customer may disconnect a Qualifying Service in order to replace such Qualifying Service with a Replacing Service pursuant to Section 2.9 preceding.

For customers who subscribed to an NDP prior to December 2, 2010, this Section 22.1.7(H) includes replacements of Qualifying Services with Telephone Company provided Ethernet private line service or Telephone Company provided switched Ethernet service. However, the customer may, at its option, replace a Qualifying Service with a Replacing Service pursuant to Section 2.9 preceding in lieu of this Section 22.1.7(H).

(2) During the Term of the NDP, an NDP Customer may Upgrade a Qualifying Service to a service that is (a) a Qualifying Service of a higher capacity/bandwidth (e.g., an Upgrade of a Special Access DS3 Service to an IEF Service); or (b) a non-Qualifying Service of a higher bandwidth/capacity (e.g., an Upgrade of a Special Access DS3 Service to a Telephone Company provided optical service of a greater bandwidth). An Upgrade under (a) above shall result in no change to the NDP Customer's NDP.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(H) Upgrades (Cont'd)

(3) Except as otherwise specified in Sections 2.9.3 and 2.9.4 preceding for a Technology Migration, an Upgrade must meet all of the following conditions:

(a) Both the Qualifying Service being Upgraded (the existing service) and the replacing Qualifying Service or non-Qualifying Service, as applicable, (the new service), must be provided solely by the Telephone Company;

(b) at least one of the terminating locations of the new service must be the same location as one of the terminating locations of the existing service; and

(c) the total bandwidth or capacity of the new service must be equal to or greater than the total bandwidth or capacity of the existing service; and

(d) the NDP Customer must submit order(s) for the disconnect of the existing service and the installation of the new service, such that the installation date of the new service is within ninety (90) days of the disconnection of the existing service. The orders must be related by related purchase order number (RPON); and

(e) The commitment period for the new service must be at least five (5) years, except where a commitment period of at five (5) years or longer is not available, in which case the longest available commitment period must be selected; and

(f) At each next Annual True-Up following the Upgrade, the new service must be installed and still in-service to be eligible for an Upgrade Adjustment as set forth in (H)(3) following.

(g) No later than thirty (30) days prior to the Anniversary Date of the NDP, the NDP Customer must provide the Telephone Company with a list of the existing services (as defined in (H)(2)(a) above) that were Upgraded to non-Qualifying Services (as defined in (H)(2)(a) above) during the Annual True-Up Period. The list must be in writing and must contain the following information:

(i) the circuit identification number for each existing service; and
(ii) the circuit identification number for each new service; and
(iii) the RPONs associated with the Upgrades.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.7 **Annual True-Up** (Cont'd)

(H) Upgrades (Cont'd)

(4) With the exception of an Upgrade involving a Technology Migration pursuant to Section 2.9 preceding, when a Qualifying Service is Upgraded to a non-Qualifying Service, the Telephone Company will calculate the Upgrade Adjustment (i.e. an adjusted number of Equivalent DS1 CTs) for the Qualifying Services that were Upgraded (in accordance with (a) following), and an adjusted number of Equivalent DS1 CMs for the Qualifying Services that were Upgraded (in accordance with (b) following). The Telephone Company shall use such Upgrade Adjustments in (i) the calculation of Step 2 of the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs, respectively, as set forth in Section 22.1.7(B)(1) preceding; (ii) Section 22.1.7(F) for assigning Discount Tiers for the next Plan Year; and (iii) Section 22.1.7(E) to set the new Commitment Level(s) when the NDP Customer elects the Commitment Buy-Up Option.

(a) The Upgrade Adjustment of Equivalent DS1 CTs is calculated as follows.

(1) Using the table in Section 22.1.4(A)(1) preceding, determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) that were Upgraded to a non-Qualifying Service as calculated in accordance with Section 22.1.4(A).

(2) Determine the number of whole calendar months remaining in the Annual True-Up Period following the month in which the Upgrade occurred through the end of the Annual True-Up Period. For example, if the Upgrade occurred in June, and the Annual True-Up Period ended in November, then the number of whole months remaining in the Annual True-Up Period was five (5) months; and

(3) Determine the Upgrade Adjustment of Equivalent DS1 CTs by multiplying (a) the result of (1) above; by (b) the result of (2) above. The Telephone Company shall use such Upgrade Adjustments in the calculation of Step 2 of the Monthly Average Count of Equivalent DS1 CTs, as set forth in Section 22.1.7(B)(1) preceding.

