

Filing Date: 05/19/2014  
Filing Entity: The FairPoint Telephone Companies  
Transmittal Number: Letter

Exhibit 2  
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May 19, 2014 Short Form Annual Price Cap Filing (FPPCAS14.XLS)  
NNE Exogenous Cost Changes Detail

	2012 Annual		FCC 12-76	DA 13-1137
	Total	Interstate	7/19/2012	5/17/2013
	End User Revenues		Reg Fee	Telecom Relay
	( 499A )	( 499A )		
	(A)	(B)	(C) = B * 0.00375	(D) = B * 0.02330
Exogenous Amount		\$ 88,724,816	\$ 332,718	\$ 2,067,288
Excluded Revenue		\$ 3,409,935		
Price Cap Revenue Percentage		96.16%		

2013 Mid-Year Rate Changes	FCC 12-76	FCC 13-110		Annualized
	7/19/2012	8/12/2013		Reversal
	Reg Fee	Reg Fee	Difference	
	(C')=B'' * 0.00375	(D') = B * 0.00347	(E')=(D') - (C')	(F') = (E') * 12 / 9
Exogenous Amount	\$ 332,718	\$ 307,875	\$ (24,843)	\$ (33,124)

2013 Mid-Year Rate Changes	DA 13-1137	DA 13-1483		Annualized
	5/17/2013	7/1/2013		Reversal
	Telecom Relay	Telecom Relay	Difference	
	(C'') = B * 0.02330	(D'')=B * 0.01484	(E'')=(D'') - (C'')	(F'') = (E'') * 12 / 9
Exogenous Amount	\$ 2,067,288	\$ 1,316,676	\$ (750,612)	\$ (1,000,816)

	2013 Annual		FCC 13-110	DA 14-627
	Total	Interstate	8/12/2013	5/9/2014
	End User Revenues		Reg Fee	TRS
	( 499A )	( 499A )		
	(A''')	(B''')	(C''') = B''' * 0.00347	(D''') = B''' * 0.01174
Exogenous Amount		\$ 81,206,884	\$ 281,788	\$ 953,369
Excluded Revenue		\$ 2,836,737		
Price Cap Revenue Percentage		96.51%		

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	<u>7/13 - 6/14</u>	<u>7/14 - 6/15</u>	<u>Exogenous</u>
<b><u>Telecommunications Relay Service Support:</u></b>			
DA 13-1137 - 0.02330 Factor 2012 Revenue - D	\$ 2,067,288		
DA 13-1483 - 0.01484 = F''	\$ (1,000,816)		
DA 14-627 - 0.01174 Factor 2013 Revenue - D'''		\$ 953,369	
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	\$ 1,066,472	\$ 953,369	
% Price Cap Allocation	96.16%	96.51%	
Price Cap Exogenous Amount	\$ 1,025,485	\$ 920,066	
FCC 2012 Price Cap Interstate End User Revenue	\$ 85,314,881		
FCC 2013 Price Cap Interstate End User Revenue	\$ 78,370,147		
Revenue Change ( R)	-8.14%		
Price Cap Only with R Adj	\$ 942,009	\$ 920,066	\$ (21,944)

	<u>7/13 - 6/14</u>	<u>7/14 - 6/15</u>	<u>Exogenous</u>
<b><u>Regulatory Fee Support:</u></b>			
FCC 12-76 - 0.00375 Factor 2012 Revenue - C	\$ 332,718		
FCC 13-110 - 0.00347= F'	\$ (33,124)		
FCC 13-110 - 0.00347 Factor 2013 Revenue - C'''		\$ 281,788	
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	\$ 299,594	\$ 281,788	
% Price Cap Allocation	96.16%	96.51%	
Price Cap Exogenous Amount	\$ 288,080	\$ 271,944	
FCC 2012 Price Cap Interstate End User Revenue	\$ 85,314,881		
FCC 2013 Price Cap Interstate End User Revenue	\$ 78,370,147		
Revenue Change ( R)	-8.14%		
Price Cap Only with R Adj	\$ 264,630	\$ 271,944	\$ 7,315

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	<u>Common Line</u>	<u>Special</u>	<u>Price Cap Revenue</u>
499A 2013 Interstate End User Revenues	\$ 50,639,824	\$ 30,567,060	\$ 81,206,884
Allocation Basis	62.36%	37.64%	
Telecom. Relay Support	\$ (13,684)	\$ (8,260)	\$ (21,944)
Regulatory Fee Support:	\$ 4,561	\$ 2,753	\$ 7,315
	\$ (9,123)	\$ (5,507)	\$ (14,629)