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Joseph A. Post
Deputy General Counsel — NY



May 8, 2012

Honorable Jaclyn A. Brillling
Secretary
New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223

Re: Case 09-M-0527

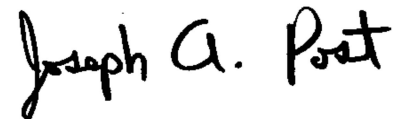
Dear Secretary Brillling:

As the Commission is aware, a number of parties have been attempting to negotiate a proposed resolution of the “Phase II” (State Universal Service Fund) issues in this proceeding. We are pleased to report that those efforts have been successful. The parties listed in Exhibit A (the “Signatories”) respectfully submit the attached Joint Proposal and Settlement Agreement, and ask that the Commission adopt its provisions as a full resolution of the Phase II issues. The Signatories also respectfully request that:

- the Commission set a schedule providing for: (i) the simultaneous submission by interested parties (including the Signatories) of initial comments in support of or in opposition to the Joint Proposal by May 23, 2012, and (ii) the simultaneous submission of reply comments by June 1, 2012; and
- the Commission suspend the current deadlines for the submission of exceptions and briefs opposing exceptions to the Phase II Recommended Decision, pending a decision on the Joint Proposal.

Hon. Jaclyn A. Brillling
May 8, 2012

Respectfully submitted,

A handwritten signature in black ink that reads "Joseph A. Post". The signature is written in a cursive, slightly slanted style.

Joseph A. Post

cc: Hon. Howard A. Jack
Hon. Eleanor Stein
Mr. Michael Corso
Mr. Chad G. Hume
Peter McGowan, Esq.
Active Party List
Settlement Participant List

EXHIBIT A

NYS Department of Public Service Staff

AT&T

Cable Telecommunications Association of New York, Inc.

Cablevision Lightpath, Inc.

Cellco Partnership d/b/a Verizon Wireless

NYSTA Smaller ILECs:

- Armstrong Telephone Company-New York
- Berkshire Telephone Corporation
- Cassadaga Telephone Corporation
- Champlain Telephone Company
- Chautauqua & Erie Telephone Corporation
- Chazy & Westport Telephone Corporation
- Citizens Telephone Company of Hammond, NY, Inc.
- Crown Point Telephone Corporation
- Delhi Telephone Company
- Dunkirk and Fredonia Telephone Company
- Empire Telephone Corporation
- Fishers Island Telephone Corporation
- Germantown Telephone Company, Inc.
- Hancock Telephone Company
- Margaretville Telephone Company, Inc.
- Middleburgh Telephone Company
- Newport Telephone Company, Inc.
- Nicholville Telephone Company
- Oneida County Rural Telephone Company
- Ontario Telephone Company, Inc.
- Pattersonville Telephone Company
- State Telephone Company, Inc.
- Taconic Telephone Corporation
- TDS Telecom - Deposit Telephone Company, Inc.
- TDS Telecom - Edwards Telephone Company, Inc.
- TDS Telecom - Oriskany Falls Telephone Corporation
- TDS Telecom - Port Byron Telephone Company
- TDS Telecom - Township Telephone Company, Inc.
- TDS Telecom - Vernon Telephone Company, Inc.
- Trumansburg Telephone Company, Inc.
- Warwick Valley Telephone Company

Sprint Nextel Corporation

T-Mobile Northeast LLC d/b/a T-Mobile

Time Warner Cable

Utility Intervention Unit, Division of Consumer Protection, NYS Department of State

Verizon New York Inc.

JOINT PROPOSAL AND SETTLEMENT AGREEMENT

This Joint Proposal and Settlement Agreement for a resolution of the Phase II issues in Case 09-M-0527 (the "Settlement Agreement") is entered into as of May 8, 2012, by the parties whose signatures are included in Appendix B (together, the "Parties," and each individually, a "Party").

RECITALS

- a. These Recitals explain the background of this Settlement Agreement and the context in which it was negotiated. They are not themselves operative provisions of the Settlement Agreement, but are included only for any assistance they may provide in interpreting and applying those operative provisions.
- b. The Parties to this Settlement Agreement are also parties to Case 09-M-0527 (the "Proceeding"), which is pending before the New York State Public Service Commission (the "Commission").
- c. In what has been designated as "Phase II" of the Proceeding, the Commission has been considering whether a State Universal Service Fund ("SUSF") should be established to provide financial support to certain telephone corporations in New York State, as determined by the Commission in a rate case and, if so, the terms and conditions under which such fund should operate ("Phase II"). Honorable Howard A. Jack, Administrative Law Judge, has presided over an evidentiary hearing and other proceedings in Phase II. Previous rulings and orders issued by Judge Jack and the Commission also contemplate an additional phase of this case ("Phase III"), in which certain issues related to intrastate access charges and the New York Targeted Accessibility Fund ("TAF") will be considered.
- d. The Parties have a wide range of interests and perspectives on Phase II issues, and took widely varying positions on those issues in their testimony and briefs in the Proceeding.
- e. On January 4, 2012, the Commission released Judge Jack's "Recommended Decision on Phase II Issues" (the "RD"). The RD recommended that an SUSF be established, and made specific recommendations concerning the terms and conditions under which the SUSF would operate. The RD also explained the factual and legal conclusions on which its recommendations were based.