As an example, assume the NDP Customer Upgraded two (2) Special Access DS3 Services to a Telephone Company provided optical Service in the seventh (7th) month of the Annual True-Up Period. The Upgrade Adjustment of Equivalent DS1 CTs is calculated as follows:

(1) multiply the number of DS3 level Qualifying Services that were Upgraded by the corresponding DS1 CT Multiplier. [2 Special Access DS3 Services x 28 =56 Equivalent DS1 CTs]

(2) five (5) months remain in the Annual True-Up Period. [the Upgrade occurred in the 7th month of the Annual True-Up Period which is period of twelve(12) months]

(3) the Upgrade Adjustment used in the calculation set forth in Step 2(i) of Section 22.1.7(B)(1) preceding would be 280 Equivalent DS1s. [56 Equivalent DS1 CTs upgraded in (i) above multiplied by 5 months as determined in (2) above]. This number shall be used in Step 2(i) of the calculation of Monthly Average DS1 CTs as set forth in Section 22.1.7(B)(1) preceding.

(b) The Upgrade Adjustment of Equivalent DS1 CMs is calculated in the same manner as the Upgrade Adjustment of Equivalent DS1 CT specified in (H)(3)(a) preceding is calculated, except that such calculations shall use Equivalent DS1 CMs and DS1 CM multipliers. This number shall be used in Step 2(i) of the calculation of Monthly Average DS1 CMs as set forth in Section 22.1.7(B)(1) preceding.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. Discount Plans (Cont'd)

22.1 National Discount Plan# (Cont'd) (T)

22.1.8 Minimum Period

The minimum period, as set forth in Section 7.2.2 preceding, for any service associated with a Discounted Rate Element provided under the NDP is one year from the date that such service is installed. Minimum period charges, as calculated in Section 5.3.3 preceding, will be assessed if the NDP Customer does not maintain the service with Discounted Rate Elements under Section 22.1.5 preceding for at least the one year minimum period.

As an illustrative example, assume that the NDP Customer establishes a Special Access DS1 Service under a TPP on January 1, 2001. On June 1, 2007, the NDP Customer establishes the NDP. On November 1, 2007, the NDP Customer disconnects that Special Access DS1 Service that was originally installed on January 1, 2001. Since the service was installed on January 1, 2001, and the disconnection date was November 1, 2007, the minimum period under the NDP of one year has been met. Therefore, the NDP Customer is not required to pay any minimum period charges.

22.1.9 Changes to Basic Service and/or Base Rates

The rates to which the discount percentages are applied under the NDP are subject to change. An increase in the rate will result in an increase to the rates under the NDP for the applicable Special Access DS1 Service and Special Access DS3 Services. A decrease in the rate will result in a decrease to the rates under the NDP for the applicable Qualifying Service.

22.1.10 Sale of a Telephone Company Operating Territory

(A) In the event of a Telephone Company Sale during a Plan Year, the following applies:

(1) The Telephone Company will determine and record the actual number of Equivalent DS1 CTs and the actual number of Equivalent DS1 CMs affected by the Telephone Company Sale; and

(2) If a Telephone Company Sale occurs during the Initial Term, or a Renewal Term, the Telephone Company will calculate the Sale Adjustment (i.e., an adjusted amount of Equivalent DS1 CTs which are no longer provided to the NDP Customer as a result of the Telephone Company Sale, and/or an adjusted amount of Equivalent DS1 CMs which are no longer provided to the NDP Customer as a result of the Telephone Company Sale, as applicable). The Telephone Company shall use both of such Sale Adjustments in the Annual True-Up for the balance of the Initial Term or the Renewal Term, as applicable. Specifically, during the Annual True-Up, the Telephone Company shall use both of such Sale Adjustments in (i) the calculation of Step 2(ii) of the Monthly Average Count of Equivalent DS1 CTs and the Monthly Average Count of Equivalent DS1 CMs, respectively, as set forth in Section 22.1.7(B)(1) preceding, either during the Initial Term or the Renewal Term; (ii) Section 22.1.7(F) preceding for assigning Discount Tiers for the next Plan Year; and (iii) Section 22.1.7(E) preceding to set the new Commitment Level(s) when the NDP Customer elects the Commitment Buy-Up Option.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. **Discount Plans** (Cont'd) (T)

22.1 **National Discount Plan#** (Cont'd)

22.1.10 **Sale of a Telephone Company Operating Territory** (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

(a) When calculating the Monthly Average Count of Equivalent DS1 CTs under Section 22.1.7(B)(1) preceding, the Telephone Company will calculate the Sale Adjustment of Equivalent DS1 CTs (as used in Step 2(ii) of Section 22.1.7(B)(1) preceding) for each Qualifying Service included in the Telephone Company Sale.

