

VOLUME 1

DESCRIPTION AND JUSTIFICATION

I. Introduction

A. Background

Windstream Telephone System Tariff FCC No. 7 issuing carriers as listed in Exhibit 1 (Windstream) hereby submits this filing in support of the upcoming 2015 Annual Access Charge Tariff Filing. This filing is being made pursuant to TRP Notice, DA 15-368, released March 27, 2015.

This filing is being made in compliance with the following:

- Second Report and Order, *In the Matter of Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, Released October 4, 1990;
- Order on Reconsideration, *In the Matter of Policy and Rules Concerning Rates for Dominant Carriers*, CC Docket No. 87-313, Released April 17, 1991;
- First Report and Order, *In the Matter of Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, Released April 7, 1995;
- Report and Order, *In the Matter of Price Cap Regulation of Local Exchange Carriers, Rate-of-Return Sharing and Lower Formula Adjustment*, CC Docket No. 93-179, Released April 14, 1995;

- Fourth Report and Order, *In the Matter of Price Cap Performance Review for Local Exchange Carriers*, CC Docket No. 94-1, Released May 21, 1997;
- First Report and Order, *In the Matter of Access Charge Reform*, CC Docket No. 96-262, Released May 16, 1997;
- Second Order on Reconsideration and Memorandum Opinion and Order, *In the Matter of Access Charge Reform*, CC Docket No. 96-262, Released October 9, 1997;
- Third Report and Order, *In the Matter of Access Charge Reform*, CC Docket No. 96-262, Released November 26, 1997;
- Report and Order & Further Notice of Proposed Rulemaking, *In the Matter of Defining Primary Lines*, CC Docket No. 97-181, Released March 10, 1999;
- Public Notice, DA 99-584, Released March 25, 1999;
- Public Notice, DA99-1091, released June 4, 1999;
- Sixth Report and Order, *In the Matter of Access Charge Reform*, CC Docket 92-262, Released May 31, 2000 (CALLS);
- And in accordance with Commission Rules in 47 C.F.R. § 61.38 and § 61.41 through § 61.49;

Herein referred to collectively as the “Price Cap Rules”;

- And with Commission Rules in 47 C.F.R., Part 61, generally.
- Report and Order and Further Notice of Proposed Rulemaking FCC 11-61, WC Docket 10-90, GN Docket 09-51, WC Docket 07-135, WC Docket 05-337, CC Docket 01-92, CC Docket 96-45, WC Docket 03-109, WT Docket 10-208, released November 18, 2011.

Herein referred to as the “USF/ICC Transformation Order”.

- Report and Order, *In the Matter of Joint Petition of Price Cap Holding Companies for Conversion of Average Schedule Affiliates to Price Cap Regulation and for Limited Waiver Relief*, WC Docket No. 12-63, Released December 13, 2012.

B. Waivers

Windstream lists below all currently applicable waivers that permit rate elements different than those specified in 47 C.F.R., Part 69.

The Commission in Memorandum Opinion and Order, *In the Matter of Annual 1989 Access Tariff Filings*, DA 88-1872, Released December 2, 1988, extended indefinitely the waiver allowing carriers to bill \$25.00 for a special access surcharge. This element is included in Windstream's Common Line basket.

The Commission in Order, *In the Matter of Joint Petition of Price Cap Holding Companies for Conversion of Average Schedule Affiliates to Price Cap Regulation and for Limited Waiver Relief*, WC Docket No. 12-63, Released December 13, 2012., provided Windstream with the needed relief to allow Windstream to convert its average schedule regulation companies to price cap regulation and establish initial price cap indexes (PCIs) for price cap baskets.

II. Exogenous Costs

Windstream developed exogenous cost changes according to the Price Cap Rules. These dollar effects were measured at 2014 base period level of operations and apportioned on a cost-causative basis between the price cap baskets. Exogenous cost changes and allocations are shown in Exhibit EXG.

A. Regulatory Fees

Earlier Commission decisions 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 2015-June 2016 fiscal year has been included as an exogenous cost in this filing. A factor of \$0.00343 was used in compliance with FCC Report and Order, August 29, 2014, FCC 14-129.

