

AT&T - AMERITECH OPERATING COMPANIES (AMERITECH)
2016 ANNUAL FILING – PART I
DESCRIPTION AND JUSTIFICATION
May 17, 2016

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1. INTRODUCTION

This filing is being made in compliance with the following:

- In the Matter of July 1, 2016 Annual Access Charge Tariff Filings, DA 16-274 (Filing Dates), released March 16, 2016;
- In the Matter of Material to be Filed in Support of 2016 Annual Access Tariff Filings, DA 16-399 (Tariff Review Plans), released April 13, 2016;
- In the Matter of Assessment and Collection of Regulatory Fees for the Fiscal Year 2015, MD Docket 15-121, FCC 15-108, released September 2, 2015;
- Sixth Report and Order in CC Docket Nos. 96-262 and 94-1, Report and Order in CC Docket No. 99-249 and Eleventh Report and Order in CC Docket No. 96-45, (CALLS Order), In the Matter of Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Low-Volume Long Distance Users and Federal-State Joint Board on Universal Service, released May 31, 2000;
- In the Matter of Thousand-Block Number Pooling, Report and Order and Second Order on Reconsideration, CC Docket No. 96-98 and CC Docket No. 99-200, released December 28, 2001;
- Public Notice, Common Carrier Bureau Provides the Format for Access Tariff Review Plans of April 2, 1999 CCB/CPD 99-10, DA 99-584, released March 25, 1999;
- In the Matter of Defining Primary Lines, Report and Order & Further Notice of Proposed Rulemaking, CC Docket No. 97-181, released March 10, 1999;
- In the Matter of Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure, Second Order on Reconsideration and Memorandum Opinion and Order, CC Docket Nos. 96-262, 94-1, and 91-213, released October 9, 1997;
- In the Matter of Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, and End User Common Line Charges, Order on Reconsideration, CC Docket Nos. 96-262, 94-1, 91-213 and 95-72, released July 10, 1997;
- In the Matter of Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, and End User Common Line Charges, Errata, CC Docket Nos. 96-262, 94-1, 91-213 and 95-72, released June 4, 1997;

- ❑ In the Matter of Federal-State Joint Board on Universal Service, Errata, CC Docket No. 96-45, released June 4, 1997;
- ❑ In the Matter of Federal-State Joint Board on Universal Service, Report and Order, CC Docket No. 96-45, released May 8, 1997;
- ❑ In the Matter of Access Charge Reform, Price Cap Performance Review for Local Exchange Carriers, Transport Rate Structure and Pricing, and End User Common Line Charges, First Report and Order, CC Docket Nos. 96-262, 94-1, 91-213 and 95-72, released May 16, 1997;
- ❑ In the Matter of Price Cap Regulation of Local Exchange Carriers Rate-of-Return Sharing and Lower Formula Adjustment, Report and Order, CC Docket No. 93-179, released April 14, 1995;
- ❑ In the Matter of Price Cap Performance Review for Local Exchange Carriers, First Report and Order, (Price Cap Review Order), CC Docket No. 94-1, released April 7, 1995;
- ❑ In the Matter of Access Charge Reform, Notice of Proposed Rulemaking, Third Report and Order, and Notice of Inquiry CC Docket No. 96-262, released December 24, 1996, paragraph 305 (removing lower service band limits);
- ❑ In the Matter of Amendment of Part 36 of the Commission's Rules and Establishment of a Joint Board, Report and Order, CC Docket No. 80-286, released February 3, 1997;
- ❑ In the Matter of Responsible Accounting Office Letter 20, Uniform Accounting for Postretirement Benefits Other Than Pensions in Part 32, Memorandum Opinion and Order and Notice of Proposed Rulemaking, (RAO 20 Order), CC Docket No. 96-22, released March 7, 1996;
- ❑ In the Matter of Transport Rate Structure and Pricing, Second Report and Order, CC Docket No. 91-213, released January 31, 1994;
- ❑ In the Matter of Amendments of Part 69 of the Commission's Rules Relating to Creation of Access Charge Subelements for Open Network Architecture, Report and Order & Order on Further Reconsideration, CC Docket 89-79, released July 11, 1991;
- ❑ In the Matter of Policy and Rules Concerning Rates for Dominant Carriers, Order on Reconsideration, CC Docket 87-313, released April 17, 1991 (LEC Price Cap Reconsideration Order);

- ❑ The Commission's Second Report and Order, In the Matter of Policy and Rules Concerning Rates for Dominant Carriers, CC Docket 87-313, released October 4, 1990 (LEC Price Cap Order); and
- ❑ Parts 61 and 69 of the Commission's Rules as stated herein.

