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25. Discount Plans

The following discount plans are available to customers who purchase the applicable services and meet the requirements for each such discount plan that remains effective on a grandfathered basis, as set forth in Section 25.1 following for Commitment Discount Plans## and Section 25.3 following for National Discount Plan#. Because CDPs and NDPs are grandfathered, any references to CDPs or NDPs in this tariff are solely for purposes of administering grandfathered CDPs and NDPs, and any such references may not be interpreted to mean new CDPs or NDPs are available or that expiring CDPs or NDPs may be renewed or extended. (C) (N) (T) (N) (N)

25.1 Commitment Discount Plans

A Commitment Discount Plan (CDP) provides for the application of a discount to the monthly recurring rates for service(s) included in the CDP based on a Minimum Commitment of channel terminations. For administrative purposes, all services included in CDP are managed as a single plan with separate commitment periods applicable to each service type. Customers may combine certain services together when establishing their commitment levels in accordance with Section 25.1.3 following. Only one (1) CDP is permitted per customer (i.e., one per legal entity).

Subject to Section 1.1 preceding, the Telephone Company manages a CDP as a single plan by combining the commitment for Channel Terminations in Competitive and Non-Competitive Counties and applying tariffed and detariffed rates, terms and conditions as applicable.

25.1.1 Availability of a Commitment Discount Plan

(A) At the customer's request, certain Telephone Company Switched Access Services and Special Access Services as set forth in (E) following are eligible for inclusion in CDP. The types of services included in the CDP are set forth following.

(B) CDPs for Switched Access Service Direct Trunked Transport are only available in states where Collocated Interconnection as set forth in Section 19 preceding has become operational and either:

(1) a total within the state of 100 DS1 equivalent Entrance Facility Channel Terminations have been provided in the Zone 1 serving wire centers, access tandems and remote nodes; or

(2) an average of 25 DS1 equivalent Entrance Facility Channel Terminations have been provided per Zone 1 serving wire center, access tandem or remote node in that state.

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Availability limited. Refer to # footnote on Page 25-40.
Availability limited. Refer to footnotes on Page 25-10. (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.1 Availability of a Commitment Discount Plan (Cont'd)

(D)

(1) If a customer subscribed to CDP prior to July 16, 2016, all eligible service types must be included in CDP with the exception of the following: (i) IEF services; (ii) Special Access DS3 High Capacity/44.736 Mbps Services (Special Access DS3 Services) and Special Access DS1 High Capacity/1.544 Mbps Services (Special Access DS1 Services), as set forth in Section 7.2.9 preceding, that are included in the National Discount Plan (NDP) as set forth in Section 25.3 following; and (iii) eligible service types ordered on or after July 16, 2016 under an ACNA not included in said CDP. For IEF services, the customer must choose one of the following options: (1) establish or maintain existing term pricing plans on their IEF services; or (2) include their IEF under CDP, in which case their IEF terminations must be combined with their Switched Access and Special Access DS3 Channel Terminations, as described in 25.1.3(A)(6) and (A)(7) following; or (3) include the IEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.3 following, respectively.

(2) If a customer subscribes to CDP on or after July 16, 2016, all eligible service types under the ACNA(s) designated for inclusion in such CDP must be included in CDP with the exception of the following: (i) IEF services; and (ii) Special Access DS3 High Capacity/44.736 Mbps Services (Special Access DS3 Services) and Special Access DS1 High Capacity/1.544 Mbps Services (Special Access DS1 Services), as set forth in Section 7.2.9 preceding, that are included in the National Discount Plan (NDP) as set forth in Section 25.3 following. For IEF services, the customer must choose one of the following options: (1) establish or maintain existing term pricing plans on their IEF services; or (2) include their IEF under CDP, in which case their IEF terminations must be combined with their Switched Access and Special Access DS3 Channel Terminations, as described in 25.1.3(A)(6) and (A)(7) following; or (3) include the IEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.3 following, respectively.

(3) DDS and Voice Grade are no longer eligible services under CDPs established or renewed on or after November 16, 2018. For customers who established or renewed a CDP prior to November 16, 2018, the Telephone Company will continue to include DDS and Voice Grade Services as eligible service types only through the expiration date of the then effective commitment period of those service types. (N) | | | | | (N)

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

(E) Except as otherwise permitted herein, separate commitment periods will be established for each of the following service types which are under the CDP. Each service type has one or more rate elements associated with such service type as set forth below.

Service Type	Rate Element Discounted*	(T)
Switched Access DS1 Direct Trunked Transport	DS1 Entrance Facilities Standard Channel Termination	
	DS1 Channel Mileage	
	Local Transport Multiplexing Optional Feature or BSE	
Switched Access DS3 Direct Trunked Transport	DS3 Entrance Facilities Standard Channel Termination	
	DS3 Channel Mileage	
	Local Transport Multiplexing Optional Feature or BSE	
DS3 High Capacity/44.736 Mbps Service	Channel Termination	
	Channel Mileage	
	DS3 to DS1 Multiplexing	
IntelliLight® Entrance Facility (IEF) Service	Optical Terminations	
	Electrical Interfaces	

* Certain Discounted Rate Elements are detariffed. See Section 25.1 preceding. (N) (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.1 Availability of a Commitment Discount Plan (Cont'd)

(E) (Cont'd)

Service Type	Rate Element Discounted*	(T)
DS1 High Capacity/ 1.544 Mbps Service	Channel Termination	
	Channel Mileage	
	DS1 to Voice Multiplexing	
	DS1 to Digital Multiplexing	
	DS1 to DS0 Multiplexing	
	Conversion to Secondary Channel Capability Multiplexing	
	DS0 to Subrates Multiplexing	
Digital Data Service (DDS)#	Channel Termination	
	Channel Mileage	
Voice Grade Service#	Channel Termination	
	Channel Mileage	

Voice Grade and DDS are eligible service types only in CDPs established or renewed prior to November 16, 2018.

* Certain Discounted Rate Elements are detariffed. See Section 25.1 preceding. (N) (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan

(A) ACNA(s) Included in CDPs Established Prior to July 16, 2016 (T)

(1) At the time of subscription to CDP, the subscribing customer must include all of its ACNAs in the CDP plan. The customer also has the option to include the ACNA(s) of one or more Affiliates which it has the right to use (by written authorization from the owner of such ACNA). In this case, the customer's CDP shall include (1) all of the subscribing customer's ACNA(s); and (2) all of the ACNA(s) of the Affiliates that the subscribing customer wishes to include in its CDP. Hereafter, the term "CDP Customer" shall mean collectively the subscribing Customer (as defined in Section 2.6 preceding) and all Affiliates (as defined in Section 2.6 preceding) that are included in the same CDP.

(2) If, at any time subsequent to the establishment of CDP, the CDP Customer, at its option or as required under this Section 25.1.2(A)(2), adds one or more ACNA(s) to its CDP for one of the following reasons, then all such ACNA(s) of the customer and/or its Affiliate(s), as applicable, shall be added to the customer's CDP, in accordance with the terms set forth in Section 25.1.3(C) following.

(a) CDP Customer, at its option, may include Affiliate(s) in its CDP that are not currently in the CDP Customer's CDP; or

(b) CDP Customer has acquired one or more new ACNA(s) and, at its option, wishes to include such ACNA(s) in the CDP Customer's CDP; or (N) | (N)

(c) CDP Customer is required to include ACNA(s) acquired through merger, acquisition, or other transaction that are not currently included in the CDP Customer's CDP only when such ACNAs were already included in a CDP acquired by such merger, acquisition or other transaction. CDP Customer is not required to include ACNA(s) owned by an Affiliate that is not included in the CDP Customer's CDP or ACNA(s) acquired through merger, acquisition, or other transaction that were not currently included in another CDP. (T) (C) | (C) (C) | (C)

(3) The CDP Customer must provide written notification to the Telephone Company setting forth the affected ACNA(s) and the name of the Affiliate who owns such ACNA(s) if such ACNA is not an ACNA of the subscribing customer. Notification for (2)(b) preceding is required on or prior to completion of the next scheduled true-up period.

(4) An ACNA cannot concurrently be included in more than one (1) CDP, regardless of whether or not such CDP is established by a separate legal entity.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(A) ACNA(s) Included in CDP Established Prior to July 16, 2016 (Cont'd) (T)

(5) For example, assume that a customer who has only one ACNA (ABC) subscribes to CDP. Assume further that such customer has five (5) Affiliates, but only wishes to include three (3) Affiliates in its CDP at the initial establishment of CDP. Assume also that each of the three (3) included Affiliates have one ACNA (ACNAs LLL, MMM and NNN, respectively). In this case, a single CDP will be established for the CDP Customer that includes the following ACNAs: ABC, LLL, MMM and NNN. Assume further that during year 2 of the CDP commitment period, the CDP Customer decides to include its remaining two (2) Affiliates in its CDP. Then, in accordance with this Section 25.1.2, the CDP Customer will include all of the ACNAs of such Affiliates in the CDP.

Certain material previously found on this page can now be found on Original Page 25-4.3.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(B) ACNA(s) Included in CDP Established On or After July 16, 2016 (N)

(1) At the time of subscription to CDP, the subscribing customer must designate to the Telephone Company its ACNAs that it wishes to include in the CDP plan. The customer also has the option to include some or all of the ACNA(s) of one or more Affiliates which it has the right to use (by written authorization from the owner of such ACNA). Hereafter, the term "CDP Customer" shall mean collectively the subscribing Customer (as defined in Section 2.6 preceding) and all Affiliates (as defined in Section 2.6 preceding) that are included in the same CDP.

(2) If, at any time subsequent to the establishment of CDP, the CDP Customer, at its option or as required under this Section 25.1.2(B)(2), adds one or more ACNA(s) to its CDP 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 the customer's CDP, in accordance with the terms set forth in Section 25.1.3(C) following.

(a) CDP Customer, at its option, may include Affiliate(s) in its CDP that are not currently in the CDP Customer's CDP; or

(b) CDP Customer, at its option, may include ACNA(s) that are not currently in the CDP Customer's CDP; or

(c) CDP Customer is required to include ACNA(s) acquired through merger, acquisition, or other transaction that is not currently included in the CDP Customer's CDP only when such ACNAs was already included in a CDP acquired by such merger, acquisition or other transaction. CDP Customer is not required to include ACNA(s) owned by an Affiliate that is not included in the CDP Customer's CDP or ACNA(s) acquired through merger, acquisition, or other transaction that was not currently included in another CDP.

(3) The CDP Customer must provide written notification to the Telephone Company setting forth the affected ACNA(s) and the name of the Affiliate who owns such ACNA(s) if such ACNA is not an ACNA of the subscribing customer. Notification for (2)(b) preceding is required on or prior to completion of the next scheduled true-up period.

(4) An ACNA cannot concurrently be included in more than one (1) CDP, regardless of whether or not such CDP is established by a separate legal entity. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(C) At any time, a customer subscribing to one (1) or more eligible services has the option of establishing a CDP for such service(s). If a customer establishes a CDP for at least one (1) service type listed in 25.1.1 preceding and subscribes to other services listed in 25.1.1 preceding at any time that a CDP is in effect (whether under this tariff or detariffed), the CDP Customer must establish a CDP for such other services that are eligible for inclusion in CDP with the limited exception of the following: (i) IEF services; (ii) Special Access DS3 Services and Special Access DS1 Services that are included in the NDP as set forth in Section 25.3 following; or (iii) eligible service types ordered on or after July 16, 2016 under an ACNA not included in said CDP. For IEF services, the CDP Customer must choose one of the following options: (1) establish or maintain existing term pricing plans on their IEF services; (2) include their IEF under CDP, in which case their IEF terminations must be combined with their Switched Access and Special Access DS3 Channel Terminations, as described in 25.1.3(A)(6) and (A)(7) following; or (3) include the IEF services under the CDP and under the NDP in accordance with the terms set forth in this Section 25.1 and Section 25.3 following, respectively. For each service type specified in 25.1.1 preceding, the CDP must include all services of that type (excluding services ordered out of Section 10 or Section 17 preceding) which the Telephone Company provides to the CDP Customer within any of its operating territories. When a given circuit is included in the CDP plan, all eligible rate elements under CDP as set forth in 25.1.1 preceding of that circuit must be included in the CDP plan. (C)

(D) For service which is provided as part of a Shared Use Arrangement as set forth in Section 5.2.8, the DS1 or DS3 Service will be included in the service plan for the service type which is ordered as the facility to the Hub (e.g., a Switched Access DS1 Service which is ordered as the facility to the Hub will be under the Switched Access DS1 CDP). For purposes of administering the terms and conditions of the CDP, service provided as part of a Shared Use Arrangement is considered to be completely Switched Access or completely Special Access as determined by the type of facility ordered to the Hub.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(C) When a CDP is established, the CDP Customer agrees to the following requirements pertaining to all of its existing term plans (TPPs), under those ACNA(s) included in the CDP, as provided under Sections 6.8.22 and 6.8.23 for Switched Access Services, Sections 7.4.13, 7.4.17, and 7.4.18 for Special Access Services, and Sections 6.8.25(C)(5) and 7.2.15 for IEF. (T) (T) (T)

(1) The CDP Customer may continue with any available TPP or Service Discount Plan (SDP) or establish a new TPP/SDP for any service(s) not included in 25.1.1(E) preceding. (C) (C)

(2) For Switched Access or Special Access Services which are eligible for inclusion under the CDP, the TPPs will be cancelled in order to include the service(s) in the CDP. TPP termination liability will not apply to such cancelled plan(s).

