

**2015-20192022-2024 VERMONT INCENTIVE REGULATION PLAN FOR
FAIRPOINTCONSOLIDATED COMMUNICATIONS**

Effective ~~January~~August 1, ~~2015~~2022

This ~~2015-2019~~2022-2024 Vermont Incentive Regulation Plan (~~("Plan")~~) is established pursuant to 30 V.S.A. § 226b. The Plan establishes the method by which the Public ~~Service Board~~ (~~"Board"~~)Utility Commission ("Commission") will regulate all retail intrastate telecommunications products and services offered in Vermont by ~~Telephone Operating Company~~Consolidated Communications of Vermont Company, LLC (~~"FairPoint" and Consolidated Communications of Northland Company~~ (collectively "Consolidated" or the "Company");"), during the term of the Plan.

I. Term of the Plan

- A. The Plan shall commence on ~~January~~August 1, ~~2015~~2022 and terminate on ~~December~~July 31, ~~2019-2024~~. If the ~~Board~~Commission finds that FairPointConsolidated is in material violation of any term or condition of the Plan, it may, at its option, terminate the Plan at any time in which case all further obligations under the Plan shall terminate.
- B. FairPointConsolidated shall confer with the Department of Public Service (~~("Department")~~) regarding a renewal of the plan or a successor plan at least one year prior to the conclusion of the Plan. Subsequent to conferring and consulting with the Department, but not less than ten months prior to the conclusion of this Plan, FairPointConsolidated shall convey to the ~~Board~~Commission and Department the ~~Company's~~Company's intention regarding a renewal or a proposal for a successor plan, if any. In no event may this Plan, continue in effect beyond the seven-year deadline set out in 30 V.S.A. § 226b(j).

II. Changes in pricing, terms, and conditions of Residential ~~and Business~~ Basic Local Exchange Service

- A. A.—The Company shall continue to provide existing residential ~~and business~~-basic local exchange services (~~("BLES")~~) throughout the term of the Plan. ~~It to locations in its service territory that have been identified as not having a competitive wireline carrier, referenced in this Plan as "Non-competitive Municipalities."~~ For purposes of this Plan, ~~Non-competitive Municipalities mean those municipalities where less than 97% of the total locations have access to broadband internet service of at least 4Mbps download and 1Mbps upload ("4/1") or less than 91% of the locations have access to broadband internet access service of at least 25 Mbps download and 3 Mbps upload based on data compiled by the Department. The current Non-competitive Municipalities are listed in Attachment B to this Plan. Consolidated shall review these Non-competitive Municipalities with the Department on an annual basis and may modify these locations annually if subsequent municipalities achieve~~

this level of broadband availability based on broadband availability data compiled by the Department or any other successor agency.

~~A.B.~~ Consolidated may increase or decrease BLES rates at any time; ~~for these Non-competitive Municipalities, upon submission of a notice to the Commission and Department,~~ provided that the aggregate increase in BLES rates in any year during the term of the Plan shall not exceed the greater of ~~(a)~~ eleven percent or \$2.00 per year (whichever is less); ~~and (b) any increase required to meet the Federal Communications Commission's ("FCC's") rate floor (or benchmark) relating to high cost support pursuant to 47 C.F.R. §54.318(b).)~~. The Company may revise other BLES tariff terms and conditions only upon ~~Board~~ Commission approval.

~~B.~~ BLES shall mean the ~~Company's~~ Company's residential basic local exchange service enabling calling

~~B.C.~~ within a local exchange area (dial tone and local measured service only); ~~unbundled from any other service offering of the Company. To the extent the customer orders Broadband or a long distance package, they no longer have BLES service.~~

~~C.D.C.~~ Any increase or decrease in BLES rates shall be implemented at the same time in the same manner ~~infor~~ all ~~FairPoint local exchanges~~ Consolidated BLES residential customers in the Non-competitive Municipalities.

III. Changes in the pricing, terms and conditions of all other Vermont intrastate retail telecommunications products and services

A. This Plan applies only to the residential retail services described in ~~FairPoint's former tariff 20 as it existed~~ Consolidated's Vermont PUC No. 1 Tariff offered on April 1, 2011 a standalone basis.

B. ~~FairPoint~~ Consolidated shall maintain a statement of rates terms and conditions of service for —all retail services it offers, which shall be posted on the ~~Company's~~ Company's website.

C. During the term of the Plan, and at any time, the Company may increase or decrease prices, and change terms and conditions, for intrastate retail telecommunications products and services other than BLES ~~at any time~~ services provided to residential customers in the Company's Non-competitive Municipalities.

~~D. The pricing terms and conditions for special contracts and other Section 229 arrangements shall not be more advantageous than those offered in the SGAT. These~~

~~special contracts shall be filed with the Department and the Board and shall take effect immediately. The Department and/or Board may seek an investigation into special contract filings.~~

~~E.D.~~ The Company may offer any product or service that is subject to price regulation on a promotional basis, for up to one year, without limitation as to dates, and times of the offerings, customers eligible to receive the offerings, and/or locations where offerings are made. Pricing terms and conditions of promotional offerings shall be at the sole discretion of ~~FairPoint~~the Company.

~~F.E.~~ Promotional offerings offered for a term exceeding three months must be posted on the ~~company~~Company website.

~~G.F.~~ Nothing herein prevents the Department from claiming that any prices, terms, conditions or promotional offerings not subject to price constraints under this Plan are inconsistent with generally-applicable laws.

