

WINDSTREAM TELEPHONE SYSTEM

TARIFF F.C.C. NO. 6

1ST QUARTER 2013 UNIVERSAL SERVICE CONTRIBUTION FACTOR

DESCRIPTION AND JUSTIFICATION

Transmittal No. 61

December 17, 2012

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SECTION 1

DESCRIPTION and JUSTIFICATION

DESCRIPTION

This filing is being made to change the Federal Universal Service Contribution factor charged on Centrex and non-Centrex Multi-Line Business Lines listed in Windstream Telephone System Tariff F.C.C No. 6.

JUSTIFICATION

This filing is being made pursuant to §61.38 (b)(2) of the Annotated F.C.C Rules as revised February 1, 1998.

SECTION 2

FACTOR DEVELOPMENT

Factor Development

USF Base Factor

The Commission released its *Proposed First Quarter 2013 Contribution Factor*, DA 12-2014, on December 12, 2012. The Commission proposed a USF factor of 16.1%, a decrease from the previous factor of 17.4%. As a result, this filing seeks to implement the updated factor.

USF Factor Reallocation

On March 14, 2003, the FCC released and adopted FCC 03-58. This Order allows, on an interim basis, carriers to continue to recover through the federal universal service line item certain contribution costs associated with Centrex customers on a per line basis from multi-line business customers.

To derive the factors that would need to be charged to multi-line business and Centrex customers, Windstream first calculated our USF contribution by multiplying total multi-line business lines by the current subscriber line charge (SLC) and then by the current USF contribution factor. Next, Windstream determined the number of lines that would be subject to the charge based on the Commission Order allowing Centrex customers to be charged at the rate of 1 full charge for every 9 Centrex lines. Windstream next determined the USF chargeable revenue by multiplying the adjusted lines by the current SLC rate. Windstream's USF contribution, calculated earlier, was then divided by this USF chargeable revenue to determine the factor that would need to be applied to the chargeable lines. Because it is cost prohibitive to modify our billing system to allow one full USF charge for every 9 Centrex lines, Windstream has chosen to divide the full factor by 9 and apply this factor to every Centrex line. Exhibit USF shows how Windstream derived the percentage to charge multi-line business customers as well as Centrex customers.

