



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 2012 PRICE CAP SHORT FORM FILING

May 17, 2012

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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 2012 TRP Notice released March 28, 2012 (DA 12-482 and DA 12-570) 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 87,000 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 2012 Annual Access Charge Tariff Filings, released March 28, 2012, DA 12-482 ("2012 Filing Order"); and Tariff Review Plans, Material to be filed in support of 2011 Annual filings, DA 12-575, released April 19, 2012 ("2012 TRP Order").

Riverbrook, Walden, and Wells. The 7 exchanges of the Conroe market area contain approximately 54,000 customers, primarily in Montgomery County.

The Lufkin market area serves 9 exchanges and 33,000 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 32,000 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 12-07, July, 2012 Annual Access Charge Tariff Filings released March 28, 2012, and Tariff Review Plans issued in WCB/Pricing 12-08, Material to be Filed in Support of 2012 Annual Access Tariff Filings, released April 19, 2012.

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 (Excel files CCTXas12.xls and CCFBas12.xls)

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 8. A GDP-PI factor of 2.1486% 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, 2011 and the corresponding quarter of the 2010 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, page 3. Also, pursuant to DA 08-1026⁴, Consolidated has excluded ICLS receipts from its CMT PCI calculations.

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 3.

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 2010 (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 3.

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

³ 2012 TRP Notice, Supra., Paragraph 11.

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

(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 0.000022⁶. 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 2012 fiscal year (July 2012 to June 2013). 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 3. No updated factor has been used for this filing.

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 2012 – June 2013 fiscal year was calculated using a factor of .00375 as prescribed in the Commission's *Regulatory Fee Order*,⁸ and has been used as an estimate and included as an exogenous cost in this filing and is shown in Exhibit 2, RDEV-1, Page 2 of 3. In addition, because of the timing of last year's regulatory fee order, CCC elected to leave its last annual filing unchanged and reflect the difference in this year's filing. Because of this event, it is now necessary to normalize the exogenous rate over the full year thereby reversing the accelerated ratemaking. This exogenous allocation can be seen in RDEV-1, Page 2a.

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 .001058 as prescribed in the Commission's *TRS Order*¹⁰ and is displayed on Exhibit 2, RDEV-1, Page 2 of 3. In addition, because of the timing of last year's TRS order, CCC elected to leave its last annual filing unchanged and reflect the difference in this year's filing. Because of this event, it is now necessary to normalize the exogenous rate over

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 2011 through June 2012 (filed May 16, 2011) Public Notice, DA 11-884, 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 2011*, Notice of Proposed Rulemaking, (filed July 22, 2011) FCC Order 11-114, MD Docket 11-76 (*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 *National Exchange Carrier Association submits payment formulas and funding requirements for the Interstate Telecommunications Relay Service Fund for the July 2011 through June 2012 fund year*, CG Docket No. 03-123, FCC Order 11-104, Released June 30, 2011

the full year thereby reversing the accelerated ratemaking. This exogenous allocation can be seen in RDEV-1, Page 2a.

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: 05/17/2012
Filing Entity: Consolidated Communications of Texas Compan
Transmittal Number: Letter Filing
May 17, 2012 Access Charge Short Form TRP Filing (CCTXas12.xls)