f. On the same date, the Commission issued a notice (the “Notice”) which, among other things, established a schedule for the filing of exceptions to the RD and of briefs opposing exceptions. The Notice also directed the Parties to address the effect on the RD’s recommendations of the FCC’s November 18, 2011 Report and Order in WC Docket No. 10-90, *et al.*, which had been issued after the RD was drafted. In the normal course the Commission would review those filings, along with the RD, and would issue an order addressing the Phase II issues in the Proceeding. The Commission’s order could adopt some, all, or none of the recommendations in the RD. The schedule for the filing of exceptions to the RD and of briefs opposing exceptions was subsequently modified on several occasions in order to allow the Parties to discuss a resolution of the Phase II issues, a process that culminated in this Settlement Agreement. The schedule for the submissions referenced in paragraph g below was also modified.

g. The Notice also called the Parties’ attention to the fact that the RD “addresse[d] the issue of whether obligations to contribute to [an SUSF] should be extended to wireless telephone companies,” and noted that “[s]uch action, if adopted by the Commission, would require that the Commission terminate, in part, the current suspension of the operation of the Public Service Law with respect to those companies. The opportunity to comment provided by this Notice is intended to fulfill the Commission’s obligation to make such a determination after notice and hearing pursuant to Public Service Law § 5(6).” Comments and reply comments on issues arising under § 5(6), including the question of whether that section requires an evidentiary hearing, were to be filed on the same schedule as exceptions to the RD and briefs opposing exceptions.

h. Absent a Commission-approved settlement, many of the Parties would file exceptions urging the Commission to reject or modify all or specified portions of the RD. Different Parties would challenge different provisions of the RD, on a variety of different grounds. Some Parties, for example, might take the position that an SUSF should not be established at all, but that if one is established it should operate in a manner different from that called for by the RD. Other Parties might support the RD’s recommendation that an SUSF be created, but take issue with some of the RD’s conclusions concerning the operation of the SUSF. Other Parties might support the RD in its entirety.

i. The Parties recognize that further Phase II proceedings, including the preparation and filing of exceptions and briefs opposing exceptions, and possible proceedings for reconsideration, clarification, and judicial review following the issuance of the Commission’s order, would be burdensome, costly and time-consuming; that the final outcome would be uncertain; and that some entities, including the Parties, would likely be dissatisfied with that outcome.

j. In view of these uncertainties, costs and risks, the Parties have entered into this Settlement Agreement, which sets forth an agreed-to resolution of Phase II issues that would eliminate any need for a Commission order on the RD’s operative recommendations regarding Phase II and on the factual and legal conclusions underlying those recommendations.

Experienced and knowledgeable counsel and other representatives of the Parties developed the Settlement Agreement together through an exhaustive collaborative process in which alternatives were proposed and debated, resolutions were negotiated, and this final, definitive Settlement Agreement was drafted. The Parties regard the final Settlement Agreement as the joint work product of all of the Parties, the terms of which are within the range of potential litigated outcomes.

k. This Settlement Agreement is a compromise, and reflects a great deal of give-and-take among the Parties. It does not reflect any Party's view of the ideal resolution of all of the Phase II issues. Many, if not all, Parties would — absent a settlement — support different outcomes for specific issues in the exceptions process and/or in subsequent proceedings for reconsideration or judicial review. Nevertheless, the Parties intend to submit this Settlement Agreement to the Commission for approval, and each Party requests that the Commission approve the Settlement Agreement, in lieu of the RD, as a full resolution of the issues raised in Phase II.

l. The Parties recognize that the Commission has frequently asserted that it cannot relinquish certain duties under the Public Service Law, and that the exercise of such duties might require the modification of a settlement if certain changes in circumstances occur following the approval of the settlement. Accordingly, paragraph 10 (the "Reservation Clause") has been included in this Settlement Agreement. The Reservation Clause is intended to reflect, and not to expand, contract, or otherwise alter, applicable law relating to the Commission's rights, powers, and obligations to alter an approved settlement agreement. The Parties recognize and intend that the Reservation Clause applies to each of the other operative provisions of this Settlement Agreement. Although certain operative provisions refer specifically to the Commission's powers under the Reservation Clause, such references are not intended to limit the provisions to which the Reservation Clause applies, or to imply that the Reservation Clause applies to those operative provisions differently than it applies to other operative provisions.

m. Three of the incumbent local exchange carriers in New York State that are included in Attachment A to this Settlement Agreement are currently receiving interim funding through an arrangement known as the Transition Fund, or through various extensions of that fund that have been ordered or approved by the Commission (together, the "TF"), and continued disbursements of funds from the SUSF to these three carriers are addressed in paragraph 8(d) in the Settlement Agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Establishment of an SUSF.

