

Cincinnati Bell Telephone Company

2008 PRICE CAP REVISIONS

2008 Annual Tariff Review Plan Filing

July 1, 2008

## Description & Justification

### Introduction

#### A. Background

This filing represents Cincinnati Bell Telephone Company's (CBT's) Annual 2008 Tariff Review Plan (TRP) Filing.

This filing is being made in compliance with the following:

- \* Second Report and Order, *In the Matter of Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, released October 4, 1990 (LEC Price Cap Order);
- \* Order on Reconsideration, *In the Matter of Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, released April 17, 1991 (Recon. Order);
- \* Report and Order, *In the Matter Of Amendment of Part 36 of The Commission's Rules and The Establishment of a Joint Board*, FCC 97-30, released February 3, 1997;
- \* First Report and Order, *In the Matter of Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, Released April 7, 1995;

- \* Report and Order, *In the Matter of Price Cap Regulation of Local Exchange Carriers, Rate-of-Return Sharing and Lower Formula Adjustment*, CC Docket No. 93-179, released April 14, 1995;
- \* Third Report and Order, *In the Matter of Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, FCC 96-488, released December 24, 1996;
- \* Report and Order, *In the Matter of Implementation of Section 402(b)(1) (A) of the Telecommunications Act of 1996*, CC Docket No. 96-187, FCC 97-23, released January 31, 1997;
- \* First Report and Order, *In the Matter of Access Charge Reform*, CC Docket No. 96-262, FCC 97-158, released May 16, 1997;
- \* Fourth Report and Order, *In the Matter of Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, FCC 97-159, released May 21, 1997;
- \* Memorandum Order and Opinion, *In the Matter of Access Charge Reform*, CC Docket No. 97-250, FCC 98-106, released June 1, 1998;
- \* 47 C.F.R. § 61.38 and § 61.41 through § 61.49; and 47 C.F.R., Part 61, generally.

Herein referred to collectively as the "Price Cap Rules".

- \* Sixth Report And Order in CC Docket 96-262 And 94-1, Report and Order in CC Docket 99-249, Eleventh Report And Order in CC Docket 96-45.

Herein referred to as the "CALLS Order"

- \* Order In the Matter of July 1, 2008 Annual Access Charge Tariff Filings DA 08-758, released March 28, 2008.

## **B. Waivers**

CBT lists below all currently applicable Part 69 waivers that permit rate elements different than those specified in Part 69 of the Commission's Rules.

- \* The Commission extended indefinitely the waiver allowing carriers to bill \$25.00 for a special access surcharge. This element is included in CBT's Common Line Basket. See, *In the Matter of Annual 1989 Access Tariff Filings*, Memorandum Opinion and Order, DA 88-1872, released December 2, 1988;
- \* The Commission granted CBT a waiver allowing it to offer a new Switched Access rate subelement for a proposed Electronic White Pages services, called "ELI". See *in the Matter of Cincinnati Bell Telephone Company Petition for Waiver of Part 69 of the Commission's Rules for Electronic Directory*

*Assistance Service*, Order, DA 91-170, released February 19, 1991;

- \* The Commission waived the requirement that LECs offer both direct-trunked and tandem-switched transport between a specific serving wire center and an access tandem. See, *In the Matter of Local Exchange Carrier Switched Local Transport Restructure Tariffs*, Order, DA 94-693, released June 23, 1994;
- \* The Commission, in its Order, waived Part 69 Rules in order to establish a separate nonrecurring rate element to recover the costs of providing 900 access service. See, *In the Matter of the Bell South Telephone Companies Tariff FCC No. 1; Cincinnati Bell Telephone Company Tariff FCC No. 35; Centel Corporation Tariff FCC No. 1; Rochester Telephone Corporation Tariff FCC No. 1; Petitions for Waiver of Section 69.4 (b) and subparts B and C of Part 69 of the Commission's Rules* released November 18, 1988;

In this filing, CBT files its Annual Access Filing. The Commission, in its Order (DA 08-758) established an effective date of July 1, 2008 for the Annual Access Filing.

## **PCI Development**

CBT calculated its Price Cap Indices ("PCI") for the Common Line, Traffic Sensitive, Trunking, and Special Access baskets in accordance with the CALLS Price Cap Rules. See TRP Form PCI-1.

### **1. GDP-PI**

In accordance with paragraph 183 of the CALLS Order, the Bureau of Economic Analysis' (BEA's) chain-weighted GDP-PI is being used in this filing. CBT uses a GDP-PI of 2.6383 percent in this TRP filing.

