

VERIZON MASSACHUSETTS

STATE OF MASSACHUSETTS

MASSACHUSETTS ALTERNATIVE REGULATION PLAN

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The Massachusetts Alternative Regulation Plan ("Plan") establishes the method by which the Department of Telecommunications and Energy ("Department") will regulate the intrastate services Verizon New England Inc. ("Verizon MA" or the "Company") offers under tariff in the Commonwealth. The terms of the Plan are as follows:

A. Residence TouchTone Service - The monthly rate associated with residence Touch Tone service is eliminated.

B. Residence Dial-Tone Line - In order to offset the revenue loss associated with the elimination of the monthly residence rate for Touch

Tone service set forth in Paragraph A above, the residence dial-tone line rate of \$9.91 is increased to \$10.38. **[Should the Department implement the reduction of intrastate access charges set forth in Paragraph F, below, the residence dial-tone line rate will be further increased to \$12.01]** Except as may be required by paragraphs E **[and G below]**, the residence dial tone line shall not be increased for at least three years after the effective date of this Plan.

C. Residence Local Usage - Except as otherwise provided in Paragraph E, below, the rates and charges associated with residence local usage shall not be increased for at least three years after the effective date of this plan. (See Appendix A for a listing of all such services.)

D. All Other Residential Services - Except as otherwise provided in Paragraph E, below, the aggregate rates associated with all other residential services shall not be increased. Rate levels of individual service elements in this category may be increased, provided that the revenue impact of those increases is equal to or less than the revenue impact of rate reductions implemented in this category, prior to or coincident with the proposed increase. (See Appendix A for a listing of all such services.)

E. The residence service rates in Paragraphs B, C and D, **[and the access rates in Paragraph F, below]**, may be increased or decreased in the event of an exogenous event that increases or decreases the Company's cost of providing, or increases or decreases its revenues from, the residence and switched access services identified in the above-referenced Paragraphs. A party may petition the Department to recover positive or negative changes in costs or revenues because of an exogenous event in accordance with the provisions of the Plan. An exogenous event is one that is beyond the control of Verizon MA and that positively or negatively changes the Company's cost of providing, or its revenues from, the residence and switched access services identified in Paragraphs B, C and D, above **[and F below]**. An exogenous event includes, but is not limited to: (i) changes in tax laws; (ii) changes in Generally Accepted Accounting Principles that apply specifically to telecommunications or changes in the Federal Communications Commission Uniform Systems of Accounts; (iii) any Federal Communications Commission rules changes pertaining to jurisdictional separations; and (iv) regulatory, judicial, or legislative changes affecting the telecommunications industry, including rules and orders that are necessary to implement such changes. If the Department finds that Verizon MA has experienced a positive or negative change in costs or revenues due to an exogenous event, it shall allow the Company to reflect the amount of the change by way of surcharge, credit or rate adjustment as appropriate. If a dispute arises over whether an event is exogenous, the burden of proof lies with the party proposing the recovery

or reduction. Any proposed exogenous adjustment must affect the Company's annual costs or revenues by at least \$3 million.

[F. Switched Access Services - The rate structure and levels for intrastate switched access service will be changed to reflect the existing structure and rate levels associated with interstate switched access. Except as otherwise provided in Paragraph E, above, intrastate switched access rates shall not be increased.]

G. Residence Toll Services

If Verizon MA decreases rates for residence toll and/or associated residence optional calling plans, the Company may, no more than once a year after the effective date of this Plan and no later than the fourth anniversary of the Plan, increase the monthly residence dial-tone line rate by an amount not to exceed the lesser of: (a) an amount that is designed to offset the revenue loss associated with said rate decreases; or (b) a maximum cumulative amount of \$1.00.]

H. Lifeline Services - The Lifeline Credit will be increased by \$0.47. **[Should the Department implement the reduction of intrastate access charges set forth in Paragraph F, above and the related dial tone line increase set forth in paragraph B above, the Lifeline Credit will be further increased by \$1.63. The Lifeline Credit will also be increased by an amount equal to an increase in the dial-tone line rate implemented in accordance with Paragraph G, above.]**

I. Poles and Conduit and Late Payment Charges - Pricing requirements for these services, as established in the Department's Orders in D.P.U. 91-218 and D.P.U. 93-204-A, respectively, remain in effect until the Department otherwise orders.

J. All Other Retail Services - Rates and charges for all remaining intrastate retail services that the Company offers under tariff will increase or decrease in response to market conditions. Pricing for these services will be at the discretion of the Company. (See Appendix A for a listing of all such services)

K. Verizon MA may modify the application of rate elements during the term of the Plan so long as such modifications comply with all pricing rules.

L. Price floor rules that the Department established in D.P.U. 94-185 remain in effect until the Department otherwise orders.