(a) An SUSF is hereby established, for the purpose of providing financial support as determined in a rate case in accordance with the terms and conditions of this Settlement Agreement.

(b) The SUSF will be administered by the New York State Intrastate Access Settlement Pool, Inc. (the “Administrator”). Subject to the Commission’s directives, the Administrator will have the authority to assess contributions to the SUSF, disburse money from the SUSF to Eligible Recipients, and to take such actions and incur such expenses as are reasonable and necessary to carry out those responsibilities. In doing so the Administrator will be bound by the provisions of this Settlement Agreement and Commission directives approving, interpreting, and implementing the Settlement Agreement.

(c) The SUSF Administrator’s services will be provided in a manner similar to that provided by the Commission with respect to the TAF.

2. Term of the SUSF.

(a) The SUSF will have a term of four years (the “Term”), beginning on January 1, 2013 (the “SUSF Effective Date”).

(b) The Parties request that the Commission initiate a proceeding on the third anniversary of the SUSF Effective Date in order to consider whether any successor funding arrangement should be put in place following the Term, and if so the terms and conditions that would govern such successor funding arrangement.

(c) The Commission, on its own motion or upon request, may extend the Term beyond the four-year period set forth in sub-paragraph (a), above, if necessary to allow sufficient time to complete the proceeding referred to in sub-paragraph (b), above.

(d) A “Funding Year” is defined as any one-year period beginning on the SUSF Effective Date (or on any of the first three anniversaries of the SUSF Effective Date), and ending the day before the next following anniversary.

3. Funding Amounts.

(a) For purposes of this Settlement Agreement:

- (i) a “Funding Date” is a date on which contributions to the SUSF are due;
- (ii) a “Funding Amount” is the total amount to be contributed to the SUSF on a specific Funding Date;
- (iii) a “Contributor” to the SUSF is as defined in paragraph 4, below; and
- (iv) a Contributor’s “Share” of the Funding Amount is defined in paragraph 5, below.

(b) On each Funding Date, each Contributor shall be required to contribute to the SUSF that Contributor’s Share of the Funding Amount for that Funding Date. The Administrator shall issue an assessment to each Contributor for its Share of a Funding Amount, and shall do so

sufficiently in advance of the Funding Date to ensure that the total Funding Amount will be collected by the Funding Date.

(c) SUSF Funding for first Funding Year. The Funding Amount for the first Funding Year is \$5 million, and the Funding Date for that Funding Amount is thirty days after the SUSF Effective Date. To the extent that the Administrator determines, in consultation with Staff, that it is reasonably likely that a portion of this Funding Amount will not to be needed during the first Funding Year, any Contributor may satisfy its obligation under this sub-paragraph by paying its Share of the portion of the Funding Amount that the Administrator concludes will be needed during the first Funding Year, and by providing the Administrator with a letter of credit, in a form acceptable to the Commission, for its Share of the remaining portion of the Funding Amount.

(d) SUSF Funding for subsequent Funding Years after the First Funding Year. Subject to sub-paragraph 3(e), below, the Funding Amounts for each Funding Year after the first Funding Year will be the lesser of (i) the Funding Need for that Funding Year (as determined pursuant to paragraph 8, below), or (ii) \$4 million. The Funding Dates for these Funding Amounts will be determined by the Administrator so as to ensure the availability of funds when needed, but to minimize the collection of funds that will not be needed during a Funding Year. The Administrator may set more than one Funding Date for each of these Funding Years.

(e) Any portion of the \$5 million Funding Amount for the first Funding Year that exceeds the Funding Need for the first year may be used to meet Funding Needs in subsequent years after that subsequent year's \$4 million Funding Amount is collected.

4. Contributors.

(a) Subject to paragraph 6, below (the "Market Change Exception"), a Contributor is a company that was required to contribute to the TAF during 2011 ("Contributor"). Wireless and VoIP providers will not be Contributors. This sub-paragraph, like all other provisions of this Settlement Agreement, is subject to the provisions of paragraph 10, below.

(b) The desirability and legality of requiring classes of telecommunication providers who are not Contributors under this Settlement Agreement to contribute to any successor arrangement established by the Commission pursuant to sub-paragraph 2(b), above, may be examined by the Commission in the review proceeding referred to in that sub-paragraph. Subject to any determination that may be made under paragraph 10 (the "Reservation Clause"), the Parties will not seek initiation of a Phase-II-related proceeding under Public Service Law § 5(6) before that point.