5/17/12 PCI Development

	Common Line (A)	Interexchange (D)	Special (E)
1. Revenues (R)	7,471,080	0	18,161,277
2. Exogenous Changes (Z)	2,731	0	54
a. EDFIT / ITC / Access Cost Changes	0	0	0
b. Telecom. Relay Service Changes	341	0	7
c. Lower Formula Adjustment (LFAM)	0	0	0
d. Regulatory Fee Support Changes	2,389	0	47
e. North American Numbering Plan Admin.	0	0	0
3. Z/R = (Ln 2 / Ln 1)	0.000365	0.000000	0.000003
4. W = ((Ln 1 + Ln 2) / R)	1.000365	0.000000	1.000003
5. GDP-PI Chain Weighted (4 Qtr 2011)	114.0610	114.0610	114.0610
6. GDP-PI Chain Weighted (4 Qtr 2010)	111.6990	111.6990	111.6990
7. Percent Change in GDP-PI (i) ((Ln 5 - Ln 6) / Ln 6) * 100	2.1486%	2.1486%	2.1486%
8. Productivity (X)	N/A	3.0000%	2.148600%
9. GDP-PI - X (Ln 8 - Ln 7)	N/A	-0.8514%	0.0000%
10. Growth Rate of CCL MOU/Line (g)	-8.5092%	N/A	N/A
11. Existing PCI	0.0000	0.0000	100.0000
12. Targeted Revenue Differential TRP Form TGT-1 r1100	N/A	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	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	0.0000	100.0003

Exogenous Cost Changes Detail

	Total	Interstate
FCC 2010 Price Cap Interstate End User Revenue	39,983,035.05	8,959,469
FCC 2011 Price Cap Interstate End User Revenue	35,458,056.98	8,445,353
Revenue Change (Line Loss)	-11.3%	-5.7%

	7/09-6/10 (A)	Adj. for Rev Change	7/10-6/11 (B)	From EXG Allocate	Exogenous (C)=B-A
Telecommunications Relay Service Support:					
	94,791	\$	89,352	348.1	348

North American Numbering Plan Administration:

	880	\$	780	780	-
<u>Regulatory Fee Support:</u>	33,598	\$	31,670	31,670	2,437

	2011 Annual				
Total		Interstate		Regulatory	Telecom
End User Revenues		(499A)		Fee	Relay
(A)		(B)		(C)=B * 0.00375	Service
				(D) = B * 0.01058	North American
				(E) = A * 0.000022	Numbering Plan
					Administration

Exogenous Amount	35,458,057	8,445,353	31,670	89,352	780
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	Common Line	Database Access	Billing Name and Address	Special	Excluded Revenues	Total Revenue
2009 End User Rev - FCC 499	\$ 8,281,272	\$ -	\$ -	\$ 164,082	\$ -	\$ 8,445,353
Allocation Basis	98.06%	0.00%	0.00%	1.94%	0.00%	100.00%
Thousand Block Numbering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telecom. Relay Support	\$ 341.33	\$ -	\$ -	\$ 6.76	\$ -	\$ 348
NANPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regulatory Fee Support:	\$ 2,389.33	\$ -	\$ -	\$ 47	\$ -	\$ 2,437
Sub-Total	\$ 2,730.67	\$ -	\$ -	\$ 54.10	\$ -	\$ 2,785

Filing Date: 05/17/12
Filing Entity: Consolidated Communications of Texas Company
Letter Filing
May 17, 2012 Access Charge Short Form TRP Filing (CCTXas12.xls)

Exogenous Cost Changes Detail

	2010 Annual		FCC 11-68	DA 11-826	DA 11-884
	Total	Interstate	5/3/2011	5/4/2011	5/16/2011
	End User Revenues	End User Revenues	Reg Fee	TRS	NANPA
	(499A)	(499A)			
	(A)	(B)	(C)=B * 0.00361	(D) = B * 0.01056	(E) = A * 0.0000220
Exogenous Amount	\$ 39,983,035	\$ 8,959,469	\$ 32,344	\$ 94,612	\$ 880
Excluded Revenue	\$ -	\$ -			
Price Cap Revenue Percentage	100.00%	100.00%			

	2010 Annual		FCC 11-114	FCC 11-104	
	Total	Interstate	7/22/2011	6/30/2011	
	End User Revenues	End User Revenues	Reg Fee	TRS	
	(499A)	(499A)			
	(A)	(B)	(C') = B' * 0.00375	(C') = B' * 0.01058	
Exogenous Amount	\$ 39,983,035	\$ 8,959,469	\$ 33,598	\$ 94,791	
Excluded Revenue	\$ -	\$ -			
Price Cap Revenue Percentage	100.00%	100.00%			

