



DESCRIPTION AND JUSTIFICATION

CONSOLIDATED COMMUNICATIONS COMPANIES

CONSISTING OF

CONSOLIDATED COMMUNICATIONS OF TEXAS COMPANY (CCTX)

AND

CONSOLIDATED COMMUNICATIONS OF FORT BEND COMPANY (CCFB)

INTERSTATE ACCESS SERVICES

CONSOLIDATED COMMUNICATIONS COMPANIES
TARIFF FCC No. 1

ANNUAL 2014 MID-COURSE ACCESS CHARGE TARIFF FILING

TRANSMITTAL No. 55

September 16, 2014

TABLE OF CONTENTS

	Page
SECTION 1 -- INTRODUCTION AND SUMMARY	
Introduction	3
Description of Consolidated Communications Companies Operations	3
SECTION 2 – OVERVIEW OF THE FILING PACKAGE	
Tariff Support Material	5
SECTION 3 – TARIFF SUPPORT	
PCI Development	6
Determination of Exogenous Changes	6
Rate Detail	8

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 with individual company rates (Section 17 and Section 18, respectively), along with supporting documentation proposed under transmittal 54 of the Consolidated Communications Companies.

This information is being filed in accordance with the Commission's 2014 TRP Notices released March 25, 2014 and April 14, 2014 (DA 14-404 and DA 14-494 respectively) 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 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 82,000 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, Riverbrook, Walden, and Wells. The

¹ See, Order, Consolidated communications Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief, DA 08-1026.

² See, Order, July 2014 Annual Access Charge Tariff Filings, released March 25, 2014, DA 14-404 ("2014 Filing Order"); and Tariff Review Plans, Material to be filed in support of 2014 Annual filings, DA 14-494, released April 14, 2014 ("2014 TRP Order").

7 exchanges of the Conroe market area contain approximately 52,000 customers, primarily in Montgomery County.

The Lufkin market area serves 9 exchanges and 30,000 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 31,000 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 WC Docket No. 13-76, July, 2013 Annual Access Charge Tariff Filings released March 26, 2013, and Tariff Review Plans issued in WC Docket No. 13-76, Material to be Filed in Support of 2013 Annual Access Tariff Filings, released April 19, 2013.

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
- Exhibit 3 – Price Cap Revenue Impact Analysis

Files:

- Tariff Review Plan (Excel files CCTXAN14.xls and CCFBAN14.xls)***
- Rate Detail (Excel files CCTXA14a.xls and CCFBA14a.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 2, RDEV-1, Page 1 of 3. A GDP-PI factor of 1.4205% was used in calculating the PCI and is based on the percentage change in the Gross Domestic Product Price Index (GDP-PI) between the quarter ending December 31, 2013 and the corresponding quarter of the 2012 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 2012 (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.

³ 2014 TRP Notice, *Supra.*, Paragraph 12.

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

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 (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 0.0000365.⁶ 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 2013 fiscal year (July 2013 to June 2014). The impact of the NANPA support has been included as an exogenous cost in this filing as shown in Exhibit 2, RDEV-1. 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 2014 – June 2015 fiscal year was originally calculated using a factor of .00340 as prescribed in the Commission's *Regulatory Fee Order*.⁸ Subsequently, the FCC revised its calculation of Regulatory Fees to a factor of .00343 as prescribed in the Commission's revised *Regulatory Fee Order*⁹ and has been used as an estimate and included as an exogenous cost in this filing and is shown in Exhibit 2, RDEV-1. In this exhibit, calculations to revise the exogenous adjustment made on June 16, 2014 under CCC Transmittal No. 41 are shown, which changed the regulatory fee contribution factor from .00340 to .00343 in compliance with MD Docket No. 14-92, (FCC 14-129), released August 29, 2014. This exogenous allocation can be seen in RDEV-1, Page 2 of 3.