### **2. Productivity Factor**

The Commission's CALLS Order changes the Productivity Factor, or X-factor to a transitional mechanism to target certain rates for switched access and to lower rates for a specified period for special access. The CALLS Order applies the 6.5% X-factor first to residual per-minute TIC until that charge is eliminated, then to the information surcharge until that charge is eliminated, finally to local switching and switched transport charges until the carrier's average traffic sensitive interstate access charges reach a specified target. The Average Traffic Sensitive (ATS) targeted rate for CBT is \$0.0065. This is the rate for "other" price cap LECs specified in paragraph 162 of the CALLS Order. CBT achieved this traffic sensitive average targeted rate in its July 2000 Annual Access Filing. Per the CALLS Order, after a Price Cap LEC reaches the targeted rate, the ATS rate will be recalculated each subsequent Annual Filing. Due to changes in

demand, CBT's ATS for the July 2006, annual access filing is \$0.00784382. Per the CALLS Order, and as noted in the Commission's *Tariff Review Plans*, DA 08-759, Released March 28, 2008, the X-factor is set to the inflation rate for the Special Access basket. See Forms TGT1 and TGT3.

### **3. Index Changes**

As directed by the Commission, a workpaper identifying the transmittal or letter filing date where the last index changes were implemented for the price cap categories has been included. See Exhibit IND-TM.

### **Payphone Line Counts**

The Commission exempted payphone lines from Presubscribed Interexchange Carrier Charges (PICC) in its Order On Reconsideration, FCC 03-139, released June 25, 2003. Accordingly, CBT has removed its payphone lines from the PICC Multi-line Business line counts. CBT no longer has a PICC charge therefore there is no revenue impact of the payphone line removal.

### **Exogenous Costs**

#### **1. Excess Deferred Taxes**

CBT calculated the revenue impact of Excess Deferred Taxes as shown on exhibit EXG-EDT. CBT spread the Excess Deferred Tax revenue impact over the Common Line Basket and the Special Access

Basket. See Exhibit EXG-EDT.

## **2. Development of Regulatory Fees**

The Commission released its Notice of Proposed Rulemaking (NPRM) in the Matter of *Assessment and Collection of Regulatory Fees for Fiscal Year 2008* on May 8, 2008. This NPRM specified a Regulatory Fee factor of 0.00317. This factor was multiplied by CBT's end-user interstate revenue from FCC Form 499 to yield CBT's 2008 Regulatory Fee adjustment of \$210,830. CBT's 2008 Regulatory Fee of \$210,830 was subtracted from CBT's 2007 Regulatory Fee of \$259,246 to yield a decrease in CBT's Regulatory Fee of \$48,416. CBT adjusted its Common Line Basket and Special Access Basket to reflect the Regulatory Fee adjustment. This adjustment was made based on end-user interstate revenues shown on CBT's FCC 499 Form. See Exhibit EXG-ALLOCATE.

## **3. Development of Telecom Relay Support (TRS)**

The Commission released its Public Notice in the matter of *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities* on May 2, 2008. The Commission proposed a revised TRS factor of 0.010120 to be applied to the tariff year July 2008 to June 2009. This factor was multiplied by CBT's end-user interstate revenue from FCC Form 499 to yield CBT's

2008 adjustment of \$673,059. CBT's 2008 TRS adjustment of \$673,059 was subtracted from CBT's 2007 TRS adjustment of \$521,416 to yield an increase in CBT's TRS adjustment of \$151,643. CBT adjusted its Common Line Basket and Special Access Basket to reflect the TRS adjustment. This adjustment was made based on end-user interstate revenues shown on CBT's FCC 499 Form. See Exhibit EXG-ALLOCATE

**4. Development of North American Numbering Plan (NANP) Contribution**

The Commission released Public Notice CC Docket 92-237, DA 08-1201 on May 22, 2008. This Public Notice specified a NANP factor of 0.0000165 for the period from July 2008 through June 2009. This factor was multiplied by CBT's end-user revenue from FCC Form 499 to yield CBT's 2008 NANP exogenous adjustment. CBT's 2008 NANP contribution of \$7,036 was subtracted from CBT's 2007 NANP contribution of \$9,292 to yield a decrease in CBT's NANP support of \$2,258. CBT adjusted its Common Line Basket and Special Access Basket to reflect the NANP exogenous decrease. This adjustment was made based on end-user interstate revenues shown on CBT's FCC 499 Form. See Exhibit EXG-ALLOCATE.