5. Contribution Shares.

Subject to the Market Change Exception in paragraph 6 below, each Contributor's Share will be determined using the TAF contribution methodology in effect during 2011; that is, based on the 2011 TAF-assessable revenues of the Contributor expressed as a percentage of the total

2011 TAF-assessable revenues of all Contributors. Subject to the Market Change Exception, no Contributor's Share will change during the Term of this Settlement Agreement.

6. Market Change Exception.

Notwithstanding the provisions of paragraphs 4 and 5, above:

(a) Any new intrastate telecommunications service provider that enters a New York market after December 31, 2011, and that would have been required to contribute to the TAF had it been in the market during 2011 (an "Entering Contributor") will be included as a Contributor after its entry into the market based on the amount of its then current and ongoing revenues that would have been assessable by TAF had the entity been in the market in 2011, and such amount will be added to the total 2011 TAF-assessable revenues for purposes of calculating the Share of each Contributor.

(b) A TAF Contributor that exits all intrastate telecommunications markets within the State of New York after December 31, 2011 (an "Exiting Contributor"), and that does not have a Successor or Assign, and that would no longer be required to contribute to TAF, will no longer be a Contributor under this Settlement Agreement. In such case, the TAF-assessable revenues of the Exiting Contributor will be deducted from the total revenues used to determine the Shares of the remaining Contributors. If, however, the Exiting Contributor has a Successor or Assign, then such Successor or Assign will assume the Exiting Contributor's SUSF contribution obligations from that date forward, and will become a Contributor under this Settlement Agreement. For purposes of this provision and of Section 7, "Successor or Assign" means a person or entity that has agreed to assume, or that is required by operation of law to assume, the obligations of the Exiting Contributor, or that has acquired the Exiting Contributor's intrastate telecommunications 2011 TAF-assessable customer base or a material portion thereof.

7. Eligible Recipients.

The entities listed in Appendix A to this Settlement ("Eligible Recipients"), and only such entities, or their respective Successors or Assigns (but only with respect to the Eligible Companies' respective service areas), shall be eligible to receive disbursements from the SUSF. The Administrator shall make disbursements to an Eligible Recipient during each Funding Year based on the Eligible Recipient's Funding Need, as determined pursuant to paragraph 8, below, *provided, however*, that, subject to paragraph 10, below, if the total Funding Need of all Eligible Recipients for a particular Funding Year exceeds the sum of the SUSF funds that are available for that Funding Year (as determined pursuant to paragraph 3, above), then available funds will be distributed pro rata to Eligible Recipients based on their Funding Needs from the date that such SUSF fund levels for that Funding Year are exceeded.

8. Funding Need.

(a) The total Funding Need for any Funding Year will be the sum of the Funding Needs for each Eligible Recipient in that year, determined in accordance with this paragraph (the "Funding Need").

(b) Subject to sub-paragraphs (c) and (d), below, the Funding Need of any Eligible Recipient will be determined through the traditional rate case process that is provided for under the Commission's rules, as that process existed before the start of this proceeding. Funding needed to meet Eligible Recipient's revenue requirement will only be provided when the residential basic service rate, as determined by the rate case process, exceeds \$23/line/month (the "Benchmark Rate").

(c) In a rate proceeding under subparagraph (b), above, the revenue attributed to residential basic service will be based on: (1) the rate for such service authorized prior to the rate case, if equal to the Benchmark Rate, (2) the Benchmark Rate, if it exceeds such authorized rate by \$3.50 or less, or (3) otherwise, the Transitional Rate, as illustrated by the appended Section 8 Example Chart. The Benchmark Rate and the Transitional Rate, will be computed as set forth in sub-paragraphs (c)(i) and (c)(ii), below. No Eligible Recipient will be required to actually charge the Benchmark Rate or the Transitional Rate.

(i) **Benchmark Rate.** The Benchmark Rate for residential basic service (*i.e.*, an access line plus local usage) shall be the Benchmark Rate defined in sub-paragraph (b), above. That level represents the rate for intrastate basic service and is not intended to include any applicable taxes, surcharges, the federal Subscriber Line Charge, etc.

(ii) **Transitional Rate.** If an Eligible Recipient's authorized residential basic service rate prior to the rate case under sub-paragraph (b) is more than \$3.50/line/month below the Benchmark Rate, then a transition will be allowed to limit annual residential basic service rate increases to \$3.50/line/month ("Transitional Rate"). The Transitional Rate will be the authorized rate prior to the rate case, increased by \$3.50/line/month on the rate case effective date and on each anniversary of such date until the Benchmark Rate is reached.

(d) **Eligible Recipients Receiving TF.** Eligible Recipients currently receiving funding disbursements through the TF shall continue to receive the current level of disbursements from the SUSF at the initiation of the SUSF and thereafter without any need to file a rate case. Such Eligible Recipient may seek a change in such SUSF funding by filing a rate case pursuant to sub-paragraph (b), and, if it does so, its level of Funding Need thereafter will be as determined by the Commission in the rate case.

