



**DESCRIPTION AND JUSTIFICATION**

**CONSOLIDATED COMMUNICATIONS COMPANIES**

**INTERSTATE ACCESS SERVICES**

**TARIFF FCC No. 2  
(Consolidated Communications Company of Pennsylvania)**

**ANNUAL 2015 ACCESS CHARGE TARIFF FILING**

**TRANSMITTAL No. 61**

**June 16, 2015**

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## **SECTION 1 INTRODUCTION AND SUMMARY**

### **Introduction**

The Consolidated Communications Companies hereby provide a Description and Justification for its limited Tariff Review Plan revisions to F.C.C. Tariff No. 2 (Consolidated Communications of Pennsylvania Company) along with supporting documentation. This information is being filed in accordance with the Commission's 2015 TRP Notices released March 27, 2015 and April 14, 2015 (DA 15-368 and DA 15-458 respectively) and fulfills the requirements established in Sections 61.41 through 61.49 of the Commission rules.

### **Description of the Consolidated Communications of Pennsylvania Company Operations**

The Consolidated Communications of Pennsylvania Company (CCPA) was an average schedule Company through July, 2012, participating in the NECA Traffic Sensitive and Common Line pools. It provides local service, toll, private line services, access services, DSL, CLASS services, and other modern telecommunications services to its customers. CCPA is a price cap company pursuant to FCC Order 12-154<sup>1</sup> that fall under Sections 61.41 through 61.49 of the Commission's Rules and relevant Commission Orders.<sup>2</sup> They provide local service, toll, private line services, access services, DSL, CLASS services, and other modern telecommunications services to their customers.

CCPA is an Incumbent Local Exchange Carrier (ILEC) that serves several suburban communities north of Pittsburgh, PA. In 1906, several of the leading citizens of the community of Gibsonia and the vicinity met to discuss plans for obtaining telephone service. After discussing the matter with the Central District Printing and Telegraph Company, Pittsburgh, Pennsylvania (later Bell of Pennsylvania), certain officials of that Company suggested that those interested in telephone service north of Pittsburgh should organize a local company which could be connected to the Telephone Company by trunk lines. On November 1, 1906, a perpetual charter was secured in the name of North Pittsburgh Telephone Company operating under the laws of the Commonwealth of Pennsylvania.

Within a period of two years from the inception of telephone service, the company installed 258 telephones or certificates by bequest. On December 4, 1909, a new building was ready for occupancy. A new Western Electric switchboard was installed, and the new exchange named "Gibsonia." The Wexford exchange was installed on July 1, 1910,

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<sup>1</sup> See, Order, Joint Petition of Price Cap Holding Companies for Conversion of Average Schedule Affiliates to Price Cap Regulation and for Limited Waiver Relief (FCC 12-154, WC Docket No. 12-63)

<sup>2</sup> 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").

and Curtisville during World War I, to serve the coal industry. Telephone lines were then extended north from Warrendale and west from Mars into Cranberry Township.

In the mid 1980s, North Pittsburgh formed a holding company and became part of North Pittsburgh Systems, INC. (NPSI). NPSI was a holding company and through its subsidiaries provided telecommunications services and equipment in western Pennsylvania and Pittsburgh. Its subsidiaries primarily included North Pittsburgh Telephone Company (NASDAQ: NPSI); Penn Telecom, Inc; and Pinntech Inc.

North Pittsburgh Telephone operated as an ILEC that provided various services to business and residential telephone lines in southwestern Pennsylvania (northern Allegheny & southern Butler counties, and a small portion of Westmoreland county).

The Company also provided Digital Subscriber Line (DSL) services. Penn Telecom, through its optical fiber cable network, offered broadband services, Competitive Local Exchange Carrier (CLEC) services, and Long Distance services, as well as providing traditional key and Private Branch Exchange (PBX) systems to business customers. Pinnatech principally provided Internet and broadband-related services primarily through their Nauticom brand. North Pittsburgh Systems provided directory advertising and billing, as well as sale of telecommunications equipment.