(3) Special Access DS3 Services and Special Access DS1 Services which are included in the NDP as set forth in Section 25.3 following are not eligible for inclusion in the CDP.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(C) (Cont'd)

(4) In order to be eligible for application of discounts on new service types ordered subsequent to the initial establishment of the CDP under an ACNA(s) included in CDP, the CDP Customer must provide written notification to the Telephone Company of any new eligible service types it orders subsequent to the initial establishment of the CDP that are to be included in the CDP. The CDP Customer must establish a commitment level and a commitment period for each new service type. (N)

(a) The effective date of the inclusion of new service types in the CDP, and the application of the discount percentage and/or TPP rates, will be effective as specified following:

(i) If the CDP Customer provides written notification to the Telephone Company of a new eligible service type on or before the twentieth (20th) calendar day of a month, the changes shall begin the first (1st) calendar day of the month following the month in which the CDP Customer provided such notification. Application of discounts to the new service types under the CDP shall begin with the first bill day of the bill period associated with the CDP Customer's BAN in the month following the month in which the CDP Customer provided written notification. For example, assume a CDP Customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the CDP Customer notified the Telephone Company of a new service type was July 6th. Then, the discounts applicable to the new service type under the CDP shall begin on August 11th.

(ii) If the CDP Customer provides written notification to the Telephone Company of a new eligible service type after the twentieth (20th) calendar day of a month, the changes shall begin the 1st calendar day of the second calendar month following the month in which the CDP Customer provided such notification. Application of discounts to the new service types under the CDP shall begin with the first bill day of the bill period associated with the CDP Customer's BAN in the second month following the month in which the CDP Customer provided written notification. For example, assume a CDP Customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the CDP Customer notified the Telephone Company of a new service type was July 30th. Then, discounts applicable to the new service type under the CDP shall begin on September 11th.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.2 Establishment of a Commitment Discount Plan (Cont'd)

(C) (Cont'd)

(5) The CDP Customer must establish a separate plan (including a commitment level and a commitment period) for each service type specified in 25.1.1 preceding. If a customer establishes a CDP for at least one (1) service type listed in Section 25.1.1 preceding and subscribes to other services listed in Section 25.1.1 preceding at any time that a CDP is in effect, the CDP Customer may not establish or maintain a term plan for any services that are eligible for inclusion in CDP with the following limited exceptions: (i) eligible service types ordered on or after July 16, 2016 under an ACNA not included in said CDP; or (ii) IEF services as set forth in the following sentence. If IEF services are included in CDP, the customer may not establish or maintain a term plan for IEF services; however, the CDP Customer may include IEF services in NDP in accordance with the terms set forth in Section 25.3 following; and (ii) Special Access DS3 Services and Special Access DS1 Services included in the NDP. (N) | (N)

25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.3 Plan Commitment Levels
(A) Minimum Commitment Levels

(1) The CDP requires that a Minimum Commitment of channel terminations be established for the purpose of administering the CDP. The total number of channel terminations shall be calculated using all such in-service channel terminations (both under this tariff and detariffed), which the Telephone Company provides to the CDP Customer under the ACNA(s) included in the CDP in all of its operating territories specified in Section 14 preceding. The Minimum Commitment shall be expressed as the equivalent number of DS0s for the Channel Termination rate elements of all services involved. (C) (C) (T) (T)

(2) The Minimum Commitment shall be expressed as the equivalent number of DS0s for the Channel Termination rate elements of all services involved. The total number of channel terminations determined above will be converted into an equivalent number of DS0s using the following equivalent table.

Type of Channel Termination	DS0 Equivalent
STS12 level	8,064
STS3 level	2,016
STS1 level	672
DS3 level	672
DS1 level	24
DDS level	1
Voice Grade level	1

When the calculation of the Minimum Commitment of DS0s results in a fraction of a DS0, it shall be rounded up to the next whole DS0.

(3) The customer will not be eligible to participate in CDP if the combined number of equivalent DS0s for all service types specified in Section 25.1.1 preceding at time of subscription is less than 336.

(4) For CDPs established or renewed prior to November 16, 2018, the CDP Customer agrees to establish an initial Minimum Commitment of at least seventy-five percent (75%) of the total number of DDS and/or Voice Grade channel terminations which are in-service under the ACNA(s) included in the CDP at the time of subscription to CDP.

(5) For all services except DDS and Voice Grade, the CDP Customer agrees to establish an initial Minimum Commitment of at least ninety percent (90%) of the total number of channel terminations for the service type or combined service types which are in-service under the ACNA(s) included in the CDP at the time of subscription to CDP. For example, at the time of subscribing to CDP, if the CDP Customer has in-service 1,000 DS-0 equivalent DS1 channel terminations under the ACNA(s) included in the CDP, then the CDP Customer's initial Minimum Commitment under CDP for DS1 service cannot be less than 900 DS-0 equivalent channel terminations.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(A) Minimum Commitment Levels (Cont'd)

(6) Subject to Section 25.1.2(C)(5) preceding, IntelliLight Entrance Facility (IEF) CDP Customers must combine their IEF terminations with their Switched Access and Special Access DS3 Channel Terminations to establish their commitment level. If a CDP Customer chooses to include IEF in CDP after initially establishing CDP, the DS3 portion of the new commitment level will remain the same. Ninety percent (90%) of the then in-service IEF terminations under the ACNA(s) included in CDP will be added to the DS3 commitment level to create a new combined DS3 and IEF commitment level. When IEF is combined with Special and/or Switched Access Services, and the Special Access Services are subsequently included in NDP (as set forth in Section 25.3 following), the combined commitment level will be reduced in accordance with Section 25.1.3(B)(1)(b) following. (T)

(7) CDP Customers have the option of combining the following services for the purposes of establishing commitment levels: (a) Switched Access and Special Access DS1 Channel Terminations may be combined into a single commitment level; and (b) Switched Access and Special Access DS3 Channel Terminations may be combined into a single commitment level. Each service that is part of a combined service plan may have different commitment periods and rates for each service. If the CDP Customer chooses to combine IEF terminations with Switched Access and Special Access DS3 Channel Terminations, the CDP Customers must combine its Switched Access and Special Access DS3 Channel Terminations into a combined plan. When Special Access DS1 Services or Special Access DS3 Services that are under a combined service type are subsequently included in NDP, the combined commitment level will be reduced under Section 25.1.3(B)(1)(b) following. (T)

(8) If the CDP Customer fails to maintain its Minimum Commitment for DDS and/or Voice Grade service, the CDP Customer may opt to reduce its existing commitment level for DDS and/or Voice Grade service by fifteen percent (15%). The CDP Customer may only exercise this option one (1) time each year. The CDP Customer must notify the Telephone Company of its desire to reduce the existing commitment level within thirty (30) days of receiving the results of the true-up process provided by the Telephone Company in accordance with Section 25.1.7 following.

(9) The CDP Customer may increase the Minimum Commitment coincident with the results of the true-up process as set forth in Section 25.1.7 following. The increased commitment will apply for the balance of the commitment period or until such time as a subsequent adjustment to the Minimum Commitment is requested or required under the terms of this Section 25.1.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(B) Upgrades

(1) The CDP Customer may upgrade services in accordance with this section. (T)

(a) Upgrade to a Higher Bandwidth/Capacity Service Included in CDP

The CDP Customer may upgrade one (1) or more services which are included in CDP (under an individual service type or combined service type) to a higher bandwidth/capacity service that is also included in CDP. In this case, the Minimum Commitments on the individual service types or combined service types will be adjusted accordingly. Upgrades are subject to the requirements of (B)(2) following. (T)

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

(b) Upgrade to a Higher Bandwidth/Capacity Service Included in NDP

The CDP Customer may upgrade one (1) or more services which are included in CDP (under an individual service type or combined service type) to a higher bandwidth/capacity service, and such upgraded service is then included in NDP as set forth in Section 25.3 following. In this case, the Minimum Commitment on the individual service type or combined service type will be reduced by seventy-five percent (75%) or ninety percent (90%), as applicable, of the equivalent DS0 count associated with the upgraded service(s). Upgrades are subject to the requirements of (B)(2) following. (T)

For example, if the CDP Customer upgrades Digital Data Service to a Special Access DS1 Service, and such Special Access DS1 Service is included in NDP, the commitment level for DDS services will be reduced by seventy-five percent (75%) of the total equivalent DS0 count of the DDS service(s) which are upgraded. (T)

(c) Upgrade to Telephone Company Provided Optical Service (T)

The CDP Customer may upgrade one (1) or more services which are included in CDP (under an individual service type or combined service type) to a higher bandwidth/capacity Telephone Company provided optical service. In this case, the Minimum Commitment on the individual service type or combined service type will be adjusted. Upgrades are subject to the requirements of (B)(2) following. (T) (T) (T) (T)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(B) Upgrades (Cont'd)

(1) (Cont'd)

(c) Upgrade to Telephone Company Provided Optical Service (Cont'd)

For example, if IEF is upgraded to a Telephone Company provided optical service, the commitment for Switched Access and Special Access DS3 Channel Terminations shall be reduced by ninety percent (90%) of the total equivalent DS0 count of the IEF services involved in the upgrade.

(d) Technology Migration (N)

The customer may disconnect one (1) or more DS1 or DS3 High Capacity Services which are included in its CDP (whether under an individual service type or a combined service type) in order to replace such service with a Replacing Service pursuant to the Technology Migration regulations set forth in Section 2.9 preceding. (N)

(2) Except for Technology Migrations pursuant to (B)(1)(d) preceding, Upgrades are subject to all of the following conditions being met: (C) (C)

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

(b) The jurisdiction of the service does not change.

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

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

(e) The commitment period of the upgraded service meets one of the following requirements:

(1) Upgrade to a Higher Bandwidth/Capacity Service Included in CDP or Upgrade to Telephone Company Provided Optical Service

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

(2) Upgrade to a Higher Bandwidth/Capacity Service Included in NDP

The commitment period for the Migrated Service is the 5-year term of the NDP.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(B) Upgrades (Cont'd)

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

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

(C) Modifications to an Existing CDP

(1) When a CDP Customer adds one or more ACNA(s) to its CDP (as permitted or required under Section 25.1.2(A)(2) or 25.1.2(B)(2) preceding), and such ACNA(s) is not already included in a different CDP, then the CDP Customer must include such ACNA(s) in its CDP in accordance with the terms of Section 25.1.3(C)(4) following; or (N)

(2) When a CDP Customer adds one or more ACNA(s) to its CDP (as permitted or required under Section 25.1.2(A)(2) or 25.1.2(B)(2) preceding), and such ACNA(s) is already included in another CDP, then the CDP Customer must include such ACNA(s) in its CDP in accordance with the terms of Section 25.1.3(C)(5) following. (N)

(3) The CDP Customer must provide the Telephone Company with a list of ACNA(s) that the CDP Customer is adding (as set forth in (C)(1) and (2) preceding). Whether or not the acquired ACNA(s) is already included in a CDP shall determine whether (i) the CDP Customer's CDP is modified to include such acquired ACNA(s); (ii) the CDP Customer's CDP is consolidated with the CDP associated with the acquired ACNA(s); or (iii) a new CDP is established that includes the CDP Customer's existing ACNA(s) and the added ACNA(s).