9. Recovery of Contributions.

Contributors will be allowed, but not required, to recover their contributions to the SUSF through new or increased retail end-user charges or surcharges, and Contributors will have discretion, subject to Commission oversight through the tariff process under Publ. Serv. L. § 92, as to the structure of such charges or surcharges.

10. Reservation Clause.

Upon request or its own motion, and upon notice to all Parties and an opportunity to be heard, the Commission reserves the authority to modify any part of this Settlement Agreement if circumstances, including but not limited to changes in market structure and Contributors, in the opinion of the Commission have such a significant impact as to render this Settlement Agreement unreasonable, unnecessary or insufficient for the continued provision of universal service at just and reasonable rates or otherwise contrary to the Public Service Law. All Parties reserve their right to take any and all positions concerning the desirability, legality, or consequences of any such proposed action by the Commission. The Parties recognize and intend that the Reservation Clause applies to each of the other operative provisions of this Settlement Agreement. Although certain operative provisions refer specifically to the Commission's powers under the Reservation Clause, such references are not intended to limit the provisions to which the Reservation Clause applies, or to imply that the Reservation Clause applies to those operative provisions differently than it applies to other operative provisions.

11. Subsequent Phases of Case 09-M-0527.

(a) Nothing in this Settlement Agreement will prejudice the right of any Party to argue for or against any Commission action with respect to the TAF or intrastate access charges in Phase III of this proceeding, including issues related to the advisability, establishment and operation of a separate recovery mechanism for revenue losses due to reductions in such charges, if such reductions are ordered. However, nothing in Phase III shall alter the terms of this Settlement Agreement, including but not limited to the Benchmark Rate established herein.

(b) The Parties will hold discussions in an attempt to resolve Phase III issues beginning on a date thirty days after the Commission issues an order in Phase II (the "Phase III Commencement Date"). Such discussions will continue for no more than sixty days in total. Unless the Parties' consensus on the thirtieth day after the Phase III Commencement Date is that there is a reasonable possibility that all unresolved issues can be resolved by the sixtieth day, collaboration will end and litigation of all unresolved Phase III issues will begin.

12. Miscellaneous Provisions.

(a) This Settlement Agreement contains the entire agreement of the Parties regarding the Phase II issues and supersedes and replaces any and all prior or contemporaneous written or oral agreements or understandings regarding such issues.

(b) The captions used herein are intended solely to facilitate reading of and reference to the individual provisions of the Settlement Agreement, and shall not affect the meaning or interpretation of such provisions.

(c) The Settlement Agreement shall not be construed or interpreted for or against any Party under any legal doctrine based on the identity of the “drafter.” Rather, each provision shall be given a fair construction based on the words used in that provision, the terms of the Settlement Agreement as a whole, the context set forth in the Recitals, and other generally-applicable rules relating to the interpretation of agreements; provided, however, that no oral or written statement or proposal made by a party during the settlement discussions leading to the Settlement Agreement will be admissible as evidence for or against any interpretation of the Settlement Agreement.

(d) No Party’s agreement to the terms, provisions, methodology, or principles set forth in this Settlement Agreement may be cited or relied upon as an admission or as precedent in any proceeding — including, but not limited to, any Phase III proceeding and any SUSF review proceedings — before the Commission, another regulatory agency, or any court, except in furtherance of the implementation of this Settlement Agreement, and no Party is bound by the positions taken in this Settlement Agreement on any similar issue in any such proceeding.

(e) This Settlement Agreement reflects a negotiated resolution of issues. Each provision of the Settlement Agreement is in consideration and support of all other provisions thereof and is expressly conditioned upon the adoption of all other such provisions by the Commission. To the extent that the Commission fails to adopt a material term of this Settlement Agreement in its entirety, the Settlement Agreement shall be considered null and void, and the Parties to this Settlement Agreement reserve the right to pursue their respective positions in this proceeding before any agency, ALJ, or court of competent jurisdiction without prejudice and upon reasonable notice to the other Parties, said notice to be provided by no later than ten (10) business days after issuance of the Commission order addressing this Settlement Agreement.

(f) In the event of any disagreement over the interpretation or implementation of this Settlement Agreement that cannot be resolved informally among the Parties, the Parties shall promptly negotiate in good faith in an attempt to resolve such disagreement for a period of thirty (30) days. If any such disagreement cannot be resolved by negotiation among the Parties, the matter shall be submitted to the Commission with a request for determination on an expedited basis. A party may seek review of the Commission’s decision in accordance with the procedures and schedule allowed by law.

(g) This Settlement Agreement is being executed in counterpart originals, and shall be binding on each Party who executes such a counterpart, with the same force and effect as if all executing Parties had executed a single original document.

