



DESCRIPTION AND JUSTIFICATION

CONSOLIDATED COMMUNICATIONS COMPANIES

CONSISTING OF

CONSOLIDATED COMMUNICATIONS OF TEXAS COMPANY
(CCTX) d/b/a CONSOLIDATED COMMUNICATIONS

AND

CONSOLIDATED COMMUNICATIONS OF FORT BEND COMPANY
(CCFB) d/b/a CONSOLIDATED COMMUNICATIONS

INTERSTATE ACCESS SERVICES

CONSOLIDATED COMMUNICATIONS COMPANIES TARIFF FCC No. 1

ANNUAL 2009 PRICE CAP SHORT FORM FILING

May 1, 2009

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SECTION 1 INTRODUCTION AND SUMMARY

Introduction

The Consolidated Communications Companies, consisting of Consolidated Communications of Texas Company d/b/a Consolidated Communications and Consolidated Communications of Fort Bend Company d/b/a Consolidated Communications, hereby provide a Description and Justification for its limited Tariff Review Plan revisions to F.C.C. Tariff No. 1 along with supporting documentation. This information is being filed in accordance with the Commission's 2009 TRP Notice released March 26, 2009 (DA 09-683 and DA 09-684) and fulfills the requirements established in Sections 61.41 through 61.49 of the Commission rules.

Description of the Consolidated Communications Companies Operations

The Consolidated Communications Companies (CCC) consists of two separate legal entities: Consolidated Communications of Texas Company (CCTX) d/b/a Consolidated Communications and Consolidated Communications of Fort Bend Company (CCFB) d/b/a Consolidated Communications. Both of these entities are now price cap companies pursuant to FCC Order DA 08-1026¹ that fall under Sections 61.41 through 61.49 of the Commission's Rules and relevant Commission Orders.² They provide local service, toll, private line services, access services, DSL, CLASS services, and other modern telecommunications services to their customers.

CCTX originated with three separate telephone companies that merged over the years. Lufkin Telephone Exchange officially began business in 1898 and was incorporated in the state of Texas in 1910. Conroe Communications Company began providing service in the Conroe area in 1899 and was purchased by the owners of Lufkin Telephone Exchange and incorporated as the Conroe Telephone Company in 1929. The Alto Telephone Company was purchased in 1963. Ownership of the 3 entities was consolidated in 1969 to form Lufkin-Conroe Communications Company. In 1997, Lufkin-Conroe Communications Company and its subsidiaries were purchased by Texas Utilities Company and became TXU Communications Telephone Company. In April 2004, Consolidated Communications, Inc. purchased the company, changing the name to Consolidated Communications of Texas Company (CCTX).

CCTX is a rural East Texas telecommunications carrier providing service to approximately 98,000 customers in two distinct market areas: Conroe and Lufkin. The 16 communities served include: Alto, Apple Springs, Central, Conroe, Cut-N-Shoot, Diboll, Etoile, Fuller Springs, Grangerland, Hudson, Lake Conroe, Lufkin, Montgomery,

¹ See, Order, Consolidated communications Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief, DA 08-1026.

² See, Order, July 2009 Annual Access Charge Tariff Filings, released March 26, 2009, DA 09-683 ("2009 Filing Order"); and Tariff Review Plans, Material to be filed in support of 2009 Annual filings, DA 09-684, released March 26, 2009 ("2009 TRP Order").

Riverbrook, Walden, and Wells. The 7 exchanges of the Conroe market area contain approximately 62,000 customers, primarily in Montgomery County.

The Lufkin market area serves 9 exchanges and 36,000 access lines in a separate area 85 miles north of the Conroe area, centered on the city of Lufkin. The area economy is supported primarily through manufacturing of paper and metal products, retail sales, service companies, government entities, and farming.