The Sale Adjustment of Equivalent DS1 CTs is calculated as follows:

(i) Using the table in Section 22.1.4(A)(1) preceding, determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) that were sold as calculated in accordance with Section 22.1.4(A)(1) preceding.

(ii) Determine the number of whole calendar months remaining in the Annual True-Up Period following the month in which the Telephone Company Sale occurred through the end of the Annual True-Up Period. For example, if the Telephone Company Sale occurred in April, and the Annual True-Up Period ended in August, then the number of whole months remaining in the Annual True-Up Period was four (4) months; and

(iii) Determine the Sale Adjustment of Equivalent DS1 CTs by multiplying (a) the result of (i) above; by (b) the result of (ii) above. The Telephone Company shall use such Sale Adjustment(s) in the calculation of Step 2(ii) of the Monthly Average Count of Equivalent DS1 CTs as set forth in Section 22.1.7(B)(1) preceding.

(b) The Sale Adjustment of Equivalent DS1 CMs is calculated in the same manner as the Sale Adjustment of Equivalent DS1 CTs is calculated in (a) above, except that such calculations shall use Equivalent DS1 CMs and DS1 CM Multipliers instead of Equivalent DS1 CTs and DS1 CT multipliers.

Service availability limited. Refer to # footnote on Page 22-1. (N)

ACCESS SERVICE

22. Discount Plans (Cont'd)

22.1 National Discount Plan# (Cont'd) (T)

22.1.11 Addition of an ACNA(s) to an Existing NDP

(A) One of the following two (2) options must be chosen by the NDP Customer when adding one or more ACNA(s) to its NDP:

(1) If an NDP Customer adds one or more ACNA(s) to its NDP (as permitted under Section 22.1.1(C) and (D) preceding), and such ACNA(s) is/are not already included in a different NDP, then, at its option, the NDP Customer may include such ACNA(s) in its NDP in accordance with the terms of Section 22.1.11(B)(1) following; or

(2) If an NDP Customer adds one or more ACNA(s) to its NDP (as permitted under Section 22.1.1(C) and (D) preceding), and such ACNA(s) is/are already included in another NDP, then the NDP Customer must include such ACNA(s) in its NDP in accordance with the terms of Section 22.1.11(B)(2) following.

The terms of Section 22.1.1(C) preceding apply in addition to any requirements set forth herein.

(B) No later than thirty (30) calendar days prior to each Anniversary Date of the NDP, the NDP Customer must provide the Telephone Company with a list of the any ACNAs that the NDP Customer acquired (as defined in (A) above) during the Annual True-Up Period. Whether the acquired ACNA(s) is/are already included in an NDP shall determine whether (i) the NDP Customer's NDP is augmented to include such acquired ACNA(s); (ii) the NDP Customer's NDP is combined with the NDP associated with the acquired ACNA(s); or (iii) a new NDP is established that includes the NDP Customer's existing ACNA(s) and the acquired ACNAs.

(1) Augment of Existing NDP to Include the Added ACNA(s)

Where an NDP Customer seeks to add one or more ACNA(s) to its NDP in accordance with Section 22.1.11(A)(1) preceding (i.e., such ACNA(s) is/are not already included in another NDP), the NDP Customer's NDP shall be augmented to include the quantities of the Qualifying Services of such added ACNAs.

(a) At the next Annual True-Up following the effective date of the NDP Customer acquiring the additional ACNA(s), the Telephone Company will complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 22.1.7(A) preceding as if the NDP Customer had not acquired the additional ACNA(s).

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.11 **Addition of an ACNA(s) to an Existing NDP** (Cont'd)

(B) (Cont'd)

(1) Augment of Existing NDP to Include the Added ACNA(s) (Cont'd)

(b) Upon completion of Section 22.1.7(A)(1) through (A)(5) preceding, and in accordance with Section 22.1.1(C) or (D) preceding, the acquired ACNA(s) will be added to the NDP and all of the following shall occur:

(1) Adjust Commitment Levels

The Telephone Company will adjust Commitment Levels of the NDP to include the Qualifying Services of the acquired ACNA(s) as follows:

(Step 1) Using the table in Section 22.1.4(A)(1) preceding, and the actual quantities of Channel Terminations for the acquired ACNA(s) in month twelve (12) of the Annual True-Up Period (even though such Channel Terminations of the acquired ACNA(s) were not used in the Annual True-Up), determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) of the acquired ACNA(s) by multiplying (a) the level for the Qualifying Service (e.g., DS3 level); by (b) the DS1 CT multiplier using the table set forth in Section 22.1.4(A)(1) preceding.