B. Telecommunications Relay Service

In its Third Report and Order in CC Docket No. 90-571, the Commission required that all common carriers providing interstate telecommunications services contribute to an interstate shared fund to support the TRS function. The TRS exogenous cost reflects changes from funding contributions reflected in the last annual filing allowing Windstream to calculate the current TRS exogenous costs for this tariff period's contribution. The impact of the TRS changes has been included as an exogenous cost. A contribution factor of \$0.01219 will be used for this filing. Rolka Loubé Saltzer Associates Submits Payment Formulas and Funding Requirement for the Interstate

Telecommunications Relay Services Fund for the July, 2015 through June, 2016 Fund Year. FCC Public Notice, DA 14-946, released June 30, 2015.

C. North American Numbering Plan Fee

On June 13, 2014, the North American Numbering Plan Administration (NANPA) filed a contribution factor of \$0.0000365 for the period July 2015 through June 2016. The impact of the interstate portion of NANPA has been included as an exogenous cost in this filing.

EXHIBIT 1

Issuing Carrier	COSA
Windstream Montezuma	WSMZ
Windstream Accucomm	WSAC
Windstream Georgia Telephone	WSGT
Windstream Buffalo Valley	WSBV
Windstream Conestoga	WSCS
Windstream D&E	WSDE

Exogenous Cost Changes Detail

	2013 Annual				
	Total	Interstate	R&O 13-110	DA 14-627	DA 13-1215
	End User Revenues (499A) (A)	(499A) (B)	8/12/2013 Reg Fee (C)=B * 0.00347	5/9/2014 TRS (D) = B * 0.01174	5/28/2013 NANPA (E) = A * 0.0000302
Exogenous Amount	575,963	159,068	552	1,867	17
Excluded Revenue	44,218	44,218			
Price Cap Revenue Percentage	92.32%	72.20%			

2014 Mid-Year Rate Changes	FCC 13-110 8/12/2013 Reg Fee (C') = B * 0.00347	FCC 14-129 8/29/2014 Reg Fee (D') = B * 0.00343	Difference (E') = (D')-(C') (6) \$	Annualization Reversal (F') = (E') * 12 / 9 (8)
	552	\$ 546	\$	

2014 Mid-Year Rate Changes	DA 14-627 5/9/2014 TRS (C'') = B * 0.01174	DA 14-946 6/30/2014 TRS (D'') = B * 0.01219	Difference (E'') = (D'') - (C'') 72 \$	Annualization Reversal (F'') = (E'') * 12 / 9 95
	1,867	\$ 1,939	\$	

2014 Mid-Year Rate Changes	DA 13-1215 5/28/2013 NANPA (C''') = B * 0.0000302	DA 14-792 6/13/2014 NANPA (D''') = B * 0.0000365	Difference (E''') = (D''') - (C''') 4 \$	Annualization Reversal (F''') = (E''') * 12 / 9 5
	17	\$ 21	\$	

	2014 Annual				
	Total	Interstate	FCC 14-129	DA 14-946	DA 14-792
	End User Revenues (499A) (A)	(499A) (B)	8/29/2014 Reg Fee (C)=B * 0.00343	6/30/2014 TRS (D) = B * 0.01219	6/13/2014 NANPA (E) = A * 0.0000365
Exogenous Amount	719,721	180,767	620	2,204	26
Excluded Revenue	51,004	51,004			
Price Cap Revenue Percentage	92.91%	71.78%			

Telecom Relay Support	7/14-6/15	7/15-6/16	
DA 14-627 - (D) = B * 0.01174	1,867		
Reversal of TRS Annualization	95		
DA 14-946 - (D) = B * 0.01219		2,204	
	\$ 1,963	\$ 2,204	\$ 241
% Price Cap Allocation	72.20%	71.78%	
Price Cap Only	\$ 1,417	\$ 1,582	\$ 165
FCC 2013 Price Cap Interstate End User Revenue	114,850		
FCC 2014 Price Cap Interstate End User Revenue	129,763		
Revenue Change (R)	0.129847627		
Price Cap Only with R Adj	\$ 1,601	\$ 1,582	\$ (19)

Regulatory Fee Support:	7/14-6/15	7/15-6/16	
R&O 13-110 - (C)=B * 0.00347	552		
Reversal of Reg Fee Annualization	(8)		
FCC 14-129 - (C)=B * 0.00343		620	
	543	620	\$ 77
% Price Cap Allocation	72.20%	71.78%	
Price Cap Only	\$ 392	\$ 445	\$ 53
FCC 2013 Price Cap Interstate End User Revenue	114,850		
FCC 2014 Price Cap Interstate End User Revenue	129,763		
Revenue Change (R)	0.129847627		
Price Cap Only with R Adj	\$ 443	\$ 445	\$ 2

