

Hargray Telephone Company and Bluffton Telephone Company
Proposed Introduction of Special Access Synchronous Optical Channel Service ("SOCs")
May 5, 2010

Revenue Impact of Proposed New Services

- 1 Projected Synchronous Optical Channel Service (SOCS) Revenue for New Service
- 2 2008 Special Access Revenues - per FCC Form 492
- 3 Ratio of Proposed Service Projected Revenue to 2008 Special Access Revenue

Hargray Telephone Company	Bluffton Telephone Company
\$ 39,003 <i>Exh B.2, Page 1</i>	\$ 37,598 <i>Exh B.2, Page 2</i>
\$ 5,837,000	\$ 2,489,000
0.7%	1.5%

Projected Demand, Proposed Rates and Projected Revenue - HARGRAY TELEPHONE COMPANY

Line #	Synchronous Optical Channel Service ("SOCs") Service Element	Term Discount	Proposed Rate	Source of Rate	Projected average Monthly Demand	Projected Monthly Revenue	Projected Annual Demand	Projected Annual Revenue
	A	B	C	D	E	F + C * E	G = E*12	H = C * G
Monthly Recurring Charges								
1	OC3 Channel Termination - per Channel Termination	No Term	\$1,200.00	Exh B.3	0	\$ -	0	\$ -
2	OC3 Channel Termination - per Channel Termination	3 Year 10%	\$1,080.00	Calculated	0	-	0	-
3	OC3 Channel Termination - per Channel Termination	5 Year 20%	\$960.00	Calculated	0	-	0	-
4	OC3 Channel Mileage Facility - per Mile	No Term	\$260.00	Exh B.3	0	-	0	-
5	OC3 Channel Mileage Facility - per Mile	3 Year 10%	\$234.00	Calculated	0	-	0	-
6	OC3 Channel Mileage Facility - per Mile	5 Year 20%	\$208.00	Calculated	11.78	2,450.24	141.36	29,402.88
7	OC3 Channel Mileage Termination - per Termination	No Term	\$1,000.00	Exh B.3	0	-	0	-
8	OC3 Channel Mileage Termination - per Termination	3 Year 10%	\$900.00	Calculated	0	-	0	-
9	OC3 Channel Mileage Termination - per Termination	5 Year 20%	\$800.00	Calculated	1	800.00	12	9,600.00
10	Add/Drop Multiplexing Central Office Port - DS1	No Term	\$40.00	Exh B.3	0	-	0	-
11	Add/Drop Multiplexing Central Office Port - DS1	3 Year 10%	\$36.00	Calculated	0	-	0	-
12	Add/Drop Multiplexing Central Office Port - DS1	5 Year 20%	\$32.00	Calculated	0	-	0	-
13	Add/Drop Multiplexing Central Office Port - DS3	No Term	\$100.00	Exh B.3	0	-	0	-
14	Add/Drop Multiplexing Central Office Port - DS3	3 Year 10%	\$90.00	Calculated	0	-	0	-
15	Add/Drop Multiplexing Central Office Port - DS3	5 Year 20%	\$80.00	Calculated	0	-	0	-
16	Total Projected Annual Revenue from MRCs					\$ 3,250.24		\$ 39,002.88
Nonrecurring Charges								
17	OC3 Channel Termination Nonrecurring Charge		\$480.00	Exh B.5			0	\$ -
18	Total Projected Annual Revenue							\$ 39,002.88

Projected Demand, Proposed Rates and Projected Revenue - BLUFFTON TELEPHONE COMPANY

Line #	Synchronous Optical Channel Service ("SOCS") Service Element	Term Discount	Proposed Rate	Source of Rate	Projected average Monthly Demand	Projected Monthly Revenue	Projected Annual Demand	Projected Annual Revenue
	A	B	C	D	E	F + C * E	G = E*12	H = C * G