CCFB began business in 1898 as Fort Bend Telephone Company and was incorporated in Texas in 1910. In May 2000, Fort Bend Telephone Company and its affiliates were purchased by Texas Utilities Company and became Fort Bend Telephone Company d/b/a TXU Communications. In April 2004, TXU Communications, including Fort Bend Telephone Company, was purchased by Consolidated Communications, Inc., which changed the name to Consolidated Communications of Fort Bend Company (CCFB).

CCFB is also a rural carrier with approximately 39,000 access lines in 5 East Texas exchanges: Beasley, Brookshire, Damon, Katy, and Needville. CCFB possesses the same rural characteristics as CCTX, providing service in Brazoria, Harris, Fort Bend and Waller counties.

SECTION 2 OVERVIEW OF FILING PACKAGE

Tariff Support Material

This support material is submitted pursuant to Part 61.49 of the Federal Communications Commission (Commission) Rules and Regulations and the Order issued in WCB/Pricing 09-02, July, 2009 Annual Access Charge Tariff Filings, and Tariff Review Plans issued in WCB/Pricing 09-03, Material to be Filed in Support of 2009 Annual Access Tariff Filings, both adopted and released March 26, 2009.

In addition to the description and justification contained in this volume, the following information is submitted to provide specific support data at the proposed tariff level of detail for the Consolidated local operating companies.

Description and Justification

Exhibit 1 – Consolidation Local Operating Companies and Study Area Designators

Exhibit 2 – PCI Development

Tariff Review Plan (Lotus model CCTXas09.wk4 and CCFBas09.wk4)

SECTION 3 TARIFF SUPPORT

PCI Development

In Accordance with the Commission's Rules, the PCI for each service basket were calculated as shown in Exhibit RDEV-1, Page 1 of 5. A GDP-PI factor of 2.0695% was used in calculating the PCI's and is based on the percentage change in the Gross Domestic Product Price Index (GDP-PI) between the quarter ending December 31, 2008 and the corresponding quarter of the 2007 GDP-PI.

As directed by the Commission,³ a workpaper identifying the transmittal or letter filing date where the last index changes were implemented for the price cap categories has been included in Exhibit 2, RDEV-1, pages 4,5, and 6. Also, pursuant to DA 08-1026⁴, Consolidated has excluded ICLS receipts from its CMT PCI calculations.

Because the effects of GDP-PI – X and g are targeted to the Average Traffic Sensitive Rate, the prospective PCI values for the Traffic Sensitive and Trunking Baskets are typically calculated by adjusting the existing PCI values for the effects of exogenous cost changes allocated to those baskets plus the amount of ATS targeting allocated to those baskets. Because Consolidated Communications Companies has already achieved its ATS target rates prior to this filing, the Traffic Sensitive and Trunking PCI values reflect no ATS targeting. The prospective PCI values for the Special Access Basket are calculated using formula found in 61.45(b) of the Commission's rules. Calculation of PCI values is shown in Exhibit 2, RDEV-1, Page 1 of 5.

Determination of Exogenous Changes

In Accordance with the Commission's Rules, Consolidated developed certain exogenous changes for inclusion in the price cap formula. These changes include: (1) North American Number Plan Administration; (2) Regulatory Fees; and (3) Telecommunications Relay Service Fees.

Exogenous cost changes were individually developed for each of the items outlined above, and in the aggregate for all changes. Consolidated used base year 2007 (time of its last tariff filing) to estimate exogenous costs embedded in rates. Consolidated has also normalized the exogenous amounts to reflect any shift in revenue growth. The result is that no exogenous adjustment is made if the support rate has not changed. In other words the rate per line remains unchanged if the factor is unchanged. A brief description of each change follows and a summary of the exogenous changes is shown in Exhibit 2, RDEV-1, Page 2 of 5.

³ 2009 TRP Notice, Supra., Paragraph 10.

⁴ See, Order, Consolidated Communications Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief, DA 08-1026 para 18.