Section 8(c) Chart

		Pre Rate Case	Commission Authorized Rates			
			Year 1	Year 2	Year 3	Year 4
(1)	Residential Rates	\$23.00	\$23.00	\$23.00	\$23.00	\$23.00
a	Commission Determined Revenue Requirement Shortfall	\$150,000				
b	Funding Over \$23 Benchmark		\$150,000	\$150,000	\$150,000	\$150,000
c	Revenue Requirement Shortfall Below \$23 Benchmark	\$0				
d	Revenue Generated by Transition to \$23 Benchmark					
e	Transitional Funding					
f	Total Funding		\$150,000	\$150,000	\$150,000	\$150,000
(2)	Residential Rates	\$20.00	\$23.00	\$23.00	\$23.00	\$23.00
a	Commission Determined Revenue Requirement Shortfall	\$186,000				
b	Funding Over \$23 Benchmark		\$150,000	\$150,000	\$150,000	\$150,000
c	Revenue Requirement Shortfall Below \$23 Benchmark	\$36,000				
d	Revenue Generated by Transition to \$23 Benchmark		\$36,000			
e	Transitional Funding					
f	Total Funding		\$150,000	\$150,000	\$150,000	\$150,000
(3)	Residential Rates	\$15.00	\$18.50	\$22.00	\$23.00	\$23.00
a	Commission Determined Revenue Requirement Shortfall	\$246,000				
b	Funding Over \$23 Benchmark		\$150,000	\$150,000	\$150,000	\$150,000
c	Revenue Requirement Shortfall Below \$23 Benchmark	\$96,000				
d	Revenue Generated by Transition to \$23 Benchmark		\$42,000	\$84,000	\$96,000	
e	Transitional Funding		\$54,000	\$12,000		
f	Total Funding		\$204,000	\$162,000	\$150,000	\$150,000

Note: Funding and revenue amounts already reflect rate case changes to all rates other than residential basic service rates.

APPENDIX A

Eligible Recipients

Eligible Recipients

Armstrong Telephone Company--New York
Berkshire Telephone Corporation
Cassadaga Telephone Corporation
Champlain Telephone Company
Chautauqua & Erie Telephone Corporation
Chazy & Westport Telephone Corporation
Citizens Telephone Company of Hammond, NY, Inc.
Crown Point Telephone Corporation
Delhi Telephone Company
Dunkirk and Fredonia Telephone Company
Empire Telephone Corporation
Fishers Island Telephone Corporation
Germantown Telephone Company, Inc.
Hancock Telephone Company
Margaretville Telephone Company, Inc.
Middleburgh Telephone Company
Newport Telephone Company, Inc.
Nicholville Telephone Company
Oneida County Rural Telephone Company
Ontario Telephone Company, Inc.
Pattersonville Telephone Company
State Telephone Company, Inc.
Taconic Telephone Corporation
TDS Telecom - Deposit Telephone Company, Inc.
TDS Telecom - Edwards Telephone Company, Inc.
TDS Telecom - Oriskany Falls Telephone Corporation
TDS Telecom - Port Byron Telephone Company
TDS Telecom - Township Telephone Company, Inc.
TDS Telecom - Vernon Telephone Company, Inc.
Trumansburg Telephone Company, Inc.
Warwick Valley Telephone Company

APPENDIX B

Signatures

SIGNATURE SHEET

Signature: Maureen McCauley
Name: Maureen McCauley
Capacity (e.g., Counsel): Counsel for DPS Staff
Date of Execution: May 7, 2012

On behalf of (name of Party or Parties):
NYS Department of Public Service Staff

SIGNATURE SHEET

Signature:

Mary E. Burgess

Name:

Mary E. Burgess

Capacity (e.g., Counsel):

Counsel

Date of Execution:

May 7, 2012

On behalf of (name of Party or Parties): AT&T

SIGNATURE SHEET

Signature:

Allison Lee (MP)

Name:

ALLISON LEE

Capacity (e.g., Counsel):

PRESIDENT


Date of Execution:

5/8/2012

On behalf of (name of Party or Parties):

CABLE TELECOMMUNICATIONS ASSOCIATION
OF NEW YORK, INC.

SIGNATURE SHEET

Signature: 

Name: Joseph Caruso

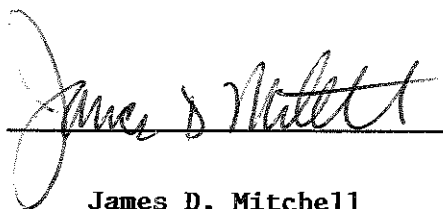
Capacity (e.g., Counsel): SVP - Business Planning & Interconnection

Date of Execution: 5/8/12

On behalf of (name of Party or Parties): Cablevision Lightpath, Inc.

SIGNATURE SHEET

Signature:



Name:

James D. Mitchell

Capacity (e.g., Counsel):

Vice President

Date of Execution:

May 4, 2012

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Armstrong Telephone Company-New York

SIGNATURE SHEET

Signature:

Michael C. Reed

Name:

Michael C. Reed

Capacity (e.g., Counsel):

President - Me.

