

DEVELOPMENT OF PROPOSED RESIDENCE, SINGLE BUSINESS AND MULTI-LINE BUSINESS END USER RATES

END USER TARIFF MEMBERS

LINE NO	COST PER LINE GROUP CATEGORY ¹	COMMON LINE REVENUE REQUIREMENT ²	MONTHLY AVERAGE ACCESS LINES ³	RATE BAND ⁴	PROPOSED MULTI-LINE BUSINESS RATES ⁵	MONTHLY AVERAGE MULTI-LINE BUSINESS LINES ³	PROPOSED RESIDENCE AND SINGLE-LINE BUSINESS RATES ⁶	MONTHLY AVERAGE RESIDENCE AND SINGLE-LINE BUSINESS LINES
		(A)	(B)		(C) = MIN (A / B) / 12, \$9.20)	(D)	(E) = MIN (A / B) / 12, \$6.50)	(F) = B - D
1	\$8.75	\$212,856	2,085	12	\$8.51	268	\$6.50	1,817
2	Above \$9.20	\$1,341,144,019	4,771,953	15	\$9.20	989,517	\$6.50	3,782,436
3	Total	\$1,341,356,875	4,774,038			989,785		3,784,253
4	NECA END-USER MULTI-LINE AVERAGE RATE = Sum of Elements of (Col C * Col D) / Total of Col D						\$9.20	
5	NECA END-USER RESIDENCE AND SINGLE-LINE BUSINESS AVERAGE RATE = Sum of Elements of (Col E * Col F) / Total of Col F						\$6.50	

NOTE:

- 1 A Study Area is assigned to the cost per line group immediately above its projected cost per line with the exception of rate band 15 which includes study areas with cost per line greater than \$9.20.
- 2 Revenue Requirement was reduced by ISDN port revenue, DS1 port revenue and SAS Revenue, and then adjusted for uncollectibles.
- 3 A PRI ISDN line is counted as 5 multi-line business access lines. A DS1 Channel Service is counted as 5 multi-line business access lines. Excludes UNE loops.
- 4 There are 15 rate bands. Rate bands 1 through 11, 13 and 14 with no common line revenue requirement and lines associated are not assigned rates and are not shown. All rate bands are displayed in Volume 1 Exhibit 3 Workpaper 2.
- 5 Per FCC order, the maximum monthly End User Common Line Charge for multi-line business will be the lesser of \$9.20 or cost per line. (FCC 01-304 APPENDIX A PART 69.104 (o) (1), Nov 8, 2001).
- 6 Per FCC order, the maximum monthly charge for each residential or single-line business local exchange service subscriber line shall be the lesser of cost per line or \$6.50 beginning July 1, 2003. (FCC 01-304 APPENDIX A PART 69.104 (n) (1), Nov 8, 2001).