North American Numbering Plan Administration:	7/14-6/15	7/15-6/16	
DA 13-1215 - (E) = A * 0.0000302	17		
Reversal of NANPA Annualization	5		
DA 14-792 - (E) = A * 0.0000365		26	
	22	26	\$ 4
% Price Cap Allocation	92.32%	92.91%	
Price Cap Only	\$ 21	\$ 24	\$ 4
FCC 2013 Price Cap Total End User Revenue	531,745		
FCC 2014 Price Cap Total End User Revenue	668,717		
Revenue Change (R)	0.257589634		
Price Cap Only with R Adj	\$ 26	\$ 24	\$ (1)

	Common Line	Database Access	Billing Name and Address	Special	Total Revenue
2014 End User Rev - FCC 499	\$ 129,763	\$ -	\$ -	\$ -	\$ 129,763
Allocation Basis	100.00%	0.00%	0.00%	0.00%	100.00%
Telecom. Relay Support	\$ (19)	\$ -	\$ -	\$ -	\$ (19)
NANPA	\$ (1)	\$ -	\$ -	\$ -	\$ (1)
Regulatory Fee Support:	\$ 2	\$ -	\$ -	\$ -	\$ 2
Sub-Total	\$ (19)	\$ -	\$ -	\$ -	\$ (19)
Grand Total Exogenous	\$ (19)	\$ -	\$ -	\$ -	\$ (19)

Exogenous Cost Changes Detail

	2013 Annual				
	Total	Interstate	R&O 13-110	DA 14-627	DA 13-1215
	End User Revenues (499A) (A)	End User Revenues (499A) (B)	8/12/2013 Reg Fee (C)=B * 0.00347	5/9/2014 TRS (D) = B * 0.01174	5/28/2013 NANPA (E) = A * 0.0000302
Exogenous Amount	5,081,377	1,367,074	4,744	16,049	153
Excluded Revenue	185,104	185,104			
Price Cap Revenue Percentage	96.36%	86.46%			

2014 Mid-Year Rate Changes	FCC 13-110 8/12/2013 Reg Fee (C') = B * 0.00347 4,744	FCC 14-129 8/29/2014 Reg Fee (D') = B * 0.00343 4,689	Difference (E') = (D')-(C') (55)	Annualization Reversal (F') = (E') * 12 / 9 (73)
	\$	\$	\$	\$

2014 Mid-Year Rate Changes	DA 14-627 5/9/2014 TRS (C'') = B * 0.01174 16,049	DA 14-946 6/30/2014 TRS (D'') = B * 0.01219 16,665	Difference (E'') = (D'') - (C'') 615	Annualization Reversal (F'') = (E'') * 12 / 9 820
	\$	\$	\$	\$

2014 Mid-Year Rate Changes	DA 13-1215 5/28/2013 NANPA (C''') = B * 0.0000302 153	DA 14-792 6/13/2014 NANPA (D''') = B * 0.0000365 185	Difference (E''') = (D''') - (C''') 32	Annualization Reversal (F''') = (E''') * 12 / 9 43
	\$	\$	\$	\$

	2014 Annual				
	Total	Interstate	FCC 14-129	DA 14-946	DA 14-792
	End User Revenues (499A) (A)	End User Revenues (499A) (B)	8/29/2014 Reg Fee (C)=B * 0.00343	6/30/2014 TRS (D) = B * 0.01219	6/13/2014 NANPA (E) = A * 0.0000365
Exogenous Amount	4,946,758	1,465,610	5,027	17,866	181
Excluded Revenue	206,900	206,900			
Price Cap Revenue Percentage	95.82%	85.88%			

Telecom Relay Support	7/14-6/15	7/15-6/16	
DA 14-627 - (D) = B * 0.01174	16,049		
Reversal of TRS Annualization	820		
DA 14-946 - (D) = B * 0.01219		17,866	
	\$ 16,870	\$ 17,866	\$ 996
% Price Cap Allocation	86.46%	85.88%	
Price Cap Only	\$ 14,586	\$ 15,344	\$ 758
FCC 2013 Price Cap Interstate End User Revenue	1,181,970		
FCC 2014 Price Cap Interstate End User Revenue	1,258,710		
Revenue Change (R)	6.4926%		
Price Cap Only with R Adj	\$ 15,532	\$ 15,344	\$ (189)