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd)

(4) Addition of ACNA(s) to an Existing CDP

Where a CDP Customer seeks to add one or more ACNA(s) to its CDP in accordance with Section 25.1.2(B)(2) or 25.1.3(C)(1) preceding (i.e., addition is optional and such ACNA(s) is not already included in another CDP), the CDP Customer's CDP shall be modified to include the eligible services of such added ACNA(s).

(a) The addition of such ACNA(s), and the application of the terms and conditions applicable under the existing CDP, including the discount percentage and/or TPP rates, will be effective as specified in Section 25.1.8(B)(2) following.

(b) For CDPs established or renewed prior to November 16, 2018, the CDP Customer agrees to add at least seventy-five percent (75%) of the total number of DDS and/or Voice Grade channel terminations, which are in-service for such ACNA(s) as of the date of Telephone Company receipt of the written notification, to its existing Minimum Commitment level. (C)

(c) For all services except DDS and/or Voice Grade, the CDP Customer agrees to add at least ninety percent (90%) of the total number of channel terminations for the service type or combined service types, which are in-service for such Affiliate ACNA(s) as of the date of Telephone Company receipt of the written notification, to its existing Minimum Commitment level. (T)

(d) All eligible service types for such Affiliate(s) ACNA(s) must be included in the existing CDP with the limited exception of IEF services. If IEF services are not included under the existing CDP, and there are IEF services for the Affiliate(s) being added to the existing CDP, the CDP Customer may select from the options specified in Section 25.1.1(D) preceding for its IEF services. If IEF services are included under the existing CDP, then IEF terminations for the ACNA(s) being added to the existing CDP must be combined with their Switched Access and Special Access DS3 channel terminations, as described in Sections 25.1.3(A)(6) and (A)(7) preceding. (T)

(e) No adjustment to prior billing will be made. (T)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd)

(4) Addition of Affiliate(s) to an Existing CDP (Cont'd)

(f) The Telephone Company will apply any Renewal Options already granted under the existing CDP to the service types included in the ACNA(s) being added to the existing CDP. When Renewal Options apply under the existing CDP, time in-service credit (TISC) under (f) following will not apply. (T)

(g) TISC will be granted as specified in (i) or (ii) following, as applicable, subject to all of the terms and conditions described in Section 25.1.8(F) following: (T)

(i) When a particular service type(s) will be newly established in the CDP due to the addition of ACNA(s), the customer will be granted TISC, subject to Section 25.1.8(F) following for any such service type(s) being converted from a term plan to CDP. However, if Renewal Options apply on the existing CDP, such TISC will be forfeited.

(ii) When a particular service type(s) has already been established in the existing CDP, the customer will not be granted TISC in accordance with Section 25.1.8(F) following for such service type(s) being converted from a term plan to CDP. However, the Telephone Company will apply the prevailing TISC under the CDP, if any, to such service type(s).

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25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd) (N)

(5) Consolidation of CDPs

Where a CDP Customer seeks to add one or more ACNA(s) to its CDP in accordance with Section 25.1.3(C)(1) preceding (i.e., addition is required and such ACNA(s) is already included in another CDP), the customer who wishes to add the ACNA(s) has the following options to consolidate the CDPs involved:

(a) Surviving CDP Option

Combine the CDP for the existing ACNA(s) with the CDP of the acquired ACNA(s) into a Surviving CDP as set forth in Section 25.1.3(C)(6) following; or

(b) New CDP Option

Establish a new CDP that combines the existing ACNA(s) and the acquired ACNA(s) as set forth in Section 25.1.3(C)(7) following.

(6) Surviving CDP Option

(a) This option consolidates the CDP of the existing ACNA(s) with one or more CDP(s) of the acquired ACNA(s). The CDP Customer must specify one CDP to be retained, and such CDP will be deemed the Surviving CDP. All other plans will be cancelled. The Surviving CDP shall be modified to include both the eligible services of the existing ACNA(s) and the acquired ACNA(s).

(b) A true-up will be conducted on each plan being cancelled to determine any applicable adjustments (shortfall and/or charge up). If such true-up occurs more than thirty (30) days outside of a regularly scheduled true-up, it shall be pro-rated. In this instance, all references to the true-up process under Section 25.1.7 following, and the calculations related thereto, shall refer to a pro-rated true-up. The pro-rated true-up shall include the time, in whole months, between the last regularly scheduled true-up and the cancellation date(s) of the plan(s) being cancelled.

(c) Termination liability charges as set forth in Section 25.1.9 following will not be applicable to the plans being cancelled.

(d) The true-up schedule of the Surviving CDP will not change. The true-up schedule(s) of the plan(s) being cancelled will be reset to the schedule of the Surviving CDP, after any applicable pro-rated true-up. (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd) (N)

(6) Surviving CDP Option (Cont'd)

(e) Service Type Has Already Been Established under Surviving CDP

(i) The commitment period for the individual service type or combined service type under the Surviving CDP will not change. The Minimum Commitment level for each service type or combined service type under the Surviving CDP must be increased by an amount equal to the sum of the individual commitment levels under the plans being cancelled (after the pro-rated true-up specified in (6)(b) preceding).

(ii) If IEF services were included under the Surviving CDP, then all of the CDP Customer's IEF terminations must be combined with their Switched Access and Special Access DS3 channel terminations in the Surviving CDP, and a new commitment level must be established, as described in Section 25.1.3(A)(6) preceding.

(iii) The prevailing Renewal Option under the Surviving CDP, if any, as described in Section 25.1.8(H) following, will not change.

(iv) The prevailing TISC under the Surviving CDP, if any, as described in Section 25.1.8(F) following, will not change. (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd)

(6) Surviving CDP Option (Cont'd)

(f) Service Type Has Not Already Been Established under Surviving CDP

(i) The CDP Customer must choose a commitment period for each individual service type. Such commitment period may not be shorter than the commitment period of any of the plan(s) being cancelled for such service type.

(ii) The Minimum Commitment level for each of the new service type(s) being established under the Surviving CDP must be set at an amount equal to the sum of the individual commitment levels under the plan(s) being cancelled (after the pro-rated true-up specified in (6)(b) preceding).

(iii) If the CDP Customer had combined service types under any of the plan(s) being cancelled, and at least one (1) of those combined service type(s) was established as an individual service type in the Surviving CDP, the CDP Customer may establish such combined service types under the Surviving CDP. The Minimum Commitment level for the combined service types must be set at an amount equal to the sum of the individual commitment levels of the applicable combined service types under the plan(s) being cancelled plus the applicable individual service types that were established under the Surviving CDP. The CDP Customer must choose a commitment period for the newly established combined service types. Such commitment period may not be shorter than the commitment period of any of the plan(s) being cancelled for such combined service types.

(iv) If IEF services were included under one or more of the plans being cancelled, then all of the CDP Customer's IEF terminations must be combined with their Switched Access and Special Access DS3 channel terminations for the ACNA(s) included in the Surviving CDP, and a new commitment level must be established, as described in Section 25.1.3(A)(6) preceding. (N) (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd) (N)

(6) Surviving CDP Option (Cont'd)

(f) Service Type Has Not Already Been Established under Surviving CDP (Cont'd)

(v) The expiration date of a service type being newly established under the Surviving CDP will be set as detailed following:

- If the expiration date of a service type is prior to the next scheduled true-up of the Surviving CDP, the customer must extend the commitment period pursuant to Section 25.1.8(D) following; or
- If the expiration date of a service type is on the same date as the scheduled true-up of the Surviving CDP, the expiration date will not change; or
- If the next true-up scheduled for a service type would have occurred prior to the next scheduled true-up of the Surviving CDP, then the Telephone Company will shorten the commitment period by six minus the amount of time, in months, between the two true-ups and reset the expiration date accordingly; or
- If the next true-up scheduled for a service type would have occurred subsequent to the next scheduled true-up of the Surviving CDP, then the Telephone Company will shorten the commitment period by the amount of time, in months, between the two true-ups and reset the expiration date accordingly. (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd) (N)

(6) Surviving CDP Option (Cont'd)

(f) Service Type Has Not Already Been Established under Surviving CDP (Cont'd)

(vi) The customer will be granted the highest applicable Renewal Option, as described in Section 25.1.8(H) following, for each service type, if any, from the CDPs being cancelled.

(vii) The customer will be granted the highest applicable TISC, as described in Section 25.1.8(F) following, for each service type, if any, from the CDPs being cancelled. However, if Renewal Options apply on the Surviving CDP, no TISC will be granted.

(g) The effective date of the changes to the Surviving CDP resulting from the modification, and any changes in the application of the discount percentage and/or TPP rates, will be effective as specified following:

(i) If the CDP Customer requests the Surviving CDP Option on or before the twentieth (20th) calendar day of a month, the Surviving CDP shall begin the first (1st) calendar day of the month following the month in which the CDP Customer requested such Option. Application of discounts under the Surviving CDP shall begin with the first bill day of the bill period associated with the Surviving CDP Customer's BAN in the month following the month in which the CDP Customer requests the Surviving CDP Option. For example, assume a Surviving CDP customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the CDP Customer requests the Surviving CDP Option is July 6th. Then, the discounts under the Surviving CDP shall begin on August 11th.

(ii) If the CDP Customer requests the Surviving CDP Option after the twentieth (20th) calendar day of a month, the Surviving CDP shall begin the 1st calendar day of the second calendar month following the month in which the requested such Option. Application of discounts under the Surviving CDP shall begin with the first bill day of the bill period associated with the Surviving CDP Customer's BAN in the second month following the month in which the CDP Customer requests the Surviving CDP Option. For example, assume a Surviving CDP Customer's bill period begins on the 11th calendar day of each month. Assume also that the date the CDP Customer requests the Surviving CDP Option is July 30th and discounts under the Surviving CDP shall begin on September 11th. (N)

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25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.3 Plan Commitment Levels (Cont'd)
(C) Modifications to an Existing CDP (Cont'd) (N)
(6) Surviving CDP Option (Cont'd)

(h) For an example of the Surviving CDP Option, assume the following:

Customer A's Plan	Customer B's Plan
Established January 2006	Established March 2003
25 DS3s (16,800 equiv. DS0s) 60 month commitment period 12 months of TISC Expires January 2011	N/A
100 DS1s (2,400 equiv. DS0s) 84 month commitment period 6 months of TISC Expires January 2013	100 DS1s (2,400 equiv. DS0s) 84 month commitment period 18 months of TISC Expires March 2010
1,000 DDS II circuits 60 month commitment period 3 months of TISC Expires January 2011	100 DDS II circuits 36 month commitment period N/A Expires March 2006
True-ups in July and January	True-ups in September and March

Customer A and B merge in August and choose to cancel Customer A's CDP and to designate Customer B's CDP as the Surviving CDP. The Surviving CDP would be comprised of:

Surviving Commitment Discount Plan:

25 DS3s (16,800 equiv. DS0s)
60 month commitment period
12 months of TISC
Expires September 2010

200 DS1s (4,800 equiv. DS0s)
84 month commitment period
18 months of TISC
Expires March 2010

1,100 DDS II circuits
36 month commitment period
TISC N/A
Expires March 2006

True-ups in September and March

(i) If the CDP Customer does not notify the Telephone Company of its selection prior to completion of the next scheduled true-up period, the Telephone Company will complete implementation of Section 25.1.3(C)(7) following, using the longest commitment period from the plans being cancelled. (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(C) Modifications to an Existing CDP (Cont'd) (N)

(7) New CDP Option

This option combines the CDP of the existing ACNA(s) (Plan A) with the CDP(s) of the acquired ACNA(s) (for example, Plans B and C) into a new CDP (Plan D) that includes the ACNAs of Plans A, B and C.

(a) CDP Customer(s) must, by written notification to the Telephone Company as specified in Section 25.1 preceding, cancel Plans A, B and C and establish a new plan (Plan D).

(b) A true-up will not be conducted on the plans being cancelled.

(c) Termination liability charges as set forth in Section 25.1.9 following will not be applicable to the plans being cancelled.

(d) The CDP Customer is required to include all of the ACNA(s) from the plans being cancelled in Plan D.

(e) For the new Plan D being established, the CDP Customer must choose a commitment period that is no shorter than the commitment period of any of the plan(s) being cancelled for each service type as set forth in Section 25.1.4 following. The Minimum Commitment level(s) for the service type(s) under Plan D will be equal to the sum of the individual commitment levels, by service type, of the plans being cancelled.