JUNE 16, 2011 NECA ACCESS CHARGE FILING

TEST PERIOD: JULY 1, 2011 - JUNE 30, 2012

VOLUME 4

EXHIBIT 2

END USER REVENUE AT PROPOSED RATES AND SPECIAL ACCESS SURCHARGE REVENUE

LINE NO	DESCRIPTION	DEMAND (A)	SOURCES /SUMMARY	PROPOSED RATES ¹ (B)	SOURCES /SUMMARY	PROPOSED REVENUES (C) = A * B * 12
<u>EU TARIFF MEMBERS</u>						
1	EU-CPT RESIDENCE LINE (INCLUDES CENTREX CPTS)	3,576,574	V3 EX 1	\$6.50	V4 EX 1 LINE 5	\$278,972,772
2	EU-CPT SINGLE LINE BUSINESS (INCLUDES ISDN BRI AND SLC CHARGES)	207,679	V3 EX 1	\$6.50	V4 EX 1 LINE 5	\$16,198,962
3	EU-CPT BUSINESS MULTI-LINE BUSINESS (INCLUDES CENTREX CPTS, ISDN PRI AND DS1 SLC CHARGES)	989,785	V4 EX 1	\$9.20	V4 EX 1 LINE 4	\$109,270,045
4	EU-UNE LOOPS	3,696	NOTE ²		NOTE ²	\$103,756
5	TARIFF MEMBER SUBTOTAL	4,777,734	LINE 1 + LINE 2 + LINE 3 + LINE 4			\$404,545,535
<u>NON-EU TARIFF MEMBERS</u>						
6	EU-CPT RESIDENCE LINE (INCLUDES CENTREX CPTS)	35,984	V3 EX 1 WP 1	\$6.50	V3 APPENDIX A	\$2,806,752
7	EU-CPT SINGLE LINE BUSINESS (INCLUDES ISDN BRI AND SLC CHARGES)	3,769	V3 EX 1 WP 1	\$6.50	V3 APPENDIX A	\$293,982
8	EU-CPT BUSINESS MULTI-LINE BUSINESS (INCLUDES CENTREX CPTS, ISDN PRI AND DS1 SLC CHARGES)	11,059	V3 EX 1 WP 1	\$9.20	V3 APPENDIX A	\$1,220,914
9	NON-TARIFF MEMBER SUBTOTAL	50,812	LINE 6 + LINE 7 + LINE 8			\$4,321,648
<u>COMMON LINE POOL MEMBERS</u>						
10	TOTAL END USER SUBSCRIBER LINE CHARGE REVENUE	4,828,546	LINE 5 + LINE 9			\$408,867,183
11	SUBSCRIBER LINE UNCOLLECTIBLE				NOTE ³	\$1,122,966
12	NET END USER SUBSCRIBER LINE CHARGE REVENUE		LINE 10 - LINE 11			\$407,744,218
13	SA SURCHARGEABLE CHANNELS (SAS) REVENUE	335	V3 EX 1 WP 1	\$25.00	NECA TARIFF 5 SEC. 17.3.1	\$100,500
14	TOTAL SUBSCRIBER LINE CHARGE + SAS REVENUE		LINE 12 + LINE 13			\$407,844,718

NOTE:

1 The average of banded rates from Volume 4 Exhibit 1 is shown to two decimal places.

2 Estimates of demand and revenue based on amounts reported to NECA settlements and NECA line count data collection.

3 Sum of carrier's (historical settlement uncollectible / historical SLC revenue) * Test Period SLC revenue.

JUNE 16, 2011 NECA ACCESS CHARGE FILING

VOLUME 4

TEST PERIOD: JULY 1, 2011 - JUNE 30, 2012

EXHIBIT 3

DEVELOPMENT OF ISDN LINE & DS1 CHANNEL SERVICE PORT COSTS AND PROPOSED RATES

LINE NO.	DESCRIPTION	SOURCES /SUMMARY	AMOUNT
1	BASIC ANALOG POTS INVESTMENT	2006 NECA Ports Investment Cost Study	\$106.50
2	ISDN BRI PER UNIT INVESTMENT	2006 NECA Ports Investment Cost Study	\$554.87
3	ISDN PRI PER UNIT INVESTMENT	2006 NECA Ports Investment Cost Study	\$5,645.75
4	DS1 SERVICE PER UNIT INVESTMENT	2006 NECA Ports Investment Cost Study	\$4,395.06
5	NECA POOL INTERSTATE FACTOR	2000 UNWEIGHTED RELATIVE DEM FACTOR FOR NECA POOL	0.181
6	ANNUAL CARRYING CHARGE FACTOR	NOTE ¹	23.5%
7	POTS PER UNIT COST	(LINE 1 * LINE 5 * LINE 6) / 12	\$0.38
8	ISDN BRI PER UNIT COST	(LINE 2 * LINE 5 * LINE 6) / 12	\$1.96
9	ISDN PRI PER UNIT COST	(LINE 3 * LINE 5 * LINE 6) / 12	\$19.97
10	DS1 PER UNIT COST	(LINE 4 * LINE 5 * LINE 6) / 12	\$15.55
11	COST OF FIVE POTS PORTS	(LINE 7) * 5	\$1.88
<u>PORT COSTS AFTER POTS ADJUSTMENTS</u>			
12	ISDN BRI PORT AVERAGE COST	LINE 8 - LINE 7	\$1.59
13	ISDN PRI AVERAGE PORT COST	LINE 9 - LINE 11	\$18.09
14	DS1 AVERAGE PORT COST	LINE 10 - LINE 11	\$13.67
15	ISDN PRI AND DS1 AVERAGE PORT COST ²	LINE 13 * .396 + LINE 14 * .604	\$15.42
<u>PROPOSED PORT RATES</u>			
16	ISDN BRI PORT RATE	NECA TARIFF F.C.C. NO. 5 §17.1.4 (A)	\$2.23
17	ISDN PRI PORT RATE	NECA TARIFF F.C.C. NO. 5 §17.1.4 (B)	\$23.51
18	DS1 CHANNEL SERVICE PORT RATE	NECA TARIFF F.C.C. NO. 5 §17.1.5 (A)	\$23.51

