

# **THE FAIRPOINT TELEPHONE COMPANIES**

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

### **2013 PRICE CAP REVISIONS Short Form Filing**

**May 17, 2013**

#### **Description and Justification**

#### **INTRODUCTION**

In connection with the May 17, 2013 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 2013 TRP Orders released March 26, 2013 (DA 13-553) and April 19, 2013 (DA 13-789); 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 2013 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 12-1355, Notice of Proposed Rulemaking, (released August 17, 2012).

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 .0233 as submitted to the FCC by Rolka Loubé Saltzer Associates for the July, 2013 through June, 2014 Fund 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 12-799, released May 21, 2012, the contribution factor of 0.0000254 is applied total 499A interstate revenues to fund the 2013 numbering plan. NANPA is only applicable to F.C.C Tariff No. 2.

Exhibit 2 details the calculations of the NANPA costs. The cost amount in this filing is preliminary; FairPoint will update the NANPA exogenous costs if the proposed factor changes.

## **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