IV. Exemptions

Sections 225, 226, 227, and 229 of Title 30 shall not apply, except as specified herein. ~~FairPoint~~Consolidated shall continue to file tariffs during the term of the Plan only with respect to BLES and switched access. Section 218(a) shall not apply, except as specified herein ~~and for dedicated transport and special access services, including but not limited to intrastate DS-1 and intrastate DS-3 point to point services.~~

V. Service Quality

~~A. FairPoint shall continue to comply with The~~ service quality standards, consumer protection standards, and privacy protections adopted by the ~~Board~~Commission in Docket 5903 shall be modified as follows:

1) The Docket 5903 standards only apply to residential customers in Non-competitive Municipalities;

2) The current metrics: 1) Out of Service Troubles Cleared w/in 24 Hrs: Residential, and 2) Out of Service Troubles Cleared w/in 24 Hrs: Business, shall both be changed to measure the Out of Service Troubles cleared within 48 hours and shall measure the percentage customers that are out of service for 48 hours or more as opposed to 24. The Baseline standard for these metrics shall be changed from 70% to 80% and the Action Level shall be changed from 60% to 70%.

~~A.B.~~ Consolidated shall continue to comply with all other service quality standards in Docket 5903 (and as may be subsequently modified or incorporated into the rules).

~~B.C.~~ B. FairPointConsolidated shall comply with any wholesale service quality standards adopted in ~~———~~ Docket 6255 ~~or~~ and as modified in successor proceedings.

VI. Other Provisions

A. ~~1.~~ Except to the extent provided herein, during the term of the Plan FairPointConsolidated shall comply with all applicable obligations imposed in BoardCommission Docket ~~7270 and in Case No. 09-16335 (BRL)-8881.~~

~~2.~~ The Company shall not be obligated to file reports with the BoardCommission or Department

B. ~~3.~~ during the term of this Plan other than (a) the reports identified in Attachment A (and any reports and other compliance filings the Company has agreed to file/submit in connection with specific Commission proceedings) and (b), upon request, copies of reports required to be filed with the Federal Communications Commission and Securities and Exchange Commission.

~~3.~~ The Company shall be able to invest Federal High Cost Universal Service Funds to upgrade local loop plant or infrastructure, or for any other purposes provided for by federal or state law.

C. ~~4.~~ Nothing herein shall be construed so as to preclude the Company from opting into any subsequently enacted regulatory scheme (if applicable).

VII. Modifications

FairPointConsolidated or the Department may petition the BoardCommission to modify any of the terms or conditions of the Plan: (i) to reflect the impact of relevant provisions or decisions enacted or issued by federal or state legislative, judicial or administrative bodies subsequent to the Board'sCommission's approval of the Plan; or (ii) to seek a revised form of regulation of the Company's operations based upon changes in market conditions. In any proceeding, the burden shall be on the petitioner to establish a reasonable basis for the modification. A request for modification under this section shall be limited to events that are both material and were not reasonably foreseeable.

REQUIRED REPORTS:

- 1.- Docket No. 6255 (or successor proceedings) Wholesale Service Quality.
2. Rule 7.600 Disconnection Report.
3. Annual Report filed pursuant to 30 V.S.A. § 22(a).

Attachment B

Addison
Albany
Alburgh
Arlington
Averill
Averys Gore
Bakersfield
Baltimore
Barnard
Barnet
Barton
Belvidere
Benson
Berkshire
Berlin
Bethel
Bloomfield
Bolton
Bradford
Braintree
Brandon
Bridport
Brighton
Brookline
Brownington
Brunswick
Burke
Cabot
Calais
Cambridge
Canaan
Charleston
Chelsea
Chittenden
Concord
Corinth
Cornwall
Coventry
Craftsbury
Danville

Derby

Dorset
Dover
Dummerston
Duxbury
East Haven
East
Montpelier
Eden
Elmore
Enosburgh
Fairfax
Fairfield
Fairlee
Fayston
Ferdinand
Ferrisburgh
Fletcher
Franklin
Georgia
Glastenbury
Glover
Goshen
Granby
Granville
Greensboro
Groton
Guildhall
Guilford
Halifax
Hancock
Hardwick
Holland
Hubbardton
Huntington
Hyde Park
Ira
Irasburg
Isle La Motte
Jamaica
Jay

Jericho

Johnson
Kirby
Landgrove
Lemington
Lewis
Lincoln
Londonderry
Lowell
Lunenburg
Lyndon
Maidstone
Marlboro
Marshfield
Mendon
Middlesex
Monkton
Montgomery
Morgan
Morristown
New Haven
Newark
Newbury
Newfane
Newport Town
North Hero
Norton
Norwich
Orange
Orwell
Panton
Pawlet
Peacham
Peru
Pittsfield
Pittsford
Plainfield
Pomfret
Poultney
Pownal
Putney

Randolph
Reading
Readsboro
Richford
Ripton
Rochester
Royalton
Rupert
Ryegate
Salisbury
Sandgate
Searsburg
Shaftsbury
Sheffield
Sheldon
Somerset
St. Johnsbury
Stamford
Stannard
Starksboro
Stockbridge
Stowe

Strafford
Stratton
Sudbury
Sunderland
Sutton
Swanton
Thetford
Topsham
Townshend
Troy
Tunbridge
Underhill
Vershire
Victory
Walden
Waltham
Wardsboro
Warners Grant
Warren
Warren Gore
Washington
Waterbury

Waterford
Waterville
West Fairlee
West Haven
West Windsor
Westfield
Westford
Westminster
Westmore
Weston
Weybridge
Wheelock
Whiting
Whitingham
Windham
Windsor
Winhall
Wolcott
Woodbury
Woodford
Worcester