## **5. Development of Investment Tax Credit**

CBT calculated the revenue impact of its Investment Tax Credit as shown on exhibit EXG-ITC. CBT spread the Investment Tax Credit revenue impact over the Common Line Basket and the Special Access Basket. See Exhibit EXG-ITC.

### **Pricing Bands**

CBT calculated its applicable upper pricing bands in accordance with the Price Cap Rules. See TRP Form IND-1.

### **API and SBI Development**

CBT calculated the applicable APIs and SBIs in accordance with the Price Cap Rules. CBT's APIs do not exceed the applicable PCIs and its SBIs are within the applicable upper pricing bands. See TRP Form IND-1.

### **Common Line**

#### **1. CALLS Impact on Common Line Charges**

The CALLS Order combines the Carrier Common Line (CCL), End-user Common Line (EUCL - also known as the SLC), and PICC charges into a single charge for residence and single-line business customers.

**A. End-User Common Line Development**

The CALLS Order increases the EUCL ceiling for residence and single-line business lines to \$6.50 beginning in July, 2003. However, Price Cap companies are limited to a residence and single-line business EUCL equal to the Common Line, Marketing, and Transport revenue per line, if that revenue per line is less than the \$6.50 ceiling. To compute the EUCL rates, CBT developed line demand and MOU demand quantities based on the year 2007 demand levels. Following the CALLS Order, CBT then calculated its proposed Common Line Marketing and Transport (CMT) revenue per line. The CMT revenue per line of \$5.29 is less than the \$6.50 residence and single-line business EUCL ceiling.

Therefore, in accordance with Part 69.152(e)(1) and Part 69.152(k)(1) of the Commission's Rules, as well as the change in CBT's USF support, CBT's calculated EUCL rates are \$5.27 for Residence and Single-line business, \$5.27 for Non-primary Residence and ISDN-BRI, and \$5.27 for Multi-line Business, ISDN-PRI and Centrex. See TRP Form CAP-1.

## **Average Traffic Sensitive**

### **1. Average Traffic Sensitive Calculation**

CBT achieved the targeted Average Traffic Sensitive (ATS) rate of \$0.0065 specified in Paragraph 162 of the CALLS Order in its 2000 Annual Access filing (Transmittal No. 749). Per the CALLS Order, after a Price Cap LEC reaches the targeted rate, the ATS rate will be recalculated each subsequent Annual Filing. Due to changes in demand and the inclusion of new services, CBT's ATS for the July 2006 Annual Access filing is \$0.00784382. CBT has not changed any rates comprising its ATS in this filing. TRP Form TGT-1 shows the methodology used to achieve the targeted rate. Also see TRP Form SUM-1.

### **2. Base Period Demand**

CBT's Traffic Sensitive minutes are obtained at an end-office level from CBT's Carrier Access Billing System (CABS). Minute-miles are computed by multiplying minutes by the known mileage applicable to the end office.

CBT's Trunking recurring demand is obtained from CBT's Carrier Access Billing System (CABS). Recurring demand is obtained as a count of in-service quantities.

### **3. SBI Limits**

As illustrated on TRP Form IND-1, CBT is in compliance with all SBI requirements.

### **4. API and SBI Calculations**

The Traffic Sensitive API is calculated as proposed revenue (base period demand times proposed rates) divided by current revenue (base period demand times current rates), multiplied by the existing API per Part 61.46 of the Commission's Rules. The Traffic Sensitive API is displayed in TRP Form IND-1. Base period demand, current rates, and proposed rates are displayed for the Traffic Sensitive Basket in Exhibit TS-RATE and in the Trunking Basket in Exhibit TR-Rate. SBIs for each Traffic Sensitive service category are calculated as proposed revenue of each category, divided by current revenue of each category, multiplied by the existing SBI of each service category.

### **Special Access Basket**

The CALLS Order created a Special Access Basket containing Voice Grade, WATS, Metallic, Telegraph, Audio, Video, High Cap, DDS and Wideband services. Per the CALLS Order, and as noted in the Commission's *Tariff Review Plans*, DA 08-759 Released March 28, 2008, the X-factor is set to the inflation rate for the Special Access basket.

**1. Base Period Demand**

CBT's Special Access recurring demand is obtained from CBT's Carrier Access Billing System (CABS). Recurring demand is obtained as a count of in-service quantities.

**2. SBI Limits**

As illustrated on TRP Form IND-1, CBT is in compliance with all SBI requirements.

**3. API and SBI Calculations**

The Special Access API is calculated as proposed revenue (base period demand times proposed rates), divided by current revenue (base period demand times current rates), times the existing API per Part 61.46 of the Commission's Rules. See TRP Form IND-1.