Date of Execution:

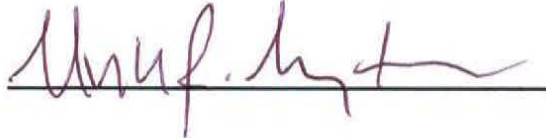
5/7/2012

On behalf of (name of Party or Parties): NYSTA Smaller ILECs –

Berkshire Telephone Corporation
Chautauqua & Erie Telephone Corporation
Taconic Telephone Corporation

SIGNATURE SHEET

Signature:

A handwritten signature in dark ink, appearing to read "Mark R. Maytum", is written over a solid horizontal line.

Name:

Mark R. Maytum

Capacity (e.g., Counsel):

President, COO

Date of Execution:

May 4, 2012

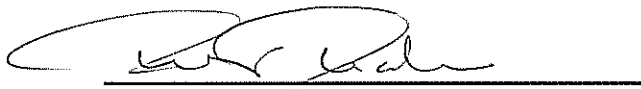
On behalf of (name of Party or Parties): NYSTA Smaller ILECs –

Cassadaga Telephone Corporation

Dunkirk and Fredonia Telephone Company

SIGNATURE SHEET

Signature:

A handwritten signature in black ink, appearing to read "Trent Trahan", is written over a solid horizontal line.

Name:

Trent Trahan

Capacity (e.g., Counsel):

President and CEO

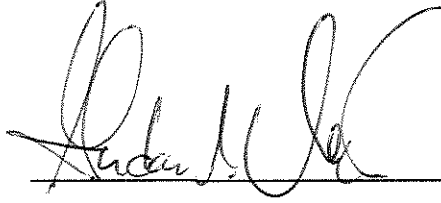
Date of Execution:

May 7, 2012

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Champlain Telephone Company

SIGNATURE SHEET

Signature:



Name:

___Gordon R. Decker_____

Capacity (e.g., Counsel):

___CFO_____

Date of Execution:

___May 7, 2012_____

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Chazy & Westport Telephone Corporation

SIGNATURE SHEET

Signature:



Name:

Donald A. Ceresoli, Jr.

Capacity (e.g., Counsel):

President

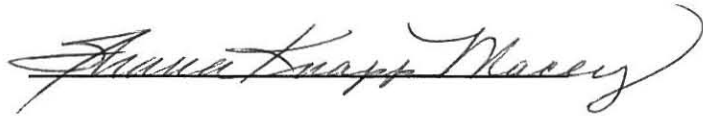
Date of Execution:

5/7/12

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Citizens Telephone Company of Hammond, NY, Inc.

SIGNATURE SHEET

Signature:



Name:

Shana Knapp-Macey

Capacity (e.g., Counsel):

President


Date of Execution:

5/4/12

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Crown Point Telephone Corporation

SIGNATURE SHEET

Signature:



Douglas N. Edwards

Name:

Douglas N. Edwards

Capacity (e.g., Counsel):

Vice President & General Manager

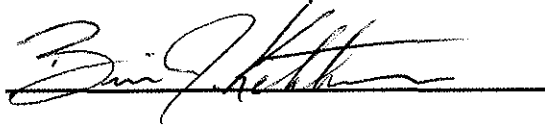
Date of Execution:

May 4, 2011

On behalf of (name of Party or Parties): Delhi Telephone Co.

SIGNATURE SHEET

Signature:

A handwritten signature in black ink, appearing to read "Brian J. Ketchum", is written over a solid horizontal line.

Name:

Brian J. Ketchum

Capacity (e.g., Counsel):


VP & GM

Date of Execution:

May 4, 2012

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Empire Telephone Corporation

SIGNATURE SHEET

Signature: 
Name: Robert Wall
Capacity (e.g., Counsel): President
Date of Execution: 5/7/12

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Fishers Island Telephone Corporation

SIGNATURE SHEET

Signature: 


Name: Bruce C. Bohnsack

Capacity (e.g., Counsel): President

Date of Execution: 5/4/12

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Germantown Telephone Company, Inc.

SIGNATURE SHEET

Signature: 


Name: Robert C. Wrighter, Sr.

Capacity (e.g., Counsel): President | CEO

Date of Execution: May 4, 2012

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Hancock Telephone Company

SIGNATURE SHEET

Signature: 

Name: Glen Faulkner

Capacity (e.g., Counsel): Asst. Secretary / Treasurer

Date of Execution: 5/4/12

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Margaretville Telephone Company, Inc.

SIGNATURE SHEET

Signature: Marjorie R. Becker

Name: Marjorie R. Becker

Capacity (e.g., Counsel): Chief Executive Officer

Date of Execution: May 4, 2012

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Middleburgh Telephone Company

SIGNATURE SHEET

Signature:

Harley M. Ruppert

Name:

Harley M. Ruppert

Capacity (e.g., Counsel):

President

Date of Execution:

May 4, 2012

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Newport Telephone Company, Inc.