	2011 Annual		FCC 11-114	FCC 11-104	DA 11-884
	Total	Interstate	7/22/2011	6/30/2011	5/16/2011
	End User Revenues	End User Revenues	Reg Fee	TRS	NANPA
	(499A)	(499A)			
	(A')	(B')	(C') = B' * 0.00375	(D') = B' * 0.01058	(E') = A' * 0.0000220
Exogenous Amount	\$ 35,458,057	\$ 8,445,353	\$ 31,670	\$ 89,352	\$ 780
Excluded Revenue	\$ -	\$ -			
Price Cap Revenue Percentage	100.00%	100.00%			

Telecom Relay Support
DA 11-826 - (D) = B * 0.01056
FCC 11-104 = D * 0.01058
FCC 11-104 - (D') = B' * 0.01058

	7/11 - 6/12	7/12 - 6/13	
	94,612		
		179	
		89,352	
	\$ 94,612	\$ 89,531	\$ (5,081)
% Price Cap Allocation	100.00%	100.00%	
Price Cap Only	\$ 94,612	\$ 89,531	\$ (5,081)
FCC 2010 Price Cap Interstate End User Revenue	8,959,469		
FCC 2011 Price Cap Interstate End User Revenue	8,445,353		
Revenue Change (R)	-5.73824%		
Price Cap Only with R Adj	\$ 89,183	\$ 89,531	\$ 348

Regulatory Fee Support:
FCC 11-68 - (C)=B * 0.00361
FCC 11-114 - (C) = B * .00375
FCC 11-114 - (C') = B' * 0.00375

	7/11 - 6/12	7/12 - 6/13	
	32,344		
		1,254	
		31,670	
	32,344	32,924	\$ 581
% Price Cap Allocation	100.00%	100.00%	
Price Cap Only	\$ 32,344	\$ 32,924	\$ 581
FCC 2010 Price Cap Interstate End User Revenue	8,959,469		
FCC 2011 Price Cap Interstate End User Revenue	8,445,353		
Revenue Change (R)	-5.73824%		
Price Cap Only with R Adj	\$ 30,488	\$ 32,924	\$ 2,437

North American Numbering Plan Administration:
DA 11-884 - (E) = A * 0.0000220
DA 11-884 - (E') = A' * 0.0000220

	7/11 - 6/12	7/12 - 6/13	
	880		
		780	
	880	780	\$ (100)
% Price Cap Allocation	100.00%	100.00%	
Price Cap Only	\$ 880	\$ 780	\$ (100)
FCC 2010 Price Cap Interstate End User Revenue	39,983,035		
FCC 2011 Price Cap Interstate End User Revenue	35,458,057		
Revenue Change (R)	-11.31725%		
Price Cap Only with R Adj	\$ 780	\$ 780	\$ -

	Common Line	Special	Price Cap Revenue
499A 2011 Annual Interstate End User Revenues	\$ 8,281,272	\$ 164,082	\$ 8,445,353
Allocation Basis	98.06%	1.94%	
Telecom. Relay Support	\$ 341	\$ 7	\$ 348
Regulatory Fee Support:	\$ 2,389	\$ 47	\$ 2,437
NANPA	\$ -	\$ -	\$ -
	\$ 2,731	\$ 54	\$ 2,785

Filing Date: 06/16/2011

Filing Entity: Consolidated Communications of Texas Company

Transmittal Number: Letter Filing

May 17, 2012 Access Charge Short Form TRP Filing (CCTXas12.xls)

