

SECTION 2 - RULES AND REGULATIONS

2.14 Schools and Libraries Discount Program (Cont.)

2.14.2 Obligations of the Company (Cont.)

Company will offer services to eligible schools, libraries and consortia at prices no higher than the lowest price it charges to similarly situated non-residential customers for similar services (lowest corresponding price).

In competitive bidding situations, Company may offer flexible pricing or rates other than in this tariff, where specific flexible pricing arrangements are allowed, subject to NYPSC approval.

2.14.3

Discounted rates for schools and libraries will be based on the following:

Discounts for eligible schools and libraries and consortia shall be set as a percentage from the pre-discount price, which is the price of services to schools and libraries prior to application of a discount.

The discount rate will be applied to eligible intrastate services purchased by eligible schools, libraries or consortia.

The discount rate is based on each school or library's level of economic disadvantage as determined in accordance with the FCC Order or other federally approved alternative measures (as permitted by the Rules) and by its location in either an urban or rural area.

The discount matrix for eligible schools, libraries and consortia is included as an attachment to this tariff.

2.15 Flexible Pricing

The intrastate rates set forth below are filed under a flexible pricing plan which establishes a range of prices accepted by the NYPSC. Rates and charges for service provided by Company will range between the minimum and maximums specified in Section 3. Actual rates are specified in Attachment A to this tariff. Rates for all services may be reduced to the minimum rate or increased to the maximum rate upon 1 days notice to the NYPSC. Notice will be given in the form of a revised Rate Schedule Page.

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