Regulatory Fee Support:	7/14-6/15	7/15-6/16	
R&O 13-110 - (C)=B * 0.00347	4,744		
Reversal of Reg Fee Annualization	(73)		
FCC 14-129 - (C)=B * 0.00343		5,027	
	4,671	5,027	\$ 356
% Price Cap Allocation	86.46%	85.88%	
Price Cap Only	\$ 4,038	\$ 4,317	\$ 279
FCC 2013 Price Cap Interstate End User Revenue	1,181,970		
FCC 2014 Price Cap Interstate End User Revenue	1,258,710		
Revenue Change (R)	6.4926%		
Price Cap Only with R Adj	\$ 4,301	\$ 4,317	\$ 17

North American Numbering Plan Administration:	7/14-6/15	7/15-6/16	
DA 13-1215 - (E) = A * 0.0000302	153		
Reversal of NANPA Annualization	43		
DA 14-792 - (E) = A * 0.0000365		181	
	196	181	\$ (16)
% Price Cap Allocation	96.36%	95.82%	
Price Cap Only	\$ 189	\$ 173	\$ (16)
FCC 2013 Price Cap Total End User Revenue	4,896,273		
FCC 2014 Price Cap Total End User Revenue	4,739,858		
Revenue Change (R)	-0.031945727		
Price Cap Only with R Adj	\$ 183	\$ 173	\$ (10)

	Common Line	Database Access	Billing Name and Address	Special	Total Revenue
2014 End User Rev - FCC 499	\$ 1,252,405	\$ -	\$ -	\$ 6,305	\$ 1,258,710
Allocation Basis	99.50%	0.00%	0.00%	0.50%	100.00%
Telecom. Relay Support	\$ (188)	\$ -	\$ -	\$ (1)	\$ (189)
NANPA	\$ (10)	\$ -	\$ -	\$ (0)	\$ (10)
Regulatory Fee Support:	\$ 17	\$ -	\$ -	\$ 0	\$ 17
Sub-Total	\$ (181)	\$ -	\$ -	\$ (1)	\$ (182)
Grand Total Exogenous	\$ (181)	\$ -	\$ -	\$ (1)	\$ (182)

Exogenous Cost Changes Detail

	2013 Annual				
	Total	Interstate	R&O 13-110	DA 14-627	DA 13-1215
	End User Revenues (499A) (A)	(499A) (B)	8/12/2013 Reg Fee (C)=B * 0.00347	5/9/2014 TRS (D) = B * 0.01174	5/28/2013 NANPA (E) = A * 0.0000302
Exogenous Amount	10,868,037	3,163,398	10,977	37,138	328
Excluded Revenue	423,677	423,677			
Price Cap Revenue Percentage	96.10%	86.61%			

2014 Mid-Year Rate Changes	FCC 13-110 8/12/2013 Reg Fee (C') = B * 0.00347	FCC 14-129 8/29/2014 Reg Fee (D') = B * 0.00343	Difference (E') = (D')-(C')	Annualization Reversal (F') = (E') * 12 / 9
	10,977	\$ 10,850	\$ (127)	\$ (169)

2014 Mid-Year Rate Changes	DA 14-627 5/9/2014 TRS (C'') = B * 0.01174	DA 14-946 6/30/2014 TRS (D'') = B * 0.01219	Difference (E'') = (D'') - (C'')	Annualization Reversal (F'') = (E'') * 12 / 9
	37,138	\$ 38,562	\$ 1,424	\$ 1,898

2014 Mid-Year Rate Changes	DA 13-1215 5/28/2013 NANPA (C''') = B * 0.0000302	DA 14-792 6/13/2014 NANPA (D''') = B * 0.0000365	Difference (E''') = (D''') - (C''')	Annualization Reversal (F''') = (E''') * 12 / 9
	328	\$ 397	\$ 68	\$ 91

	2014 Annual				
	Total	Interstate	FCC 14-129	DA 14-946	DA 14-792
	End User Revenues (499A) (A)	(499A) (B)	8/29/2014 Reg Fee (C)=B * 0.00343	6/30/2014 TRS (D) = B * 0.01219	6/13/2014 NANPA (E) = A * 0.0000365
Exogenous Amount	10,345,180	3,285,289	11,269	40,048	378
Excluded Revenue	457,612	457,612			
Price Cap Revenue Percentage	95.58%	86.07%			