NOTE:

1 Test Period Local Switching Revenue Requirement/Local Switching Total Plant in Service

2 Access Lines associated with DS1 and ISDN PRI of the RDTF members were used to calculate the weighted average port cost.

JUNE 16, 2011 NECA ACCESS CHARGE FILING

VOLUME 4

TEST PERIOD: JULY 1, 2011 - JUNE 30, 2012

EXHIBIT 4

ISDN LINE PORT REVENUE AND DS1 CHANNEL SERVICE PORT REVENUE AT PROPOSED RATES

<u>LINE NO.</u>	<u>DESCRIPTION</u>	<u>MONTHLY DEMAND</u> (A)	<u>SOURCE /SUMMARY</u>	<u>PROPOSED RATE</u> (B)	<u>SOURCE /SUMMARY</u>	<u>PROPOSED REVENUE</u> (C) = A * B * 12
1	ISDN BRI LINE PORT REVENUE	3,131	V3 EX 1 WP 1	\$2.23	V4 EX 3 LINE 16	\$83,786
2	ISDN PRI LINE PORT REVENUE	5,323	V3 EX 1 WP 1	\$23.51	V4 EX 3 LINE 17	\$1,501,725
3	DS1 CHANNEL SERVICE PORT REVENUE	3,107	V3 EX 1 WP 1	\$23.51	V4 EX 3 LINE 18	\$876,547
4	TOTAL ISDN LINE and DS1 PORT REVENUE		LINE 1 + LINE 2 + LINE 3			\$2,462,057

JUNE 16, 2011 NECA ACCESS CHARGE FILING
TEST PERIOD: JULY 1, 2011 - JUNE 30, 2012
COMMON LINE REVENUE AT PROPOSED RATES

VOLUME 4
EXHIBIT 5

LINE NO	DESCRIPTION	SOURCE /SUMMARY	PROPOSED REVENUES ¹ (\$ Million)
1	END USER REVENUE AND SAS	V4 EX 2 LINE 14 / 1,000,000	\$407.8
2	ISDN LINE PORT AND DS1 PORT REVENUE	V4 EX 4 LINE 4 COL C / 1,000,000	\$2.5
3	TOTAL REVENUE	LINE 1 + LINE 2	\$410.3
4	INTERSTATE COMMON LINE SUPPORT	V2 EX 2	\$952.2
5	TOTAL COMMON LINE REVENUE	LINE 3 + LINE 4	\$1,362.5

NOTE:

¹ Calculations are done with full numbers.