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. 90-571,¹⁰ 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

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 2014 through June 2015 (filed June 13, 2014) Public Notice, DA 14-792, 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 2014*, Notice of Proposed Rulemaking, (filed June 13, 2014) FCC Order 14-88, MD Docket 14-92 (*Regulatory Fee Order*).

⁹ *In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2014*, Notice of Proposed Rulemaking, (filed August 29, 2014) FCC Order 14-129, MD Docket 14-92 (*Regulatory Fee Order*).

¹⁰ *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*).

TRS exogenous cost for this filing was originally calculated using the .01174 as estimated in the May 1, 2014, FCC submission by Rolka Loube Saltzer Assoc. (RLSA).¹¹ Subsequently, the FCC revised its calculation of TRS Fees to a factor of .01219 as prescribed in the Commission's revised *TRS Order*¹² and has been used as an estimate and included as an exogenous cost in this filing and is shown in Exhibit 2, RDEV-1. In this exhibit, calculations to revise the exogenous adjustment made on June 16, 2014 under CCC Transmittal No. 41 are shown, which changed the TRS contribution factor from .01174 to .01219 in compliance with DA Order 14-946, released June 30, 2014. This exogenous allocation can be seen in RDEV-1, Page 2 of 3.

Rate Detail and other Exhibits

Rate Detail files will be submitted as part of the Consolidated TRP submission to display demand quantities, current rates, proposed rates, and the associated quantities for the specific baskets. For CMT, proposed SLC rates are set at current capped levels pursuant to Consolidated's price cap order¹³ and PICC and CCL rates continue to be zero. For non-CMT baskets, PCI, SBI, and sub-index calculations are shown.

Consolidated also includes a revenue impact analysis in Exhibit 3, RDET1 to display overall impacts of any rate changes in the filing.

¹¹ *Rolka Loube Saltzer Associates LLC submits payment formulas and funding requirements estimates for the Interstate Telecommunications Relay Service Fund for the July 2014 through June 2015 fund year*, FCC Report DA 14-627, CG Docket 03-123, Released May 9, 2014

¹² *In the Matter of Telecommunications Relay Services and Speech to Speech Services for Individuals with Hearing and Speech Disabilities* Notice of Proposed Rulemaking, (filed June 30, 2014 DA 14-946, CG Docket 03-123 (*TRS Order*)).

¹³ See, Order, Consolidated Communications Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief, DA 08-1026 para 17.

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: 09/16/2014
 Filing Entity: Consolidated Communications of Texas Compan
 Transmittal Number: 55
 October 1, 2014 Access Charge TRP Filing (CCTXAN14.xls)

10/1/14 PCI Development

	Common Line (A)	Interexchange (D)	Special (E)
1. Revenues (R)	2,742,449	0	18,428,788
2. Exogenous Changes (Z)	4,268	0	87
a. EDFIT / ITC / Access Cost Changes	0	0	0
b. Telecom. Relay Service Changes	4,001	0	82
c. Lower Formula Adjustment (LFAM)	0	0	0
d. Regulatory Fee Support Changes	267	0	5
e. North Americal Numbering Plan Admin.	0	0	0
3. Z/R = (Ln 2 / Ln 1)	0.001556	0.000000	0.000005
4. W = ((Ln 1 + Ln 2) / R)	1.001556	0.000000	1.000005
5. GDP-PI Chain Weighted (4 Qtr 2013)	107.0990	107.0990	107.0990
6. GDP-PI Chain Weighted (4 Qtr 2012)	105.6400	105.6400	105.6400
7. Percent Change in GDP-PI (I) ((Ln 5 - Ln 6) / Ln 6) * 100	1.4205%	1.4205%	1.4205%
8. Productivity (X)	N/A	3.0000%	1.420500%
9. GDP-PI - X (Ln 8 - Ln 7)	N/A	-1.5795%	0.0000%
10. Growth Rate of CCL MOU/Line (g)	-2.5772%	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	100.0005