The Telephone Company will determine the number of Equivalent DS1 CMs for the acquired ACNA(s) in the same manner as the number of Equivalent DS1 CTs was developed in the preceding paragraph.

(Step 2) The Telephone Company will calculate a CT Commitment Level for the acquired ACNA(s) by multiplying the result in Step 1 above by eighty-five percent (85%) if the NDP Customer has the Standard Commitment Matrix, by ninety percent (90%) if the NDP Customer has the Premier Commitment Matrix, or by ninety-two percent (92%) if the NDP Customer has the Deluxe Commitment Matrix.

The Telephone Company will develop a CM Commitment Level for the acquired ACNA(s) in the same manner as the CT Commitment Level was developed in the preceding paragraph.

(Step 3) The Telephone Company will add the CT Commitment Level for the acquired ACNA(s) determined in Step 2 above to the CT Commitment Level for the NDP (which such CT Commitment Level may have already been revised in accordance with Section 22.1.7(B) or Section 22.1.7(E) preceding, of the Annual True-Up), the result of which will be the adjusted CT Commitment Level for the remainder of the Term unless otherwise adjusted in this Section 22.1. Any prior CT Commitment level established under Section 22.1.7(B) or Section 22.1.7(E) preceding is expressly superseded by the CT Commitment Level established under this Step 3.

The Telephone Company will add the CM Commitment Level for the acquired ACNA(s) determined in Step 2 above to the CM Commitment Level for the NDP, the result of which will be the adjusted CM Commitment Level for the remainder of the Term unless otherwise adjusted in this Section 22.1. Any prior CM Commitment level established under Section 22.1.7(B) or Section 22.1.7(E) p

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.11 **Addition of an ACNA(s) to an Existing NDP** (Cont'd)

(B) (Cont'd)

(1) Augment of Existing NDP to Include the Added ACNA(s) (Cont'd)

(b) (Cont'd)

(1) Adjust Commitment Levels (Cont'd)

As an example, assume the NDP Customer's CT Commitment Level is 10,000 Equivalent DS1 CTs. Further assume that the NDP Customer acquired one ACNA with Qualifying Services in month twelve (12) of the Annual True-Up Period in the following quantities (a) nine (9) Special Access DS3 Services; and (b) two thousand (2000) Special Access DS1 Services. The adjustment to the CT Commitment Level is calculated as:

(Step 1) determine the quantity of Equivalent DS1 CTs for the acquired ACNA(s) by multiplying

(i) the number of DS3 level Qualifying Services for the acquired ACNA(s); by

(ii) the corresponding DS3 CT Multiplier [9 Special Access DS3 Services x 28 =252 Equivalent DS1 CTs].

(iii) Then, multiply the number of DS1 level Qualifying Services for the acquired ACNA(s); by

(iv) the corresponding DS1 CT Multiplier [2000 Special Access DS1 Services x 1 = 2000 Equivalent DS1 CTs].

(v) add the result of (ii) and (iv) above [252 for DS3 Level + 2000 for DS1 Level = 2252 Equivalent DS1 CTs].

(Step 2) Calculate the increase to the CT Commitment Level by multiplying the result in Step 1 above by eighty-five percent (85%) for the Standard Commitment Matrix, by ninety percent (90%) for the Premier Commitment Matrix, or by ninety-two percent (92%) for the Deluxe Commitment Matrix. In this example, assume the NDP Customer has Premier Commitment Matrix [2252 Equivalent DS1 CTs for the acquired ACNA x 90% Commitment for Premier Commitment Matrix = 2027 Equivalent DS1 CTs (i.e., the Commitment Level for the acquired ACNA)].

(Step 3) Add the CT Commitment Level for the acquired ACNA determined in Step 2 above to the CT Commitment Level for the remaining portion of the NDP (which such CT Commitment Level may have already been revised in accordance with Section 22.1.7(B) and Section 22.1.7(E) preceding, of the Annual True-Up) (assumed to be 10,000 Equivalent DS1 CTs in this example) to determine the revised CT Commitment Level for the remainder of the Term unless otherwise changed in this Section 22.1. [10,000 Equivalent DS1 CTs for the existing CT Commitment Level + 2027 Equivalent DS1 CTs for the CT Commitment Level of the acquired ACNAs = a revised CT Commitment Level for the NDP of 12,027 Equivalent DS1 CTs]. Any prior CT Commitment level established under Section 22.1.7(B) and Section 22.1.7(E) preceding is expressly superseded by the CT Commitment Level established under this Step 3.