Telecom Relay Support

	7/14-6/15	7/15-6/16	
DA 14-627 - (D) = B * 0.01174	37,138		
Reversal of TRS Annualization	1,898		
DA 14-946 - (D) = B * 0.01219		40,048	
	\$ 39,036	\$ 40,048	\$ 1,011
% Price Cap Allocation	86.61%	86.07%	
Price Cap Only	\$ 33,808	\$ 34,469	\$ 661
FCC 2013 Price Cap Interstate End User Revenue	2,739,721		
FCC 2014 Price Cap Interstate End User Revenue	2,827,677		
Revenue Change (R)	0.032103999		
Price Cap Only with R Adj	\$ 34,894	\$ 34,469	\$ (424)

Regulatory Fee Support:

	7/14-6/15	7/15-6/16	
R&O 13-110 - (C)=B * 0.00347	10,977		
Reversal of Reg Fee Annualization	(169)		
FCC 14-129 - (C)=B * 0.00343		11,269	
	10,808	11,269	\$ 460
% Price Cap Allocation	86.61%	86.07%	
Price Cap Only	\$ 9,361	\$ 9,699	\$ 338
FCC 2013 Price Cap Interstate End User Revenue	2,739,721		
FCC 2014 Price Cap Interstate End User Revenue	2,827,677		
Revenue Change (R)	0.032103999		
Price Cap Only with R Adj	\$ 9,661	\$ 9,699	\$ 38

North American Numbering Plan Administration:

	7/14-6/15	7/15-6/16	
DA 13-1215 - (E) = A * 0.0000302	328		
Reversal of NANPA Annualization	91		
DA 14-792 - (E) = A * 0.0000365		378	
	420	378	\$ (42)
% Price Cap Allocation	96.10%	95.58%	
Price Cap Only	\$ 403	\$ 361	\$ (42)
FCC 2013 Price Cap Total End User Revenue	10,444,360		
FCC 2014 Price Cap Total End User Revenue	9,887,568		
Revenue Change (R)	-0.053310303		
Price Cap Only with R Adj	\$ 382	\$ 361	\$ (21)

	Common Line	Database Access	Billing Name and Address	Special	Total Revenue
2014 End User Rev - FCC 499	\$ 2,810,950	\$ -	\$ -	\$ 16,727	\$ 2,827,677
Allocation Basis	99.41%	0.00%	0.00%	0.59%	100.00%
Telecom. Relay Support	\$ (422)	\$ -	\$ -	\$ (3)	\$ (424)
NANPA	\$ (21)	\$ -	\$ -	\$ (0)	\$ (21)
Regulatory Fee Support:	\$ 37	\$ -	\$ -	\$ 0	\$ 38
Sub-Total	\$ (405)	\$ -	\$ -	\$ (2)	\$ (407)
Grand Total Exogenous	\$ (405)	\$ -	\$ -	\$ (2)	\$ (407)

Exogenous Cost Changes Detail

	2013 Annual				
	Total	Interstate	R&O 13-110	DA 14-627	DA 13-1215
	End User Revenues (499A) (A)	End User Revenues (499A) (B)	8/12/2013 Reg Fee (C)=B * 0.00347	5/9/2014 TRS (D) = B * 0.01174	5/28/2013 NANPA (E) = A * 0.0000302
Exogenous Amount	14,535,662	4,006,565	13,903	47,037	439
Excluded Revenue	509,909	509,909			
Price Cap Revenue Percentage	96.49%	87.27%			

2014 Mid-Year Rate Changes	FCC 13-110 8/12/2013 Reg Fee (C') = B * 0.00347 13,903	FCC 14-129 8/29/2014 Reg Fee (D') = B * 0.00343 13,743	Difference (E') = (D')-(C') (160)	Annualization Reversal (F') = (E') * 12 / 9 (214)
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2014 Mid-Year Rate Changes	DA 14-627 5/9/2014 TRS (C'') = B * 0.01174 47,037	DA 14-946 6/30/2014 TRS (D'') = B * 0.01219 48,840	Difference (E'') = (D'') - (C'') 1,803	Annualization Reversal (F'') = (E'') * 12 / 9 2,404
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2014 Mid-Year Rate Changes	DA 13-1215 5/28/2013 NANPA (C''') = B * 0.0000302 439	DA 14-792 6/13/2014 NANPA (D''') = B * 0.0000365 531	Difference (E''') = (D''') - (C''') 92	Annualization Reversal (F''') = (E''') * 12 / 9 122
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	2014 Annual				
	Total	Interstate	FCC 14-129	DA 14-946	DA 14-792
	End User Revenues (499A) (A)	End User Revenues (499A) (B)	8/29/2014 Reg Fee (C)=B * 0.00343	6/30/2014 TRS (D) = B * 0.01219	6/13/2014 NANPA (E) = A * 0.0000365
Exogenous Amount	14,066,124	4,141,146	14,204	50,481	513
Excluded Revenue	549,467	549,467			
Price Cap Revenue Percentage	96.09%	86.73%			