North American Numbering Plan Administration

On June 27, 2001, the Federal Communications Commission release an order approving the compensation plan for the North American Numbering Plan Administration (NANPA) for fiscal year 2001.⁵ The Commission reviewed and accepted the North American Numbering Plan Administrator submission and ordered that a contribution factor of 0.0000165⁶. This factor is used as an estimate for application to end user revenues of each telecommunications carrier in the United States to fund the program for the 2009 fiscal year (July 2009 to June 2010). The impact of the NANPA support has been included as an exogenous cost in this filing as shown in Exhibit 2, RDEV-1, Page 2 of 5.

Regulatory Fees

Earlier Commission decisions⁷ allow local exchange companies to reflect the impact of regulatory fees as an exogenous cost in annual price cap filings. The impact of regulatory fee changes for the July 2007 – June 2008 fiscal year was calculated using a factor of .00317 as prescribed in the Commission's *Regulatory Fee Order*,⁸ and has been included as exogenous cost in this filing and is shown in Exhibit 2, RDEV-1, Page 2 of 5. No updated factor has been used for this filing.

Telecommunications Relay Service

The Americans with Disabilities Act (ADA) required that all common carriers providing interstate voice telecommunications provide Telecommunications Relay Service (TRS) to customers effective July 26, 1993. In its *Third Report and Order* in CC Docket No. 90-571,⁹ the Commission required that all common carriers providing interstate telecommunications services contribute to an interstate shared fund to support the TRS function. The impact of the TRS exogenous cost for this filing is calculated using the .01012 contribution factor prescribed in the Commission's TRS Order¹⁰ and is displayed on Exhibit 2, RDEV-1, Page 2 of 5. No updated factor has been used for this filing

Work papers reflecting this exogenous change are shown in Exhibit 2, RDEV-1, Page 2 of 5.

⁵ *In the Matter of Administration of the North American Number Plan*, CC Docket No. 92-237 and *North American Number Plan Cost Recovery Contribution Factor and Fund Size*, NDS File No. L-00-72, Order (DA 01-1524), released June 7, 2001 (NANP Order)

⁶ *In the Matter of Administration of the North American Numbering Plan*, Proposed North American Numbering Plan Administration Fund Size Estimate and Contribution Factor for July 2008 through June 2009 (filed May 22, 2008) Public Notice, DA 08-1201, CC Docket No. 92-237.

⁷ *Price Cap Treatment of Regulatory Fees Imposed by Section 9 of the Communications Act*, 9 FCC 6060 (1994), erratum (November 2, 1994).

⁸ *In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2008*, Notice of Proposed Rulemaking, MD Docket No. 08-65 (FCC 08-126), released May 8, 2008 (*Regulatory Fee Order*).

⁹ *In the Matter of Telecommunications Relay Services and the Americans with Disabilities Act of 1990*, Third Report and Order, CC Docket No. 90-571, released July 20, 1993 (*Third Report and Order*).

¹⁰ *In the Matter of Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities* Order, CG Docket No. 03-123, Public Notice DA 08-1055, Released May 2, 2008 (*TRS Order*)

Exhibit 1

Consolidated Communications Operating Companies and Study Area Designators

**Consolidated Communications Operating Companies
And Study Areas**

<u>Operating Company</u>	<u>COSA</u>
Consolidated Communications of Texas Company (442109)	CCTX
Consolidated Communications of Fort Bend Company (442072)	CCFB

CCTX

Exhibit 2

PCI Development

Filing Date: 05/01/2009
Filing Entity: Consolidated Communications of Texas Comj
Transmittal Number: Letter Filing
May 1, 2009 Access Charge Short Form TRP Filing (CCTXas09.wk4)