(f) If TISC existed on at least one service type in one of the plan(s) being cancelled, then TISC will be granted on all service types in Plan D. In order to determine the applicable TISC, use the table set forth following.

Plan D Term	TISC for CDP
2 Years	3 months credit
3 Years	6 months credit
5 Years	12 months credit
7 Years	18 months credit

(g) Renewal Options on any of the plan(s) being cancelled will not be carried over to Plan D.

(h) All CDP terms and conditions, including termination liability, will apply to Plan D's commitment period(s). (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.3 Plan Commitment Levels (Cont'd)

(D) Sale of Assets

(1) Sale of Telephone Company Operating Territory

(a) In the event of a Telephone Company sale during a CDP commitment period, the following applies:

(i) In the event the Telephone Company sells all or a portion of its assets in a specific state(s) and ceases to provide associated service(s) currently included under a CDP, the CDP Customer has the option to reduce its Minimum Commitment, by a percentage equal to the customer's actual number of in-service circuits for the ACNA(s) included in CDP in the affected state(s) divided by the total actual number of in-service circuits across all of the operating territories under this tariff for the ACNA(s) included in CDP, for each service type, without application of termination liability or shortfall adjustment due to such reduction. In addition, the CDP Customer will be relieved of its minimum period obligation for those circuits no longer provided by the Telephone Company. The CDP Customer must provide written notification to the Telephone Company of its election to decrease its Minimum Commitment prior to completion of the next scheduled true-up period. The decreased Minimum Commitment will apply from the date of the sale through the balance of the commitment period or until such time as a subsequent adjustment to the Minimum Commitment is requested or required. (N) (N) (N) (N)

(ii) For example, assume that a CDP Customer has a Minimum Commitment of fifteen (15) DS3 High Capacity Services (i.e., 10,080 equivalent DS0s) for the ACNA(s) included in CDP. Further, assume that the CDP Customer has seventeen (17) in-service DS3 High Capacity Services for the ACNA(s) included in CDP across all of the operating territories under this tariff, five (5) of which are in Maryland. The Telephone Company sells its assets in Maryland where the CDP Customer has five (5) DS3s (i.e., 3,360 equivalent DS0s). The CDP Customer's DS3 Minimum Commitment will be reduced by 5/17 of the total 10,080 equivalent DSOs, or 2,965 DSOs (i.e., 5 Maryland DS3s/17 total DS3s = 29.41176% times total 10,080 equivalent DSOs, which equals 2,964.7 DSOs, rounded up to the nearest equivalent DS0, or 2,965). The new reduced Minimum Commitment will be 7,115 equivalent DS0s (i.e., 10,080 – 2,965). (N) (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.4 Commitment Periods by Service Type

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

(1) For CDPs established or renewed prior to November 16, 2018, for DDS and Voice Grade services, the TPP monthly rates shown in Sections 7.5.16 and 7.5.3 preceding for such services respectively, will apply to the commitment period selected by the CDP Customer from the table below. Such rates may change during the commitment period, subject to the regulations set forth in Section 25.1.6 following. (C) | (C)

(2) For Special Access DS1 and IEF services, the TPP monthly rates shown in Sections 7.5.16 and 7.5.21 preceding for such services respectively, will apply to the commitment period selected by the CDP Customer from the table below. Such rates may change during the commitment period, subject to the regulations set forth in Section 25.1.6 following. (T) | | | | (T)

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

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

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25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.4 Commitment Periods by Service Type (Cont'd)

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

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

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

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

Applicable only to customers who established or renewed CDP prior to November 16, 2018.
Applicable only to customers who established or renewed CDP prior to May 30, 2019.
Applicable only to customers who established or renewed CDP prior to November 15, 2022. (N) (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.5 Changes to the Discount Percentage

(A) For services using discount percentages, the discount percentage will not be subject to Telephone Company initiated decreases during the commitment period. For example, if the Telephone Company initiates a decrease in the discount percentage for a particular commitment period from twenty-five percent (25) to twenty percent (20%), the existing discount percentage of twenty-five percent (25%) will continue to be applied through the balance of the CDP Customer's commitment period. (D) (T) | | (T)

(B) For services using discount percentages, the discount percentage is subject to Telephone Company initiated increases during the commitment period. For example, if the Telephone Company initiates an increase in the discount percentage for a particular commitment period from twenty-five percent (25%) to thirty percent (30%), the new thirty percent (30%) discount will be applied through the balance of the CDP Customer's commitment period. (T) | (T)

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25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.6 Changes to the Base Rates/TPP Rates

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

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

(C) For CDPs established prior to December 17, 2019, in the event the Telephone Company initiates a rate increase and the discounted monthly billing for the affected service type, in aggregate, increases by eight percent (8%) or more, the customer may cancel a CDP for the affected service type without the application of termination liability as set forth in 25.1.9 following. The CDP Customer must exercise its option to cancel the CDP for the affected service type by providing written notice to the Telephone Company within thirty (30) days of the date of the effective rate increase. The CDP for other services shall remain in effect. (C) (T) (T)

25.1.7 Application of the Discount Percentage or TPP Rates

(A) The Telephone Company shall apply the discount percentage or TPP rate, as applicable, on a monthly basis during the commitment period to each monthly rate element specified in Section 25.1.1 preceding. Channel Mileage, Optional Features or Functions, and BSEs are detariffed. (N) (N)

(1) During any true-up period as set forth below for DDS and/or Voice Grade under a CDP established or renewed prior to November 16, 2018, the customer may exceed its Minimum Commitment by up to fifty-six percent (56%) (i.e., the maximum service level). During any true-up period for all other services, the customer may exceed its Minimum Commitment by up to thirty percent (30%). In such event, the regulations set forth in Section 25.1.7(D) following shall apply.

For example, assume that a customer has a Minimum Commitment for its DS1 High Capacity service type of 12,000 equivalent DS0s for the ACNA(s) included in CDP, and the customer has in-service as of the applicable true-up period 24,000 equivalent DS0s for said ACNA(s). The maximum service level would be thirty percent (30%) or 15,600 equivalent DS0s which will receive the discount. Amounts in excess of 15,600 equivalent DS0s will be treated in accordance with Section 25.1.7(D) following.

25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)

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

(A) (Cont'd)
(1) (Cont'd)

For another example, assume that a CDP Customer has a Minimum Commitment for its DDS service type of fifty (50) equivalent DS0s for the ACNA(s) included in CDP, and the CDP Customer has in-service as of the applicable true-up period one hundred (100) equivalent DS0s for said ACNA(s). The maximum service level would be fifty-six percent (56%) or seventy-eight (78) equivalent DS0s which will receive the discount. Amounts in excess of 78 equivalent DS0s will be treated in accordance with Section 25.1.7(D) following.

(2) Subject to Section 1.1 preceding, the true-up process for each service type will determine if the CDP Customer (1) has not met its Minimum Commitment and is therefore subject to a shortfall adjustment, (2) has met its Minimum Commitment and no adjustment to the commitment level is necessary, or (3) has met its Minimum Commitment and exceeded its maximum service level. Beginning on month six (6) after the CDP Customer's subscription to CDP and every six (6) months thereafter, the Telephone Company will conduct a true-up which compares the average number of equivalent DS0s actually in service for the ACNA(s) included in CDP over the preceding six (6) months to the average number of equivalent DS0s which comprise the Minimum Commitment. (C)

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

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

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

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

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

(B) Customer Has Not Met its Minimum Commitment and is Subject to a Shortfall Adjustment

If the CDP Customer fails to maintain its Minimum Commitment for a service type or combined service type over the preceding six (6) months, the CDP Customer shall be assessed a Shortfall Adjustment. There are two methods (i.e., Option 1 or Option 2) of determining and calculating the Shortfall Adjustment. The Telephone Company will calculate the Shortfall Adjustment using both methods and apply the method that produces the lesser Shortfall Adjustment. (N)

(1) Option 1 Shortfall Adjustment Method and Calculation (N)

The Shortfall Adjustment will be an amount equal to the difference between (1) the average total dollar amount (T) associated with that service type or combined service type over the preceding six (6) months and (2) the average total dollar (T) amount associated with that service type or combined service type which would have been applied over the preceding six (6) months had the Minimum Commitment been satisfied. The Telephone Company will calculate the difference as follows:

(Step 1) The Telephone Company will calculate the average number of DS0 equivalent Channel Terminations which were in service over the preceding six (6) months by summing the actual number of DS0 equivalent Channel Terminations for each of the last six (6) months (including any DS0 equivalent Channel Terminations that were replaced by a Replacing Service(s) using the methodology for a Technology Migration specified in Section 2.9.4 preceding), adjusting the Minimum Commitment pursuant to Section 25.1.3 preceding, and dividing by six (6). The resulting number represents the average equivalent DS0 Channel Terminations per month (i.e., monthly equivalent DS0 count).

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

(Step 3) The Telephone Company will calculate the average Minimum Commitment for that service type or combined service type by first summing the Minimum Commitment for each of the preceding six (6) months, adjusting the Minimum Commitment pursuant to Section 25.1.3 preceding, and dividing the resulting total by six (6). The resulting number represents the average Minimum Commitment for the preceding six (6) months.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

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

(B) Customer Has Not Met its Minimum Commitment and is Subject to a Shortfall Adjustment (Cont'd)

(1) Option 1 Shortfall Adjustment Method and Calculation (Cont'd) (N)

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

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

(2) Option 2 Shortfall Adjustment Method and Calculation (N)

The Shortfall Adjustment will be an amount equal to the difference between (1) the actual total dollar Channel Termination revenue associated with each service type or combined service type in each of the six (6) months of the true-up period and (2) the CT Revenue Cap (as defined in Step 1 following) for each service type or combined service type. The Telephone Company will calculate the difference as follows:

(Step 1) The Telephone Company will first determine the monthly channel termination revenue cap by multiplying the total discounted monthly revenues associated with all in-service channel termination and IEF termination rate elements for that service type or combined service type for month one of the CDP by the appropriate Commitment Level percentage (e.g., 90% for DS1 and DS3)(CT Revenue Cap). In the event the Minimum Commitment changes (e.g. as a result of the CDP 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 Minimum Commitment 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 channel termination and IEF termination rate elements for that service type or combined service type for each month of the six (6) month true-up period. (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

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

(B) Customer Has Not Met its Minimum Commitment and is Subject to a Shortfall Adjustment (Cont'd)

(2) Option 2 Shortfall Adjustment Method and Calculation (Cont'd) (N)

(Step 3) For each service type or combined service type, and for each month of the six (6) month true-up period, subtract the actual channel termination revenues from the CT Revenue Cap.

(Step 4) To determine the amount due from the CDP Customer, the Telephone Company will sum the amounts calculated in Step 3 for the six (6) months of the true-up period. If the sum of the amounts calculated in Step 3 is a positive amount, then such amount shall be the amount due for purposes of this Option 2. The amount due is not subject to any late payment factor as specified in Section 2.4.1 preceding. However, a late payment factor will apply in accordance with Section 2.4.1 preceding if such amount is not paid by the bill due date of the month in which such amount first appears on the bill. (N)

25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.7 Application of the Discount Percentage or TPP Rates (Cont'd)

(C) Customer has met its Minimum Commitment

If the CDP Customer has satisfied its Minimum Commitment and is below the maximum service level for the preceding six (6) months, no corrective action will be taken.

(D) Customer has met its Minimum Commitment and Exceeded its Maximum Service Level

If the CDP Customer has satisfied its Minimum Commitment for the preceding six (6) months but exceeded its maximum service level, the Telephone Company will apply an adjustment in order to true-up the discount percentages or TPP rates that were applied in excess of that allowed by the maximum service level. The true-up will result in an adjustment (charge up) of the discounted excess amount back to standard, non-discounted rates, unless the CDP Customer elects to increase its Minimum Commitment upward to at least seventy-five percent (75%) for DDS and/or Voice Grade services in CDPs established or renewed prior to November 16, 2018, and ninety percent (90%) for all other service types of the total number of DS0 equivalent Channel Terminations for the ACNA(s) included in CDP for the service type or combined service type involved at the time the true-up was performed. If an adjustment is to be applied, the Telephone Company will calculate the adjustment as follows: (N) (N)

(Step 1) The Telephone Company will calculate the average number of equivalent DS0 Channel Terminations that were in service for the ACNA(s) included in CDP over the preceding six (6) months by summing the actual number of equivalent DS0s for said ACNA(s) for each of the last six (6) months, and dividing the resulting total by six (6). The resulting number represents the average monthly equivalent DS0 Channel Termination count (i.e., monthly equivalent DS0 count.)