Price Cap Tariff Review Plan
Indices

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	6/30/2010 PCI (I)	6/30/2010 SBI (J)
<u>Common Line Basket</u>						
100 Total Common Line	N/A	N/A	N/A	N/A	N/A	N/A
<u>Interexchange Basket</u>						
600 Total Interexchange	Trans.No. 24	Trans.No. 24	N/A	N/A	Trans.No. 24	N/A
<u>Special Access Basket</u>						
720 VG/WATS, Met, Tgh - Special	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
721 VG Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
722 VG Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
723 VG Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
724 VG Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
725 VG Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
726 VG Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
727 VG Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
730 Audio & Video	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
731 Audio/Video Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
732 Audio/Video Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
733 Audio/Video Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
734 Audio/Video Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
735 Audio/Video Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
736 Audio/Video Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
737 Audio/Video Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
740 High Cap & DDS - Special	N/A	N/A	Trans.No. 32	Trans.No. 32	N/A	Trans.No. 32
750 DS-1 SubCat - Special	N/A	N/A	Trans.No. 32	Trans.No. 32	N/A	Trans.No. 32
751 DS1 Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
752 DS1 Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
753 DS1 Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
754 DS1 Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
755 DS1 Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
756 DS1 Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
757 DS1 Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
760 DS-3 SubCat - Special	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
761 DS3 Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
762 DS3 Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
763 DS3 Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
764 DS3 Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
765 DS3 Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
766 DS3 Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
767 DS3 Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
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. 24	Trans.No. 24	N/A	Trans.No. 24
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. 32	Trans.No. 32	N/A	N/A	Trans.No. 32	N/A

CCFB

Exhibit 2

PCI Development

Filing Date: 05/17/2012
Filing Entity: Consolidated Communications of Fort Bend C
Transmittal Number: Letter Filing
May 17, 2012 Access Charge Short Form TRP Filing (CCFBas12.xls)

	Common Line (A)	Interexchange (D)	Special (E)
1. Revenues (R)	2,739,191	0	6,036,753
2. Exogenous Changes (Z)	1,004	0	10
a. EDFIT / ITC / Access Cost Changes	0	0	0
b. Telecom. Relay Service Changes	126	0	1
c. Lower Formula Adjustment (LFAM)	0	0	0
d. Regulatory Fee Support Changes	879	0	8
e. North Americal Numbering Plan Admin.	0	0	0
3. Z/R = (Ln 2 / Ln 1)	0.000367	0.000000	0.000002
4. W = ((Ln 1 + Ln 2) / R)	1.000367	0.000000	1.000002
5. GDP-PI Chain Weighted (4 Qtr 2011)	114.0610	114.0610	114.0610
6. GDP-PI Chain Weighted (4 Qtr 2010)	111.6990	111.6990	111.6990
7. Percent Change in GDP-PI (I) ((Ln 5 - Ln 6) / Ln 6) * 100	2.1486%	2.1486%	2.1486%
8. Productivity (X)	N/A	3.0000%	2.1486%
9. GDP-PI - X (Ln 8 - Ln 7)	N/A	-0.8514%	0.0000%
10. Growth Rate of CCL MOU/Line (g)	-15.2472%	N/A	N/A
11. Existing PCI	0.0000	0.0000	100.0000
12. Targeted Revenue Differential TRP Form TGT-1 r1100	N/A	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	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	0.0000	100.00016

Filing Date: 05/17/12
Filing Entity: Consolidated Communications of Fort Bend Company
Transmittal Number: Letter Filing
May 17, 2012 Access Charge Short Form TRP Filing (CCFBas12.xls)

Exhibit 2
RDEV-1 Page 2 of 3

Exogenous Cost Changes Detail

	Total	Interstate
FCC 2010 Price Cap Interstate End User Revenue	15,068,832.64	3,292,157
FCC 2011 Price Cap Interstate End User Revenue	13,559,686.16	3,043,139
Revenue Change (Line Loss)	-10.0%	-7.6%