The *LEC Price Cap Order* requires an annual access tariff filing in which Ameritech Operating Companies (Ameritech) is required to adjust the price cap indices (PCIs) for each basket of services, based on the change in the Gross Domestic Product Price Index (GDP-PI), a transitional mechanism (x-factor) and exogenous cost changes. Ameritech has incorporated the demand and revenue/cost of those new services introduced during the 2015 base period, and has calculated the PCI for each affected basket and service category, including the new services, in accordance with the Commission's Rules and the *LEC Price Cap Order*.

2. EXOGENOUS COST DEVELOPMENT (ΔZ)

Part 61.45(a) requires that local exchange carriers (LECs) adjust their PCIs to reflect the dollar effect of the exogenous cost changes (ΔZ). According to Parts 61.45(b), this dollar effect must be measured at the base period level of operations.

In the 2016 Annual Filing, Ameritech will make the following exogenous adjustments, which are allowable in accordance with the *Code of Federal Regulations* (CFR) or were designated in Commission Orders:

- Excess Deferred Tax (EDT)
- Investment Tax Credit (ITC)
- Regulatory Fee Payment Exogenous
- Telecommunications Relay Service (TRS)

Part 61.45(d)(3) requires that exogenous cost changes be apportioned between price cap services and excluded services. Ameritech adjusted the exogenous cost changes to remove impacts associated with services that are excluded from price cap regulation, to the extent that revenues for these services existed and were identifiable. The costs associated with non-price cap services, included in Parts 36 and 69 costs, are not identifiable. Consequently, Ameritech assumes that the costs for these services are equivalent to the revenue from these services. Ameritech excluded a percentage of exogenous costs equivalent to the percentage of total identifiable interstate access, including revenue associated with approved pricing flexibility petitions, and Interexchange services revenue that represents non-price cap service revenue.

2.A EXCESS DEFERRED TAX

The FCC, in its *LEC Price Cap Reconsideration Order*, paragraph 72, allowed exogenous treatment of the flow-through of Excess Deferred Income Tax (EDT). In this filing, Ameritech reflects the estimated exogenous cost changes associated with this item for the 2016-2017 tariff period. *Exhibit 2.1* provides the development of the EDT impacts for each Ameritech study area.

2.B INVESTMENT TAX CREDIT AMORTIZATION

The FCC, in its *LEC Price Cap Reconsideration Order*, paragraph 72, allowed exogenous treatment of the flow-through of the repeal of the Invest Tax Credit (ITC). In this filing, Ameritech reflects the estimated exogenous cost changes associated with this item in *Exhibit 2.2* for the 2016-2017 tariff period.

2.C COMBINED EFFECT

The combined effect of EDT and ITC is developed to determine the impact of all exogenous cost changes on the interstate revenue requirements. *Exhibit 2.3* summarizes this impact. Details pertaining to this calculation are shown in *Exhibit 2.4*.

2.D TELECOMMUNICATIONS RELAY SERVICES (TRS) FUND

The Commission has also ruled Telecommunications Relay Service (TRS) fund payments¹ may be treated as exogenous. Ameritech is estimating the total TRS contribution amount for the ensuing tariff period based on the proposed factor of \$.01862. The development of the TRS exogenous cost for this filing is provided on *Exhibit 2.5*, and will be updated in the June 2016 tariff filing if, in the interim, the Commission modifies the factor.

2.E REGULATORY FEE PAYMENTS EXOGENOUS ADJUSTMENTS

The filing for exogenous treatment of Regulatory Fees is consistent with Parts 61.45(a) and 61.45(d)(1)(vi) of the Commission's Rules and Regulations and the Common Carrier Bureau's October 7, 1994 Order.²

¹ In the Matter of Telecommunications Relay Service, and the Americans with Disabilities Act of 1990, CC Docket No. 90-571, Second Order on Reconsideration and Fourth Report and Order, released September 29, 1993, paragraph 18.

² Price Cap Treatment of Regulatory Fees Imposed by Section 9 of the Communications Act Order, (DA 94-1119) (Common Carrier Bureau, released October 7, 1994), (Erratum released November 2, 1994) paragraph 6, granting a waiver to permit exogenous cost treatment of regulatory fees.

On September 2, 2015, the Commission released its Order, In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2015, MD Docket 15-121 (FCC 15-108) detailing the proposed factor for the Fiscal Year 2015, which is being employed as the basis of this exogenous change as no revised factor has yet been released. Ameritech is estimating regulatory fee payments and the corresponding exogenous adjustment based on the proposed factor and revenue. The exogenous adjustment is detailed in *Exhibit 2.5*.