North Pittsburgh Systems, Inc. (parent company) was sold to Consolidated Communications, headquartered in Mattoon, Illinois in 2007. Consolidated also owns and operates telephone services in Illinois, Texas, California, Kansas, and Missouri. The sale was completed in January, 2008.

CCPA currently provides services to residential and business customers in several counties in western Pennsylvania. The CCPA territory consists of eight exchanges and covers 285 square miles, serving portions of Allegheny, Armstrong, Butler, and Westmoreland counties in Western Pennsylvania. The 8 exchanges served include: Cooperstown, Criders Corners, Curtisville, Freeport, Gibsonia, Mars, Saxonburg, and Wexford. The southernmost point of the ILEC territory is 12 miles north of the city of Pittsburgh. CCPA provides basic telephone services in this territory, with approximately 40,000 local access lines (averaging 130 lines per square mile) as of March 31, 2015. Approximately 43.2% of it's Pennsylvania local access lines in this territory serve residential customers and the remainder service business customers.

## **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. 15-75, July, 2015 Annual Access Charge Tariff Filings released March 27, 2015, and Tariff Review Plans issued in WC Docket No. 15-75, Material to be Filed in Support of 2015 Annual Access Tariff Filings, released April 14, 2015.

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 file CCPAAN15.xls)***
- Rate Detail (Excel file CCPAA15a.xls)***
- Eligible Recovery Spreadsheet (Excel file CCTCER15.xls)***
- Eligible Recovery Summary File (Excel file CCTCERSUM15.xls)***

#### **Confidential Files:**

- Access Reduction Spreadsheet (Excel file CCPAAR15.xls)***
- Recip Comp Spreadsheet (Excel file CCTCRC15.xls)***
- ARC Spreadsheet (Excel file CCTCARC15.xls)***
- ARC True Up Form (Excel file CCTCARCTRUE15.xls)***
- Tariff Rate Comparison (Excel file CCTCTRC15.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 1.3048% 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, 2014 and the corresponding quarter of the 2013 GDP-PI.

As directed by the Commission,<sup>3</sup> 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 FCC 12-154,<sup>4</sup> 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 2013 (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.

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<sup>3</sup> 2015TRP Notice, *Supra.*, Paragraph 22.

<sup>4</sup> See, Order, Joint Petition of Price Cap Holding Companies for Conversion of Average Schedule Affiliates to Price Cap Regulation and for Limited Waiver Relief (FCC 12-154, WC Docket No. 12-63) para 31.

## 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.<sup>5</sup> The Commission reviewed and accepted the North American Numbering Plan Administrator submission and ordered that a contribution factor of 0.0000387.<sup>6</sup> 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 2015 fiscal year (July 2015 to June 2016). The impact of the NANPA support has been included as an exogenous cost in this filing as shown in Exhibit 2, RDEV-1.

## Regulatory Fees

Earlier Commission decisions<sup>7</sup> 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 was calculated using a factor of .00329 as prescribed in the Commission's *Regulatory Fee Order*,<sup>8</sup> 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 addition, calculations to remove the exogenous adjustment made on September 16, 2014 under CCC Transmittal No. 55, 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. Because this factor was implemented in a mid-year filing, the exogenous amount was grossed up to recover the adjustment over the remaining months in the fiscal year. For this reason the exogenous amount was modified to reverse the gross up made in the September filing. 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,<sup>9</sup> 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 TRS exogenous cost for this filing is calculated using the

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<sup>5</sup> *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)

<sup>6</sup> *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 2015 through June 2016, Public Notice DA 15-670, CC Docket No. 92-237, released June 8, 2015.

<sup>7</sup> *Price Cap Treatment of Regulatory Fees Imposed by Section 9 of the Communications Act*, 9 FCC 6060 (1994), erratum (November 2, 1994).

<sup>8</sup> *In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2015*, Notice of Proposed Rulemaking, (filed May 20, 2015) FCC Order 15-59, MD Docket 15-121 (*Regulatory Fee Order*).

<sup>9</sup> *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*).