	7/09-6/10 (A)	Adj. for Rev Change	7/10-6/11 (B)	From EXG Allocate	Exogenous (C)=B-A
Telecommunications Relay Service Support:	34,831	\$	32,196	126.7	127

North American Numbering Plan Administration:

	332	\$	298	-
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Regulatory Fee Support:

	12,346	\$	11,412	887	887
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Growth Rate of CCL MOU/Line (g)

Total Common Line MOUs	2010	2011
Average CPT's = Access Lines	54,861,115	46,496,343
MOUs / Access Line	31,547	31,547
Growth Rate (g)	1,739.01	1,473.86
		-15.25%

	2011 Annual		
	Total	Interstate	Regulatory
	End User Revenues	(499A)	Fee
	(A)	(B)	(C)=B * 0.00375
Exogenous Amount	13,559,686	3,043,139	11,412
			32,196
			298
			(D) = B * 0.01058
			(E) = A * 0.000022

	Common Line	Database Access	Billing Name and Address	Special	Excluded Revenues	Total Revenue
2009 End User Rev - FCC 499	\$ 3,014,512	\$ -	\$ -	\$ 28,627	\$ -	\$ 3,043,139
Allocation Basis	99.06%	0.00%	0.00%	0.94%	0.00%	100.00%
Thousand Block Numbering	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Telecom. Relay Support	\$ 125.51	\$ -	\$ -	\$ 1.19	\$ -	\$ 127
NANPA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Regulatory Fee Support:	\$ 878.60	\$ -	\$ -	\$ 8	\$ -	\$ 887
Sub-Total	\$ 1,004.11	\$ -	\$ -	\$ 9.54	\$ -	\$ 1,014

Filing Date: 05/17/12
Filing Entity: Consolidated Communications of Fort Bend Company
Letter Filing
May 17, 2012 Access Charge Short Form TRP Filing (CCFBas12.xls)

Exogenous Cost Changes Detail

	2010 Annual		FCC 11-68	DA 11-826	DA 11-884
	Total	Interstate	5/3/2011	5/4/2011	5/16/2011
	End User Revenues		Reg Fee	TRS	NANPA
	(499A)	(499A)	(C)=B * 0.00361	(D)= B * 0.01056	(E)= A * 0.0000220
	(A)	(B)			
Exogenous Amount	15,068,833	3,292,157	\$ 11,885	\$ 34,765	\$ 332
Excluded Revenue	\$ -	\$ -			
Price Cap Revenue Percentage	100.00%	100.00%			

	2010 Annual		FCC 11-114	FCC 11-104
	Total	Interstate	7/22/2011	6/30/2011
	End User Revenues		Reg Fee	TRS
	(499A)	(499A)	(C')= B' * 0.00375	(C')= B' * 0.01058
	(A)	(B)		
Exogenous Amount	\$ 15,068,833	\$ 3,292,157	\$ 12,346	\$ 34,831
Excluded Revenue	\$ -	\$ -		
Price Cap Revenue Percentage	100.00%	100.00%		

	2011 Annual		FCC 11-114	FCC 11-104	DA 11-884
	Total	Interstate	7/22/2011	6/30/2011	5/16/2011
	End User Revenues		Reg Fee	TRS	NANPA
	(499A)	(499A)	(C')= B' * 0.00375	(D')= B' * 0.01058	(E')= A' * 0.0000220
	(A')	(B')			
Exogenous Amount	\$ 13,559,686	\$ 3,043,139	\$ 11,412	\$ 32,196	\$ 298
Excluded Revenue	\$ -	\$ -			
Price Cap Revenue Percentage	100.00%	100.00%			

