Palmerton Telephone Company Section 2 Fifteenth Revised Sheet 1 Canceling Fourteenth Revised Sheet 1

RATES AND RULES GOVERNING LOCAL EXCHANGE SERVICE IN BOWMANSTOWN, KRESGEVILLE, KUNKLETOWN AND PALMERTON

LOCAL EXCHANGE SERVICE WITH NETWORK ACCESS

Local exchange service with network access includes the central office equipment with push button, dialing capability, call waiting, call forwarding, three-way calling, repeat call, outside plant distribution wire and cable and protector.

The following telephone rates do not include any terminal equipment, telephones, ringers, couplers or inside wire.

* * *

A. EXCHANGE RATE CLASSIFICATIONS

The monthly rates are classified into rate bands, as shown in paragraph B, following, on the basis of the total number of access lines in the local calling area of each exchange which are accessible without incurring a toll charge. The number of access lines for each exchange is the sum of the total business and residence access lines plus trunk hunting lines and equivalent Centrex type lines.

RATE BAND	NUMBER OF ACCESS LINES IN LOCAL CALLING AREA
1	0 TO 12,000
2.	12,001 TO 25,000
3.	25,001 TO 40,000
4.	40,001 TO 60,000
5.	60,001 TO 95,000
6.	95,001 TO 145,000
7.	145,001 TO 210,000

B. MONTHLY RATES FOR LOCAL EXCHANGE SERVICE

RATE BANDS								
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	
Business								
One-Party Line	\$10.72	\$13.72	\$16.07	\$18.77	\$22.12	\$26.07	\$30.77	
Centrex Trunk	\$14.74	\$19.54	\$23.34	\$27.89	\$33.24	\$39.64	\$47.29	
Trunk Hunting Line	\$12.64	\$15.79	\$20.09	\$23.89	\$28.59	\$34.04	\$40.59	
Centrex Line	\$ 9.79	\$13.09	\$15.59	\$18.64	\$22.19	\$26.68	\$31.59	
	(C) Indicate	s Change	(I) Ind	licates Inc	rease		

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B. MONTHLY RATES FOR LOCAL EXCHANGE SERVICE (continued)

RATE BANDS							
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
One-Party Line	\$10.11 (I)	11.16 (I)	\$12.52 (I)	\$13.66 (I)	\$15.57 (I)	\$16.21 (I)	\$19.61 (I)

Pay Telephones will be charged the same rate as the One-Party business service.

In the case of Centrex line subscribers the following multipliers shall be applied to determine the monthly rate for each subscriber:

- (1) For the first 25 lines, each line shall be billed at the banded Centrex line rate.
- (2) For lines 26 thru 100 lines, each line shall be billed at 0.85 of the banded Centrex line rate.
- (3) For lines 101 thru 250 lines, each line shall be billed at 0.65 of the banded Centrex line rate.
- (4) For lines 251 or more, each line shall be billed at 0.50 of the banded Centrex line rate.

C. GRANDFATHERED SERVICES

The Two-Party Line rate will no longer be charged after the effective date of this supplement. All customers will be charged the One-Party Line rate.

(I) Indicates Increase

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D. CURRENT LOCAL SERVICE AREAS

The local service area embraces stations bearing the designation of Bowmanstown, Kresgeville, Kunkletown and Palmerton. Each of these service areas has toll free service (EAS) to other exchanges as defined below:

EXCHANGE AREA	ADDITIONAL EXCHANGES IN LOCAL SERVICE AREA	RATE BAND	
Bowmanstown	Kresgeville, Kunkletown, Palmerton, Lehighton, Slatington	3	
Kresgeville	Bowmanstown, Kunkletown, Palmerton Saylorsburg, Stroudsburg	5	(C)
Kunkletown	Bowmanstown, Kresgeville, Palmerto Saylorsburg, Stroudsburg	n 5	(C)
Palmerton	Bowmanstown, Kresgeville, Kunkleto Allentown, Slatington, Lehighton	wn 7	(C)

E. CHANGES IN RATE BAND

The Rate Band classification of an exchange is subject to change in accordance with the Rate Band schedule as set forth in A above. This would occur due to a growth in network access lines within the local service area or to a decline in network access lines in the local service area as summarized in detail below.

When the Company proposes to change an exchange area from one rate band to another because of an increase or decrease in the total number of main access lines in the local calling area, notice of the reclassification of said exchange to the proper rate group shall be given by filing revised tariffs with the Pennsylvania Public Utility Commission in accordance with the rules and regulations of the Commission. Such revised tariffs will be filed only:

- (1) when an exchange area has exceeded or fallen below its rate band limitation as determined on two consecutive semi-annual reviews, to be conducted on April 1 and October 1 of each year, provided that the most recent of the two consecutive reviews exceeds the lower limit or falls below the upper limit of the new rate band by at least two percent, or
- (2) when an additional exchange area is added to the local calling area of an exchange, and the number of main access lines of the new exchange's local calling area exceeds the upper limit of the rate group.

(C) Indicates Change

Effective: January 20, 1998

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