2.F SUMMARY OF EXOGENOUS COSTS & DISTRIBUTION

Part 61.45(d)(4) of the Rules requires that exogenous cost changes be apportioned between price cap services and excluded services. The combined exogenous cost changes have been adjusted to remove impacts associated with services that are excluded from price cap regulation, to the extent that revenues for these services existed and were identifiable. The costs associated with non-price cap services, included in Parts 36 and 69 costs, are not identifiable. It is assumed that the costs for these services are equivalent to the revenue from these services. A percentage of exogenous costs are equivalent to the percentage of total identifiable interstate access and Interexchange services revenue that represents non-price cap service revenue. Totals of all exogenous costs applied in this filing are summarized on *Exhibit 2.6*.

10. PART 69 WAIVERS

The following is a list of Part 69 waivers involving Ameritech, Southwestern Bell Telephone Company (SWBT), Pacific Bell Telephone Company (PBTC), Nevada Bell Telephone Company (NBTC), and BellSouth Telecommunications, LLC. (BellSouth), collectively the AT&T Companies, including a citation to the Order granting the waiver and the basket and service category, if applicable, and the treatment of rate elements created by the waiver:

- Ameritech, PBTC, NBTC, SWBT – Order (DA 05-1607), released June 6, 2005, granting permission to waive True IP to PSTN (TIPTop) services from price caps for the 2005 Annual access tariff filing requirements.
- Ameritech, BST, PBTC, SWBT – Order (DA 96-2004) released December 2, 1996, granting waiver of Parts 69.110, 69.111 and 69.112 to establish new rate elements associated with a new SONET-based switched transport service. These charges are included in the HiCap Service Category of the Trunking Basket. NBTC does not offer SONET-based switched transport.
- Ameritech – Order (DA 96-446) released March 27, 1996, to establish unbundled rate elements for SS7 service. These rate elements are included in the Traffic Sensitive and Trunking baskets. BST, NBTC, PBTC, and SWBT do not offer TCAP and ISUP usage rates.
- Ameritech, BST, NBTC, PBTC, SWBT – Order (DA 94-1350) released November 30, 1994, granting establishment of a new rate element for 500 Access Service. The service is included in the Local Switching Service Category of the Traffic Sensitive Basket.
- Ameritech, BST, SWBT - Bureau Order, released December 17, 1993, granting a waiver of Part 69.113 for all LECs to allow tariffing of a Nonpremium charge for the interconnection charge. This resolved a conflict between the Transport Order and the Rules. This rate element is included in the Interconnection Service Category of the Trunking Basket. NBTC, and PBTC do not have nonpremium rates.
- AT&T ILECs - Bureau Order, released July 23, 1993, granting a blanket waiver of Part 69 of the Commission Rules to enable all Local Exchange Carriers to tariff interstate access elements that reasonably reflect facility arrangements for transport between the Telecommunications Relay Service (TRS) service bureau and associated tandem switches, until October 31, 1995, when the interim local transport structure is scheduled to be replaced. These rate elements are included in the HiCap Service Category of the Trunking Basket.
- AT&T ILECs - Bureau Order, released February 26, 1993, granting an additional routing option for Interexchange carriers (IXCs). It allows IXCs to terminate FGB traffic to nonconverted end offices over the IXC's access tandem network FGD trunk groups at rates

equal to the FGD (premium rate). Implementation of this provision affects Local Switching demand in the Traffic Sensitive Basket, Interconnection demand in the Trunking Basket and the Carrier Common Line demand in the Common Line Basket.