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd) (T)

22.1 **National Discount Plan#** (Cont'd)

22.1.11 **Addition of an ACNA(s) to an Existing NDP** (Cont'd)

(B) (Cont'd)

(1) Augment of Existing NDP to Include the Added ACNA(s) (Cont'd)

(b) (Cont'd)

(1) Adjust Commitment Levels (Cont'd)

Example (Cont'd)

(Step 3) (Cont'd)

A revised CM Commitment Level for the NDP would be calculated in the same manner as the revised CT Commitment Level for the NDP was calculated, except that such calculations shall use quantities of Equivalent DS1 CMs and the DS1 CM Multiplier. Any prior CM Commitment level established under Section 22.1.7(B) or Section 22.1.7(E) preceding is expressly superseded by the CM Commitment Level established under this Step 3.

(2) Assign the Discount Tiers for the Next Plan Year

Using the combined quantities for the Qualifying Services of the existing ACNAs and the acquired ACNAs in month twelve (12) of the Annual True-Up Period, the Telephone Company will assign the Discount Tiers applicable to the next Plan Year in accordance with Section 22.1.7(F) preceding.

(2) Combine NDPs

(a) Where an NDP Customer seeks to add one or more ACNA(s) to its NDP in accordance with Section 22.3.11(A)(2) preceding (i.e., such ACNA(s) is/are already included in another NDP), the NDP Customer who wishes to add the ACNA(s) to its NDP has the following options to combine the NDPs involved:

(1) Surviving NDP Option

Combine the NDP for the existing ACNA(s) with the NDP of the added ACNA(s) into a Surviving NDP as set forth in (B)(2)(b) following; or

(2) New NDP Option

Establish a new NDP that combines the existing ACNA(s) and the acquired ACNA(s) as set forth in (B)(2)(c) following.

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.11 **Addition of an ACNA(s) to an Existing NDP** (Cont'd)

(B) (Cont'd)

(2) Combine NDPs (Cont'd)

(b) Surviving NDP Option

This option combines the NDP of the existing ACNAs (Plan A) with the NDP of the acquired ACNAs (Plan B). The Telephone Company will determine whether Plan A or Plan B has the greatest Monthly Charges in the month before the NDPs are combined, and such NDP will be deemed the Surviving NDP. The Surviving NDP shall be augmented to add the acquired ACNAs to the ACNAs of the Surviving NDP.

(1) At the next scheduled Annual True-Up for the Surviving NDP following the effective date of the NDP Customer acquiring the ACNA(s), the Telephone Company will complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 22.1.7(A) preceding for Plan A and separately complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 22.1.7(A) preceding for Plan B. Each Annual True-Up will be conducted as if the NDPs had not been combined. The Telephone Company will conduct the Final True-Up for the non-Surviving NDP using the number of months available at the time the Final True-Up is conducted. The non-Surviving NDP shall be cancelled upon completion of such Final True-Up. Termination liability under Section 22.1.13 following will not apply to such cancellation.

(2) Once the Annual True-Ups under (B)(2)(b)(1) preceding are complete, and in accordance with Section 22.1.1(C) preceding, the ACNAs, Qualifying Services and Commitment Levels of the non-Surviving NDP will be added to the ACNAs, Qualifying Services and Commitment Levels of the Surviving NDP as follows:

(a) If the Surviving NDP used a Standard Commitment Matrix, the Standard Commitment Matrix will continue to apply to the combined plan. If the Surviving NDP used a Premier Commitment Matrix, the Premier Commitment Matrix will continue to apply to the combined plan. If the Surviving NDP used a Deluxe Commitment Matrix, the Deluxe Commitment Matrix will continue to apply to the combined plan; and

(b) Commitment Levels and Discount Tiers will be adjusted as follows; and

(i) Adjust Commitment Levels

The Telephone Company will adjust Commitment Levels of the Surviving NDP to include the Qualifying Services of the non-Surviving NDP as follows:

(Step 1) Using the table in Section 22.1.4(A)(1) preceding, and the actual quantities of Channel Terminations for the month prior to conducting the Final True-Up for the non-Surviving NDP, determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) of the acquired ACNA(s) by multiplying (a) the level for the Qualifying Service (e.g., DS3 level); by (b) the DS1 CT multiplier in accordance with the table in Section 22.1.4(A)(1) preceding.