Telecom Relay Support	7/14-6/15	7/15-6/16	
DA 14-627 - (D) = B * 0.01174	47,037		
Reversal of TRS Annualization	2,404		
DA 14-946 - (D) = B * 0.01219		50,481	
	\$ 49,441	\$ 50,481	\$ 1,040
% Price Cap Allocation	87.27%	86.73%	
Price Cap Only	\$ 43,149	\$ 43,783	\$ 634
FCC 2013 Price Cap Interstate End User Revenue	3,496,656		
FCC 2014 Price Cap Interstate End User Revenue	3,591,679		
Revenue Change (R)	0.027175393		
Price Cap Only with R Adj	\$ 44,321	\$ 43,783	\$ (539)

Regulatory Fee Support:	7/14-6/15	7/15-6/16	
R&O 13-110 - (C)=B * 0.00347	13,903		
Reversal of Reg Fee Annualization	(214)		
FCC 14-129 - (C)=B * 0.00343		14,204	
	13,689	14,204	\$ 515
% Price Cap Allocation	87.27%	86.73%	
Price Cap Only	\$ 11,947	\$ 12,319	\$ 373
FCC 2013 Price Cap Interstate End User Revenue	3,496,656		
FCC 2014 Price Cap Interstate End User Revenue	3,591,679		
Revenue Change (R)	0.027175393		
Price Cap Only with R Adj	\$ 12,272	\$ 12,319	\$ 48

North American Numbering Plan Administration:	7/14-6/15	7/15-6/16	
DA 13-1215 - (E) = A * 0.0000302	439		
Reversal of NANPA Annualization	122		
DA 14-792 - (E) = A * 0.0000365		513	
	561	513	\$ (48)
% Price Cap Allocation	96.49%	96.09%	
Price Cap Only	\$ 541	\$ 493	\$ (48)
FCC 2013 Price Cap Total End User Revenue	14,025,753		
FCC 2014 Price Cap Total End User Revenue	13,516,657		
Revenue Change (R)	-0.036297231		
Price Cap Only with R Adj	\$ 522	\$ 493	\$ (28)

	Common Line	Database Access	Billing Name and Address	Special	Total Revenue
2014 End User Rev - FCC 499	\$ 3,534,207	\$ -	\$ -	\$ 57,472	\$ 3,591,679
Allocation Basis	98.40%	0.00%	0.00%	1.60%	100.00%
Telecom .Relay Support	\$ (530)	\$ -	\$ -	\$ (9)	\$ (539)
NANPA	\$ (28)	\$ -	\$ -	\$ (0)	\$ (28)
Regulatory Fee Support:	\$ 47	\$ -	\$ -	\$ 1	\$ 48
Sub-Total	\$ (511)	\$ -	\$ -	\$ (8)	\$ (519)
Grand Total Exogenous	\$ (511)	\$ -	\$ -	\$ (8)	\$ (519)

Exogenous Cost Changes Detail

	2013 Annual				
	Total	Interstate	R&O 13-110	DA 14-627	DA 13-1215
	End User Revenues (499A) (A)	End User Revenues (499A) (B)	8/12/2013 Reg Fee (C)=B * 0.00347	5/9/2014 TRS (D) = B * 0.01174	5/28/2013 NANPA (E) = A * 0.0000302
Exogenous Amount	2,118,469	594,694	2,064	6,982	64
Excluded Revenue	83,869	83,869			
Price Cap Revenue Percentage	96.04%	85.90%			