SBIs for each Special Access service category are calculated as proposed revenue of each category, divided by current revenue of each category, multiplied by the existing SBI of each service category. Base Period Demand, current rates and proposed rates are displayed on Exhibit SP-Rate.

## **492A Forms**

Pursuant to the Commission's *Tariff Review Plans* Order, CBT has included its Form 492A for the calendar years 2006 and 2007.

## **New Services**

CBT has included a listing of new services introduced in 2007. See Exhibit CBT-NEW.

## **Universal Service Fund**

Cincinnati Bell Telephone (CBT) proposes to revise the Universal Service Fund (USF) factor per Commission Order. The Commission released its *Proposed Third Quarter 2008 Contribution Factor*, DA 08-1393 on June 11, 2008. The Commission proposed a USF factor of 11.4 % up from the previous factor of 11.3%. CBT recovers its USF contribution, pursuant to the Commission's Contribution Methodology Order<sup>1</sup> by applying the relevant USF Contribution factor to the following charges:

- \* EUCL
- \* Presubscribed Interexchange Carrier (PIC) change charge
- \* End-User Special Access
- \* Interstate IntraLATA Toll usage

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<sup>1</sup> Report and Order and Second Further Notice of Proposed Rulemaking in CC Docket No. 96-45, CC Docket No. 98-171, CC Docket No. 90-571, CC Docket No. 92-237, CC Docket No. 99-200, CC Docket No. 95-116, and CC Docket No. 98-179, FCC 02-329, Released December 13, 2002.

The USF surcharge for these services is reflected as a separate line item, clearly identified on the customer's bill.

Filing Date: 06/16/08  
 Filing Entity: CBTC - Cincinnati Bell Total  
 Transmittal Number: 831  
 July 1, 2008 Access Charge TRP Filing (CBTCAN08.wk4)

EXG-ALLOCATE

**Exogenous Cost Changes Detail**

TL # 818 Filing

	7/07-6/08 (A)	7/08-6/09 (B)	Exogenous (C)=B-A
<b>Telecommunications Relay Service Support:</b>			
07-08 Amt	521,416	673,059	151,643
<b>North American Numbering Plan Administration:</b>			
	9,292	7,036	(2,258)
<b>Regulatory Fee Support:</b>			
	259,246	210,830	(48,416)

	2007 Annual Total End User Revenues		Regulatory Fee	Telecom Relay Service	North American Numbering Plan Administration
	(A)	(B)	(C)=B * 0.00317	(D) = B * 0.01012	(E) = A * 0.0000165
Exogenous Amount	426,410,983	66,507,828	210,830	673,059	7,036

	<u>Common Line</u>	<u>Database Access</u>	<u>Billing Name and Address</u>	<u>Special</u>	<u>Excluded Revenues</u>	<u>Total Revenue</u>
2007 End User Rev - FCC 499	\$ 47,488,965	\$ -	\$ -	\$ 12,367,105	\$ -	\$ 59,856,070
Allocation Basis	79.34%	0.00%	0.00%	20.66%	0.00%	100.00%
Telecom. Relay Support	\$ 120,311	\$ -	\$ -	\$ 31,332	\$ -	\$ 151,643
NANPA	\$ (1,791)	\$ -	\$ -	\$ (467)	\$ -	\$ (2,258)
Regulatory Fee Support:	\$ (38,413)	\$ -	\$ -	\$ (10,004)	\$ -	\$ (48,416)
Sub-Total	\$ 80,107	\$ -	\$ -	\$ 20,861	\$ -	\$ 100,968
Allocation - See Attached Forms						
ITC Amortization	\$ 16,361	\$ -	\$ -	\$ 10,235	\$ -	\$ 26,596
Excess Deferred Taxes	\$ (11,091)	\$ -	\$ -	\$ (6,936)	\$ -	\$ (18,027)
Sub Total	\$ 5,270	\$ -	\$ -	\$ 3,299	\$ -	\$ 8,569
Grand Total Exogenous	\$ 85,378	\$ -	\$ -	\$ 24,159	\$ -	\$ 109,537

## Summary of Exogenous Changes

EXG-SUM  
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	<u>Description</u>	<u>Source</u>	<u>Common Line</u>	<u>Special Access</u>	<u>Total</u>
1	ITC Amortization	EXG-ITC	\$16,361	\$10,235	\$26,596
2	Excess Deferred Taxes	EXG-EDT	(\$11,091)	(\$6,936)	(\$18,027)
	Total Exogenous	Sum (Line 1....Line 2)	\$5,270	\$3,299	\$8,569