Bluffton Telephone Company

Monthly Recurring Charges

1	OC3 Channel Termination - per Channel Termination	No Term	\$3,000.00	Exh B.3	0	\$ -	0	\$ -
2	OC3 Channel Termination - per Channel Termination	3 Year 10%	\$2,700.00	Calculated	0	-	0	-
3	OC3 Channel Termination - per Channel Termination	5 Year 20%	\$2,400.00	Calculated	1	2,400.00	12	28,800.00
4	OC3 Channel Mileage Facility - per Mile	No Term	\$175.00	Exh B.3	0	-	0	-
5	OC3 Channel Mileage Facility - per Mile	3 Year 10%	\$157.50	Calculated	0	-	0	-
6	OC3 Channel Mileage Facility - per Mile	5 Year 20%	\$140.00	Calculated	0.38	53.20	4.56	638.40
7	OC3 Channel Mileage Termination - per Termination	No Term	\$800.00	Exh B.3	0	-	0	-
8	OC3 Channel Mileage Termination - per Termination	3 Year 10%	\$720.00	Calculated	0	-	0	-
9	OC3 Channel Mileage Termination - per Termination	5 Year 20%	\$640.00	Calculated	1	640.00	12	7,680.00
10	Add/Drop Multiplexing Central Office Port - DS1	No Term	\$40.00	Exh B.3	0	-	0	-
11	Add/Drop Multiplexing Central Office Port - DS1	3 Year 10%	\$36.00	Calculated	0	-	0	-
12	Add/Drop Multiplexing Central Office Port - DS1	5 Year 20%	\$32.00	Calculated	0	-	0	-
13	Add/Drop Multiplexing Central Office Port - DS3	No Term	\$100.00	Exh B.3	0	-	0	-
14	Add/Drop Multiplexing Central Office Port - DS3	3 Year 10%	\$90.00	Calculated	0	-	0	-
15	Add/Drop Multiplexing Central Office Port - DS3	5 Year 20%	\$80.00	Calculated	0	-	0	-
16	Total Projected Annual Revenue from MRCs					\$ 3,093.20		\$ 37,118.40

Nonrecurring Charges

17	OC3 Channel Termination Nonrecurring Charge		\$480.00	Exh B.5			1	\$ 480.00
18	Total Projected Annual Revenue							\$ 37,598.40

Hargray Telephone Company and Bluffton Tel

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Comparison of Proposed Hargray and Bluffton OC3 and ADM Rates to Other JSI Issuing Carriers

Capacity (Transmission Speed)	Smart City Telecom	Farmers Telephone Cooperative	South Central Rural	Horry Telephone Cooperative	Rock Hill Telephone Company	Lancaster Telephone Company	Fort Mill Tel Co	Atlantic TMC	Average	Median	Proposed Hargray	Proposed Bluffton
<i>All Rates Below per John Staurulakis, Inc. Tariff F.C.C. No. 1</i>												
<u>Channel Termination</u>												
1 DS3 44.736 Mbps	\$1,002.62	\$922.32	\$186.89	\$392.14	\$817.32	\$838.15	\$751.35	\$342.07	\$656.61	\$784.34	\$649.35	\$1,610.45
2 OC3 155.52 Mbps	\$2,323.16	\$1,700.00	\$1,170.00	\$1,200.00	\$1,092.36	\$1,596.00	\$915.04	\$748.00	\$1,343.07	\$1,185.00	\$1,200.00	\$3,000.00
3 OC3 as % of DS3	231.7%	184.3%	626.0%	306.0%	133.7%	190.4%	121.8%	218.7%	204.5%	151.1%	184.8%	186.3%
<u>Channel Mileage Facility</u>												
4 DS3 44.736 Mbps	\$53.17	\$100.94	\$41.57	\$112.84	\$90.48	\$81.92	\$65.66	\$94.92	\$80.19	\$86.20	\$142.24	\$91.50
5 OC3 155.52 Mbps	\$182.30	\$120.00	\$90.00	\$170.00	\$143.66	\$155.00	\$94.91	\$269.58	\$153.18	\$149.33	\$260.00	\$175.00
6 OC3 as % of DS3	342.9%	118.9%	216.5%	150.7%	158.8%	189.2%	144.5%	284.0%	191.0%	173.2%	182.8%	191.3%
<u>Channel Mileage Termination</u>												
7 DS3 44.736 Mbps	\$270.75	\$427.28	\$174.51	\$449.85	\$498.26	\$325.21	\$358.77	\$389.76	\$361.80	\$374.27	\$584.95	\$412.77
8 OC3 155.52 Mbps	\$1,131.68	\$430.00	\$300.00	\$800.00	\$655.40	\$682.00	\$446.69	\$767.00	\$651.60	\$668.70	\$1,000.00	\$800.00
9 OC3 as % of DS3	418.0%	100.6%	171.9%	177.8%	131.5%	209.7%	124.5%	196.8%	180.1%	178.7%	171.0%	193.8%
<u>Add/Drop Multiplexing ADM</u>												
10 DS3 to DS1 MUX		\$341.31		\$209.32	\$275.82			\$259.79	\$271.56	\$267.81	\$131.02	\$289.04
11 SOCS DS1 ADM		\$40.00		\$36.67	\$40.00			\$14.11	\$32.70	\$38.34	\$40.00	\$40.00
12 SOCS DS1 ADM as % of DS3 to DS1 MUX		11.7%		17.5%	14.5%			5.4%	12.0%	14.3%	30.5%	13.8%
13 SOCS DS3 ADM		\$80.00		\$90.91	\$100.00			\$35.90	\$76.70	\$85.46	\$100.00	\$100.00
14 SOCS DS3 ADM as % of DS1 ADM		200.0%		247.9%	250.0%			254.4%	234.6%	222.9%	250.0%	250.0%