The Telephone Company will determine the number of Equivalent DS1 CMs for the acquired ACNA(s) in the same manner as the number of Equivalent DS1 CTs was developed in the preceding paragraph in accordance with the table in Section 22.1.4(A)(2) preceding.

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.11 **Addition of an ACNA(s) to an Existing NDP** (Cont'd)

(B) (Cont'd)

(2) Combine NDPs (Cont'd)

(b) Surviving NDP Option (Cont'd)

(2) (Cont'd)

(b) Commitment Levels and Discount Tiers will be adjusted as follows; and (Cont'd)

(i) Adjust Commitment Levels (Cont'd)

(Step 2) The Telephone Company will develop a CT Commitment Level for the acquired ACNA(s) of the non-Surviving NDP by multiplying the result in Step 1 above by eighty-five percent (85%) if the Surviving NDP uses the Standard Commitment Matrix, by ninety percent (90%) if the Surviving NDP uses the Premier Commitment Matrix or by ninety-two percent (92%) if the Surviving NDP uses the Deluxe Commitment Matrix.

The Telephone Company will develop a CM Commitment Level for the acquired ACNA(s) of the non-Surviving NDP in the same manner as the CT Commitment Level was developed in the preceding paragraph.

(Step 3) The Telephone Company will add the CT Commitment Level for the acquired ACNA(s) determined in Step 2 above to the CT Commitment Level for the remaining portion of the Surviving NDP, the result of which will be the adjusted CT Commitment Level for the remainder of the Term unless otherwise adjusted in this Section 22.1.

The Telephone Company will add the CM Commitment Level for the acquired ACNA(s) determined in Step 2 above to the CM Commitment Level for the remaining portion of the Surviving NDP, the result of which will be the adjusted CM Commitment Level for the remainder of the Term unless otherwise adjusted in this Section 22.1.

(ii) The Plan Year for the Surviving NDP is the next scheduled Plan Year for that NDP prior to combining plans. For example, if the Surviving NDP was in Plan Year 2 prior to the NDPs being combined, the Surviving NDP will be in Plan Year 3 after the NDPs are combined.

(c) Assign Discount Tiers for the Next Plan Year

Using the combined quantities for the Qualifying Services of the existing ACNAs and the acquired ACNAs in month twelve (12) of the Annual True-Up Period, the Telephone Company will assign the Discount Tier applicable to the Surviving NDP for the next Plan Year in accordance with Section 22.1.7(F) preceding.

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.11 **Addition of an ACNA(s) to an Existing NDP** (Cont'd)

(B) (Cont'd)

(2) Combine NDPs (Cont'd)

(c) New NDP Option

This option combines the NDP of the existing ACNAs (Plan A) with the NDP of the acquired ACNAs (Plan B) into a new NDP (Plan C) that includes the ACNAs of Plan A and Plan B.

(1) At the first Annual True-Up for either Plan A or Plan B following the effective date of the NDP Customer acquiring the ACNA(s), the Telephone Company will complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 22.1.7(A) preceding for Plan A and separately complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 22.1.7(A) preceding for Plan B. Each Annual True-Up will be conducted as if the NDPs had not been combined. The Telephone Company will conduct a Final True-Up on Plan A, and a separate Final True-Up on Plan B using the number of months available at the time the Final True-Up is conducted. Upon completion of the Final True-Up for each plan, Plan A and Plan B shall both be cancelled without the application of termination liability under Section 22.1.13 following.

(2) The new NDP shall be established using the quantities of Qualifying Services for the ACNAs of Plan A and Plan B as determined in the Final True-Up for each plan, and shall be established and maintained in accordance with the requirements of this Section 22.1.

22.1.12 **Removal of an ACNA(s) As A Result of a Customer Sale**

(A) A Customer Sale is the consummation of a sale, divestiture, spin-off, or other transaction which results in the NDP Customer no longer having any (i.e., 0%) control (including any stock or assets) in a Person that is (at the time of the Customer Sale) included within the NDP Customer's NDP. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership or voting securities, by contract or otherwise.

(1) When an NDP Customer is subject to a Customer Sale, and seeks to remove one or more ACNA(s) from its NDP, the terms of Section (A)(2) following shall apply, and the Telephone Company shall automatically at the next Annual True-Up modify the existing NDP by removing the affected ACNAs and the Qualifying Services associated with the affected ACNA(s). No later than thirty (30) calendar days prior to the Anniversary Date, the NDP Customer must provide a written notice with supporting documentation that describes the Customer Sale, and the ACNAs impacted by such Customer Sale.