Filing Date: 09/16/14
 Filing Entity: Consolidated Communications of Texas Company
 Transmittal Number: 55
 October 1, 2014 Access Charge TRP Filing (CCTXAN14.xls)

Exogenous Cost Changes Detail

	2013 Annual	DA 14-627	DA 14-946
	Interstate	05/17/14	06/30/14
End User Revenues	Telecom Relay	Telecom Relay	Service
(A)	(B)=A * 0.01174	(C)=A * 0.01219	(E) = D * 12 / 9
\$ 6,804,214	\$ 79,881	\$ 82,943	\$ 4,083
			\$ 4,083
			\$ 4,083
			\$ 4,083

	Common Line	Special	Price Cap
	\$ 6,668,020	\$ 136,194	\$ 6,804,214
	98.00%	2.00%	
	\$ 4,001	\$ 82	\$ 4,083
	\$ 4,001	\$ 82	\$ 4,083

Exogenous Amount
 Excluded Revenue
 Price Cap Revenue Percentage

499A 2013 Interstate End User Revenues
 Allocation Basis
 Regulatory Fee Support:

	2013 Annual	DA 14-88	DA 14-1261
	Interstate	06/13/14	08/29/14
End User Revenues	Reg	Reg	Fee
(A)	(B)=A * 0.00340	(C)=A * 0.00343	(E) = D * 12 / 9
\$ 6,804,214	\$ 23,134	\$ 23,338	\$ 272
			\$ 272
			\$ 272
			\$ 272

	Common Line	Special	Price Cap
	\$ 6,668,020	\$ 136,194	\$ 6,804,214
	98.00%	2.00%	
	\$ 267	\$ 5	\$ 272
	\$ 267	\$ 5	\$ 272

Exogenous Amount
 Excluded Revenue
 Price Cap Revenue Percentage

499A 2013 Interstate End User Revenues
 Allocation Basis
 Regulatory Fee Support:

Filing Date: 09/16/2014

Filing Entity: Consolidated Communications of Texas Company

Transmittal Number: 55

October 1, 2014 Access Charge TRP Filing (CCTXAN14.xls)

Price Cap Tariff Review Plan
Indices

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	9/30/2014 PCI (I)	9/30/2014 SBI (J)
Common Line Basket						
100 Total Common Line	N/A	N/A	N/A	N/A	N/A	N/A
Interexchange Basket						
600 Total Interexchange	Trans.No. 24	Trans.No. 24	N/A	N/A	Trans.No. 24	N/A
Special Access Basket						
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. 48	Trans.No. 48	N/A	Trans.No. 50
750 DS-1 SubCat - Special	N/A	N/A	Trans.No. 48	Trans.No. 48	N/A	Trans.No. 50
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