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

(Step 3) The Telephone Company will calculate the average Minimum Commitment by first summing the Minimum Commitment for each of the preceding six (6) months, adjusting the Minimum Commitment pursuant to Section 25.1.3 preceding, and dividing by six (6). The resulting number represents the average Minimum Commitment for the preceding six (6) months.

(Step 4) The Telephone Company will determine the applicable maximum service level by multiplying the Minimum Commitment determined in Step 3 by 1.56 (i.e., the Minimum Commitment plus fifty-six percent (56%)) for DDS and/or Voice Grade services in CDPs established or renewed prior to November 16, 2018; or by multiplying the Minimum Commitment determined in Step 3 by 1.3 (i.e., the Minimum Commitment plus thirty percent (30%)) for all other services. (N) (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

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

(D) Customer has met its Minimum Commitment and Exceeded its Maximum Service Level (Cont'd)

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

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

(Step 7) To determine the non-discounted total dollar amount for the equivalent DS0s which were in excess of the maximum service level, the Telephone Company will recalculate the amount determined in Step 6 back to standard, non-discounted rates as follows. First, the Telephone Company will multiply the average total rate per equivalent DS0 determined in Step 2 by the number of equivalent DS0s which were in excess of the maximum service level in Step 5 and divide the result by the discount factor or equivalent (i.e., one (1) minus the discount percentage or equivalent). The resulting amount is then multiplied by six (6). (T)

The equivalent discount factor can be determined by the percent differential between the month-to-month channel termination rate and the applicable TPP channel termination rate. To obtain the percent differential, subtract the TPP channel termination rate from the month-to-month channel termination rate, and divide the result by the month-to-month channel termination rate. For combined DS3 and IEF services, the equivalent discount factor will be the percent differential between the DS3 month-to-month channel termination rate and the applicable DS3 TPP channel termination rate. For example, a ten percent (10%) discount would result in a calculation of one (1) minus .1 for a discount factor of .9.

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

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods

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

(A) Selection of a Commitment Period

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

(2) CDP Customers will have the option of establishing coterminous end dates for DS3 and IEF service types. CDP Customers choosing this option must select a commitment period for the IEF service type equal to the longest commitment period of the CDP Customer's DS3 service type under CDP. The expiration date of the IEF service type under CDP will equal the existing expiration date of the CDP Customer's DS3 service type under CDP with the longest commitment period. CDP Customers who choose this option shall receive the IEF rates associated with the IEF commitment period that matches the longest DS3 commitment period. (T) (T) (T) (T) (T) (T) (T)

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

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

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(B) Effective Date of Commitment Period

(1) The customer must subscribe to CDP by providing the Telephone Company with written notification. (T) (T)

(2) Where the CDP is requested to be provided coincident with the connection of new services or on existing services, the commitment period will begin as determined below: (T) (T)

(a) If the customer subscribes to CDP on or before the twentieth (20th) calendar day of a month, the CDP commitment period shall begin the first (1st) calendar day of the month following the month in which the customer subscribes to CDP. Application of discounts under the CDP shall begin with the first bill day of the bill period associated with the CDP customer's BAN in the month following the month in which the customer subscribes to CDP. For example, assume a CDP customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the customer subscribes to CDP is July 6th. Then, the CDP commitment period start date is August 1 and discounts under the CDP shall begin on August 11th. (C)

(b) If the customer subscribes to CDP after the twentieth (20th) calendar day of a month, the CDP commitment period shall begin the 1st calendar day of the second calendar month following the month in which the customer subscribes to CDP. Application of discounts under the CDP shall begin with the first bill day of the bill period associated with the CDP customer's BAN in the second month following the month in which the customer subscribes to CDP. For example, assume a CDP customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that the date the customer subscribes to CDP is July 30th. Then, the CDP commitment period start date is September 1st and discounts under the CDP shall begin on September 11th. (C)

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25. Discount Plans (Cont'd)

(D)

(D)

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25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.8 Commitment Periods (Cont'd)
(C) Expiration of a Commitment Period (D)

(D)

(2) With the exception of IEF, at the expiration of its selected commitment period, service will be converted to a month-to-month term plan at the then prevailing month-to-month service rates. (T) (C) (C)

(3) If all commitment periods for all services under the CDP are expiring, the CDP Customer has the following option: (C) (C)

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25. Discount Plans (Cont'd)
25.1 Commitment Discount Plans (Cont'd)
25.1.8 Commitment Periods (Cont'd)
(C) Expiration of a Commitment Period (Cont'd)

(3) (Cont'd)
(i) Continue receiving service at month-to-month rates without a discount plan; (ii) Discontinue service; or (iii) For IEF only, select an available term plan as set forth in Section 7.2.15 for IEF. (T)

(D)

(D)

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25. Discount Plans (Cont'd)

(D)

(D)

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25. Discount Plans (Cont'd)

(D)

(D)

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25. Discount Plans (Cont'd)

(D)

(D)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(D) Cancellations (T)

(1) Except as set forth in Sections 25.1.3(C)(6) or (7), and 25.1.6(C) preceding, and in Section 25.1.8(H) following, cancellation of a CDP will result in the application of termination liability as set forth in Section 25.1.9 following. (D)

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25. Discount Plans (Cont'd)

(D)

(D)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(F) Time In-Service Credit

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

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

(3) In order to calculate the applicable TISC, first, determine the amount of time spent under a TPP in the table following. Second, determine the customer's selected CDP commitment period. Third, determine the TISC using the table and criteria set forth below. If the customer selects a CDP commitment period of equal or greater length than the amount of time spent under a TPP, the TISC associated with the Time In-Service for the TPP shall apply. If the customer selects a CDP with a shorter term than the amount of time spent under a TPP, the TISC associated with the CDP term shall apply. (T)

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

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

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

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

(G) Nonrecurring Charges

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

(H) Renewal Option# (T)

(1) Description - Renewal Option is an option under CDP which allows a CDP Customer to terminate its renewed CDP without the application of termination liability charges if the renewed CDP meets the terms and conditions set forth in this section (H). There will be no change to the CDP commitment period that the customer commits to under CDP. Renewal Option applies to commitment periods by service type. Effective November 16, 2018, Renewal Option is no longer available for Voice Grade or DDS service types.

(2) Customer Subscription to Renewal Option - Renewal Option must be requested by the CDP Customer by providing written notification to the Telephone Company.

(3) Eligibility - Renewal Option is available to a CDP Customer who meets either one of the conditions set forth in (H)(3)(a) or (b) following:

* Applies only to customers who were granted TISC upon subscription to a 5-year or 7-year commitment period which began prior to May 30, 2019. (N)

\# Effective May 30, 2019, requests for Renewal Option will no longer be accepted. (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(H) Renewal Option# (Cont'd) (T)

(3) Eligibility (Cont'd)

(a) Customer with a Currently Expiring CDP

Customer must meet all of the requirements set forth in (a)(i) and (a)(ii) following:

(i) Customer completes one of the following:

(A) A full 5-year or 7-year commitment period (pursuant to Section 25.1.8(C)(1)(a) preceding), including CDP Customers in a coterminous plan (pursuant to Section 25.1.11 following) with actual time spent on plan under this tariff equal to the full commitment period; or
(B) An extension of a commitment period (pursuant to Sections 25.1.8(D)(2) or (3) preceding) with at least five (5) years actually spent on the plan regardless of the selected commitment period; or
(C) A coterminous plan established prior to May 10, 2006 with a 5-year or 7-year commitment period (pursuant to Section 25.1.11 following), but with less time spent on the plan than the actual commitment period due to the election of the coterminous option; and

(ii) The CDP Customer chooses to establish a new CDP commitment period for the service type involved, including combined service types, with an equal or longer commitment period (i.e., CDP Customer renews its existing 5-year commitment period for a new 5-year or 7-year commitment period, or CDP Customer renews its existing 7-year commitment period for a new 7-year commitment period).

(A) If a CDP Customer completed an extension of a commitment period pursuant to Sections 25.1.8(D)(2) or (3) preceding with at least five (5) years actually spent on the plan, the commitment period of the renewed CDP must be of equal or greater length than the actual time spent by the customer on the prior plan. If the actual time spent by the CDP Customer on the prior plan was between five (5) years and seven (7) years (i.e., time spent was more than 60 months but less than 84 months), the CDP Customer must renew such CDP for a new commitment period of at least five (5) years.

Effective May 30, 2019, requests for Renewal Option will no longer be accepted. (N) (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(H) Renewal Option# (Cont'd) (T)

(3) Eligibility (Cont'd)

(a) Customer with a Currently Expiring CDP (Cont'd)

(ii) (Cont'd)

(B) For example, assume that a CDP Customer completed a 3-year commitment period and extended it for an additional two (2) years for total time spent on the plan of five years. The CDP Customer must renew such CDP for a new commitment period of at least five (5) years. As another example, assume that a CDP Customer completed a 5-year commitment period and extended it for an additional one (1) year for total time spent on the plan of six (6) years. The CDP Customer must renew such CDP for a new commitment period of at least five (5) years. (D) (D)

Effective May 30, 2019, requests for Renewal Option will no longer be accepted. (N) (N)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(H) Renewal Option# (Cont'd) (T)

(D)

(D)

(4) Renewal Option Period

(a) The applicable Renewal Option Period granted for each eligible service type is determined as follows:

Expiring CDP Commitment Period (including actual time spent on plan pursuant to 25.1.8(H)(3)(a)(i) or 25.1.8(H)(3)(b)(i)	Renewed (i.e., new) CDP Term	Renewal Option Period
5 years	5 or 7 Years	24 months
7 years	7 Years	24 months

Effective May 30, 2019, requests for Renewal Option will no longer be accepted. (N) (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.8 Commitment Periods (Cont'd)

(H) Renewal Option# (Cont'd) (T)

(4) Renewal Option Period (Cont'd)

(b) The Renewal Option Period will be applied to the end of the renewed CDP commitment period.

For example, assume that a CDP Customer renews a 7-year commitment period for another 7-year commitment period and elects the Renewal Option. The Telephone Company will grant a Renewal Option Period of twenty-four (24) months to that CDP Customer. The CDP Customer is still subject to a commitment period of seven (7) years; however, termination liability charges as set forth in Section 25.1.9 following will not apply after month sixty (60) if the CDP Customer cancels or terminates the CDP prior to the end of the commitment period (i.e., 7-year commitment period (84 months) minus 24 months Renewal Option Period = 60 months, or 5 years).

(c) When a CDP is cancelled or terminated during the Renewal Option Period, a final true-up will be conducted pursuant to Section 25.1.7 preceding in order to determine any applicable shortfall adjustments. The shortfall will be calculated as specified in Section 25.1.7(B) preceding, on a pro-rated basis, for the number of months elapsed since last true-up. No charge ups applicable under Section 25.1.7(D) preceding will be assessed as a result of the final true-up.

(d) If a CDP is cancelled or terminated during the Renewal Option Period, the CDP Customer will be treated as if it has completed a full commitment period.

For example, assume that a CDP Customer completes a full 7-year commitment period under CDP, renews CDP with a 7-year commitment period and elects the Renewal Option. After completing 5 years and 3 months (i.e., during the Renewal Option Period), the CDP Customer terminates the CDP without termination liability. After such termination, the CDP Customer may renew such CDP for another 7-year commitment period and be eligible for the Renewal Option on the renewed CDP.

(5) Except as otherwise specified in this Section 25.1.8(H), all terms and conditions of CDP, including establishing an initial minimum commitment period set forth in Section 25.1.3(A) preceding and the bi-annual true-up process set forth in Section 25.1.7 preceding, will apply to the new CDP commitment period during the entire time that such CDP is maintained (i.e., even during the Renewal Option Period).