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Comparison of Proposed Rates to Cost of Service for Elements Not Including Facilities (Mileage)

Line #	Synchronous Optical Channel Service ("SOCs") Service Element	Required Plant Investment	Carrying Charge Factor (1)	Annual Cost @ Carrying Charges	Monthly Cost	Proposed Five-Year Term Rate - Monthly Recurring Charge	Column E Source	Coverage of Cost by Proposed Rate
		A	B	C = A * B	D / C	E	F	G

Hargray Telephone Company

1	OC3 Channel Mileage Termination	\$ 19,954.00	20.9%	\$ 4,170.39	\$ 347.53	\$800.00	<i>Exh B.2, Pg 1, Ln 9</i>	230%
2	Add/Drop Multiplexing Central Office Port - DS1	1,503.00	20.9%	314.13	26.18	\$32.00	<i>Exh B.2, Pg 1, Ln 12</i>	122%
3	Add/Drop Multiplexing Central Office Port - DS3	1,503.00	20.9%	314.13	26.18	\$80.00	<i>Exh B.2, Pg 1, Ln 15</i>	306%

Bluffton Telephone Company

4	OC3 Channel Mileage Termination	\$ 19,954.00	36.1%	\$ 7,203.39	\$ 600.28	\$640.00	<i>Exh B.2, Pg 2, Ln 9</i>	107%
5	Add/Drop Multiplexing Central Office Port - DS1	1,503.00	36.1%	542.58	45.22	\$32.00	<i>Exh B.2, Pg 2, Ln 12</i>	71%
6	Add/Drop Multiplexing Central Office Port - DS3	1,503.00	36.1%	542.58	45.22	\$80.00	<i>Exh B.2, Pg 2, Ln 15</i>	177%

Note 1: Carrying Charge Factor

The interstate Special Access Carrying Charge Factor is calculated based on data from the 2008 interstate Cost Study (Part 36/Part 69).
The Carrying Charge Factor is equal to the ratio of the interstate Special Access Revenue Requirement to interstate Special Access Telecommunications Plant-in-Service.

JSI Transmittal No. 151

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EXHIBIT B.5

Non-Recurring Charge Cost of Service

INSTALLATION OF SOCS CHANNEL TERMINATIONS				
	Department	Loaded Labor Rate	Hours Required	Cost
	A	B	C	D = B * C
1	Engineering	\$47.98	3.00	\$143.93
2	I&R	\$44.59	7.50	\$334.43
3	TOTAL COST			\$478.35
4	Proposed Tariffed Rate			\$480.00

John Staurulakis, Inc.