If the NDP Customer sells, divests, spins off, or otherwise reduces its control (including any stock or assets) in a Person that is (at the time of the applicable sale transaction) included within the NDP Customer's NDP, but the NDP Customer still retains some control (i.e., greater than 0%) in the affected Person(s), then all of the ACNA(s) of such Person(s) shall continue to be included in the NDP Customer's NDP, in accordance with the terms of Section 22.1.1(C) or (D) preceding. As used in this paragraph, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership or voting securities, by contract or otherwise.

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.12 **Removal of an ACNA(s) as a Result of a Customer Sale** (Cont'd)

(A) (Cont'd)

(2) If the NDP Customer has removed an ACNA(s), the Telephone Company shall take the following actions:

(a) At the next Annual True-Up following the effective date of removal of the ACNA(s), the Telephone Company will complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 22.1.7(A) preceding as if the ACNA(s) has not been removed.

(b) Once the Annual True-Up under (2)(a) preceding is complete, the Telephone Company will modify the NDP as follows:

(i) Reduce Commitment Levels

The CT Commitment Level and CM Commitment Level will be reduced by (i) eighty-five percent (85%) of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, in month twelve (12) of the Annual True-Up that were associated with the removed ACNA(s) if the NDP uses Standard Commitment Matrix; or (ii) ninety percent (90%) of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, in month twelve (12) of the Annual True-Up that were associated with the removed ACNA(s) if the NDP uses Premier Commitment Matrix; or (iii) ninety-two percent (92%) of Equivalent DS1 CTs or Equivalent DS1 CMs, as applicable, in month twelve (12) of the Annual True-Up that were associated with the removed ACNA(s) if the NDP uses Deluxe Commitment Matrix as follows:

(Step 1) Using the table in Section 22.1.4(A)(1) preceding, determine the number of Equivalent DS1 CTs associated with the Qualifying Service(s) of the Customer Sale as calculated in accordance with Section 22.1.4(A) preceding.

The Telephone Company will determine the number of Equivalent DS1 CMs for the removed ACNA(s) in the same manner as the number of Equivalent DS1 CTs was developed in the preceding paragraph.

(Step 2) The Telephone Company will develop a CT Commitment Level for the removed ACNA(s) by multiplying the result in Step 1 above by eighty-five percent (85%) if the NDP uses the Standard Commitment Matrix, or by ninety percent (90%) if the NDP uses the Premier Commitment Matrix, or by ninety-two percent (92%) if the NDP uses the Deluxe Commitment Matrix.

The Telephone Company will develop a CM Commitment Level for the removed ACNA(s) of the NDP in the same manner as the CT Commitment Level was developed in the preceding paragraph.

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.12 **Removal of an ACNA(s) as a Result of a Customer Sale** (Cont'd)

(A) (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

(i) Reduce Commitment Levels (Cont'd)

(Step 3) The Telephone Company will subtract the CT Commitment Level for the removed ACNA(s) determined in Step 2 above from the CT Commitment Level for the remaining portion of the NDP, the result of which will be the adjusted CT Commitment Level for the remainder of the Initial Term or Renewal term, as applicable, unless otherwise adjusted in this Section 22.1.

The Telephone Company will subtract the CM Commitment Level for the removed ACNA(s) determined in Step 2 above from the CM Commitment Level of the Initial Term or Renewal term, as applicable, the result of which will be the adjusted CM Commitment Level for the remainder of the Term unless otherwise adjusted in this Section 22.1.

(c) Assign Discount Tiers for the Next Plan Year

Using the reduced quantities for the Qualifying Services of the remaining ACNAs in month twelve (12) of the Annual True-Up Period, the Telephone Company will assign the Discount Tier applicable to the NDP for the next Plan Year in accordance with Section 22.1.7(F) preceding.

(d) Termination Liability under Section 22.1.13 following will not apply for removal of the Qualifying Services from the NDP that are affected by the removal of an ACNA.

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22. Discount Plans (Cont'd)

22.1 National Discount Plan# (Cont'd) (T)

22.1.13 Termination Liability

(A) If the NDP is terminated prior to the end of the Initial Term or during the Renewal Term (subject to certain conditions as described in Section 22.1.14 following), termination liability applies to all Qualifying Services.

(B) The termination liability charge applies in addition to any applicable minimum period charges as set forth in Section 22.1.8 preceding.

(C) The applicable termination liability during the Initial Term or Renewal Term, as applicable, as set forth below shall be based on the Plan Year in which the NDP Customer terminates the NDP.