**Development of Investment Tax Credit (ITC)**

<u>Description</u>	<u>Source</u>	<u>A</u>	<u>B</u>	<u>C=B-A</u>
		<u>7/07-6/08</u>	<u>7/08-6/09</u>	<u>Delta</u>
1 Total Company	Note 1	\$416,208	\$340,635	(\$75,573)
2 Interstate	Note 2	\$94,028	\$76,741	(\$17,287)
		<b>61.52%</b>	<b>38.48%</b>	
		<u>Common Line</u>	<u>Special Access</u>	<u>Total</u>
3 Investment Tax Credit	Note 3	(\$10,634)	(\$6,652)	(\$17,287)
4 Federal Income Tax	Line 3/(1-.35)*-1	\$16,361	\$10,235	\$26,596
8 Revenue Impact		\$16,361	\$10,235	\$26,596

Note 1: Column A from Transmittal No. 818 Form EXG-ITC. Column B from corporate tax.

Note 2: EXD-ITC. CBT internal worksheet used to calculate interstate amounts 0.22529

Note 3: SUM1 Col A used Basket for allocations

	<u>2008</u>	<u>2009</u>	<u>Total</u>	<u>Midpoint</u>
Corporate Tax	\$362,645	\$318,625	\$681,270	\$340,635

		<u>Ratio</u>
Interstate Common Line Form Sum 1 line 120	\$ 53,141,372	0.6152
Interstate Special Acces Form Sum 1 line 340	\$ 33,240,864	0.3848
Total	\$ 86,382,236	1.00

**Development of Excess Deferred Taxes**

<u>Description</u>	<u>Source</u>	<u>A</u> <u>7/07-6/08</u>	<u>B</u> <u>7/08-6/09</u>	<u>C=B-A</u> <u>Delta</u>	<u>D=(A+B)*.5</u> <u>Reserve Change</u>
1 Total Company	Note 1	\$166,548	\$296,802	\$130,254	(\$231,675)
2 Interstate	Note 2	\$43,133	\$60,691	\$17,558	(\$51,912)
		<b>61.52%</b>	<b>38.48%</b>		
		<u>Common Line</u>	<u>Special Access</u>	<u>Total</u>	
3 Excess Deferred Tax	Note 3	\$10,802	\$6,757	\$17,558	
4 Excess Deferred Tax Reserve	Note 3	(\$31,936)	(\$19,976)	(\$51,912)	
5 Net Rate base	Line 4 *-1.0	\$31,936	\$19,976	\$51,912	
6 Return	Line 5 * 0.1125	\$3,593	\$2,247	\$5,840	
7 Federal Income Tax Change	(Ln6-Ln3)*0.35/(1.0-.35)-Ln3	(\$14,683)	(\$9,185)	(\$23,868)	
8 Revenue Impact	Line 6 + Line 7	(\$11,091)	(\$6,936)	(\$18,027)	

Note 1: Column A from Transmittal No. 818 Form EXG-EDT. Column B from corporate tax.

Note 2: ARMIS 43-01 row 1840 interstate ratios = 0.2045

Note 3: SUM1Col. A used for Basket allocations

Corporate Tax

<u>2008</u>	<u>2009</u>	<u>Total</u>	<u>Midpoint</u>
\$309,313	\$284,290	\$593,603	\$296,802

	<u>Ratio</u>
Interstate Common Line Revenues (t-1 Form Sum 1 line 120)	\$ 53,141,372 0.6152
Interstate Special Access Revenues (t Form Sum 1 line 340)	\$ 33,240,864 0.3848
Total	\$ 86,382,236 1.00

IND-1

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Price Cap Tariff Review Plan  
Transmittal No. or Letter Dates

IND-TM

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	6/30/07 PCI (I)	6/30/08 SBI (J)
Common Line Basket					
100 Total Common Line	N/A	N/A	N/A	N/A	N/A
Traffic Sensitive Basket					
200 Local Switching	N/A	N/A	764	N/A	764
210 Information	N/A	N/A	764	N/A	764
220 Database Access	N/A	N/A	764	N/A	764
230 800 DB VertSvcs Sub-Cat	N/A	N/A	764	N/A	764
240 Billing Name and Address	N/A	N/A	764	N/A	764
250 Local Switching Trunk Ports	N/A	N/A	764	N/A	764
260 STP Port Terminations	N/A	N/A	764	N/A	764
299 Total Traffic Sensitive	764	764	N/A	764	N/A
Trunking Basket					
300 Interconnection Charge	N/A	N/A	0	N/A	0
310 Tandem Switched Transport	N/A	N/A	764	N/A	764
311 TST Density Zone 1	N/A	N/A	0	N/A	0
312 TST Density Zone 2	N/A	N/A	0	N/A	0
313 TST Density Zone 3	N/A	N/A	0	N/A	0
314 TST Density Zone 4	N/A	N/A	0	N/A	0
315 TST Density Zone 5	N/A	N/A	0	N/A	0
316 TST Density Zone 6	N/A	N/A	0	N/A	0
317 TST Density Zone 7	N/A	N/A	0	N/A	0
320 VoiceGrade - Switched	N/A	N/A	749	N/A	749
321 VG DTT/EF Density Zone 1	N/A	N/A	0	N/A	0
322 VG DTT/EF Density Zone 2	N/A	N/A	0	N/A	0
323 VG DTT/EF Density Zone 3	N/A	N/A	0	N/A	0
324 VG DTT/EF Density Zone 4	N/A	N/A	0	N/A	0
325 VG DTT/EF Density Zone 5	N/A	N/A	0	N/A	0
326 VG DTT/EF Density Zone 6	N/A	N/A	0	N/A	0
327 VG DTT/EF Density Zone 7	N/A	N/A	0	N/A	0
340 High Cap & Other - Switched	N/A	N/A	749	N/A	749
350 DS-1 SubCat - Switched	N/A	N/A	749	N/A	749
351 DS1 DTT Density Zone 1	N/A	N/A	0	N/A	0
352 DS1 DTT Density Zone 2	N/A	N/A	0	N/A	0
353 DS1 DTT Density Zone 3	N/A	N/A	0	N/A	0
354 DS1 DTT Density Zone 4	N/A	N/A	0	N/A	0
355 DS1 DTT Density Zone 5	N/A	N/A	0	N/A	0
356 DS1 DTT Density Zone 6	N/A	N/A	0	N/A	0
357 DS1 DTT Density Zone 7	N/A	N/A	0	N/A	0
360 DS-3 SubCat - Switched	N/A	N/A	749	N/A	749
361 DS3 DTT Density Zone 1	N/A	N/A	0	N/A	0
362 DS3 DTT Density Zone 2	N/A	N/A	0	N/A	0
363 DS3 DTT Density Zone 3	N/A	N/A	0	N/A	0
364 DS3 DTT Density Zone 4	N/A	N/A	0	N/A	0
365 DS3 DTT Density Zone 5	N/A	N/A	0	N/A	0
366 DS3 DTT Density Zone 6	N/A	N/A	0	N/A	0
367 DS3 DTT Density Zone 7	N/A	N/A	0	N/A	0

IND-1

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Price Cap Tariff Review Plan  
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IND-TM

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	06/30/07 PCI (I)	06/30/08 SBI (J)
370 HC Other Sw Density Zone 1	N/A	N/A	0	N/A	0
371 HC Other Sw Density Zone 2	N/A	N/A	0	N/A	0
372 HC Other Sw Density Zone 3	N/A	N/A	0	N/A	0
373 HC Other Sw Density Zone 4	N/A	N/A	0	N/A	0
374 HC Other Sw Density Zone 5	N/A	N/A	0	N/A	0
375 HC Other Sw Density Zone 6	N/A	N/A	0	N/A	0
376 HC Other Sw Density Zone 7	N/A	N/A	0	N/A	0
380 Signalling Interconnection	N/A	N/A	0	N/A	0
381 SigIntCon Density Zone 1	N/A	N/A	0	N/A	0
382 SigIntCon Density Zone 2	N/A	N/A	0	N/A	0
383 SigIntCon Density Zone 3	N/A	N/A	0	N/A	0
384 SigIntCon Density Zone 4	N/A	N/A	0	N/A	0
385 SigIntCon Density Zone 5	N/A	N/A	0	N/A	0
386 SigIntCon Density Zone 6	N/A	N/A	0	N/A	0
387 SigIntCon Density Zone 7	N/A	N/A	0	N/A	0
499 Total Trunking	764	764	N/A	764	N/A
Interexchange Basket					
600 Total Interexchange	749	749	N/A	749	N/A
Special Access Basket					
720 VG/WATS, Met, Tgh - Special	N/A	N/A	818	N/A	818
721 VG Spec Density Zone 1	N/A	N/A	0	N/A	0
722 VG Spec Density Zone 2	N/A	N/A	0	N/A	0
723 VG Spec Density Zone 3	N/A	N/A	0	N/A	0
724 VG Spec Density Zone 4	N/A	N/A	0	N/A	0
725 VG Spec Density Zone 5	N/A	N/A	0	N/A	0
726 VG Spec Density Zone 6	N/A	N/A	0	N/A	0
727 VG Spec Density Zone 7	N/A	N/A	0	N/A	0
730 Audio & Video	N/A	N/A	818	N/A	818
731 Audio/Video Density Zone 1	N/A	N/A	0	N/A	0
732 Audio/Video Density Zone 2	N/A	N/A	0	N/A	0
733 Audio/Video Density Zone 3	N/A	N/A	0	N/A	0
734 Audio/Video Density Zone 4	N/A	N/A	0	N/A	0
735 Audio/Video Density Zone 5	N/A	N/A	0	N/A	0
736 Audio/Video Density Zone 6	N/A	N/A	0	N/A	0
737 Audio/Video Density Zone 7	N/A	N/A	0	N/A	0
740 High Cap & DDS - Special	N/A	N/A	818	N/A	818
750 DS-1 SubCat - Special	N/A	N/A	818	N/A	818
751 DS1 Spec Density Zone 1	N/A	N/A	0	N/A	0
752 DS1 Spec Density Zone 2	N/A	N/A	0	N/A	0
753 DS1 Spec Density Zone 3	N/A	N/A	0	N/A	0
754 DS1 Spec Density Zone 4	N/A	N/A	0	N/A	0
755 DS1 Spec Density Zone 5	N/A	N/A	0	N/A	0
756 DS1 Spec Density Zone 6	N/A	N/A	0	N/A	0
757 DS1 Spec Density Zone 7	N/A	N/A	0	N/A	0
760 DS-3 SubCat - Special	N/A	N/A	818	N/A	818
761 DS3 Spec Density Zone 1	N/A	N/A	0	N/A	0
762 DS3 Spec Density Zone 2	N/A	N/A	0	N/A	0
763 DS3 Spec Density Zone 3	N/A	N/A	0	N/A	0
764 DS3 Spec Density Zone 4	N/A	N/A	0	N/A	0
765 DS3 Spec Density Zone 5	N/A	N/A	0	N/A	0
766 DS3 Spec Density Zone 6	N/A	N/A	0	N/A	0
767 DS3 Spec Density Zone 7	N/A	N/A	0	N/A	0

IND-1

Filing Date: 06/16/08  
Filing Entity: CBTC - Cincinnati Bell Total  
Transmittal Number: Letter  
Ju17 1, 2008 Access Charge TRP Filing (CBTCAN07.wk4)  
Page 3 of 3

Price Cap Tariff Review Plan  
Transmittal No. or Letter Dates

IND-TM

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	6/30/07 PCI (I)	6/30/08 SBI (J)
770 DDS&Other Sp Density Zone 1	N/A	N/A	0	N/A	0
771 DDS&Other Sp Density Zone 2	N/A	N/A	0	N/A	0
772 DDS&Other Sp Density Zone 3	N/A	N/A	0	N/A	0
773 DDS&Other Sp Density Zone 4	N/A	N/A	0	N/A	0
774 DDS&Other Sp Density Zone 5	N/A	N/A	0	N/A	0
775 DDS&Other Sp Density Zone 6	N/A	N/A	0	N/A	0
776 DDS&Other Sp Density Zone 7	N/A	N/A	0	N/A	0
790 Wideband	N/A	N/A	0	N/A	0
791 WB Density Zone 1	N/A	N/A	0	N/A	0
792 WB Density Zone 2	N/A	N/A	0	N/A	0
793 WB Density Zone 3	N/A	N/A	0	N/A	0
794 WB Density Zone 4	N/A	N/A	0	N/A	0
795 WB Density Zone 5	N/A	N/A	0	N/A	0
796 WB Density Zone 6	N/A	N/A	0	N/A	0
797 WB Density Zone 7	N/A	N/A	0	N/A	0
899 Total Special Access	818	818	N/A	818	N/A

**2007 New Services**

CBT introduced the following new service in 2007:

<u>New Service</u>	<u>Transmittal</u>	<u>Basket</u>	<u>Category</u>
DS3.0Mbps, DS4.5Mbps, DS6.0Mbps High Capacity Service	815	Special Access	Digital
OC3 to DS1 Multiplexing	825	Special Access	Digital

See reverse side for information regarding public burden estimate.