5/01/09 PCI Development

	Common Line (A)	Traffic Sensitive (B)	Trunking (C)	Interexchange (D)	Special (E)
1. Revenues (R)	8,643,868	509,532	840,979	0	13,257,279
2. Exogenous Changes (Z)	0	0	0	0	0
a. EDFIT / ITC / Access Cost Changes	0	0	0	0	0
b. Telecom. Relay Service Changes	0	0	0	0	0
c. Lower Formula Adjustment (LFAM)	0	0	0	0	0
d. Regulatory Fee Support Changes	0	0	0	0	0
e. North American Numbering Plan Admin.	0	0	0	0	0
3. Z/R = (Ln 2 / Ln 1)	0.000000	0.000000	0.000000	0.000000	0.000000
4. W = ((Ln 1 + Ln 2) / R)	1.000000	1.000000	1.000000	0.000000	1.000000
5. GDP-PI Chain Weighted (4 Qtr 2007)	123.3020	123.3020	123.3020	123.3020	123.3020
6. GDP-PI Chain Weighted (4 Qtr 2006)	120.8260	120.8260	120.8260	120.8260	120.8260
7. Percent Change in GDP-PI (I) ((Ln 5 - Ln 6) / Ln 6) * 100	2.0695%	2.0695%	2.0695%	2.0695%	2.0695%
8. Productivity (X)	N/A	2.0695%	2.0695%	3.0000%	2.069500%
9. GDP-PI - X (Ln 8 - Ln 7)	N/A	0.0000%	0.0000%	-0.9305%	0.0000%
10. Growth Rate of CCL MOU/Line (g)	-3.6570%	N/A	N/A	N/A	N/A
11. Existing PCI	0.0000	100.0000	100.0000	0.0000	100.0000
12. Targeted Revenue Differential TRP Form TGT- 1 r1100	N/A	0	0	N/A	N/A
13. Prop. PCI (NonExog Only: Annual Filing col.b&c: Ln 11; col.e: Ln 11 * (1+ Ln 9) SBI Upper Limit calculations only)	N/A	100.0000	100.0000	0.0000	100.0000
14. Proposed PCI col.b&c: Ln 11 * (1+ Ln 3 + Ln 12 / Ln 1) col.d&e: Ln 11 * (1+ Ln 3 + Ln 4 * Ln 9)	N/A	100.0000	100.0000	0.0000	100.0000

Filing Date: 05/01/09

Filing Entity: Consolidated Communications of Texas Company

Transmittal Number: Letter Filing

May 1, 2009 Access Charge Short Form TRP Filing (CCTXas09.wk4)

Exogenous Cost Changes Detail

	Total	Interstate
FCC 2007 Price Cap Interstate End User Revenue	60,413,394.19	19,075,490
FCC 2008 Price Cap Interstate End User Revenue	47,625,066.49	10,133,732
Revenue Change (Line Loss)	-21.2%	-46.9%

Telecommunications Relay Service Support:

	7/07-7/08 (A)	Adj. for Rev Change	7/08-6/09 (B)	Exogenous (C)=B-A
	193,044	\$	102,553	-

North American Numbering Plan Administration:

Regulatory Fee Support:

	997	\$	786	-
	60,469	\$	32,124	-

Growth Rate of CCL MOU/Line (g)

	2007	2008
Total Common Line MOUs	213,542,681	192,653,081
Average CPTs = Access Lines	104,966	98,292
MOUs / Access Line	2,034.40	1,960.00
Growth Rate (g)		-3.66%

2006 Annual
Interstate
End User Revenues

Telecom
Relay
Service
(B) = A * (0.00819-.0072)

2008 Adjustment to reflect 2007-08 TRS mid year change
Exogenous Amount

2008 Annual

	Total End User Revenues (499A) (A)	Interstate End User Revenues (499A) (B)	Regulatory Fee (C)=B * 0.00317	Telecom Relay Service (D) = B * 0.01012	North American Numbering Plan Administration (E) = A * 0.0000165
Exogenous Amount	47,625,066	10,133,732	32,124	102,553	786

Exogenous Amount

	Common Line	Database Access	Billing Name and Address	Special	Excluded Revenues	Total Revenue
2008 End User Rev - FCC 499	\$ 9,890,501	\$ -	\$ -	\$ 243,231	\$ -	\$ 10,133,732
Allocation Basis	97.60%	0.00%	0.00%	2.40%	0.00%	100.00%
Thousand Block Numbering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telecom. Relay Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NANPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regulatory Fee Support:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sub-Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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Price Cap Tariff Review Plan
Indices