.01635 as estimated in the June 4, 2015 FCC submission by Rolka Loube Saltzer Assoc. (RLSA)<sup>10</sup> and is displayed on Exhibit 2, RDEV-1.

In addition, calculations to remove the exogenous adjustment made on September 16, 2013 under CCC Transmittal No. 55, which changed the TRS contribution factor from .01174 to .01219 in compliance with CG Docket No. 03-123, (DA 14-946), released June 30, 2014. Because this factor was implemented in a mid-year filing, the exogenous amount was grossed up to recover the adjustment over the remaining months in the fiscal year. For this reason the exogenous amount was modified to reverse the gross up made in the September filing. 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 order<sup>11</sup> 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.

Additional Forms were added as a result of the November 18, 2011 release of the *USF/ICC Transformation Order*,<sup>12</sup> and are attached as exhibits to the filing as follows:

ARC Spreadsheet (CONFIDENTIAL) – The ARC Spreadsheet demonstrates the calculations necessary to arrive at an ARC rate for filing carriers. This is a new spreadsheet in the TRP created to comply with section 51.915(e) of the Commission's rules.<sup>13</sup>

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<sup>10</sup> *Rolka Loube Saltzer Associates LLC submits payment formulas and funding requirements estimates for the Interstate Telecommunications Relay Service Fund for the July 2015 through June 2016 fund year*, FCC Report DA 15-612, CG Docket 03-123, Released June 4, 2015

<sup>11</sup> See, Order, Joint Petition of Price Cap Holding Companies for Conversion of Average Schedule Affiliates to Price Cap Regulation and for Limited Waiver Relief (FCC 12-154, WC Docket No. 12-63) para 31.

<sup>12</sup> See *USF/ICC Transformation Order*, 26 FCC Rcd at 17934-35, para. 801 (although many of the switched access rate elements are subject to the transition adopted, other rates are not being specifically reduced at this time.) See also *id.* At 18109-115, paras. 1297-1314 (seeking comment on the appropriate transition for rate elements not specifically addressed in the Order).

<sup>13</sup> 47 C.F.R. §51.915(e)



ARC True Up Spreadsheet (CONFIDENTIAL) – The ARC True up reconciles the 2013 projected ARCs to actual counts as an adjustment to Eligible Recovery.

Access Reduction Spreadsheet (CONFIDENTIAL) – The Access Reduction spreadsheet identifies the rates that are required to be reduced pursuant to section 51.907(b)-(g) of the Commission’s rules and calculates the amount of the reductions. The spreadsheets also show the calculation of a price cap ILEC’s eligible recovery pursuant to section 51.915(d) of the Commission’s rules. This is a new spreadsheet in the TRP created to comply with sections 51.907(b)-(g) and 51.915(d) of the Commission’s rules.<sup>14</sup>

The Access Reduction Spreadsheet establishes the rates in effect as of December 29, 2011, for both its intrastate and interstate components (see columns A and B). To determine “billed” and “collected” revenue, Consolidated used the following review and analyses:

#### Billed Revenue

To determine the FY2011 revenue, Consolidated downloaded monthly billing details for the period of 10/1/2010 through 9/30/2011. Using the monthly reports, Consolidated performed several data filters to extrapolate demand and revenue by carrier, jurisdiction and rate element. Consolidated filtered out any prior period billing from these data exports. The filtered data was then copied into the fiscal year summary.

#### Collected Revenue

To determine the actual collected revenue as of March 31, 2012, Consolidated evaluated the Carrier Aging Report as of April 1, 2012. Using this report Consolidated was able to identify any carrier with unpaid balances of that date. From there, Consolidated reviewed the actual carrier bills to determine to any unpaid balance that was specific to the fiscal year billed revenue for the intrastate jurisdiction. To achieve this result, a monthly CABS report was reviewed to determine what invoices, between the bill period October 2010 to September 2011, had an unpaid balance as of March 31, 2012. The CABS report is automatically generated by the billing system, and lists all the balances due by carrier and by invoice month. The report from the April 2012 billing was the source of the unpaid balance analysis. The report contains a column that has the original billed amount, and another column that shows the current unpaid balance for that invoice. Using the two columns a percentage of revenues collected compared to revenues billed was calculated. Consolidated excluded all Late Payment Charges (LPC) in the analysis.