	7/11 - 6/12	7/12 - 6/13
DA 11-826 - (D) = B * 0.01056	34,765	
FCC 11-104 = D * 0.01058		66
FCC 11-104 - (D') = B' * 0.01058		32,196
	\$ 34,765	\$ 32,262
% Price Cap Allocation	100.00%	100.00%
Price Cap Only	\$ 34,765	\$ 32,262
FCC 2010 Price Cap Interstate End User Revenue	3,292,157	
FCC 2011 Price Cap Interstate End User Revenue	3,043,139	
Revenue Change (R)	-7.56398%	
Price Cap Only with R Adj	\$ 32,136	\$ 32,262
		\$ 127

	7/11 - 6/12	7/12 - 6/13
FCC 11-68 - (C)=B * 0.00361	11,885	
FCC 11-114 - (C)= B * .00375		461
FCC 11-114 - (C') = B' * 0.00375		11,412
	11,885	11,873
% Price Cap Allocation	100.00%	100.00%
Price Cap Only	\$ 11,885	\$ 11,873
FCC 2010 Price Cap Interstate End User Revenue	3,292,157	
FCC 2011 Price Cap Interstate End User Revenue	3,043,139	
Revenue Change (R)	-7.56398%	
Price Cap Only with R Adj	\$ 10,986	\$ 11,873
		\$ 887

	7/11 - 6/12	7/12 - 6/13
DA 11-884 - (E) = A * 0.0000220	332	
DA 11-884 - (E') = A' * 0.0000220		298
	332	298
% Price Cap Allocation	100.00%	100.00%
Price Cap Only	\$ 332	\$ 298
FCC 2010 Price Cap Interstate End User Revenue	15,068,833	
FCC 2011 Price Cap Interstate End User Revenue	13,559,686	
Revenue Change (R)	-10.01502%	
Price Cap Only with R Adj	\$ 298	\$ 298
		\$ -

	Common Line	Special	Price Cap Revenue
499A 2011 Annual Interstate End User Revenues	\$ 3,014,512	\$ 28,627	\$ 3,043,139
Allocation Basis	99.06%	0.94%	
Telecom. Relay Support	\$ 126	\$ 1	\$ 127
Regulatory Fee Support:	\$ 879	\$ 8	\$ 887
NANPA	\$ -	\$ -	\$ -
	\$ 1,004	\$ 10	\$ 1,014

IND-1

Filing Date: 05/17/2012

Filing Entity: Consolidated Communications of Fort Bend Company

Transmittal Number: Letter Filing

May 17, 2012 Access Charge Short Form TRP Filing (CCFBas12.xls)

Price Cap Tariff Review Plan
Indices

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	6/30/2010 PCI (I)	6/30/2010 SBI (J)
<u>Common Line Basket</u>						
100 Total Common Line	N/A	N/A	N/A	N/A	N/A	N/A
<u>Interexchange Basket</u>						
600 Total Interexchange	Trans.No. 24	Trans.No. 24	N/A	N/A	Trans.No. 24	N/A
<u>Special Access Basket</u>						
720 VG/WATS, Met, Tgh - Special	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
721 VG Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
722 VG Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
723 VG Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
724 VG Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
725 VG Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
726 VG Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
727 VG Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
730 Audio & Video	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
731 Audio/Video Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
732 Audio/Video Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
733 Audio/Video Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
734 Audio/Video Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
735 Audio/Video Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
736 Audio/Video Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
737 Audio/Video Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
740 High Cap & DDS - Special	N/A	N/A	Trans.No. 32	Trans.No. 32	N/A	Trans.No. 32
750 DS-1 SubCat - Special	N/A	N/A	Trans.No. 32	Trans.No. 32	N/A	Trans.No. 32
751 DS1 Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
752 DS1 Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
753 DS1 Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
754 DS1 Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
755 DS1 Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
756 DS1 Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
757 DS1 Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
760 DS-3 SubCat - Special	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
761 DS3 Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
762 DS3 Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
763 DS3 Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
764 DS3 Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
765 DS3 Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
766 DS3 Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
767 DS3 Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
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. 24	Trans.No. 24	N/A	Trans.No. 24
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. 32	Trans.No. 32	N/A	N/A	Trans.No. 32	N/A