M. Prices for access to Verizon MA's unbundled network elements and interconnection with the Company's facilities and equipment, and the level of the Company's wholesale (resale) discount, will continue to be set in accordance with the federal Telecommunications Act of 1996, as amended.

N. Verizon MA may petition the Department to modify any of the terms or conditions of the Plan: (i) to reflect the impact of relevant provisions or decisions, enacted or issued subsequent to the Department's approval of the Plan, of federal or state legislative, judicial or administrative bodies of competent jurisdiction; or (ii) to seek a less structured form of regulation or deregulation of its operations based upon changes in market conditions. In any proceeding, the burden shall be on the Company to establish the reasonable basis for the modification.

O. Verizon MA will continue to offer all of the intrastate services provided under tariff as of the date of Department approval of the Plan unless it petitions and receives approval from the Department to withdraw a service.

P. Verizon MA will continue to file tariffs with the Department, as required by applicable law, for the telecommunications service offerings subject to its regulation within the Commonwealth. Such tariff filings will be filed for effect no sooner than 30 days following the date of filing, unless Verizon MA establishes good cause for an earlier effective date. Verizon MA will be required to produce only such data as needed to establish compliance with the terms of all pricing rules otherwise specified in the Plan.

Q. New products or services filed by the Company and approved by the Department will be subject to the pricing rules set forth in paragraph J above.

R. Verizon MA will be subject to the requirements of the Retail Quality of Service Plan, attached hereto as Appendix B.

LIST OF SERVICES

Residential Touch-tone Services Subject to ARP Paragraph A	
	<u>Tariff Reference Part M, Section A</u>
Residence and Student Centrex	1.7.2

Residential Basic Exchange Services Subject to ARP Paragraph B	
	<u>Tariff Reference Part M, Section A</u>
Dial Tone Line Exchange	1.5.1
DTL Exchange – Flat	1.5.1
Unlimited 2 Party	1.5.1
Metropolitan Service	1.6.1
Suburban Service	1.6.1
Circle Calling	1.6.1
Bay State East – Met	1.6.1
Bay State East – Non-Met	1.6.1
Call Around 413 Plus	1.6.1
E. LATA Unlimited Service	1.6.1
Temporary Suspension of Service	1.3.3
Residential Local Usage Subject to ARP Paragraph C	
<u>Residential Local Usage Services</u>	<u>Tariff Reference Part M, Section A</u>
Unlimited 1Party	1.5.1
128 LATA - Zone 1 messages	1.5.1
128 LATA - Zone 2 messages	1.5.1
128 LATA - Zone 1 per minute	1.5.1
128 LATA - Zone 2 per minute	1.5.1
413 LATA – per message	1.5.1

413 LATA – per minute	1.5.1
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Other Residential Services Subject to ARP Paragraph D	
<u>Residential Services</u>	<u>Tariff Reference Part M, Section A</u>
Element 1&2	1.3.1
Premises work charges (Residence only)	1.3.2
Other Service Charges – Residence (includes restoral & suspension of service as well as jacks, rewire, etc.)	1.3.3
Local message/usage 413 LATA off-peak rate (Residence only)	1.5.1
Dormitory Communications Service	1.5.5
Directory Listing Service – Nonpub & nondirectory (Residence only)	1.5.6
Directory Listing Service – Additional Listing – (Residence only)	1.5.6
Directory Assistance Service (Residence only)	1.5.7
Busy Line Verification and Busy Line Interrupt (Residence only)	1.5.11
Expanded Community Calling Service	1.6.1
Expanded Community Calling Plus Service (Residence only)	1.6.1
Custom Calling Services (Residence only)	1.7.1
Usage three way calling – per activation charge (Residence only)	1.7.1
Intellidial (Residence only)	1.7.9
Ringmate Ring ID Service (Residence only)	1.7.13

Phonesmart features (Residence only)	1.7.14
Voice Dialing Service (Residence only)	1.7.15
Ultra Forward Features (Residence only)	1.7.16
MTS Schedule 4 & 5	1.9
MTS Schedule 2 & 7 (Residence only)	1.9.1
Incremental Charges (Residence only)	1.9.1
MTS for disabled persons	1.9.2
Call Completion BAAN Single Rate Plan (Residence only)	1.9.6
Selective Calling Service	1.10.1
Call Around 413	1.10.2
Measured Circle Calling	1.10.3
Weekend Choice	1.10.5
Sensible Minute Plan	1.10.6
Public Emergency Call Receiving Service	1.12.1
Universal Emergency Number Service (E911)	1.12.2-3
Value Pack	1.15.2
ResTrex	1.15.3
Call Manager	1.15.4
Sound Deal	1.15.5
Local Package	1.15.6
Multi-line Package Discount	1.15.7
Package Bonus Discount	1.15.8