Consolidated then developed a percentage split between originating and terminating collected revenues based on relative intrastate terminating MOU demand divided by the total intrastate MOU demand (both originating and terminating) for the period. Making an assessment of “collected only” terminating revenues to develop fiscal year 2011 collected intrastate terminating demand (see column D), Consolidated calculates the price

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<sup>14</sup> *Id.* At §§ 51.907(b)-(g), 51.915(d).

out of intrastate terminating demand using both intrastate and interstate rates (see columns E and F). A calculation is then made to determine the amount equal to 100% of the difference between the price out columns (see column G). Proposed intrastate terminating rates are then input (see column H). The rates highlighted in green will be changed in the company's intrastate access tariffs. Using the input proposed rates, a new price out is calculated using intrastate terminating demand (see column I). This new price out is compared to the price out using the original rates (column E) to calculate the difference between the original and proposed revenues (column J). The total of Column J is then reconciled to the required price out (column G) to ensure that the 100% reduction threshold is met.

**Reciprocal Compensation Spreadsheet (CONFIDENTIAL)** – The Reciprocal Compensation spreadsheet demonstrates the calculations necessary to comply with section 51.705 of the Commission's rules and calculates the eligible recovery for reciprocal compensation rate reductions pursuant to section 51.915(d). This is a new spreadsheet in the TRP created to comply with section 51.705 and 51.915(d) of the Commission's rules.<sup>15</sup>

**Eligible Recovery Spreadsheet** - The Eligible recovery sheet is created to summarize eligible recovery outputs by operating company from the access reduction, reciprocal compensation, and TRP exogenous forms.

**Summary Eligible Recovery Sheet** – This sheet is created for FCC tracking of eligible revenue and lines over the 2 year period of the order.

**Tariff Rate Comparison (CONFIDENTIAL)** – The Tariff Rate Comparison sheet is created to show the implementation of ARC rates in exchanges in relation to the FCC revenue benchmark restrictions in the ICC Transformation Order.

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<sup>15</sup> *Id.* At §§ 51.705, 51.915(d).

## Exhibit 1

### Consolidated Communications Operating Companies and Study Area Designators

**Consolidated Communications Operating Companies  
And Study Areas**

**Operating Company**

**COSA**

Consolidated Communications of Pennsylvania Company (170193)

CCPA

## Exhibit 2

### PCI Development

Filing Date: 06/16/2015  
Filing Entity: Consolidated Communications of Pennsylvania C  
Transmittal Number: 61  
July 1, 2015 Access Charge TRP Filing (CCPAAN15.xls)