Effective May 30, 2019, requests for Renewal Option will no longer be accepted. (N) (N)

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability

(A) Termination liability applies to all services included in the CDP (1) when one or more service types in the CDP are disconnected, cancelled, or terminated prior to the end of the CDP Customer selected commitment period for each such service type; or (2) when all services in the CDP are disconnected, cancelled, or terminated prior to the end of the CDP Customer selected commitment period. The only exceptions to the foregoing shall be:

(i) termination by the CDP Customer in accordance with Section 25.1.6(C) preceding for which the CDP Customer shall not be charged termination liability in accordance with this section for the specific service type terminated. If the CDP Customer terminates another service type not subject to Section 25.1.6(C) preceding, then the CDP Customer shall be subject to termination liability for the other service types in accordance with this section; or

(ii) termination by the CDP Customer in accordance with Renewal Options set forth in Section 25.1.8(H) preceding; or (D) | (D)

(iii) termination by the CDP Customer in accordance with Section 25.1.3(C)(6) or (7) preceding in order to consolidate multiple CDPs. (T)

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

(C) CDPs established or renewed prior to January 1, 2021

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

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(C) CDPs established or renewed prior to January 1, 2021 (Cont'd) (N)

(1) Option 1 Termination Liability Charge Method and Calculation

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

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

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

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

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

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

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

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

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(C) CDPs established or renewed prior to January 1, 2021 (Cont'd) (N)

(2) Option 2 Termination Liability Charge Method and Calculation

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

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

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

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

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

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

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(C) CDPs established or renewed prior to January 1, 2021 (Cont'd) (N)

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

(a) (Cont'd)

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

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

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

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

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

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

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

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(C) CDPs established or renewed prior to January 1, 2021 (Cont'd) (N)

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

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

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

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

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

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

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

Certain material on this page formerly appeared on 1st Revised Page 25-29.

25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.9 Termination Liability (Cont'd)

(D) CDPs established or renewed on or after January 1, 2021 (N)

(1) Termination Liability Charge Method and Calculation

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

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

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

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

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

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

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

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

Certain material previously found on this page can now be found on Original Page 25-28.1.

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.10 Minimum Period

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

As an illustrative example, assume that customer establishes a DS1 High Capacity/1.544 Mbps Special Access Service under a term payment plan (TPP) on 1/1/2001. On 1/1/2005, customer establishes a CDP with a five year commitment period for its DS1 High Capacity service type. (T) On 2/1/2005, the CDP Customer disconnects the DS1 High Capacity circuit originally installed on 1/1/2001. (T) Since the service was installed on 1/1/2001, and the disconnection date was 2/1/2005, the minimum period under CDP of one year has been met. Therefore, the CDP Customer is not required to pay any minimum period charges. (T)

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25. Discount Plans (Cont'd)

25.1 Commitment Discount Plans (Cont'd)

25.1.11 Coterminous Plans

(A) Upon establishment of a new commitment period under CDP under this tariff, a customer will have the option to match the plan's expiration date with the expiration date for each service type offered under a CDP in the operating territories of Verizon New England Inc. and Verizon New York Inc., provided that, the selected services are under the same length term plan, and provided further that, there is at least fifty percent (50%) of the time remaining in the CDP term in the operating territories of Verizon New England Inc. and Verizon New York Inc. If the same term plan lengths are not available (e.g., DS3), the selected service must be the longest term plan length available in this tariff. The rates, terms, and conditions associated with each service will be provided pursuant to the tariff/product guide from which the service was ordered. (C)

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

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25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

25.2 Reserved for Future Use (C)

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25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)

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25. Discount Plans (Cont'd)
25.3 National Discount Plan#
25.3.1 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)

(B) Specific Terms and References

Unless otherwise defined in this tariff, the following terms are used in this Section 25.3. References to other sections of Section 25.3 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.
(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 25.3.7 following. A **Final True-Up** shall be conducted in accordance with Section 25.3.14(B)(1) following.

Effective May 30, 2019, subscription to a new NDP is no longer permitted. Subject to Section 1.1. preceding, the Telephone Company will continue to provide NDP pursuant to this Section 25.3 on any existing NDP that was in-service as of May 30, 2019 (Existing NDPs), subject to the following conditions: (C) (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.

25. Discount Plans (Cont'd)
25.3 National Discount Plan# (Cont'd)
25.3.1 General (Cont'd)

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

(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 25.3.7(C)(2) following.

(9) **Average Monthly Rate Per Equivalent DS1 CT**: shall mean the rate as calculated in accordance with in Section 25.3.7(C)(1) following.

(10) **Channel Termination(s)**: shall mean the applicable Special Access channel terminations for Qualifying Services (as used in this tariff and the Telephone Company's Tariff F.C.C. No. 11 (**FCC11**), the applicable Special Access Lines (SAL(s)) for Qualifying Services (as used in the Telephone Company's Tariff F.C.C. No. 14 (**FCC14**), and the applicable Circuit Terminations for Qualifying Services (as used in the Telephone Company's Tariff F.C.C. No. 16 (**FCC16**) as follows.

(a) Channel Terminations for Special Access DS1 Services are described in Section 7.2.9 preceding of this tariff, Section 7.2.9 of FCC11, Section 5.3.6 of FCC14, and Section 7.11.1 of FCC16; and

(b) Channel Terminations for Special Access DS3 Services using electrical and optical interfaces are described in Section 5.3.6 of FCC14, and Section 7.11.1 of FCC16; and

(c) Secondary Channel Terminations for Special Access DS3 Services using electrical and optical interfaces are set forth in Section 7.2.9 preceding of this tariff, 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.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.1 General (Cont'd)

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

(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)

(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 on one or both Commitment Levels, as described in Section 25.3.7(E) following.

(15) **CBB Discount:** shall mean the Commitment Buy-Up Bonus Discount as described in Section 25.3.7(E) following.

(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 25.3.4 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 25.3.4(C) following.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

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

25.3.1 General (Cont'd)

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

(18) **Discount Tier**: shall mean the tier in each of the tables set forth in Section 25.3.4(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 25.3.7(D) 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 25.3.5(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 25.3.4 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 25.3.4 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 preceding of this tariff, Section 26.1.4 of FCC11, Section 20.4 of FCC14, and Section 20.4 of FCC16; 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.

(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 25.3.7(B)(1) following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.1 General (Cont'd)

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

(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 25.3.7(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 25.3.2(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 25.3.7(D).

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.1 General (Cont'd)

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

(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 25.3.3 following of this tariff, Section 25.2.3 of FCC11, Section 23.1.3 of FCC14, and Section 22.1.3 of FCC16.

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

(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, during an Annual True-Up Period, as further described in Section 25.3.7(C) following.

(39) **Special Access DS3 Service**: shall mean Special Access DS3 High Capacity/44.736 Mbps Service as described in Section 7.2.9 preceding of this tariff, Special Access High Capacity 44.736 Mbps Service as described in Section 7.2.9 of FCC11, Special Access High Capacity Digital DS3 Service as described in Section 5.3.6(E) of FCC14, and Special Access DS3 High Capacity Service as described in Section 7.11 of FCC16, and detariffed interstate Special Access DS3/44.736 Mbps Services provided by the Telephone Company. (C) | (C)

(40) **Special Access DS1 Service**: shall mean Special Access DS1 High Capacity/1.544 Mbps Service as described in Section 7.2.9 preceding of this tariff, Special Access High Capacity 1.544 Mbps Service as described in Section 7.2.9 of FCC11, Special Access High Capacity Digital DS1 Service as described in Section 5.3.6(A) of FCC14, and Special Access DS1 High Capacity Service as described in Section 7.11 of FCC16, and detariffed interstate Special Access DS1 High Capacity/1.544 Mbps Service provided by the Telephone Company. (C) | (C)

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

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

25.3.1 General (Cont'd)

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

(41) **Subscription Date**: shall mean the date that the Telephone Company receives an executed and completed subscription document from the NDP Customer.

(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 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.1 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 25.3.11 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 (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).

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.1 General (Cont'd)

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

(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 25.3.11 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 25.3.1 and Section 25.3.11 following, the NDP Customer will include all of the ACNAs of such affiliates into the NDP.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.1 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 ACNA(s) 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 25.3.11 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 of its 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).

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

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

25.3.1 General (Cont'd)

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

(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 25.3.11 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 25.3.1 and Section 25.3.11 following, the NDP Customer will include all of the ACNAs of such affiliates into the NDP.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.1 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 Term Payment Plans and Commitment Discount Plans, subject to the exceptions set forth in Section 25.3.1(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 25.3.13 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) (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) (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) Reserved.

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

(f) 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. (D)

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

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

25.3.2 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 bill day of the bill period associated with the NDP Customer's BAN in the month following the Subscription Date. For example, assume a NDP Customer's bill period begins on the eleventh (11th) calendar day of each month. Assume also that 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 11th.

(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 bill day of the bill period associated with the NDP Customer's BAN in the second month following the Subscription Date. For example, assume a NDP Customer's bill period begins on the 11th calendar day of each month. Assume also that 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 11th.

Service availability limited. Refer to # footnote on Page 25-40. (N)

ACCESS SERVICE

25. Discount Plans (Cont'd)
25.3 National Discount Plan# (Cont'd) (T)
25.3.2 Subscription (Cont'd)
(A) (Cont'd)

(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 25.3.4 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 25.3.4(B) following.

(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 25.3.4(C)(1) following; (2) Standard Commitment Matrix, as described in Section 25.3.4(C)(2) following; and (3) Deluxe Commitment Matrix, as described in 25.3.4(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 25.3.7(C) following, Discount Tier Adjustments as set forth in Section 25.3.7(D) following, and CBB Discounts as set forth in Section 25.3.7(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 25.3.1(D)(1) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.3 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 FCC11, and/or FCC14 and/or FCC16, 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 Services 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)

For example, assume an NDP Customer purchases Special Access DS3 Services under this tariff and under FCC11 and FCC14, as well as detariffed interstate DS3 services provided by the Telephone Company in the same operating territories. In this case, the NDP Customer must subscribe to the NDP all (i.e., 100%) of such Special Access DS3 Services for the ACNA(s) included in the NDP Customer's NDP. The NDP Customer's NDP shall be administered as one discount plan across all of these operating territories (both under this tariff and on a detariffed basis). Assume further that in Plan Year 2, the NDP Customer purchases Special Access DS1 Services in FCC16, and/or detariffed interstate Special Access DS1 Services provided by the Telephone Company in the same operating territories. Then, the Telephone Company shall include all (i.e., 100% of such Special Access DS1 Services for the ACNA(s) included in the NDP Customer's NDP. (C) | (C) | (D) (C) | | | (C)

Service availability limited. Refer to # footnote on Page 25-40.

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.3 Qualifying Services

(B) Qualifying Services

Subject to the terms of Section 25.3.1(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, FCC 11, FCC 14, FCC 16, 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) (see Note 1); (D) (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) (see Note 3); (D) (D)

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

Note 1: Channel Terminations and Channel Mileage for 12 and 24 Group Systems are not Qualifying Services. (D)
Note 3: The MetroLAN Optional Arrangement is not a Qualifying Service. (D)

Service availability limited. Refer to # footnote on Page 25-40.

ACCESS SERVICE

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.3 Qualifying Services (Cont'd)

(C) Shared Use Arrangements

For Qualifying Services that are provided as part of a Shared Use Arrangement as set forth in Section 5.2.8 preceding, the Special Access DS3 Service, Special Access DS1 Service, or IEF 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)

(D)

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)
25.3 National Discount Plan# (Cont'd) (T)
25.3.3 Qualifying Services (Cont'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 25.3.11 following.

(b) When the NDP Customer adds one or more Special Access DS3 Services or Special Access DS1 Services to NDP at any time during the Term, the Channel Termination nonrecurring charge which applies for such service is $1.00 per Channel Termination added.

(c) 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, no termination liability under this Section 25.3 applies. However, the NDP Customer may be subject to 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 25.3.13 following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.4 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 25.3.3(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 25-40.

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.4 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 25-40.

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25. Discount Plans (Cont'd)

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

25.3.4 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 that 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 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.4 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 25.3.5(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 25.3.7 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 25.3.5(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 25.3.7 following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.4 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 25.3.14(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 25.3.4(A) preceding) that the 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 25.3.4(A) preceding) by 90%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 25.3.4(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 25.3.5(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 25.3.4(A) preceding) by 85%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 25.3.4(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 25.3.5(B)(1) following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

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

25.3.4 Commitment Levels and Discount Tiers (Cont'd)

(C) (Cont'd)

(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 25.3.4(A) preceding) by 92%, and the CM Commitment Level by multiplying the total number of Equivalent DS1 CMs (as calculated in accordance with Section 25.3.4(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 25.3.5(B)(3) following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.4 Commitment Levels and Discount Tiers (Cont'd)

(C) (Cont'd)

(4) Where the calculation in (1), (2) or (3) 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.