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	6/30/2009 PCI (I)	6/30/2009 SBI (J)
Common Line Basket						
100 Total Common Line	N/A	N/A	N/A	N/A	N/A	N/A
Traffic Sensitive Basket						
200 Local Switching	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
210 Information	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
220 Database Access	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
230 800 DB VertSvcs Sub-Cat	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
240 Billing Name and Address	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
250 Local Switching Trunk Ports	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
260 STP Port Terminations	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
299 Total Traffic Sensitive	Trans.No. 21	Trans.No. 21	N/A	N/A	Trans.No. 21	N/A
Trunking Basket						
300 Interconnection Charge	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
310 Tandem Switched Transport	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
311 TST Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
312 TST Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
313 TST Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
314 TST Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
315 TST Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
316 TST Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
317 TST Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
320 VoiceGrade - Switched	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
321 VG DTT/EF Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
322 VG DTT/EF Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
323 VG DTT/EF Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
324 VG DTT/EF Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
325 VG DTT/EF Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
326 VG DTT/EF Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
327 VG DTT/EF Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
340 High Cap & Other - Switched	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
350 DS-1 SubCat - Switched	N/A	N/A	N/A	N/A	N/A	N/A
351 DS1 DTT Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
352 DS1 DTT Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
353 DS1 DTT Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
354 DS1 DTT Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
355 DS1 DTT Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
356 DS1 DTT Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
357 DS1 DTT Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
360 DS-3 SubCat - Switched	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
361 DS3 DTT Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
362 DS3 DTT Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
363 DS3 DTT Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
364 DS3 DTT Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
365 DS3 DTT Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
366 DS3 DTT Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
367 DS3 DTT Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A

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	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	6/30/2009 PCI (I)	6/30/2009 SBI (J)
370	N/A	N/A	N/A	N/A	N/A	N/A
371	N/A	N/A	N/A	N/A	N/A	N/A
372	N/A	N/A	N/A	N/A	N/A	N/A
373	N/A	N/A	N/A	N/A	N/A	N/A
374	N/A	N/A	N/A	N/A	N/A	N/A
375	N/A	N/A	N/A	N/A	N/A	N/A
376	N/A	N/A	N/A	N/A	N/A	N/A
380	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
381	N/A	N/A	N/A	N/A	N/A	N/A
382	N/A	N/A	N/A	N/A	N/A	N/A
383	N/A	N/A	N/A	N/A	N/A	N/A
384	N/A	N/A	N/A	N/A	N/A	N/A
385	N/A	N/A	N/A	N/A	N/A	N/A
386	N/A	N/A	N/A	N/A	N/A	N/A
387	N/A	N/A	N/A	N/A	N/A	N/A
499	Trans.No. 21	Trans.No. 21	N/A	N/A	Trans.No. 21	N/A
Interexchange Basket						
600	Trans.No. 21	Trans.No. 21	N/A	N/A	Trans.No. 21	N/A
Special Access Basket						
720	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
721	N/A	N/A	N/A	N/A	N/A	N/A
722	N/A	N/A	N/A	N/A	N/A	N/A
723	N/A	N/A	N/A	N/A	N/A	N/A
724	N/A	N/A	N/A	N/A	N/A	N/A
725	N/A	N/A	N/A	N/A	N/A	N/A
726	N/A	N/A	N/A	N/A	N/A	N/A
727	N/A	N/A	N/A	N/A	N/A	N/A
730	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
731	N/A	N/A	N/A	N/A	N/A	N/A
732	N/A	N/A	N/A	N/A	N/A	N/A
733	N/A	N/A	N/A	N/A	N/A	N/A
734	N/A	N/A	N/A	N/A	N/A	N/A
735	N/A	N/A	N/A	N/A	N/A	N/A
736	N/A	N/A	N/A	N/A	N/A	N/A
737	N/A	N/A	N/A	N/A	N/A	N/A
740	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
750	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
751	N/A	N/A	N/A	N/A	N/A	N/A
752	N/A	N/A	N/A	N/A	N/A	N/A
753	N/A	N/A	N/A	N/A	N/A	N/A
754	N/A	N/A	N/A	N/A	N/A	N/A
755	N/A	N/A	N/A	N/A	N/A	N/A
756	N/A	N/A	N/A	N/A	N/A	N/A
757	N/A	N/A	N/A	N/A	N/A	N/A
760	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
761	N/A	N/A	N/A	N/A	N/A	N/A
762	N/A	N/A	N/A	N/A	N/A	N/A
763	N/A	N/A	N/A	N/A	N/A	N/A
764	N/A	N/A	N/A	N/A	N/A	N/A
765	N/A	N/A	N/A	N/A	N/A	N/A
766	N/A	N/A	N/A	N/A	N/A	N/A
767	N/A	N/A	N/A	N/A	N/A	N/A