SIGNATURE SHEET

Signature: Jeffrey S McGrath

Name: JEFFREY S. MCGRATH

Capacity (e.g., Counsel): VICE PRESIDENT

Date of Execution: 5/4/2012

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Nicholville Telephone Company

SIGNATURE SHEET

Signature: James P. McCarty

Name: James P. McCarty

Capacity (e.g., Counsel): President

Date of Execution: 5/4/12

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Oneida County Rural Telephone Company

SIGNATURE SHEET

Signature: 

Name: Michael T. Carr

Capacity (e.g., Counsel): C.F.O.

Date of Execution: 5-4-12

On behalf of (name of Party or Parties): NYSTA Smaller ILECs –
Ontario Telephone Company, Inc.
Trumansburgh Telephone Company, Inc.

SIGNATURE SHEET

Signature: Tammy Krisher


Name: Tammy Krisher

Capacity (e.g., Counsel): President

Date of Execution: 5/7/12

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Pattersonville Telephone Company

SIGNATURE SHEET

Signature: 

Name: Mark R. Evans

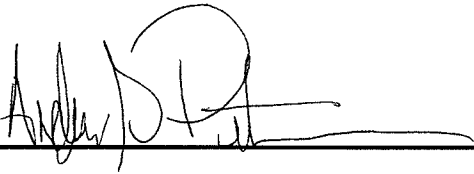
Capacity (e.g., Counsel): VP

Date of Execution: 5/4/12

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – State Telephone Company, Inc.

SIGNATURE SHEET

Signature:



Name:

Andrew S. Petersen

Capacity (e.g., Counsel):

Vice President – External Affairs & Communications

Date of Execution:

May 7, 2012

On behalf of (name of Party or Parties): NYSTA Smaller ILECs –

- TDS Telecom - Deposit Telephone Company, Inc.
- TDS Telecom - Edwards Telephone Company, Inc.
- TDS Telecom - Oriskany Falls Telephone Corporation
- TDS Telecom - Port Byron Telephone Company
- TDS Telecom - Township Telephone Company, Inc.
- TDS Telecom - Vernon Telephone Company, Inc.

SIGNATURE SHEET

Signature: 

Name: Ralph Martucci

Capacity (e.g., Counsel): Vice President, Treasurer, and Chief Financial Officer

Date of Execution: May 4, 2012

On behalf of (name of Party or Parties): NYSTA Smaller ILECs – Warwick Valley Telephone Company

SIGNATURE SHEET

Signature: Ken Schifman

Name: Ken Schifman

Capacity (e.g., Counsel): Counsel

Date of Execution: 5/7/12

On behalf of (name of Party or Parties): Sprint Nextel Corporation

SIGNATURE SHEET

Signature: 

Name: Michele K. Thomas

Capacity (e.g., Counsel): Principal Corporate Counsel

Date of Execution: May 7, 2012

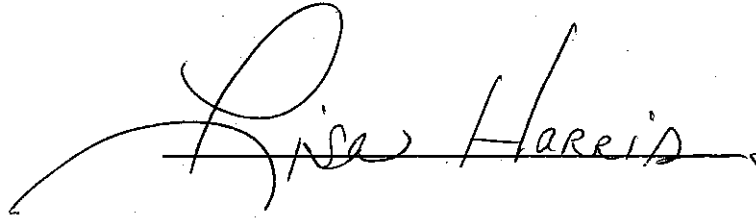
On behalf of (name of Party or Parties): T-Mobile Northeast LLC d/b/a T-Mobile

SIGNATURE SHEET

Signature: Julie P. Laine
Name: Julie P. Laine
Capacity (e.g., Counsel): Group Vice President + chief Regulatory Counsel
Date of Execution: 5-7-12
On behalf of (name of Party or Parties): Time Warner Cable

SIGNATURE SHEET

Signature:

A handwritten signature in black ink that reads "Lisa Harris". The signature is written over a horizontal line. The first letter "L" is large and loops around. The name "Lisa" is written in a cursive style, and "Harris" is written in a more upright, cursive style.

Name:

Lisa Harris

Capacity (e.g., Counsel):

Director

Date of Execution:

May 14, 2012

On behalf of (name of Party or Parties):

UTILITY INTERVENTION UNIT
DIVISION OF CONSUMER PROTECTION
NEW YORK STATE DEPARTMENT OF STATE

SIGNATURE SHEET

Signature:

Joseph A Post

Name:

JOSEPH A. POST

Capacity (e.g., Counsel):

COUNSEL

Date of Execution:

5/7/12

On behalf of (name of Party or Parties):

- VERIZON NEW YORK INC.
- CELLCO PARTNERSHIP,
d/b/a VERIZON WIRELESS