(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 25.3.5(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 25.3.7(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 25.3.14(C) following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.4 Commitment Levels and Discount Tiers (Cont'd)

(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).

(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 25.3.7 following, in which case, the Commitment Level(s) will be adjusted in accordance with Section 25.3.7(B)(2)(b) following; or

(2) The NDP Customer is permitted to change its Commitment Matrix as set forth in Section 25.3.4(C)(5) preceding; or

(3) If the NDP Customer elects to exercise the Commitment Buy-Up Bonus Option as described in Section 25.3.7(E) following; or

(4) If the NDP Customer adds or removes an ACNA, then Commitment Levels will be adjusted in accordance with Section 25.3.11 following or Section 25.3.12 following, respectively.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)
25.3 National Discount Plan# (Cont'd)
25.3.5 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) preceding, as determined in accordance with Section 14.8 preceding, and/or on a detariffed basis. (C) (C)

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

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

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

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

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

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

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

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

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

Service availability limited. Refer to # footnote on Page 25-40.

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.5 Application of Discount

(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 31.7.9(A)(1)(a) of FCC11, as determined in accordance with Section 15.4 of FCC11, and/or on a detariffed basis. (D) (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)

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

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

(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. (T) (D) (T) (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) (D)

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

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.5 Application of Discount

(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)

(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 detariffed 44.736 Mbps Terminations of an Individual System, a 3 System or an Unlimited System configuration. (C) (C) (D) (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 25-40.

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.5 Application of Discount

(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) of FCC16, 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) (D)

(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) of FCC16, 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 25-40.

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25. Discount Plans (Cont'd)

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

25.3.5 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 25.3.7 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	32.00%	32.25%	32.35%	32.45%	32.55%
DS3 CT	29.00%	29.25%	29.35%	29.45%	29.55%
DS1 Mux	27.00%	27.25%	27.35%	27.45%	27.55%
DS3 Mux	25.00%	25.25%	25.35%	25.45%	25.55%
DS1 CM	29.00%	29.25%	29.35%	29.45%	29.55%
DS3 CM	29.00%	29.25%	29.35%	29.45%	29.55%
Discount Tier B					
DS1 CT	33.00%	33.25%	33.35%	33.45%	33.55%
DS3 CT	31.50%	31.75%	31.85%	31.95%	32.05%
DS1 Mux	29.00%	29.25%	29.35%	29.45%	29.55%
DS3 Mux	27.00%	27.25%	27.35%	27.45%	27.55%
DS1 CM	32.00%	32.25%	32.35%	32.45%	32.55%
DS3 CM	31.00%	31.25%	31.35%	31.45%	31.55%
Discount Tier C					
DS1 CT	34.00%	34.25%	34.35%	34.45%	34.55%
DS3 CT	33.50%	33.75%	33.85%	33.95%	34.05%
DS1 Mux	31.00%	31.25%	31.35%	31.45%	31.55%
DS3 Mux	29.00%	29.25%	29.35%	29.45%	29.55%
DS1 CM	35.00%	35.25%	35.35%	35.45%	35.55%
DS3 CM	33.00%	33.25%	33.35%	33.45%	33.55%

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25. Discount Plans (Cont'd)

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

25.3.5 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	35.00%	35.25%	35.35%	35.45%	35.55%
DS3 CT	35.50%	35.75%	35.85%	35.95%	36.05%
DS1 Mux	32.00%	32.25%	32.35%	32.45%	32.55%
DS3 Mux	30.00%	30.25%	30.35%	30.45%	30.55%
DS1 CM	38.00%	38.25%	38.35%	38.45%	38.55%
DS3 CM	35.00%	35.25%	35.35%	35.45%	35.55%
Discount Tier E					
DS1 CT	36.00%	36.25%	36.35%	36.45%	36.55%
DS3 CT	36.50%	36.75%	36.85%	36.95%	37.05%
DS1 Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS3 Mux	31.00%	31.25%	31.35%	31.45%	31.55%
DS1 CM	41.00%	41.25%	41.35%	41.45%	41.55%
DS3 CM	36.50%	36.75%	36.85%	36.95%	37.05%
Discount Tier F					
DS1 CT	37.00%	37.25%	37.35%	37.45%	37.55%
DS3 CT	37.50%	37.75%	37.85%	37.95%	38.05%
DS1 Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS3 Mux	32.00%	32.25%	32.35%	32.45%	32.55%
DS1 CM	42.00%	42.25%	42.35%	42.45%	42.55%
DS3 CM	37.50%	37.75%	37.85%	37.95%	38.05%
Discount Tier G					
DS1 CT	38.00%	38.25%	38.35%	38.45%	38.55%
DS3 CT	38.50%	38.75%	38.85%	38.95%	39.05%
DS1 Mux	35.00%	35.25%	35.35%	35.45%	35.55%
DS3 Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS1 CM	43.00%	43.25%	43.35%	43.45%	43.55%
DS3 CM	38.50%	38.75%	38.85%	38.95%	39.05%

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

(T)

25.3 National Discount Plan# (Cont'd)

25.3.5 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	39.00%	39.25%	39.35%	39.45%	39.55%
DS3 CT	39.00%	39.25%	39.35%	39.45%	39.55%
DS1 Mux	35.50%	35.75%	35.85%	35.95%	36.05%
DS3 Mux	33.50%	33.75%	33.85%	33.95%	34.05%
DS1 CM	44.00%	44.25%	44.35%	44.45%	44.55%
DS3 CM	39.00%	39.25%	39.35%	39.45%	39.55%
Discount Tier I					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	39.50%	39.75%	39.85%	39.95%	40.05%
DS1 Mux	36.00%	36.25%	36.35%	36.45%	36.55%
DS3 Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS1 CM	44.50%	44.75%	44.85%	44.95%	45.05%
DS3 CM	39.50%	39.75%	39.85%	39.95%	40.05%
Discount Tier J					
DS1 CT	41.00%	41.25%	41.35%	41.45%	41.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	36.50%	36.75%	36.85%	36.95%	37.05%
DS3 Mux	34.50%	34.75%	34.85%	34.95%	35.05%
DS1 CM	45.00%	45.25%	45.35%	45.45%	45.55%
DS3 CM	40.00%	40.25%	40.35%	40.45%	40.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

(T)

25.3 National Discount Plan# (Cont'd)

25.3.5 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	33.00%	33.25%	33.35%	33.45%	33.55%
DS3 CT	30.00%	30.25%	30.35%	30.45%	30.55%
DS1 Mux	28.00%	28.25%	28.35%	28.45%	28.55%
DS3 Mux	26.00%	26.25%	26.35%	26.45%	26.55%
DS1 CM	30.00%	30.25%	30.35%	30.45%	30.55%
DS3 CM	30.00%	30.25%	30.35%	30.45%	30.55%
Discount Tier B					
DS1 CT	34.00%	34.25%	34.35%	34.45%	34.55%
DS3 CT	32.50%	32.75%	32.85%	32.95%	33.05%
DS1 Mux	30.00%	30.25%	30.35%	30.45%	30.55%
DS3 Mux	28.00%	28.25%	28.35%	28.45%	28.55%
DS1 CM	33.00%	33.25%	33.35%	33.45%	33.55%
DS3 CM	32.00%	32.25%	32.35%	32.45%	32.55%
Discount Tier C					
DS1 CT	35.00%	35.25%	35.35%	35.45%	35.55%
DS3 CT	34.50%	34.75%	34.85%	34.95%	35.05%
DS1 Mux	32.00%	32.25%	32.35%	32.45%	32.55%
DS3 Mux	30.00%	30.25%	30.35%	30.45%	30.55%
DS1 CM	36.00%	36.25%	36.35%	36.45%	36.55%
DS3 CM	34.00%	34.25%	34.35%	34.45%	34.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

(T)

25.3 National Discount Plan# (Cont'd)

25.3.5 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	36.00%	36.25%	36.35%	36.45%	36.55%
DS3 CT	36.50%	36.75%	36.85%	36.95%	37.05%
DS1 Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS3 Mux	31.00%	31.25%	31.35%	31.45%	31.55%
DS1 CM	39.00%	39.25%	39.35%	39.45%	39.55%
DS3 CM	36.00%	36.25%	36.35%	36.45%	36.55%
Discount Tier E					
DS1 CT	37.00%	37.25%	37.35%	37.45%	37.55%
DS3 CT	37.50%	37.75%	37.85%	37.95%	38.05%
DS1 Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS3 Mux	32.00%	32.25%	32.35%	32.45%	32.55%
DS1 CM	42.00%	42.25%	42.35%	42.45%	42.55%
DS3 CM	37.50%	37.75%	37.85%	37.95%	38.05%
Discount Tier F					
DS1 CT	38.00%	38.25%	38.35%	38.45%	38.55%
DS3 CT	38.50%	38.75%	38.85%	38.95%	39.05%
DS1 Mux	35.00%	35.25%	35.35%	35.45%	35.55%
DS3 Mux	33.00%	33.25%	33.35%	33.45%	33.55%
DS1 CM	43.00%	43.25%	43.35%	43.45%	43.55%
DS3 CM	38.50%	38.75%	38.85%	38.95%	39.05%
Discount Tier G					
DS1 CT	39.00%	39.25%	39.35%	39.45%	39.55%
DS3 CT	39.50%	39.75%	39.85%	39.95%	40.05%
DS1 Mux	36.00%	36.25%	36.35%	36.45%	36.55%
DS3 Mux	34.00%	34.25%	34.35%	34.45%	34.55%
DS1 CM	44.00%	44.25%	44.35%	44.45%	44.55%
DS3 CM	39.50%	39.75%	39.85%	39.95%	40.05%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.5 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	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	36.50%	36.75%	36.85%	36.95%	37.05%
DS3 Mux	34.50%	34.75%	34.85%	34.95%	35.05%
DS1 CM	45.00%	45.25%	45.35%	45.45%	45.55%
DS3 CM	40.00%	40.25%	40.35%	40.45%	40.55%
Discount Tier I					
DS1 CT	41.00%	41.25%	41.35%	41.45%	41.55%
DS3 CT	40.50%	40.75%	40.85%	40.95%	41.05%
DS1 Mux	37.00%	37.25%	37.35%	37.45%	37.55%
DS3 Mux	35.00%	35.25%	35.35%	35.45%	35.55%
DS1 CM	45.50%	45.75%	45.85%	45.95%	46.05%
DS3 CM	40.50%	40.75%	40.85%	40.95%	41.05%
Discount Tier J					
DS1 CT	42.00%	42.25%	42.35%	42.45%	42.55%
DS3 CT	41.00%	41.25%	41.35%	41.45%	41.55%
DS1 Mux	37.50%	37.75%	37.85%	37.95%	38.05%
DS3 Mux	35.50%	35.75%	35.85%	35.95%	36.05%
DS1 CM	46.00%	46.25%	46.35%	46.45%	46.55%
DS3 CM	41.00%	41.25%	41.35%	41.45%	41.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

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

25.3.5 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	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier B					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier C					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.5 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	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier E					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier F					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier G					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.5 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	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier I					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%
Discount Tier J					
DS1 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS3 CT	40.00%	40.25%	40.35%	40.45%	40.55%
DS1 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS3 Mux	10.00%	10.25%	10.35%	10.45%	10.55%
DS1 CM	50.00%	50.25%	50.35%	50.45%	50.55%
DS3 CM	46.00%	46.25%	46.35%	46.45%	46.55%

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.6 Special Access DS3 Service Channel Mileage Rates

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

(D)

(D)

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

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

25.3.7 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 25.3.7(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 25.3.7(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 25.3.7(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 25.3.7(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 25.3.7(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 25-40. (N)

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25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(A) (Cont'd)

(6) If the NDP Customer added or removed one or more ACNA(s) under Section 25.3.11 or Section 25.3.12 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 25.3.7(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 25.3.7(G) following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(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(s) using the methodology for a Technology Migration specified in Section 2.9.5 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 25.3.7(H) following, for any Qualifying Service(s) that has been Upgraded ; and/or

(ii) the Sale Adjustment, as calculated in accordance with Section 25.3.10 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.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

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

(1) (Cont'd)

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.