CCTX

Exhibit 3

Revenue Impact

IMP-ANALYSIS

Consolidated Communications of Texas Company

09/16/14

Filing Entity:
Filing Date:
Transmittal No.: 55

TRP

**October 1, 2014 Access Charge TRP Filing (CCTXAN14.xls)
IMPACT ANALYSIS FOR INDUSTRY**

Basket Description	Demand Times		Difference (C) = (B) - (A)	% Difference (D) = (C)/(A)
	Current Rate (A)	Proposed Rate (B)		
Common Line Basket				
End User Common Line	\$2,742,449	\$2,742,449	\$0	0.00%
Common Line per MOU	\$0	\$0	\$0	0.00%
PICC Common Line	\$0	\$0	\$0	0.00%
Other Common Line	\$0	\$0	\$0	0.00%
Total Common Line	\$2,742,449	\$2,742,449	\$0	0.00%
Special Access Basket				
VoiceGrade/WATS - NonDZ	\$33,532	\$33,532	\$0	0.00%
Audio & Video - NonDZ	\$0	\$0	\$0	0.00%
Total High Cap/DDS	\$8,874,891	\$8,874,978	\$87	0.00%
Total High Cap - DS1 - Special	\$5,589,095	\$5,589,182	\$87	0.00%
High Cap - DS1 - SP - DZ1	\$0	\$0	\$0	0.00%
High Cap - DS1 - SP - DZ2	\$0	\$0	\$0	0.00%
High Cap - DS1 - SP - DZ3	\$0	\$0	\$0	0.00%
High Cap - DS1 - SP - NonDZ	\$5,589,095	\$5,589,182	\$87	0.00%
Total High Cap - DS3 - Special	\$3,037,904	\$3,037,904	\$0	0.00%
High Cap - DS3 - SP - DZ1	\$0	\$0	\$0	0.00%
High Cap - DS3 - SP - DZ2	\$0	\$0	\$0	0.00%
High Cap - DS3 - SP - DZ3	\$0	\$0	\$0	0.00%
High Cap - DS3 - SP - Non DZ	\$3,037,904	\$3,037,904	\$0	0.00%
High Cap - Digital Data NonDZ	\$247,893	\$247,893	\$0	0.00%
Wideband - Non-Zone	\$9,520,365	\$9,520,365	\$0	0.00%
Total Special Access Basket	\$18,428,788	\$18,428,875	\$87	0.00%
Grand Total	\$21,171,236	\$21,171,323	\$87	0.00%

CCFB

Exhibit 2

PCI Development

Filing Date: 09/16/2014
 Filing Entity: Consolidated Communications of Fort Bend C
 Transmittal Number: 55
 October 1, 2014 Access Charge TRP Filing (CCFBAN14.xls)

Z/1/14 PCI Development

	Common Line (A)	Interexchange (D)	Special (E)
1. Revenues (R)	913,280	0	6,543,420
2. Exogenous Changes (Z)	1,478	0	14
a. EDFIT / ITC / Access Cost Changes	0	0	0
b. Telecom. Relay Service Changes	1,385	0	13
c. Lower Formula Adjustment (LFAM)	0	0	0
d. Regulatory Fee Support Changes	92	0	1
e. North Americal Numbering Plan Admin.	0	0	0
3. ZR = (Ln 2 / Ln 1)	0.001618	0.000000	0.000002
4. W = ((Ln 1 + Ln 2) / R)	1.001618	0.000000	1.000002
5. GDP-PI Chain Weighted (4 Qtr 2013)	107.0990	107.0990	107.0990
6. GDP-PI Chain Weighted (4 Qtr 2012)	105.6400	105.6400	105.6400
7. Percent Change in GDP-PI (I) ((Ln 5 - Ln 6) / Ln 6) * 100	1.4205%	1.4205%	1.4205%
8. Productivity (X)	N/A	3.0000%	1.4205%
9. GDP-PI - X (Ln 8 - Ln 7)	N/A	-1.5795%	0.0000%
10. Growth Rate of CCL MOU/Line (g)	21.9011%	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	100.00021

Filing Date: 09/16/14
 Filing Entity: Consolidated Communications of Fort Bend Company
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 October 1, 2014 Access Charge TRP Filing (CCFBAN14.xls)

Exogenous Cost Changes Detail

2013 Annual Interstate	DA 14-627	DA 14-946	
End User Revenues	05/17/14	06/30/14	
(499A)	Telecom Relay Service	Telecom Relay Service	
(A)	(B)=A * 0.01174	(C)=A * 0.01219	(D) = C - B
\$ 2,330,364	\$ 27,358	\$ 28,407	\$ 1,049
\$ -			\$ 1,398
100.00%			100.00%
			\$ 1,398

	Common Line	Special	Price Cap Revenue
\$	2,308,925	\$ 21,439	\$ 2,330,364
\$	99.08%	0.92%	
\$	1,385	\$ 13	\$ 1,398
\$	1,385	\$ 13	\$ 1,398

499A 2013 Interstate End User Revenues
 Allocation Basis
 Regulatory Fee Support:

2013 Annual Interstate	DA 14-88	DA 14-1261	
End User Revenues	06/13/14	08/29/14	
(499A)	Reg Fee	Reg Fee	
(A)	(B)=A * 0.00340	(C)=A * 0.00343	(D) = C - B
\$ 2,330,364	\$ 7,923	\$ 7,993	\$ 70
\$ -			\$ 93
100.00%			100.00%
			\$ 93

	Common Line	Special	Price Cap Revenue
\$	2,308,925	\$ 21,439	\$ 2,330,364
\$	99.08%	0.92%	
\$	92	\$ 1	\$ 93
\$	92	\$ 1	\$ 93

499A 2013 Interstate End User Revenues
 Allocation Basis
 Regulatory Fee Support:

IND-1

Filing Date: 09/16/2014

Filing Entity: Consolidated Communications of Fort Bend Company

Transmittal Number: 55

October 1, 2014 Access Charge TRP Filing (CCFBAN14.xls)

Price Cap Tariff Review Plan
Indices

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	9/30/2014 PCI (I)	9/30/2014 SBI (J)
Common Line Basket						
100 Total Common Line	N/A	N/A	N/A	N/A	N/A	N/A
Interexchange Basket						
600 Total Interexchange	Trans.No. 24	Trans.No. 24	N/A	N/A	Trans.No. 24	N/A
Special Access Basket						
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. 48	Trans.No. 48	N/A	Trans.No. 50
750 DS-1 SubCat - Special	N/A	N/A	Trans.No. 48	Trans.No. 48	N/A	Trans.No. 50
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 3

Revenue Impact

TRP

October 1, 2014 Access Charge TRP Filing (CCFBAN14.xls)
 IMPACT ANALYSIS FOR INDUSTRY

Basket Description	Demand Times Current Rate (A)	Demand Times Proposed Rate (B)	Difference (C) = (B) - (A)	% Difference (D) = (C)/(A)
Common Line Basket				
End User Common Line	\$913,280	\$913,280	\$0	0.00%
Common Line per MOU	\$0	\$0	\$0	0.00%
PICC Common Line	\$0	\$0	\$0	0.00%
Other Common Line	\$0	\$0	\$0	0.00%
Total Common Line	\$913,280	\$913,280	\$0	0.00%
Special Access Basket				
VoiceGrade/WATS - NonDZ	\$3,526	\$3,526	\$0	0.00%
Audio & Video - NonDZ	\$0	\$0	\$0	0.00%
Total High Cap/DDS	\$3,079,239	\$3,079,253	\$14	0.00%
Total High Cap - DS1 - Special	\$2,227,404	\$2,227,418	\$14	0.00%
High Cap - DS1 - SP - DZ1	\$0	\$0	\$0	0.00%
High Cap - DS1 - SP - DZ2	\$0	\$0	\$0	0.00%
High Cap - DS1 - SP - DZ3	\$0	\$0	\$0	0.00%
High Cap - DS1 - SP - NonDZ	\$2,227,404	\$2,227,418	\$14	0.00%
Total High Cap - DS3 - Special	\$631,626	\$631,626	\$0	0.00%
High Cap - DS3 - SP - DZ1	\$0	\$0	\$0	0.00%
High Cap - DS3 - SP - DZ2	\$0	\$0	\$0	0.00%
High Cap - DS3 - SP - DZ3	\$0	\$0	\$0	0.00%
High Cap - DS3 - SP - Non DZ	\$631,626	\$631,626	\$0	0.00%
High Cap - Digital Data NonDZ	\$220,208	\$220,208	\$0	0.00%
Wideband - Non-Zone	\$3,460,655	\$3,460,655	\$0	0.00%
Total Special Access Basket	\$6,543,420	\$6,543,433	\$14	0.00%
Grand Total	\$7,456,700	\$7,456,714	\$14	0.00%