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	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	6/30/2009 PCI (I)	6/30/2009 SBI (J)
770 DDS&Other Sp Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
771 DDS&Other Sp Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
772 DDS&Other Sp Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
773 DDS&Other Sp Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
774 DDS&Other Sp Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
775 DDS&Other Sp Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
776 DDS&Other Sp Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
790 Wideband	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
791 WB Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
792 WB Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
793 WB Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
794 WB Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
795 WB Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
796 WB Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
797 WB Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
899 Total Special Access	Trans.No. 21	Trans.No. 21	N/A	N/A	Trans.No. 21	N/A

CCFB

Exhibit 2

PCI Development

Filing Date: 05/01/2009
Filing Entity: Consolidated Communications of Fort Bend C
Transmittal Number: Letter Filing
May 1, 2009 Access Charge TRP Filing (CCFBas09.wk4)

5/01/09 PCI Development

	Common Line (A)	Traffic Sensitive (B)	Trunking (C)	Interexchange (D)	Special (E)
1. Revenues (R)	3,392,240	135,724	259,575	0	4,366,311
2. Exogenous Changes (Z)	0	0	0	0	0
a. EDFIT / ITC / Access Cost Changes	0	0	0	0	0
b. Telecom. Relay Service Changes	0	0	0	0	0
c. Lower Formula Adjustment (LFAM)	0	0	0	0	0
d. Regulatory Fee Support Changes	0	0	0	0	0
e. North American Numbering Plan Admin.	0	0	0	0	0
3. Z/R = (Ln 2 / Ln 1)	0.000000	0.000000	0.000000	0.000000	0.000000
4. W = ((Ln 1 + Ln 2) / R)	1.000000	1.000000	1.000000	0.000000	1.000000
5. GDP-PI Chain Weighted (4 Qtr 2007)	123.3020	123.3020	123.3020	123.3020	123.3020
6. GDP-PI Chain Weighted (4 Qtr 2006)	120.8260	120.8260	120.8260	120.8260	120.8260
7. Percent Change in GDP-PI (I) ((Ln 5 - Ln 6) / Ln 6) * 100	2.0695%	2.0695%	2.0695%	2.0695%	2.0695%
8. Productivity (X)	N/A	2.0695%	2.0695%	3.0000%	2.0695%
9. GDP-PI - X (Ln 8 - Ln 7)	N/A	0.0000%	0.0000%	-0.9305%	0.0000%
10. Growth Rate of CCL MOU/Line (g)	0.5955%	N/A	N/A	N/A	N/A
11. Existing PCI	0.0000	100.0000	100.0000	0.0000	100.0000
12. Targeted Revenue Differential TRP Form TGT- 1 r1100	N/A	0	0	N/A	N/A
13. Prop. PCI (NonExog Only: Annual Filing col.b&c: Ln 11; col.e: Ln 11 * (1 + Ln 9) SBI Upper Limit calculations only)	N/A	100.0000	100.0000	0.0000	100.0000
14. Proposed PCI col.b&c: Ln 11 * (1 + Ln 3 + Ln 12 / Ln 1) col.d&e: Ln 11 * (1 + Ln 3 + Ln 4 * Ln 9)	N/A	100.0000	100.0000	0.0000	100.0000