7/1/15 PCI Development

|   | Common<br>Line<br>(A) | Interexchange<br>(D) | Special<br>(E) |
|---|-----------------------|----------------------|----------------|
| 1. Revenues (R)   | 3,548,926             | 0                    | 6,273,383      |
| 2. Exogenous Changes (Z)  | (1,104)               | 0                    | 0              |
| a. EDFIT / ITC / Access Cost Changes  | 0                     | 0                    | 0              |
| b. Telecom. Relay Service Changes   | (1,327)               | 0                    | 0              |
| c. Lower Formula Adjustment (LFAM)  | 0                     | 0                    | 0              |
| d. Regulatory Fee Support Changes   | 111                   | 0                    | 0              |
| e. North American Numbering Plan Admin.   | 112                   | 0                    | 0              |
| 3. Z/R = ( Ln 2 / Ln 1 )  | -0.000311             | 0.000000             | 0.000000       |
| 4. W = (( Ln 1 + Ln 2 ) / R )   | 0.999689              | 0.000000             | 1.000000       |
| 5. GDP-PI Chain Weighted ( 4 Qtr 2012 )   | 108.6810              | 108.6810             | 108.6810       |
| 6. GDP-PI Chain Weighted ( 4 Qtr 2011 )   | 107.3470              | 107.3470             | 107.3470       |
| 7. Percent Change in GDP-PI (I)<br>(( Ln 5 - Ln 6 ) / Ln 6 ) * 100  | 1.3048%               | 1.3048%              | 1.3048%        |
| 8. Productivity (X)   | N/A                   | 3.0000%              | 1.304800%      |
| 9. GDP-PI - X ( Ln 8 - Ln 7 )   | N/A                   | -1.6952%             | 0.0000%        |
| 10. Growth Rate of CCL MOU/Line (g)   | #VALUE!               | N/A                  | N/A            |
| 11. Existing PCI  | 23.5100               | 0.0000               | 100.0000       |
| 12. Targeted Revenue Differential<br>TRP Form TGT- 1 r1100  | N/A                   | N/A                  | N/A            |
| 13. Prop. PCI (NonExog Only: Annual Filing<br>col.b&c: Ln 11; col.e: Ln 11 * ( 1 + Ln 9 )<br>SBI Upper Limit calculations only) | N/A                   | 0.0000               | 100.0000       |
| 14. Proposed PCI<br>col.b&c: Ln 11 * ( 1 + Ln 3 + Ln 12 / Ln 1 )<br>col.d&e: Ln 11 * ( 1 + Ln 3 + Ln 4 * Ln 9 )                 | N/A                   | 0.0000               | 100.0000       |

Filing Date: 06/16/2015  
Filing Entity: Consolidated Communications of Pennsylvania Company  
Transmittal Number: 61

July 1, 2015 Access Charge TRP Filing (SWTCAN15.xls)  
Exogenous Cost Changes Detail

|                              | 2013 Annual       |                   | FCC 14-88         | DA 14-627         | DA 14-792           |
|------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|
|                              | Total             | Interstate        | 6/13/2014         | 5/9/2014          | 6/13/2014           |
|                              | End User Revenues | End User Revenues | Reg Fee           | TRS               | NANPA               |
|                              | (499A)            | (499A)            |                   |                   |                     |
|                              | (A)               | (B)               | (C) = B * 0.00340 | (D) = B * 0.01174 | (E) = A * 0.0000365 |
| Exogenous Amount             | \$ 19,154,572     | \$ 4,710,847      | \$ 16,017         | \$ 55,305         | \$ 699              |
| Excluded Revenue             | \$ -              | \$ -              |                   |                   |                     |
| Price Cap Revenue Percentage | 100.00%           | 100.00%           |                   |                   |                     |

| 2014 Mid-Year Rate Changes | FCC 14-88          | FCC 14-129         |                    | Annualized           |
|----------------------------|--------------------|--------------------|--------------------|----------------------|
|                            | 6/13/2014          | 8/29/2014          |                    | Reversal             |
|                            | Reg Fee            | Reg Fee            | Difference         |                      |
|                            | (C') = B * 0.00340 | (D') = B * 0.00343 | (E') = (D') - (C') | (F') = (E') * 12 / 9 |
| Exogenous Amount           | \$ 16,017          | \$ 16,158          | \$ 141             | \$ 188               |

| 2014 Mid-Year Rate Changes | DA 14-627           | DA 14-946           |                       | Annualized             |
|----------------------------|---------------------|---------------------|-----------------------|------------------------|
|                            | 5/9/2014            | 6/30/2014           |                       | Reversal               |
|                            | Telecom Relay       | Telecom Relay       | Difference            |                        |
|                            | (C'') = B * 0.01174 | (D'') = B * 0.01219 | (E'') = (D'') - (C'') | (F'') = (E'') * 12 / 9 |
| Exogenous Amount           | \$ 55,305           | \$ 57,425           | \$ 2,120              | \$ 2,827               |