JUNE 16, 2011 NECA ACCESS CHARGE FILING

TEST PERIOD: JULY 1, 2011 - JUNE 30, 2012

DEVELOPMENT OF OPTIONAL MULTI-LINE BUSINESS EUCL FUSC SURCHARGE AND REVENUE

VOLUME 4

EXHIBIT 6

LINE NO	FUSC BAND	BUSINESS CENTREX %	MULTI-LINE REVENUE ¹	BUSINESS CENTREX REVENUE ²	MLB EUCL FUSC SURCHARGE ³	PROJECTED FUSC REVENUE
			(A)	(B)	(C)	(D) = ((A - B)+ B / 9) * C
1	1	5%	\$1,524,845	\$31,464	14.7%	\$220,041
2	2	10%	\$1,163,285	\$91,632	15.5%	\$167,684
3	3	15%	\$4,296,326	\$467,102	15.9%	\$617,099
4	4	20%	\$6,957,077	\$1,189,560	17.0%	\$1,002,947
5	5	25%	\$272,467	\$64,474	18.2%	\$39,159
6	6	30%	\$549,019	\$151,690	19.1%	\$79,109
7	7	35%	\$1,040,630	\$334,291	20.2%	\$150,183
8	8	40%	\$497,794	\$195,518	22.1%	\$71,604
9	9	45%	\$775,781	\$341,909	23.7%	\$111,831
10	10	50%	\$170,347	\$82,469	25.3%	\$24,552
11	11	55%	\$188,894	\$103,445	28.1%	\$27,241
12	12	60%	\$271,805	\$150,034	28.3%	\$39,179
13	13	65%	\$1,425,374	\$899,870	32.8%	\$205,161
14	14	70%	\$578,606	\$379,555	34.5%	\$83,222
15	15	75%	\$0	\$0	40.5%	\$0
16	16	80%	\$0	\$0	46.3%	\$0
17	17	85%	\$0	\$0	54.0%	\$0
18	18	90%	\$0	\$0	64.8%	\$0
19	19	95%	\$0	\$0	81.0%	\$0
20	20	100%	\$0	\$0	108.0%	\$0
21	TOTAL		\$19,712,251	\$4,483,013		\$2,839,012

NOTE:

1 Following FCC Order on Reconsideration in CC Docket No. 96-45 (FCC 08-51) released on February 14, 2008, Payphone Service Provider Lines are excluded from calculation of MLB EUCL FUSC surcharges.

2 A study area or rate-banded entity is assigned to the business Centrex percentage group immediately above its business Centrex share.

3 The following formula is used to calculate Multi-line FUSC surcharge for each band:
Contribution Factor/(1 - 8/9 * Business Centrex Rev / MLB Rev).

For bands with no MLB revenue projected, the following formula is used to calculate Multi-line FUSC surcharge for each band:
Contribution Factor/(1 - 8/9 * Mid-point of Band Business Centrex Percentages).

JUNE 16, 2011 NECA ACCESS CHARGE FILING
TEST PERIOD: JULY 1, 2011 - JUNE 30, 2012
DEVELOPMENT OF FEDERAL UNIVERSAL SERVICE CHARGE REVENUE

VOLUME 4
EXHIBIT 7

<u>LINE NO.</u>	<u>ITEM</u>	<u>SOURCE</u>	<u>AMOUNT</u> ¹ (\$ Million)
1	PROJECTED CL RETAIL REVENUE FROM RES/SLB, ISDN PORT, DS1 PORT, AND SAS	V2 EX 9 LINE 6 COL A	\$390.2
2	PROJECTED BANDED MLB REVENUE	V4 EX 6 LINE 21 COL A	\$19.7
3	PROJECTED SPECIAL ACCESS RETAIL REVENUE	V2 EX 9 LINE 6 COL B	\$210.0
4	PROJECTED RETAIL REVENUE EXCLUDING BANDED MLB REVENUE	LINE 1 - LINE 2 + LINE 3	\$580.5
5	FUSC SURCHARGE	V2 EX 9 LINE 7 COL C	14.4%
6	PROJECTED FUSC SURCHARGE FROM NON-BANDED REVENUE	LINE 4 * LINE 5	\$83.6
7	PROJECTED MLB EUCL FUSC SURCHARGE FROM BANDED MLB REVENUE	V4 EX 6 LINE 21 COL D / 1,000,000	\$2.8
8	PROJECTED TEST PERIOD FUSC REVENUE	LINE 6 + LINE 7	\$86.4

NOTE: ¹ Calculations are done with full numbers.