Exogenous Cost Changes Detail

	Total	Intersatate	
FCC 2007 Price Cap Interstate End User Revenue	22,562,529	6,810,031	
FCC 2008 Price Cap Interstate End User Revenue	18,761,647	4,003,946	
Revenue Change (Line Loss)	-16.8%	-41.2%	

	7/07 - 6/08 (A)	Adj. for Rev Change	7/08-6/09 (C)	Exogenous (C)=B-A
Telecommunications Relay Service Support:				
	68,918 \$	40,520	40,520	-

North American Numbering Plan Administration:

	372 \$	310	310	-
Regulatory Fee Support:				
	21,588 \$	12,693	12,693	-

Growth Rate of CCL MOU/Line (g)

	2007	2008	
Total Common Line MOUs	85,682,141	80,887,647	
Average CPTs = Access Lines	41,994	39,409	
MOUs / Access Line	2,040.35	2,052.50	
Growth Rate (g)		0.60%	

	2006 Annual Interstate End User Revenues (499A)	Telecom Relay Service (B) = A * (0.00819-.0072)
2008 Adjustment to reflect 2007-08 TRS mid year change	-	-
Exogenous Amount	-	-

	2008 Annual Total End User Revenues (499A)	Regulatory Fee (C)=B * 0.00317	Telecom Relay Service (D) = B * 0.01012	North American Numbering Plan Administration (E) = A * 0.0000165
	(A)			
Exogenous Amount	18,761,647	4,003,946	40,520	310

	Common Line	Database Access	Billing Name and Address	Special	Excluded Revenues	Total Revenue
2008 End User Rev - FCC 499	\$ 3,937,586	- \$	- \$	66,360 \$	- \$	4,003,946
Allocation Basis	98.34%	0.00%	0.00%	1.66%	0.00%	100.00%
Telecom. Relay Support	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NANPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regulatory Fee Support:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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Filing Date: 05/01/2009

Filing Entity: Consolidated Communications of Fort Bend Company

Transmittal Number: Letter Filing

May 1, 2009 Short Form TRP filing

Price Cap Tariff Review Plan
Indices

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	6/30/2009 PCI (I)	6/30/2009 SBI (J)
Common Line Basket						
100 Total Common Line	N/A	N/A	N/A	N/A	N/A	N/A
Traffic Sensitive Basket						
200 Local Switching	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
210 Information	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
220 Database Access	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
230 800 DB VertSvcs Sub-Cat	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
240 Billing Name and Address	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
250 Local Switching Trunk Ports	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
260 STP Port Terminations	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
299 Total Traffic Sensitive	Trans.No. 21	Trans.No. 21	N/A	N/A	Trans.No. 21	N/A
Trunking Basket						
300 Interconnection Charge	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
310 Tandem Switched Transport	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
311 TST Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
312 TST Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
313 TST Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
314 TST Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
315 TST Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
316 TST Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
317 TST Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
320 VoiceGrade - Switched	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
321 VG DTT/EF Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
322 VG DTT/EF Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
323 VG DTT/EF Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
324 VG DTT/EF Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
325 VG DTT/EF Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
326 VG DTT/EF Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
327 VG DTT/EF Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
340 High Cap & Other - Switched	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
350 DS-1 SubCat - Switched	N/A	N/A	N/A	N/A	N/A	N/A
351 DS1 DTT Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
352 DS1 DTT Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
353 DS1 DTT Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
354 DS1 DTT Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
355 DS1 DTT Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
356 DS1 DTT Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
357 DS1 DTT Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
360 DS-3 SubCat - Switched	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
361 DS3 DTT Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
362 DS3 DTT Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
363 DS3 DTT Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
364 DS3 DTT Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
365 DS3 DTT Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
366 DS3 DTT Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
367 DS3 DTT Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A