(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 25.3.7(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:

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(B) (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

(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 25.3.7(C) following applies to each missed Commitment Level.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 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 25.3.7(B)(1) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

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

(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 DSM CTs 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 25-40.

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25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(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.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(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 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(3) Option 2 Shortfall Penalty Method and Calculation

The Shortfall Penalty for Equivalent DS1 CTs will be an amount equal to the difference between (1) the Channel Termination 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 Shortfall Penalty for Equivalent DS1 CMs will be an amount equal to the difference between (1) the Channel Mileage Revenue Cap and (2) the actual total dollar Channel Mileage revenue for Equivalent DS1 CMs 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.

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(3) Option 2 Shortfall Penalty Method and Calculation (Cont'd)

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

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(C) Shortfall Penalty (Cont'd)

(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 25.3.2(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.

(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 25.3.7(B)(1) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(2) (Cont'd)

(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 25.3.4(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 25.3.4(B)(2) 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 25-40. (N)

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(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 25.3.5(B) preceding were not applied; or (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 25.3.5(B) preceding were not applied. Discounted Rate Elements are specified in Section 25.3.5(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 (multiplexing is excluded in 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 25.3.5(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.

Service availability limited. Refer to # footnote on Page 25-40.

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(2) (Cont'd)

(Step 3) (Cont'd)

(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 (multiplexing is excluded in 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 25-40.

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(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) | (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) | (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)

Service availability limited. Refer to # footnote on Page 25-40.

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(2) (Cont'd)

(Step 3) (Cont'd)

(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 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)

(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. (D) (C) | (C)

(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 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 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. (D) (C) | (C)

Service availability limited. Refer to # footnote on Page 25-40.

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(2) (Cont'd)

(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 25.3.5(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 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%. (D)

(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.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(2) (Cont'd)

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

(1) 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.

(2) 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.

(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 25.3.2(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.

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(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 25.3.7(D)(3) preceding).

(Step 1) Calculate the Monthly Average Count of Equivalent DS1 CTs in accordance with Section 25.3.7(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 (1) of Step 3 in Section 25.3.7(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 25.3.7(D)(2)(a) preceding.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(4) (Cont'd)

(Step 3) Calculate the Non-Discounted Billed Amounts for each Channel Termination and multiplexer Discounted Rate Element category specified in Step 3 of Section 25.3.7(D)(2)(a) preceding.

The Non-Discounted Billed Amount for DS1 Channel Terminations (i.e., category (1) of Step 3 in Section 25.3.7(D)(2)(a) preceding), is calculated as follows: (D)

(1) For this example, assume the total billed Monthly Charges for DS1 Channel Terminations is $12,000,000. (D)

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

The monthly Non-Discounted Billed Amount for DS1 Channel Terminations (i.e., category (1) of Step 3 in Section 25.3.7(D)(2)(a) preceding) is $18,750,000. (D)

In accordance with Step 3 of Section 25.3.7(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 25.3.7(D)(2)(a) preceding).

Service availability limited. Refer to # footnote on Page 25-40.

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(4) (Cont'd)

(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 25.3.7(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 25.3.7(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 25.3.7(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 25.3.7(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 25.3.7(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 25.3.7(D)(2)(a) preceding).

Service availability limited. Refer to # footnote on Page 25-40.

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25. Discount Plans (Cont'd)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(D) Discount Tier Adjustment (Cont'd)

(4) (Cont'd)

(Step 5) (Cont'd)

Assume the calculations in Steps 3 through 5 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 25.3.7(D)(2)(a) preceding). Further assume the calculations yield the following Discount Tier Adjustments:

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

(Step 6) Calculate the Total Discount Tier Adjustment in accordance with Step 6 of Section 25.3.7(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 25.3.7(E) following.

Service availability limited. Refer to # footnote on Page 25-40.

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(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 subscribed 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 25.3.7(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 25.3.7(H) and 25.3.10 following, respectively.

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

(T)

25.3 National Discount Plan# (Cont'd)

25.3.7 Annual True-Up (Cont'd)

(E) Commitment Buy-up Option (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.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(E) Commitment Buy-up Option (Cont'd)

(4) (Cont'd)

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

(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 25.3.7(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 25.3.7(E)(3) preceding.

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 23%, 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 25.3.7(B)(1) preceding and/or the Monthly Average Count of Equivalent DS1 CMs in accordance with Step 1 of Section 25.3.7(B)(1) preceding, as applicable.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(E) Commitment Buy-up Option (Cont'd)

(4) (Cont'd)

(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 25.3.7(C)(1) preceding.

The Average Monthly Rate per Equivalent DS1 CM is calculated in accordance with Step 3 of Section 25.3.7(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 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(E) Commitment Buy-up Option (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 25.3.7(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 25.3.7(E)(3) preceding is 3%.

(Step 2) Calculate the Monthly Average Count of Equivalent DS1 CTs in accordance with Step 2 of Section 25.3.7(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 25.3.7(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 25.3.7 (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 25.3.7(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].

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(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 25.3.7(H) following, for any Qualifying Service(s) that has been Upgraded; and (ii) any Sale Adjustment, as calculated in accordance with Section 25.3.10 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 25.3.5(B) preceding. If the Achieved Discount Tier (as determined in accordance with Section 25.3.7(D) preceding) is the same as the Assigned Discount Tier for the Annual True-Up, no action will be taken.

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.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(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 25.3.4(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 25.3.14 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 25-40. (N)

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25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(H) Upgrades

(1) For customers who subscribe to NDP on or after December 2, 2010, or renew their subscription to 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 25.3.7(H) includes replacements of Qualifying Services with Telephone Company provided Ethernet private line service or a 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 25.3.7(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.

(3) Except as otherwise specified in Sections 2.9.5 and 2.9.6 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

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(H) Upgrades (Cont'd)

(3) (Cont'd)

(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.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(H) Upgrades (Cont'd)

(3) (Cont'd)

(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.

(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 25.3.7(B)(1) preceding; (ii) Section 25.3.7(F) for assigning Discount Tiers for the next Plan Year; and (iii) Section 25.3.7(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 25.3.4(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 25.3.4(A).

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(H) Upgrades (Cont'd)

(4) (Cont'd)

(a) (Cont'd)

(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 25.3.7(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 (7^{th}) 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 25.3.7(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 25.3.7(B)(1) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.7 Annual True-Up (Cont'd)

(H) Upgrades (Cont'd)

(4) (Cont'd)

(b) The Upgrade Adjustment of Equivalent DS1 CMs is calculated in the same manner as the Upgrade Adjustment of Equivalent DS1 CTs specified in (H)(3)(a) preceding, 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 25.3.7(B)(1) preceding.

25.3.8 Minimum Period

The minimum period, as set forth in Section 5.2.5 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 5.2.6 preceding, will be assessed if the NDP Customer does not maintain the service with Discounted Rate Elements under Section 25.3.5 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.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.9 Changes to Basic Service and/or Base Rates

The Basic Service or Base Rates to which the discount percentages are applied under the NDP are subject to change. An increase in the Basic Service rate (used with Special Access DS1 Service only) or Base Rate (used with Special Access DS3 Service only) 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 Basic Service rate or Base Rate will result in a decrease to the rates under the NDP for the applicable Qualifying Service.

25.3.10 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 25.3.7(B)(1) preceding, either during the Initial Term or the Renewal Term; (ii) Section 25.3.7(F) preceding for assigning Discount Tiers for the next Plan Year; and (iii) Section 25.3.7(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 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.10 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 25.3.7(B)(1) preceding, the Telephone Company will calculate the Sale Adjustment of Equivalent DS1 CTs (as used in Step 2(ii) of Section 25.3.7(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 25.3.4(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 25.3.4(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 25.3.7(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 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.11 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 25.3.1(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 25.3.11(B)(1) following; or

(2) If an NDP Customer adds one or more ACNA(s) to its NDP (as permitted under Section 25.3.1(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 25.3.11(B)(2) following.

The terms of Section 25.3.1(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 any ACNAs that the NDP Customer added (as defined in (A) above) during the Annual True-Up Period. Whether or not 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 added ACNAs.

Service availability limited. Refer to # footnote on Page 25-40. (N)

ACCESS SERVICE

25. Discount Plans (Cont'd)

(T)

25.3 National Discount Plan# (Cont'd)

25.3.11 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)

Where an NDP Customer seeks to add one or more ACNA(s) to its NDP in accordance with Section 25.3.11(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 25.3.7(A) preceding as if the NDP Customer had not acquired the additional ACNA(s).

(b) Upon completion of Section 25.3.7(A)(1) through (A)(5) preceding, and in accordance with Section 25.3.1(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:

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.11 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)

(Step 1) Using the table in Section 25.3.4(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 25.3.4(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.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.11 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)

(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 25.3.7(B) or Section 25.3.7(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 25.3. Any prior CT Commitment level established under Section 25.3.7(B) or Section 25.3.7(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 25.3. Any prior CM Commitment level established under Section 25.3.7(B) or Section 25.3.7(E) preceding is expressly superseded by the CM Commitment Level established under this Step 3.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.11 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].

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.11 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 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 25.3.7(B) and Section 25.3.7(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 25.3. [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 25.3.7(B) and Section 25.3.7(E) preceding is expressly superseded by the CT Commitment Level established under this Step 3.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.11 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 25.3.7(B) or Section 25.3.7(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 25.3.7(F) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

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

(B) (Cont'd)

(2) Combine NDPs

(a) Where an NDP Customer seeks to add one or more ACNA(s) to its NDP in accordance with Section 25.3.11(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.

(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 25.3.7(A) preceding for Plan A and separately complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.3.7(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 25.3.13 following will not apply to such cancellation.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.11 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) Once the Annual True-Ups under (B)(2)(b)(1) preceding are complete, and in accordance with Section 25.3.1(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; 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 25.3.4(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 25.3.4(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 25.3.4(A)(2) preceding.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.11 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) (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 25.3.

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 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 25.3.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.11 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) (Cont'd)

(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 25.3.7(F) preceding.

(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 25.3.7(A) preceding for Plan A and separately complete Steps (A)(1) through (A)(5) of the Annual True-Up as described in Section 25.3.7(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 25.3.13 following.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

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

(B) (Cont'd)

(2) Combine NDPs (Cont'd)

(c) New NDP Option (Cont'd)

(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 25.3.

25.3.12 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 25.3.1(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 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.12 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 25.3.7(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; (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 25.3.4(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 25.3.4(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.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

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

(A) (Cont'd)

(2) (Cont'd)

(b) (Cont'd)

(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, 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.

(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 25.3.

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 25.3.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

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

(A) (Cont'd)

(2) (Cont'd)

(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 25.3.7(F) preceding.

(d) Termination Liability under Section 25.3.13 following will not apply for removal of the Qualifying Services from the NDP that are affected by the removal of an ACNA.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.13 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 25.3.14 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 25.3.8 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 25.3.14(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 elected the Renewal Benefit Option as described in Section 25.3.14(C) following, termination liability during Plan Year 5 does not apply during the Renewal Term.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.14 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)
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(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 25.3.13 preceding. (T)

Service availability limited. Refer to # footnote on Page 25-40. (N)

ACCESS SERVICE

25. Discount Plans (Cont'd)

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

25.3.14 Renewal and Termination of NDP (Cont'd)

(B) Renewal

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

(D)

(D)

Service availability limited. Refer to # footnote on Page 25-40. (N)

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25. Discount Plans (Cont'd)

(D)

(D)

Vice President, Federal Regulatory
1300 I Street, NW, Washington, D.C. 20005

25. Discount Plans (Cont'd)

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

25.3.14 Renewal and Termination of NDP (Cont'd)

(D)
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(D)

(C) Renewal Benefit Option

(1) Effective May 30, 2019, customers may no longer renew NDP. This Section 25.3.14(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 25.3.13 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 25.3.13 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 25.3.13 preceding applies.

Service availability limited. Refer to # footnote on Page 25-40. (N)

25. Discount Plans (Cont'd)

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

25.3.14 Renewal and Termination of NDP (Cont'd)

(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 25.3.7(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 25.3.14(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 25.3.14, all terms and conditions of the NDP as set forth in this Section 25.3 shall apply.

Service availability limited. Refer to # footnote on Page 25-40. (N)