2014 Mid-Year Rate Changes	FCC 13-110 8/12/2013 Reg Fee (C') = B * 0.00347 2,064	FCC 14-129 8/29/2014 Reg Fee (D') = B * 0.00343 2,040	Difference (E') = (D')-(C') (24)	Annualization Reversal (F') = (E') * 12 / 9 (32)
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2014 Mid-Year Rate Changes	DA 14-627 5/9/2014 TRS (C'') = B * 0.01174 6,982	DA 14-946 6/30/2014 TRS (D'') = B * 0.01219 7,249	Difference (E'') = (D'') - (C'') 268	Annualization Reversal (F'') = (E'') * 12 / 9 357
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2014 Mid-Year Rate Changes	DA 13-1215 5/28/2013 NANPA (C''') = B * 0.0000302 64	DA 14-792 6/13/2014 NANPA (D''') = B * 0.0000365 77	Difference (E''') = (D''') - (C''') 13	Annualization Reversal (F''') = (E''') * 12 / 9 18
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	2014 Annual				
	Total	Interstate	FCC 14-129	DA 14-946	DA 14-792
	End User Revenues (499A) (A)	End User Revenues (499A) (B)	8/29/2014 Reg Fee (C)=B * 0.00343	6/30/2014 TRS (D) = B * 0.01219	6/13/2014 NANPA (E) = A * 0.0000365
Exogenous Amount	2,067,694	628,870	2,157	7,666	75
Excluded Revenue	91,704	91,704			
Price Cap Revenue Percentage	95.56%	85.42%			

Telecom Relay Support

	7/14-6/15	7/15-6/16	
DA 14-627 - (D) = B * 0.01174	6,982		
Reversal of TRS Annualization	357		
DA 14-946 - (D) = B * 0.01219		7,666	
	\$ 7,339	\$ 7,666	\$ 327
% Price Cap Allocation	85.90%	85.42%	
Price Cap Only	\$ 6,304	\$ 6,548	\$ 244
FCC 2013 Price Cap Interstate End User Revenue	510,825		
FCC 2014 Price Cap Interstate End User Revenue	537,166		
Revenue Change (R)	0.051565605		
Price Cap Only with R Adj	\$ 6,629	\$ 6,548	\$ (81)

Regulatory Fee Support:

	7/14-6/15	7/15-6/16	
R&O 13-110 - (C)=B * 0.00347	2,064		
Reversal of Reg Fee Annualization	(32)		
FCC 14-129 - (C)=B * 0.00343		2,157	
	2,032	2,157	\$ 125
% Price Cap Allocation	85.90%	85.42%	
Price Cap Only	\$ 1,745	\$ 1,842	\$ 97
FCC 2013 Price Cap Interstate End User Revenue	510,825		
FCC 2014 Price Cap Interstate End User Revenue	537,166		
Revenue Change (R)	0.051565605		
Price Cap Only with R Adj	\$ 1,835	\$ 1,842	\$ 7

North American Numbering Plan Administration:

	7/14-6/15	7/15-6/16	
DA 13-1215 - (E) = A * 0.0000302	64		
Reversal of NANPA Annualization	18		
DA 14-792 - (E) = A * 0.0000365		75	
	82	75	\$ (6)
% Price Cap Allocation	96.04%	95.56%	
Price Cap Only	\$ 79	\$ 72	\$ (6)
FCC 2013 Price Cap Total End User Revenue	2,034,600		
FCC 2014 Price Cap Total End User Revenue	1,975,990		
Revenue Change (R)	-0.028806645		
Price Cap Only with R Adj	\$ 76	\$ 72	\$ (4)

	Common Line	Database Access	Billing Name and Address	Special	Total Revenue
2014 End User Rev - FCC 499	\$ 537,166	\$ -	\$ -	\$ -	\$ 537,166
Allocation Basis	100.00%	0.00%	0.00%	0.00%	100.00%
Telecom. Relay Support	\$ (81)	\$ -	\$ -	\$ -	\$ (81)
NANPA	\$ (4)	\$ -	\$ -	\$ -	\$ (4)
Regulatory Fee Support:	\$ 7	\$ -	\$ -	\$ -	\$ 7
Sub-Total	\$ (78)	\$ -	\$ -	\$ -	\$ (78)
Grand Total Exogenous	\$ (78)	\$ -	\$ -	\$ -	\$ (78)

Exogenous Cost Changes Detail

	2013 Annual				
	Total	Interstate	R&O 13-110	DA 14-627	DA 13-1215
	End User Revenues (499A) (A)	End User Revenues (499A) (B)	8/12/2013 Reg Fee (C)=B * 0.00347	5/9/2014 TRS (D) = B * 0.01174	5/28/2013 NANPA (E) = A * 0.0000302
Exogenous Amount	1,279,304	339,063	1,177	3,981	39
Excluded Revenue	45,304	45,304			
Price Cap Revenue Percentage	96.46%	86.64%			

