

# **THE FAIRPOINT TELEPHONE COMPANIES**

## **F.C.C. Tariff No.1 and No.2**

### **2012 PRICE CAP REVISIONS Short Form Filing**

**May 17, 2012**

#### **Description and Justification**

#### **INTRODUCTION**

In connection with the May 17, 2012 Annual Filing early submission, FairPoint Telephone Companies (FairPoint) hereby submits limited Tariff Review Plan (TRP) revisions to F.C.C. Tariff No.1 and F.C.C. Tariff No. 2 with the required supporting documentation. Exhibit 1 lists the COSAs associated with each company regulated under F.C.C. Tariff No.1 and No. 2. This information is being filed in accordance with the Commission's 2012 TRP Orders released March 28, 2012 (DA12-482) and April 19, 2012 (DA 12-575); and fulfills the requirements established in Sections 61.41 through 61.49 of the Commission Rules.

This filing reflects the effects of the exogenous cost adjustments associated with North American Number Plan Administration (NANPA), Telecommunication Relay Service (TRS) and Regulatory Fee Obligations.

#### **EXOGENOUS COST ALLOCATIONS**

The TRP guidelines provide for consideration of exogenous cost changes between filing periods. Exogenous cost changes include the following: (1) regulatory fees, (2) Telecommunications Relay Service (TRS), and (3) North American Number Plan

Administration (NANPA), which only applies to FCC No. 2. Prescribed factors are multiplied against Form 499A revenues to determine the amounts owed for the various exogenous assessments. FairPoint has also adjusted 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 dollar of revenue remains unchanged if the factor is unchanged. Exhibit 2 shows the incremental exogenous costs anticipated in the long form filing.

### REGULATORY FEE

The calculation of the anticipated change in regulatory fees to be reflected in the 2012 tariff year is based on the proposed application of the Commission prescribed factor of 0.00375 to 499A Price Cap revenues. This proposed factor was set forth in Assessment and Collection of Regulatory Fees for Fiscal Year 2012, FCC 12-48, Notice of Proposed Rulemaking, (released May 4, 2012).

During 2011 tariff year, FairPoint did not update their Regulatory Fee factor to reflect the change in Regulatory Fees released by the Commission on July 22, 2011 per FCC 11-114. Therefore, an adjustment will be made to increase the Regulatory Fee amount to be collected over 2012 tariff year. Exhibit 2 details the calculations of the Regulatory Fee exogenous costs. The cost amount in this filing is preliminary; FairPoint will update the Regulatory Fee exogenous costs if the proposed factor changes.

### TELECOMMUNICATIONS RELAY SERVICE

The Telecommunications Relay Service (TRS) fee is based on the proposed annual cost recovery factor of .01053 as released May 2, 2012 in FCC DA12-696.

During 2011 tariff year, FairPoint did not update their TRS Fee factor to reflect the change in TRS Fees released by the Commission on June 30, 2011 per FCC 11-

104. Therefore, an adjustment will be made to increase the TRS Fee amount to be collected over 2012 tariff year. Exhibit 2 details the calculations of the TRS Fee exogenous costs. The cost amount in this filing is preliminary; FairPoint will update the TRS Fee exogenous costs if the proposed factor changes.

#### NORTH AMERICAN NUMBER PLAN ADMINISTRATION

Pursuant to Public Notice, DA 11-884, released May 16, 2011, the contribution factor of 0.0000220 is applied total 499A interstate revenues to fund the 2012 numbering plan. NANPA is only applicable to F.C.C Tariff No. 2.

#### **EXHIBIT INDEX**

The FairPoint Telephone Companies have provided the necessary detail to support the calculations of exogenous costs in various workpapers. The following is the index of such workpapers.

#### **Tariff Review Plan (Short Form)**

<b>EXG-1</b>	Exogenous Cost Summary
<b>Exhibit 1</b>	Affiliate and COSA Information
<b>Exhibit 2</b>	Exogenous Cost Calculations