- Ameritech - *Order*, released February 12, 1992, granting permission to assess the Ameritech Directory Search (ADS) rates, formerly Electronic Directory Search. These rate elements are included in the Information Service Category of the Traffic Sensitive Basket.
- AT&T ILECs - *Ameritech DNAL Waiver Order* (DA 91-1629), released December 27, 1991; *BOC DNAL Order* (DA 92-199), released January 30, 1992, *PBTC & NBTC Memorandum Opinion and Order* (DA 92-271), released March 6, 1992 granting establishment of sub-elements in the Switched Access transport rate element to recover the costs associated with a Dedicated Network Access Line (DNAL) Basic Service Arrangement (BSA). This rate element is included in the Local Switching Category of the Traffic Sensitive Basket.
- AT&T ILECs - Commission Order, released October 9, 1991, granting establishment of an Information Surcharge rate element within the Information Category. This rate element is included in the Traffic Sensitive Basket.
- AT&T ILECs – *Operator Services Waiver Order* (DA 91-274), released March 5, 1991. The Commission established a blanket waiver for all carriers who provide operator services to include Line Status Verification, Call Interruption and Operator Transfer. The Commission did not specify applicable price cap baskets or service categories in the waiver.
- AT&T ILECs - Bureau MO&O, released September 28, 1988, granting establishment of a rate element for the recovery of costs incurred in the provision of 900 Access Service. This rate element is included in the Local Switching Service Category of the Traffic Sensitive Basket.
- AT&T ILECs - Order, released September 3, 1987, granting permission to determine the Message Unit Credit (MUC) on a statewide basis instead of an exchange basis, as stated in Part 69.106(c). The waiver was extended via the 1989 and 1990 Waiver Orders. This charge is included in the Local Switching Service Category of the Traffic Sensitive Basket.
- AT&T ILECs - Bureau MO&O, released June 12, 1987, granting an additional routing option for Interexchange carriers to have their Nonpremium 800 service traffic routed over existing access tandem network Feature Group D trunk groups at premium rates. This affects the rate elements included in the Local Switching and Interconnection service categories of the Traffic Sensitive and Trunking baskets, respectively.
- AT&T ILECs - Commission MO&O (FCC 83–356), released August 22, 1983, established the \$25.00 Special Access Surcharge (waiving Part 69.115 (c)) for private line subscribers who actually leak traffic into the local network. This grant was extended in the 1985 Waiver Order, released June 7, 1985, and again addressed in the 1989 Waiver Order, released December 2, 1988, granting waiver in force pending resolution of the Special Access Surcharge issues. This rate element is included in the Common Line Basket.

16. EXHIBITS

This section provides the Exhibits referenced in prior sections of the D&J.

- Exhibit 2.1 – Excess Deferred Tax (EDT)
- Exhibit 2.2 – Investment Tax Credit (ITC)
- Exhibit 2.3 – Combined Effect
- Exhibit 2.4 – EDT/ITC Adjusted for Non-Price Cap Services
- Exhibit 2.5 – Telecommunications Relay Service and Regulatory Fee Exogenous
- Exhibit 2.6 – Summary of Exogenous Costs & Distribution
- Tariff Review Plan (TRP)