Exhibit USF

Windstream Communications, Inc.
MLB & Centrex USF Factor Calculation

Company Name	Total MLB	Centrex	% Centrex of MLB	MLB SLC Rate	MLB I/S Retail Revenue	MLB USF Contribution	Adj MLB Lines	USF Chargeable MLB Revenue	Recovery Factor	Non Centrex per Line Factor	Centrex Per Line Factor
A	B	C	D = C / B	E	F = E * B	G = F * 16.1%	H = B - (C * 8/9)	I = E * H	J = G / I	K = J	L = K / 9
Windstream Kentucky East - Lex.	77,727	22,090	0.284199828	\$ 9.20	\$ 715,088.40	\$ 115,129.23	58,091	\$ 534,441.29	0.2154198	21.5%	2.4%
Windstream Kentucky East - Lon.	12,157	939	0.077239451	\$ 9.20	\$ 111,844.40	\$ 18,006.95	11,322	\$ 104,165.47	0.1728687	17.3%	1.9%
Windstream Georgia Comm	58,316	26,078	0.447184306	\$ 8.20	\$ 478,191.20	\$ 76,988.78	35,136	\$ 288,111.56	0.2672187	26.7%	3.0%
Georgia Windstream	14,456	6,220	0.430271168	\$ 8.20	\$ 118,539.20	\$ 19,084.81	8,927	\$ 73,202.31	0.2607132	26.1%	2.9%
Windstream Nebraska	65,043	27,790	0.427255815	\$ 6.13	\$ 398,713.59	\$ 64,192.89	40,341	\$ 247,288.97	0.2595865	26.0%	2.9%
Valor Oklahoma	11,270	271	0.02404614	\$ 9.20	\$ 103,684.00	\$ 16,693.12	11,029	\$ 101,467.82	0.1645164	16.5%	1.8%
Valor New Mexico #1	9,803	623	0.063551974	\$ 9.20	\$ 90,187.60	\$ 14,520.20	9,249	\$ 85,092.84	0.1706395	17.1%	1.9%
Valor New Mexico #2	7,120	444	0.062359551	\$ 9.20	\$ 65,504.00	\$ 10,546.14	6,725	\$ 61,873.07	0.1704481	17.0%	1.9%
Valor Texas	44,941	2,819	0.062726686	\$ 9.20	\$ 413,457.20	\$ 66,566.61	42,435	\$ 390,404.04	0.1705070	17.1%	1.9%
Windstream Alabama	3,352	639	0.190632458	\$ 9.19	\$ 30,804.88	\$ 4,959.59	2,784	\$ 25,584.96	0.1938477	19.4%	2.2%
Windstream Arkansas	16,309	7,135	0.437488503	\$ 9.20	\$ 150,042.80	\$ 24,156.89	9,967	\$ 91,694.36	0.2634501	26.3%	2.9%
Windstream Florida	13,676	6,178	0.451740275	\$ 6.33	\$ 86,569.08	\$ 13,937.62	8,184	\$ 51,807.53	0.2690269	26.9%	3.0%
Windstream Georgia	10,473	3,043	0.29055667	\$ 8.20	\$ 85,878.60	\$ 13,826.45	7,768	\$ 63,698.51	0.2170609	21.7%	2.4%
Windstream Standard	14,073	2,477	0.176010801	\$ 8.04	\$ 113,146.92	\$ 18,216.65	11,871	\$ 95,444.63	0.1908610	19.1%	2.1%
Windstream Kentucky West	3,860	589	0.152590674	\$ 6.80	\$ 26,248.00	\$ 4,225.93	3,336	\$ 22,687.82	0.1862642	18.6%	2.1%
Windstream Kerrville	4,218	-	0	\$ 7.57	\$ 31,930.26	\$ 5,140.77	4,218	\$ 31,930.26	0.1610000	16.1%	1.8%
Windstream Mississippi	1,372	685	0.499271137	\$ 9.20	\$ 12,622.40	\$ 2,032.21	763	\$ 7,020.62	0.2894624	28.9%	3.2%
Windstream Missouri	8,184	1,631	0.1992913	\$ 9.20	\$ 75,292.80	\$ 12,122.14	6,734	\$ 61,954.84	0.1956609	19.6%	2.2%
Windstream North Carolina	33,530	5,233	0.156069192	\$ 7.26	\$ 243,427.80	\$ 39,191.88	28,878	\$ 209,657.51	0.1869329	18.7%	2.1%
Windstream New York - Fulton	5,039	1,836	0.364358008	\$ 8.81	\$ 44,393.59	\$ 7,147.37	3,407	\$ 30,015.67	0.2381212	23.8%	2.6%
Windstream New York - Jamestown	6,876	3,054	0.444153578	\$ 8.81	\$ 60,577.56	\$ 9,752.99	4,161	\$ 36,661.35	0.2660292	26.6%	3.0%
Windstream New York - Red Jacket	170	29	0.170588235	\$ 8.81	\$ 1,497.70	\$ 241.13	144	\$ 1,270.60	0.1897766	19.0%	2.1%
Windstream Ohio	17,656	8,647	0.489748527	\$ 7.33	\$ 129,418.48	\$ 20,836.38	9,970	\$ 73,078.47	0.2851233	28.5%	3.2%
Windstream Oklahoma	1,985	45	0.022670025	\$ 9.17	\$ 18,202.45	\$ 2,930.59	1,945	\$ 17,835.65	0.1643111	16.4%	1.8%
Oklahoma Windstream	3,547	240	0.067662814	\$ 9.17	\$ 32,525.99	\$ 5,236.68	3,334	\$ 30,569.72	0.1713030	17.1%	1.9%
Windstream Pennsylvania	30,282	11,488	0.379367281	\$ 6.27	\$ 189,868.14	\$ 30,568.77	20,070	\$ 125,841.69	0.2429145	24.3%	2.7%
Windstream South Carolina	7,307	1,712	0.234295881	\$ 7.89	\$ 57,652.23	\$ 9,282.01	5,785	\$ 45,645.40	0.2033504	20.3%	2.3%
Windstream Sugar Land	12,651	2,805	0.221721603	\$ 6.26	\$ 79,195.26	\$ 12,750.44	10,158	\$ 63,586.99	0.2005196	20.1%	2.2%
Texas Windstream	4,240	408	0.096226415	\$ 9.18	\$ 38,923.20	\$ 6,266.64	3,877	\$ 35,593.92	0.1760591	17.6%	2.0%
Windstream Western Reserve	27,633	12,433	0.449933051	\$ 7.17	\$ 198,128.61	\$ 31,898.71	16,581	\$ 118,888.96	0.2683067	26.8%	3.0%
Windstream Lexcom	3,846	211	0.054862194	\$ 9.20	\$ 35,383.20	\$ 5,696.70	3,658	\$ 33,657.69	0.1692539	16.9%	1.9%
Windstream Concord	15,612	82	0.00525237	\$ 8.42	\$ 131,453.04	\$ 21,163.94	15,539	\$ 130,839.32	0.1617552	16.2%	1.8%
Windstream Lakedale #1414	1,795	-	0	\$ 8.58	\$ 15,401.10	\$ 2,479.58	1,795	\$ 15,401.10	0.1610000	16.1%	1.8%
Windstream Ladedale #1482	1,591	-	0	\$ 8.01	\$ 12,743.91	\$ 2,051.77	1,591	\$ 12,743.91	0.1610000	16.1%	1.8%
Windstream Iowa	38,359	4,236	0.110430407	\$ 7.35	\$ 281,938.65	\$ 45,392.12	34,594	\$ 254,263.45	0.1785240	17.9%	2.0%