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	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	6/30/2009 PCI (I)	6/30/2009 SBI (J)
370	N/A	N/A	N/A	N/A	N/A	N/A
371	N/A	N/A	N/A	N/A	N/A	N/A
372	N/A	N/A	N/A	N/A	N/A	N/A
373	N/A	N/A	N/A	N/A	N/A	N/A
374	N/A	N/A	N/A	N/A	N/A	N/A
375	N/A	N/A	N/A	N/A	N/A	N/A
376	N/A	N/A	N/A	N/A	N/A	N/A
380	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
381	N/A	N/A	N/A	N/A	N/A	N/A
382	N/A	N/A	N/A	N/A	N/A	N/A
383	N/A	N/A	N/A	N/A	N/A	N/A
384	N/A	N/A	N/A	N/A	N/A	N/A
385	N/A	N/A	N/A	N/A	N/A	N/A
386	N/A	N/A	N/A	N/A	N/A	N/A
387	N/A	N/A	N/A	N/A	N/A	N/A
499	Trans.No. 21	Trans.No. 21	N/A	N/A	Trans.No. 21	N/A
Interexchange Basket						
600	Trans.No. 21	Trans.No. 21	N/A	N/A	Trans.No. 21	N/A
Special Access Basket						
720	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
721	N/A	N/A	N/A	N/A	N/A	N/A
722	N/A	N/A	N/A	N/A	N/A	N/A
723	N/A	N/A	N/A	N/A	N/A	N/A
724	N/A	N/A	N/A	N/A	N/A	N/A
725	N/A	N/A	N/A	N/A	N/A	N/A
726	N/A	N/A	N/A	N/A	N/A	N/A
727	N/A	N/A	N/A	N/A	N/A	N/A
730	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
731	N/A	N/A	N/A	N/A	N/A	N/A
732	N/A	N/A	N/A	N/A	N/A	N/A
733	N/A	N/A	N/A	N/A	N/A	N/A
734	N/A	N/A	N/A	N/A	N/A	N/A
735	N/A	N/A	N/A	N/A	N/A	N/A
736	N/A	N/A	N/A	N/A	N/A	N/A
737	N/A	N/A	N/A	N/A	N/A	N/A
740	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
750	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
751	N/A	N/A	N/A	N/A	N/A	N/A
752	N/A	N/A	N/A	N/A	N/A	N/A
753	N/A	N/A	N/A	N/A	N/A	N/A
754	N/A	N/A	N/A	N/A	N/A	N/A
755	N/A	N/A	N/A	N/A	N/A	N/A
756	N/A	N/A	N/A	N/A	N/A	N/A
757	N/A	N/A	N/A	N/A	N/A	N/A
760	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
761	N/A	N/A	N/A	N/A	N/A	N/A
762	N/A	N/A	N/A	N/A	N/A	N/A
763	N/A	N/A	N/A	N/A	N/A	N/A
764	N/A	N/A	N/A	N/A	N/A	N/A
765	N/A	N/A	N/A	N/A	N/A	N/A
766	N/A	N/A	N/A	N/A	N/A	N/A
767	N/A	N/A	N/A	N/A	N/A	N/A

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	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	6/30/2009 PCI (I)	6/30/2009 SBI (J)
770 DDS&Other Sp Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
771 DDS&Other Sp Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
772 DDS&Other Sp Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
773 DDS&Other Sp Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
774 DDS&Other Sp Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
775 DDS&Other Sp Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
776 DDS&Other Sp Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
790 Wideband	N/A	N/A	Trans.No. 21	Trans.No. 21	N/A	Trans.No. 21
791 WB Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
792 WB Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
793 WB Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
794 WB Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
795 WB Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
796 WB Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
797 WB Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
899 Total Special Access	Trans.No. 21	Trans.No. 21	N/A	N/A	Trans.No. 21	N/A