Residential Lifeline Services Subject to ARP Paragraph H	
	<u>Tariff Reference Part M, Section A</u>
Lifeline support (\$9.50)	1.1.3
Poles, Conduit and Late Payment Charges Subject to ARP Paragraph I	
	<u>Tariff Reference Part M, Section A</u>
Late Payment Charge – Business	Part A, Sect 1, 1.5.5.B
Poles & conduit	Non-tariffed services

Services Subject to ARP Paragraph J	
	<u>Tariff Reference Part M, Section A</u>
Returned Check	1.1.2
Market Trials	1.1.5
Construction	1.2.1
Interior Wiring	1.2.2
Element 1&2 – Bus	1.3.1
Premises Work Charges (Business only)	1.3.2
Other Service Charges – Business only (includes restoral & suspension of service as well as jacks, rewire, etc.)	1.3.3
Protection Equipment for Services to Power Stations	1.4.1
Connecting Arrangements	1.4.2

Dial Tone Line & Local Message/Usage Bus	1.5.1
Local Message/Usage 413 LATA off-peak rate (Business only)	1.5.1
Door Answering & Announcement Lines	1.5.1
Joint User Service (PASL & Measured)	1.5.4
Directory Listing Service – Nonpub & nondirectory (Business only)	1.5.6
Directory Listing Service – Additional Listing (Business only)	1.5.6
Directory Assistance Service – PASL	1.5.7
Directory Assistance Service (Business only)	1.5.7
Operator Call Completion Service	1.5.8
Electronic White Pages	1.5.9
Personal Messenger Service	1.5.10
Busy Line Verification and Busy Line Interrupt (Business only)	1.5.11
Expanded Community Calling Plus Service –each add'l min. (Business only)	1.6.1
Custom Calling Services (Business only)	1.7.1
Usage Three-way Calling – per activation charge (Business only)	1.7.1
Touch Tone - Centrex I, II & Custom	1.7.2
Remoteline	1.7.3
Special Reverse Charge Toll Service	1.7.4
Stop Hunt Arrangement	1.7.5
Make Busy Arrangement	1.7.6
Signal Line Filter	1.7.7
Curb A Charge Service	1.7.8

Intellidial (Business only)	1.7.9
Pulsenet Alert Transport	1.7.10
Customize Announcement Service	1.7.11
SMDI	1.7.12
Ringmate Ring ID Service (Business only)	1.7.13
Phonesmart features (Business only)	1.7.14
Voice Dialing Service (Business only)	1.7.15
Ultra Forward Features (Business only)	1.7.16
Services Subject to ARP Paragraph J (continued)	
	<u>Tariff Reference Part M, Section A</u>
PASL	1.8.1
PAL	1.8.2
PAL Curb A Charge	1.8.3
MTS Business & PASL Schedules 1, 3, 6 & 8	1.9
MTS Schedules 2 & 7 (Business & PASL only)	1.9.1
Incremental Charges (Business only)	1.9.1
Group Bridging Service	1.9.3
Information Delivery Service	1.9.4
Circuit 9	1.9.5
Call Completion BAAN Single Rate Plan (Business only)	1.9.6
Business Link	1.10.4
Dedicated Toll Free Service	1.11.1

Toll-free Service	1.11.2
Toll Free Management Features	1.11.3
DID	1.12.4
AIOD	1.12.5
Toll Access Trunks	1.12.6
Toll Diversion	1.12.7
Toll Billing Info	1.12.8
CO Term Equipment for PBX	1.12.9
Message Registration for PBX	1.12.10
Secretarial Concentrator	1.12.11-14
Service through miscellaneous Common Carriers	1.12.15
ACD	1.12.16
Group Alerting Service	1.12.17
Apartment Door Answering	1.12.18
CO-LAN	1.12.19
PS/ALI Trunks	1.12.20
Worksmart Packages	1.15.1
DTE 10, PART M, SECTION B – <u>Private Line Services</u> (analog) are all business services which are subject to ARP Paragraph J.	
DTE 10, PART M, SECTION C – <u>Digital Communications Services</u> are all business services which are subject to ARP Paragraph J.	
DTE 10, PART M, SECTION D – <u>Billing Information Services</u> are Information Provider (IP) services which are subject to ARP Paragraph J.	
DTE 10, PART M, SECTION E – <u>Collocation Services</u> are all wholesale services which are subject to ARP Paragraph J.	

DTE 10, PART M, SECTION H – Centrex Services are business services which are subject to ARP Paragraph J.

Other Tariffs Subject to ARP Paragraph J	
MA D.T.E. No. 12	FPO / CSP Services
MA D.T.E. No. 16	Special Construction