2014 Mid-Year Rate Changes	FCC 13-110 8/12/2013 Reg Fee (C') = B * 0.00347 1,177	FCC 14-129 8/29/2014 Reg Fee (D') = B * 0.00343 1,163	Difference (E') = (D')-(C') (14)	Annualization Reversal (F') = (E') * 12 / 9 (18)
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2014 Mid-Year Rate Changes	DA 14-627 5/9/2014 TRS (C'') = B * 0.01174 3,981	DA 14-946 6/30/2014 TRS (D'') = B * 0.01219 4,133	Difference (E'') = (D'') - (C'') 153	Annualization Reversal (F'') = (E'') * 12 / 9 203
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2014 Mid-Year Rate Changes	DA 13-1215 5/28/2013 NANPA (C''') = B * 0.0000302 39	DA 14-792 6/13/2014 NANPA (D''') = B * 0.0000365 47	Difference (E''') = (D''') - (C''') 8	Annualization Reversal (F''') = (E''') * 12 / 9 11
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	2014 Annual				
	Total	Interstate	FCC 14-129	DA 14-946	DA 14-792
	End User Revenues (499A) (A)	End User Revenues (499A) (B)	8/29/2014 Reg Fee (C)=B * 0.00343	6/30/2014 TRS (D) = B * 0.01219	6/13/2014 NANPA (E) = A * 0.0000365
Exogenous Amount	1,292,462	373,030	1,279	4,547	47
Excluded Revenue	51,964	51,964			
Price Cap Revenue Percentage	95.98%	86.07%			

Telecom Relay Support

	7/14-6/15	7/15-6/16	
DA 14-627 - (D) = B * 0.01174	3,981		
Reversal of TRS Annualization	203		
DA 14-946 - (D) = B * 0.01219		4,547	
	\$ 4,184	\$ 4,547	\$ 363
% Price Cap Allocation	86.64%	86.07%	
Price Cap Only	\$ 3,625	\$ 3,914	\$ 289
FCC 2013 Price Cap Interstate End User Revenue	293,759		
FCC 2014 Price Cap Interstate End User Revenue	321,066		
Revenue Change (R)	0.092957152		
Price Cap Only with R Adj	\$ 3,962	\$ 3,914	\$ (48)

Regulatory Fee Support:

	7/14-6/15	7/15-6/16	
R&O 13-110 - (C)=B * 0.00347	1,177		
Reversal of Reg Fee Annualization	(18)		
FCC 14-129 - (C)=B * 0.00343		1,279	
	1,158	1,279	\$ 121
% Price Cap Allocation	86.64%	86.07%	
Price Cap Only	\$ 1,004	\$ 1,101	\$ 98
FCC 2013 Price Cap Interstate End User Revenue	293,759		
FCC 2014 Price Cap Interstate End User Revenue	321,066		
Revenue Change (R)	0.092957152		
Price Cap Only with R Adj	\$ 1,097	\$ 1,101	\$ 4

North American Numbering Plan Administration:

	7/14-6/15	7/15-6/16	
DA 13-1215 - (E) = A * 0.0000302	39		
Reversal of NANPA Annualization	11		
DA 14-792 - (E) = A * 0.0000365		47	
	49	47	\$ (2)
% Price Cap Allocation	96.46%	95.98%	
Price Cap Only	\$ 48	\$ 45	\$ (2)
FCC 2013 Price Cap Total End User Revenue	1,234,000		
FCC 2014 Price Cap Total End User Revenue	1,240,498		
Revenue Change (R)	0.005265802		
Price Cap Only with R Adj	\$ 48	\$ 45	\$ (3)

	Common Line	Database Access	Billing Name and Address	Special	Total Revenue
2014 End User Rev - FCC 499	\$ 320,720	\$ -	\$ -	\$ 346	\$ 321,066
Allocation Basis	99.89%	0.00%	0.00%	0.11%	100.00%
Telecom. Relay Support	\$ (48)	\$ -	\$ -	\$ (0)	\$ (48)
NANPA	\$ (3)	\$ -	\$ -	\$ (0)	\$ (3)
Regulatory Fee Support:	\$ 4	\$ -	\$ -	\$ 0	\$ 4
Sub-Total	\$ (46)	\$ -	\$ -	\$ (0)	\$ (46)
Grand Total Exogenous	\$ (46)	\$ -	\$ -	\$ (0)	\$ (46)