Plan Year	Termination Liability
1	100% of the monthly recurring charges for all Discounted Rate Elements for the remainder of Plan Year 1 and 50% of the monthly charges for the remaining 4 years.
2	50% of the monthly recurring charges for all Discounted Rate Elements for the remainder of Plan Year 2 and 50% of the monthly charges for the remaining 3 years.
3	25% of the monthly recurring charges for all Discounted Rate Elements for the remainder of Plan Year 3 and 25% of the monthly charges for the remaining 2 years.
4	15% of the monthly recurring charges for all Discounted Rate Elements for the remainder of Plan Year 4 and 15% of the monthly charges for the remaining year. If the NDP Customer has selected the Renewal Benefit Option as described in Section 22.1.14(C) following, termination liability during Plan Year 4 does not apply after month 42 of the Renewal Term.
5	10% of the monthly recurring charges for all Discounted Rate Elements for the remainder of Plan Year 5. If the NDP Customer has selected the Renewal Benefit Option as described in Section 22.1.14(C) following, termination liability during Plan Year 5 does not apply during the Renewal Term.

Service availability limited. Refer to # footnote on Page 22-1. (N)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.14 **Renewal and Termination of NDP**

(A) Description

No later than sixty (60) calendar days prior to expiration of the Initial Term or Renewal Term, as applicable, of the NDP, the NDP Customer must provide the Telephone Company with written notice of its election of one of the following options. (D)

(D)

(1) subscribe the Qualifying Services of the expiring NDP to any then effective discount plan, term plan or Contract Tariff Option for which the NDP Customer is eligible; or (T)

(2) continue with service on a month-to-month basis without any discount or term plan; or (T)

(3) discontinue service for all Qualifying Services without the application of termination liability as set forth in Section 22.1.13 preceding. (T)

(B) Renewal
Effective May 30, 2019, NDP may no longer be renewed. (N)
(D)

(D)

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22. **Discount Plans** (Cont'd)

(D)

(D)

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22. **Discount Plans** (Cont'd)

22.1 **National Discount Plan#** (Cont'd) (T)

22.1.14 **Renewal and Termination of NDP** (Cont'd)

(C) Renewal Benefit Option

(1) Effective May 30, 2019, customers may no longer renew NDP. This Section 22.1.14(C) applies only to Renewal Benefit Options selected prior to May 30, 2019. (C) (C)

(2) When the Renewal Benefit Option is selected, termination liability under Section 22.1.13 preceding is only applicable for the first forty-two (42) months of the Renewal Term. Termination Liability is not applicable in month forty-three (43) through month sixty (60) of the Renewal Term (Renewal Benefit Period).

For example, assume the NDP Customer renews its NDP on November 1, 2012. In this case, the Renewal Term begins November 1, 2012 and ends October 31, 2017. If the NDP Customer were to terminate its NDP at any time after May 1, 2016 (i.e., during the Renewal Benefit Period which is after month forty-two (42) of the Renewal Term), termination liability as set forth in Section 22.1.13 preceding is not applicable.

For a second example, assume the NDP Customer renews its NDP on November 1, 2012. In this case, the Renewal Term begins November 1, 2012 and ends October 31, 2017. If the NDP Customer were to cancel its NDP at any time prior to May 1, 2016 (i.e., during the first forty-two (42) months of the Renewal Term), termination liability as set forth in Section 22.1.13 preceding applies.

(D) Cancellation or Termination During the Renewal Term

(1) When the NDP is cancelled or terminated during the Renewal Term, a Final True-Up will be conducted in order to determine any applicable Shortfall Penalty or Discount Tier Adjustments. The Shortfall Penalty and Discount Tier Adjustments will be calculated as specified in Section 22.1.7(C) and (D) preceding, respectively, on a pro-rated basis, for the number of months elapsed since the last Annual True-Up.

(2) If the NDP is cancelled or terminated during the Renewal Benefit Period as defined in Section 22.1.14(C)(2) preceding (i.e., during the period that begins with month 43 and ends with month 60 of the Renewal Term), the NDP Customer will be treated as if it had completed the full Renewal Term of five (5) years. At the NDP Customer's option, and at any time between month 43 and month 60 of the Renewal Term, the NDP Customer may once again renew its NDP. The NDP Customer may elect the Renewal Benefit Option for any subsequent Renewal Term.

(3) Except as otherwise specified in this Section 22.1.14, all terms and conditions of the NDP as set forth in this Section 22.1 shall apply.

Service availability limited. Refer to # footnote on Page 22-1. (N)