

Commission directed that, in setting the lease pricing for the loop unbundled network elements and interconnection, the prices be "geographically deaveraged" into at least three prices. See 47 C.F.R. § 51.507(f)(1)-(2). In Order No. 5208, this Commission chose to use the density cell regime as the grouping benchmark to be used in setting the required "geographic deaveraged" loop and interconnection prices. See Order No. 5208 at ¶¶ 4, 19-21, & Ord. ¶ 1. At the same time, the Commission directed VZ-DE, every three years, to review the number of working pairs per square mile in each exchange area and, if the resulting survey reported the need to reassign any exchange to a differing density cell category, to file for such reclassifications. Order No. 5208 at ¶ 23 & Ord. ¶ 4.

3. Pursuant to this directive, on August 28, 2008, VZ-DE filed revised tariff sheets to implement Density Cell reclassifications for three Exchange Areas, Georgetown, Milford, and Hockessin. According to VZ-DE, the current density of lines in those three exchanges declined sufficiently to fall below the limits of their current Density Cell assignments. Accordingly, VZ-DE proposes to reassign the Georgetown and Milford exchanges from Density Cell 2 to Density Cell 3 and reassign the Hockessin exchange from Density Cell 1 to Density Cell 2.

4. Staff has reviewed the working papers submitted by VZ-DE to support these Density Cell reclassifications. Staff reports that the working pairs per square mile in both the Georgetown and Milford exchanges fail to meet the Density Cell 2 criteria and, accordingly, recommends that the Commission approve their reassignment to Density

Cell 3. Likewise, a decline in the concentration of working pairs per square mile necessitates the reclassification of Hockessin exchange from Density Cell 1 to Density Cell 2. Such latter assignment conforms to the reported density of lines in those three exchanges.

5. As noted above, the reclassifications of these three exchanges may affect - upwardly - the deaveraged prices VZ-DE may charge other local exchange carriers for many unbundled network loops in these two exchange areas. Similarly, in the case of retail special access services and retail private lines, the reclassifications will result in the application of higher rates for those services in these three exchanges. The Commission will allow a period of time after the entry of this Order for any interested person or entity to petition for further investigation of this matter if such person asserts the two reclassifications are inappropriate or that, upon reasonable basis, further exchange reclassifications are required. If such a request is received, the Commission will then determine, by subsequent Order, the need for further proceedings and, if required, the course of such further proceedings. In the absence of any such request and further Order, these three reclassifications shall continue in effect until further revised under Order 5208.

Now, therefore, **IT IS ORDERED:**

1. That the proposed revised tariff sheets filed by Verizon Delaware LLC which reclassify the Georgetown and Milford Exchange Areas from Density Cell 2 to Density Cell 3 and Hockessin from Density Cell 1 to Density Cell 2 are hereby permitted to go into effect on October 28, 2008.

2. That the Secretary shall forthwith serve, by United States mail, a copy of this Order on each party on the service list in PSC Docket No. 96-324, Phase II.

3. That the Secretary shall post a copy of this Order on the Commission's website for a period of forty-five days after the date of this Order. Such Order shall be highlighted by a reference stating "Reclassification of Density Cells for the Georgetown, Milford, and Hockessin Exchanges of Verizon Delaware LLC."

4. That any person or entity that wishes the Commission to institute further investigation into this matter shall file such a request within forty-five (45) days after the date of this Order. The Commission will act on such a request by further Order.

5. That Verizon Delaware LLC is notified, under 26 Del. C. § 114, that it is assessed the costs of this proceeding.

6. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

PSC Docket No. 08-022T, Order No. 7466 Cont'd.

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary