

ACCESS DEMAND
TRAFFIC SENSITIVE

		LOCL SWITCHING PREMIUM	LOCL SWITCHING NON-PREMIUM	LOCL SWITCHING TOTAL	LOCL SWITCHING TOTAL CHARGEABLE	TANDEM SWITCHING TOTAL*	TANDEM SWITCHING TRANSPORT**
		(A)	(B)	(C)=A+B	(D)=A+(B*.45)	(E)	(F)
HISTORICAL PERIOD							
300	1st Qtr. 2004		N/A	N/A	N/A	N/A	N/A
310	2nd Qtr. 2004		N/A	N/A	N/A	N/A	N/A
320	3rd Qtr. 2004		N/A	N/A	N/A	N/A	N/A
330	4th Qtr. 2004		N/A	N/A	N/A	N/A	N/A
340	1st Qtr. 2005		N/A	N/A	N/A	N/A	N/A
350	2nd Qtr. 2005		N/A	N/A	N/A	N/A	N/A
360	3rd Qtr. 2005		N/A	N/A	N/A	N/A	N/A
370	4th Qtr. 2005		N/A	N/A	N/A	N/A	N/A
380	1st Qtr. 2006		N/A	N/A	N/A	N/A	N/A
390	2nd Qtr. 2006		N/A	N/A	N/A	N/A	N/A
400	3rd Qtr. 2006		N/A	N/A	N/A	N/A	N/A
410	4th Qtr. 2006		N/A	N/A	N/A	N/A	N/A
420	PYCOS PERIOD (2007)	15,125,497,727	0	15,125,497,727	15,125,497,727	4,714,541,815	27,259,550,312
430	PROSPECTIVE PERIOD (2008/2009)	12,504,298,580	0	12,504,298,580	12,504,298,580	3,901,921,273	22,562,261,347

* These are the Transport minutes, discussed in Part 69.111 (f) & (g)
** These are the Transport terminations, discussed in Part 69.111 (a) - (e)

Rate of Return
Special Access Demand Comparison

		Historical 2007			Prospective 2008/2009		
		Channel Termination	Circuits	Interoffice Miles	Channel Termination	Circuits	Interoffice Miles
100	Metallic	0	0	0	0	0	0
110	Telegraph	0	0	0	0	0	0
120	Voice Grade	69,013	53,087	561,764	65,157	50,121	537,586
130	Wats	N/A	N/A	N/A	N/A	N/A	N/A
140	Audio Program (Full time)	596	596	264	505	505	224
150	High Capacity	572,048	408,606	4,409,857	707,157	505,112	5,451,402

NOTE: This chart should be populated with annualized demand.

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COMMON LINE DEMAND AND REVENUE

		2007 Historical Revenue (A)	2007 Historical Lines (B)	2008/2009 Test Year Revenue (C)	2008/2009 Test Year Lines (D)
100	End User Common Line, Total (1)	\$679,416,711	8,008,540	\$650,461,079	7,656,883
110	Line Port Element (2)	\$3,590,823	12,728	\$3,684,205	13,059
120	Residential	\$470,310,439	6,031,125	\$448,008,860	5,745,136
130	Single Line Business	\$27,804,767	356,568	\$26,690,449	342,278
140	Multi-line Business	\$177,710,681	1,620,847	\$172,077,565	1,569,469
150	Special Access Surcharge	\$475,500	1,585	\$470,100	1,567
160	Carrier Common Line	N/A	N/A	N/A	N/A
170	Total Common Line Revenue	\$679,892,211	N/A	\$650,931,179	N/A

(1) Lines 110, 120, 130, and 140 are included into End User Common Line, Total (line 100) in Columns (A) and (C)
Lines 120, 130, and 140 are included in line 100 in Lines Columns (B) and (D).

(2) Only ISDN PRI and DS1 arrangements are used to compute Line Port Element historical and test year revenues.

Rate of Return
Local Transport Demand Comparison

		Historical 2007			Prospective 2008/2009		
		<u>VG</u>	<u>DS1</u>	<u>DS3</u>	<u>VG</u>	<u>DS1</u>	<u>DS3</u>
		(A)	(B)	(C)	(A)	(B)	(C)
100	Entrance Facility	829	15,874	877	686	13,144	726
110	Direct Trunked Transport	42,337	1,018,480	4,130	35,054	843,288	3,420

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Annualized Rate of Return Comparison

	Preliminary 2007 FCC Monitoring Period*	Preliminary 2007 Period**	Prospective 7/08 - 6/09
100 Total Interstate Access	11.54%	11.46%	11.25%
110 Carrier Common Line	10.65%	10.64%	11.25%
120 Special Access	13.08%	12.73%	11.25%
130 Local Switching	N/A	N/A	N/A
140 Information	N/A	N/A	N/A
150 Local Transport	N/A	N/A	N/A
160 Total TS - Switched	12.23%	12.20%	11.25%

* Preliminary 2007 Monitoring Period ROR is taken directly from the FCC492, filed March, 2008.

** Preliminary 2007 Period ROR is taken directly from the May, 2008 Assessment.

NOTE: Calendar year 2007 data is subject to true-up through December 2008. Historically, cost levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 Report and pool actuals will decline as companies update their studies.