|                              | 2014 Annual       |                   | FCC 15-59             | DA 15-612             | DA 15-670               |
|------------------------------|-------------------|-------------------|-----------------------|-----------------------|-------------------------|
|                              | Total             | Interstate        | 5/21/2015             | 5/20/2015             | 6/8/2015                |
|                              | End User Revenues | End User Revenues | Reg Fee               | TRS                   | NANPA                   |
|                              | (499A)            | (499A)            |                       |                       |                         |
|                              | (A'')             | (B'')             | (C'') = B'' * 0.00329 | (D'') = B'' * 0.01635 | (E'') = A'' * 0.0000387 |
| Exogenous Amount             | \$ 17,770,510     | \$ 4,737,925      | \$ 15,588             | \$ 77,465             | \$ 688                  |
| Excluded Revenue             | \$ -              | \$ -              |                       |                       |                         |
| Price Cap Revenue Percentage | 100.00%           | 100.00%           |                       |                       |                         |

|  | 7/14 - 6/15  | 7/15 - 6/16 | Exogenous |
|--|--------------|-------------|-----------|
| Telecommunications Relay Service Support:      |              |             |           |
| DA 14-627 - 0.01174 Factor 2013 Revenue - D    | \$ 55,305    |             |           |
| DA 14-946 - 0.01219 = F''                      | \$ 2,827     |             |           |
| DA 15-612 - 0.01635 Factor 2014 Revenue - D''  |              | \$ 77,465   |           |
|  | \$ 58,132    | \$ 77,465   |           |
| % Price Cap Allocation                         | 100.00%      | 100.00%     |           |
| Price Cap Exogenous Amount                     | \$ 58,132    | \$ 77,465   |           |
| FCC 2013 Price Cap Interstate End User Revenue | \$ 4,710,847 |             |           |
| FCC 2014 Price Cap Interstate End User Revenue | \$ 4,737,925 |             |           |
| Revenue Change ( R )                           | 0.57%        |             |           |
| Price Cap Only with R Adj                      | \$ 58,466    | \$ 77,465   | \$ 18,999 |

|   | 7/14 - 6/15   | 7/15 - 6/16 | Exogenous |
|---|---------------|-------------|-----------|
| North American Numbering Plan Administration:   |               |             |           |
| DA 14-792 - 0.0000365 Factor 2013 Revenue - E   | \$ 699        |             |           |
| DA 15-670 - 0.0000387 Factor 2014 Revenue - E'' |               | \$ 688      |           |
|   | \$ 699        | \$ 688      |           |
| % Price Cap Allocation                          | 100.00%       | 100.00%     |           |
| Price Cap Exogenous Amount                      | \$ 699        | \$ 688      |           |
| FCC 2013 Total End User Revenue                 | \$ 19,154,572 |             |           |
| FCC 2014 Total End User Revenue                 | \$ 17,770,510 |             |           |
| Revenue Change ( R )                            | -7.23%        |             |           |
| Price Cap Only with R Adj                       | \$ 649        | \$ 688      | \$ 39     |

|  | 7/14 - 6/15  | 7/15 - 6/16 | Exogenous |
|--|--------------|-------------|-----------|
| Regulatory Fee Support:                        |              |             |           |
| FCC 14-88 - 0.00340 Factor 2013 Revenue - C    | \$ 16,017    |             |           |
| FCC 14-129 - 0.00343 = F'                      | \$ 188       |             |           |
| FCC 15-59 - 0.00329 Factor 2014 Revenue - C''  |              | \$ 15,588   |           |
|  | \$ 16,205    | \$ 15,588   |           |
| % Price Cap Allocation                         | 100.00%      | 100.00%     |           |
| Price Cap Exogenous Amount                     | \$ 16,205    | \$ 15,588   |           |
| FCC 2013 Price Cap Interstate End User Revenue | \$ 4,710,847 |             |           |
| FCC 2014 Price Cap Interstate End User Revenue | \$ 4,737,925 |             |           |
| Revenue Change ( R )                           | 0.57%        |             |           |
| Price Cap Only with R Adj                      | \$ 16,298    | \$ 15,588   | \$ (711)  |

|  | Common Line  | Special | Price Cap    |
|--|--------------|---------|--------------|
|  |              |         | Revenue      |
| 499A 2014 Interstate End User Revenues | \$ 4,737,925 | \$ -    | \$ 4,737,925 |
| Allocation Basis                       | 100.00%      | 0.00%   |              |
| Telecom. Relay Support                 | \$ 18,999    | \$ -    | \$ 18,999    |
| NANPA                                  | \$ 39        | \$ -    | \$ 39        |
| Regulatory Fee Support:                | \$ (711)     | \$ -    | \$ (711)     |
|  | \$ 18,327    | \$ -    | \$ 18,327    |