<b>1. Name and Address of Reporting Company</b>  Cincinnati Bell Telephone Company, LLC 221 East Fourth Street Loc. 103-1124 Cincinnati, OH 45202	<b>2. Reporting Calendar Year</b>  (A) From: 01/01/2007 To: 12/31/2007  (B) First Report Filed: 03/31/2008  (C) Final Report Filed:
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FCC 492A

**PRICE-CAP REGULATION**  
**RATE-OF-RETURN MONITORING REPORT**  
 (Read Instructions on the Reverse Before Completing)  
 Dollar Amounts Shown in Thousands

3. Items	Total Interstate Services Subject to Price-Cap Regulation		
	Final Report Column A	Final Report Column B	Difference Column C = (B - A)
1. Total Revenues	156,346		
2. Total Expenses and Taxes	110,826		
3. Operating Income (Net Return) (Ln1-Ln2)	45,520		
4. Rate Base - (Avg. Net. Investment)	80,508		
5. Rate of Return (Ln3/Ln4)	56.54%		
6. Sharing/Low End Adjustment Amount	N/A		
7. FCC Ordered Refund - Amortized for Current Period	N/A		

**REMARKS**

Cincinnati Bell Telephone's Form 492A financials reflect the removal of IX services for the period of January 2007 through December 2007. This is a result of the CBT Letter filing dated October 22, 1999 that removed these services from Price Caps in accordance with the Order in CC Docket No. 99-206, released August 27, 1999.

**7. CERTIFICATION:** I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date	Typed Name of Person Signing	Title of Person Signing	Signature
1/31/2008	Lawrence H. Manion	CBT Division Controller	
	Telephone No. (513) 397-1046		

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THIS REPORT FORM CAN BE PUNISHED BY FINE OR IMPRISONMENT UNDER THE PROVISIONS OF THE U.S. CODE, TITLE 18, SECTION 1001.

See reverse side for information regarding public burden estimate.

<b>1. Name and Address of Reporting Company</b>  Cincinnati Bell Telephone Company, LLC 221 East Fourth Street Cincinnati, OH 45202	<b>2. Reporting Calendar Year</b>  (A) From: 01/01/2006 To: 12/31/2006 (B) First Report Filed: 03/30/2007 (C) Final Report Filed:
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FCC 492A

**PRICE-CAP REGULATION**  
**RATE-OF-RETURN MONITORING REPORT**  
 (Read Instructions on the Reverse Before Completing)  
 Dollar Amounts Shown in Thousands

3. Items	Total Interstate Services Subject to Price-Cap Regulation		
	Final Report Column A	Final Report Column B	Difference Column C = (B - A)
1. Total Revenues	155,740		
2. Total Expenses and Taxes	111,573		
3. Operating Income (Net Return) (Ln1-Ln2)	44,167		
4. Rate Base - (Avg. Net. Investment)	92,055		
5. Rate of Return (Ln3/Ln4)	47.98%		
6. Sharing/Low End Adjustment Amount	N/A		
7. FCC Ordered Refund - Amortized for Current Period	N/A		

**REMARKS**

Cincinnati Bell Telephone's Form 492A financials reflect the removal of IX services for the period of January 2006 through December 2006. This is the result of CBT Letter filing dated October 22, 1999 that removed these services from Price Caps in accordance with the Order in CC Docket No. 99-206, released August 27, 1999.

**7. CERTIFICATION:** I certify that I am the chief financial officer or the duly assigned accounting officer; that I have examined the foregoing report; that to the best of my knowledge, information, and belief, all statements of fact contained in this report are true and this report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the specified period.

Date  3/30/2007	Typed Name of Person Signing Lawrence H. Manion	Title of Person Signing CBT Division Controller	Signature 
	Telephone No. (513) 397-1046		

PERSONS MAKING WILLFUL FALSE STATEMENTS IN THIS REPORT FORM CAN BE PUNISHED BY FINE OR  
 IMPRISONMENT UNDER THE PROVISIONS OF THE U.S. CODE, TITLE 18, SECTION 1001.

**CERTIFICATION**

I am a Director of Carrier Services. I hereby certify that I have overall responsibility for the preparation of all data supporting Cincinnati Bell Telephone Company's interstate access tariff filing, and that I am authorized to execute this certification. Based upon information provided to me by employees responsible for preparing or supervising the preparation of the data submitted to support the rates contained in the proposed tariffs, I hereby certify that the data have been examined and reviewed and are true, correct and complete to the best of my knowledge.

Date: June 14, 2008

Name: /s/ Gary Peddicord

Title: Gary Peddicord  
Director - Carrier Services