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May 30, 2006

Ms. Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, Rhode Island 02888

Dear Ms. Massaro:

We are filing, herewith, for effect June 29, 2006, tariff material consisting of:

RI PUC No. 15

Part/Section	Revision of Page(s)	Original of Page(s)
A/5	10	10.1

With this filing, Verizon Rhode Island (“Verizon RI”) proposes to grandfather termination and end-of-period options for the Business Exchange Measured Service 24-month term plan for customers of record on or before June 28, 2006. New or renewing customers as of June 29, 2006, will be subject to the new terms and conditions for the business exchange 24-month term plan. The plan provides a discounted monthly exchange service rate for customers who commit to a 24-month term.

If you have any questions regarding this filing, please contact Frances O'Neill-Cunha of my staff at 401 525-3560.

Enclosed are an original and nine copies of the tariff material. Please return a copy of this letter with your stamp of receipt.

Respectfully submitted,

Theresa L. O'Brien

Attachments

Verizon Rhode Island

Business Measured Exchange Service 24-Month Term Plan

Grandfathering of Current Terms and Conditions/ Introduction of New Terms and Conditions Executive Summary

In this filing, Verizon Rhode Island (Verizon RI) is proposing to grandfather the current terms and conditions for the Business Exchange Service 24-Month Plan effective for existing customers of record on or before June 28, 2006. Effective, June 29, 2006, new or renewing customers for the Business Exchange Service will be subject to new terms and conditions.

Today, as customers are secured through various channels, including Winback campaigns and quarterly promotions, Verizon's business customers are provided a choice in exchange services and may opt for a lower price per month by selecting a 24-term month plan for exchange service. With Verizon's initial investment in the customer acquisition process and the extreme competitive environment in which Verizon operates, Verizon is proposing terms and conditions that will encourage customers choosing a 24-month term agreement to fulfill their term commitments.

In the current Verizon RI tariff, early termination charges for business exchange service, as described in PUC No. 15, Part A, Section 5.2, are calculated by taking the difference between the month-to-month rate and the 24-month commitment rate and multiplying it by the number of months in service. Verizon is proposing to implement an alternative termination liability policy that would implement a 25% termination fee, per line, for the remaining months of the customer's term agreement. The changes would be effective with new customer subscriptions beginning on June 29, 2006. Business customers with 24-month term arrangements prior to June 29, 2006, will be grandfathered under their existing term plan.

By implementing this change in terms, Verizon's business customers will have a greater incentive to remain committed to their initial 24-month term agreement. Considerations for waiving the termination liability are addressed in the proposed tariff language and they generally include rate increases, customer moves and service upgrades. Today, similar termination penalties apply with various term products offered by Verizon RI.

Similar changes are being introduced in other states across the Verizon footprint, thus resulting in a consistent termination liability policy for business exchange customers.

Verizon New England Inc.

5. Exchange Service
5.2 Application of Rates and Charges

5.2.1 Basic Exchange Services	
A.	<p>Residence Service is furnished on an unlimited and measured service basis in accordance with Section 5.1.2.</p> <p>1. Measured— For one-party service, the local usage allowance is shown with the monthly rate.</p> <p>a. Local usage in excess of the local usage allowance will be billed on an additional minute rate basis.</p> <p>b. There is no credit for any unused allowance, nor can any unused allowance be applied to a past or future bill.</p>
B.	<p>Business Service is furnished on an unlimited and measured service basis in accordance with Section 5.1.2.</p> <p>1. Measured— Calls are provided on a per message, per minute basis.</p> <p>a. Accumulation of local usage time for business measured service is done on a per second basis. At the end of the customer's billing period, the sum of accumulated seconds is rounded to the next higher minute.</p>
C.	<p>Business Measured Exchange Rates are offered as follows.</p> <p>1. Month-to-month.</p> <p>2. 24-month commitment. Terms below are for existing customers of record on or before June 28, 2006.</p> <p>a. If a customer terminates services during the first 18 months of the 24-month commitment, the customer will pay early termination charges as specified in (c) following. The customer will not pay termination liability charges under the following circumstances:</p> <ul style="list-style-type: none"> • If the customer terminates the service during the first 18 months of the 24-month commitment in order to subscribe to another Verizon service of greater value. • If the customer terminates the service during the first 18 months of the 24-month commitment in order to subscribe to another Verizon service and commits to a term plan of a duration that is equal to or greater than the time remaining under the 24-month commitment. • If the customer terminates service at the end of the 18th month of the 24-month commitment. <p>b. At the end of the 24-month commitment, the customer will have the option of selecting the 24-month commitment under the terms specified in Section 5.2.1.C.3 or retaining the service under the standard month-to-month rate in effect at that time. If the customer does not notify the Telephone Company of its choice prior to the end of the 24-month commitment, the standard month-to-month rate will be applied.</p> <p>c. Early termination charges will be calculated by taking the difference between the month-to-month rate and the 24-month commitment rate and multiplying it by the number of months in service.</p>

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Verizon New England Inc.

5. Exchange Service
5.2 Application of Rates and Charges

5.2.1 Basic Exchange Services	
C.	(Cont'd)
3.	24-month commitment. Terms and conditions below are offered to new or renewing customers effective June 29, 2006.
a.	<p>Termination Liability. In the event the service is terminated by the customer prior to completion of the current term commitment period, the customer shall be liable for an early termination charge, except as noted in Section 5.2.1C.3.c. below. The amount of the early termination charge will be 25% of the monthly recurring charge(s) (MRC) for the remainder of the term. For example:</p> $25\% \times \text{MRC} \times \text{\# of Lines} \times \text{Remainder of Term} = \text{Termination Charge}$
b.	<p>End of Term Options. Prior to the end of the term commitment period, the customer may select one of the following options to be effective at the end of the term:</p> <ul style="list-style-type: none"> • Renew their term commitment, • Arrange for termination of the service, • Convert to month-to-month service. <p>In the event the customer does not select one of the above options, the customer will be converted to month-to-month service.</p>
c.	<p>Early termination charges will not be assessed under the following circumstances:</p> <ul style="list-style-type: none"> • If the rate for the service is increased during the term period, exclusive of any increase due to local, state or federal fees, taxes or surcharges; • The customer moves existing service to either a new location within the same address and/or same building (inside move) or to a new location at a different address and/or different building (outside move) and maintains that service for the remainder of the term; • The customer attempts to move the existing service to a new location within Company's service area, but the service is unavailable; • The customer renegotiates a new term commitment plan for the same service before the current term commitment expires and the value of the new term commitment is equal to or greater than the remaining value of the current term commitment; or, • The customer changes to another service or upgrades service to a higher speed or capacity under a term commitment, provided the value of the new term commitment is equal to or greater than the remaining value of the current term commitment, and the Company provides the new service via tariff or a Customer Specific Pricing Contract (CSP) or a Large System-Specific Pricing Plan (LSPP), and the order to discontinue the existing service and the order for the new or upgraded service are received by the Company at the same time.
D.	Rates for the aforementioned services include touch tone calling and are in addition to S&E charges, and premises work charges.

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