IND-1

Filing Date: 06/16/2015

Filing Entity: Consolidated Communications of Pennsylvania Company

Transmittal Number: 61

July 1, 2015 Access Charge TRP Filing (CCPAAN15.xls)

Price Cap Tariff Review Plan  
Indices

|                                     | EXISTING<br>PCI<br>(E) | EXISTING<br>API<br>(F) | EXISTING<br>SBI<br>(G) | EXISTING<br>SBI LIMIT<br>(H) | 9/30/2014<br>PCI<br>(I) | 9/30/2014<br>SBI<br>(J) |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------------|-------------------------|-------------------------|
| <b><u>Common Line Basket</u></b>    |                        |                        |                        |                              |                         |                         |
| 100 Total Common Line               | N/A                    | N/A                    | N/A                    | N/A                          | N/A                     | N/A                     |
| <b><u>Interexchange Basket</u></b>  |                        |                        |                        |                              |                         |                         |
| 600 Total Interexchange             | Trans.No. 44           | Trans.No. 44           | N/A                    | N/A                          | Trans.No. 44            | N/A                     |
| <b><u>Special Access Basket</u></b> |                        |                        |                        |                              |                         |                         |
| 720 VG/WATS, Met, Tgh - Special     | N/A                    | N/A                    | Trans.No. 44           | Trans.No. 44                 | N/A                     | Trans.No. 44            |
| 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. 44           | Trans.No. 44                 | N/A                     | Trans.No. 44            |
| 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. 44           | Trans.No. 44                 | N/A                     | Trans.No. 44            |
| 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. 44           | Trans.No. 44                 | N/A                     | Trans.No. 44            |
| 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. 44           | Trans.No. 44           | N/A                    | N/A                          | Trans.No. 44            | N/A                     |



## Exhibit 3

### Revenue Impact

## TRP

July 1, 2015 Access Charge TRP Filing (CCPAAN15.xls)  
IMPACT ANALYSIS FOR INDUSTRY

| Basket Description             | Demand Times        |                      | Difference<br>(C) = (B) - (A) | % Difference<br>(D) = (C)/(A) |
|--------------------------------|---------------------|----------------------|-------------------------------|-------------------------------|
|                                | Current Rate<br>(A) | Proposed Rate<br>(B) |                               |                               |
| Common Line Basket             |                     |                      |                               |                               |
| End User Common Line           | \$3,548,926         | \$3,548,926          | \$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              | \$3,548,926         | \$3,548,926          | \$0                           | 0.00%                         |
| Special Access Basket          |                     |                      |                               |                               |
| VoiceGrade/WATS - NonDZ        | \$87,084            | \$87,084             | \$0                           | 0.00%                         |
| Audio & Video - NonDZ          | \$0                 | \$0                  | \$0                           | 0.00%                         |
| Total High Cap/DDDS            | \$6,186,300         | \$6,186,300          | \$0                           | 0.00%                         |
| Total High Cap - DS1 - Special | \$3,748,459         | \$3,748,459          | \$0                           | 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    | \$3,748,459         | \$3,748,459          | \$0                           | 0.00%                         |
| Total High Cap - DS3 - Special | \$2,051,807         | \$2,051,807          | \$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   | \$2,051,807         | \$2,051,807          | \$0                           | 0.00%                         |
| High Cap - Digital Data NonDZ  | \$386,034           | \$386,034            | \$0                           | 0.00%                         |
| Wideband - Non-Zone            | \$0                 | \$0                  | \$0                           | 0.00%                         |
| Total Special Access Basket    | \$6,273,383         | \$6,273,383          | \$0                           | 0.00%                         |
| Grand Total                    | \$9,822,310         | \$9,822,310          | \$0                           | 0.00%                         |