AT&T - AMERITECH OPERATING COMPANIES
Calculation of Excess Deferred Tax (EDT) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| <u>Distribution of Deferred Income Taxes</u> | | |
| 1 Interstate Allocation Factor | - | - |
| <u>Change In Excess Deferred Tax Amounts</u> | | |
| <u>RATEBASE</u> | | |
| 2 Change in Excess DIT Payable | (1,101) | (249) |
| <u>COST OF SERVICE</u> | | |
| 3 Base Year PCI Excess DIT Amortization | 1,101 | 249 |
| 4 Base Year PCI t-1 Excess DIT Amortization | 1,101 | 249 |
| 5 Change in Excess DIT Amortization (L3-L4) | - | - |
| <u>Calculation of Revenue Requirement Impact</u> | | |
| <u>RATEBASE</u> | | |
| 6 Annual Rate Base Impact (- L2) | N/A | N/A |
| 7 Net Return (L6*.1125) | N/A | N/A |
| 8 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 9 Excess DIT Rate Base Revenue Req. Impact (L7*L8) | N/A | N/A |
| <u>COST OF SERVICE</u> | | |
| 10 Excess DIT Impact on Federal Income Tax (- L5) | N/A | N/A |
| 11 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 12 Excess DIT Revenue Requirement Impact (L10*L11) | N/A | N/A |
| 13 Total Excess DIT Rev. Req. Impact (L9+L12) | N/A | 45 |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES - ILLINOIS
Calculation of Excess Deferred Tax (EDT) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| <u>Distribution of Deferred Income Taxes</u> | | |
| 1 Interstate Allocation Factor | | 21.80% |
| <u>Change In Excess Deferred Tax Amounts</u> | | |
| <u>RATEBASE</u> | | |
| 2 Change in Excess DIT Payable | 4 | 1 |
| <u>COST OF SERVICE</u> | | |
| 3 Base Year PCI Excess DIT Amortization | (4) | (1) |
| 4 Base Year PCI t-1 Excess DIT Amortization | (4) | (1) |
| 5 Change in Excess DIT Amortization (L3-L4) | - | - |
| <u>Calculation of Revenue Requirement Impact</u> | | |
| <u>RATEBASE</u> | | |
| 6 Annual Rate Base Impact (- L2) | N/A | N/A |
| 7 Net Return (L6*.1125) | N/A | N/A |
| 8 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 9 Excess DIT Rate Base Revenue Req. Impact (L7*L8) | N/A | N/A |
| <u>COST OF SERVICE</u> | | |
| 10 Excess DIT Impact on Federal Income Tax (- L5) | N/A | N/A |
| 11 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 12 Excess DIT Revenue Requirement Impact (L10*L11) | N/A | N/A |
| 13 Total Excess DIT Rev. Req. Impact (L9+L12) | N/A | - |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES - INDIANA
Calculation of Excess Deferred Tax (EDT) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| <u>Distribution of Deferred Income Taxes</u> | | |
| 1 Interstate Allocation Factor | | 23.78% |
| <u>Change In Excess Deferred Tax Amounts</u> | | |
| <u>RATEBASE</u> | | |
| 2 Change in Excess DIT Payable | 97 | 23 |
| <u>COST OF SERVICE</u> | | |
| 3 Base Year PCI Excess DIT Amortization | (97) | (23) |
| 4 Base Year PCI t-1 Excess DIT Amortization | (97) | (23) |
| 5 Change in Excess DIT Amortization (L3-L4) | - | - |
| <u>Calculation of Revenue Requirement Impact</u> | | |
| <u>RATEBASE</u> | | |
| 6 Annual Rate Base Impact (- L2) | N/A | N/A |
| 7 Net Return (L6*.1125) | N/A | N/A |
| 8 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 9 Excess DIT Rate Base Revenue Req. Impact (L7*L8) | N/A | N/A |
| <u>COST OF SERVICE</u> | | |
| 10 Excess DIT Impact on Federal Income Tax (- L5) | N/A | N/A |
| 11 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 12 Excess DIT Revenue Requirement Impact (L10*L11) | N/A | N/A |
| 13 Total Excess DIT Rev. Req. Impact (L9+L12) | N/A | (4) |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES - MICHIGAN
Calculation of Excess Deferred Tax (EDT) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| <u>Distribution of Deferred Income Taxes</u> | | |
| 1 Interstate Allocation Factor | | 20.96% |
| <u>Change In Excess Deferred Tax Amounts</u> | | |
| <u>RATEBASE</u> | | |
| 2 Change in Excess DIT Payable | (434) | (91) |
| <u>COST OF SERVICE</u> | | |
| 3 Base Year PCI Excess DIT Amortization | 434 | 91 |
| 4 Base Year PCI t-1 Excess DIT Amortization | 434 | 91 |
| 5 Change in Excess DIT Amortization (L3-L4) | - | - |
| <u>Calculation of Revenue Requirement Impact</u> | | |
| <u>RATEBASE</u> | | |
| 6 Annual Rate Base Impact (- L2) | N/A | N/A |
| 7 Net Return (L6*.1125) | N/A | N/A |
| 8 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 9 Excess DIT Rate Base Revenue Req. Impact (L7*L8) | N/A | N/A |
| <u>COST OF SERVICE</u> | | |
| 10 Excess DIT Impact on Federal Income Tax (- L5) | N/A | N/A |
| 11 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 12 Excess DIT Revenue Requirement Impact (L10*L11) | N/A | N/A |
| 13 Total Excess DIT Rev. Req. Impact (L9+L12) | N/A | 17 |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES - OHIO
Calculation of Excess Deferred Tax (EDT) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| <u>Distribution of Deferred Income Taxes</u> | | |
| 1 Interstate Allocation Factor | | 23.59% |
| <u>Change In Excess Deferred Tax Amounts</u> | | |
| <u>RATEBASE</u> | | |
| 2 Change in Excess DIT Payable | <u>(537)</u> | <u>(127)</u> |
| <u>COST OF SERVICE</u> | | |
| 3 Base Year PCI Excess DIT Amortization | 537 | 127 |
| 4 Base Year PCI t-1 Excess DIT Amortization | 537 | 127 |
| 5 Change in Excess DIT Amortization (L3-L4) | <u>-</u> | <u>-</u> |
| <u>Calculation of Revenue Requirement Impact</u> | | |
| <u>RATEBASE</u> | | |
| 6 Annual Rate Base Impact (- L2) | N/A | N/A |
| 7 Net Return (L6*.1125) | N/A | N/A |
| 8 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 9 Excess DIT Rate Base Revenue Req. Impact (L7*L8) | N/A | N/A |
| <u>COST OF SERVICE</u> | | |
| 10 Excess DIT Impact on Federal Income Tax (- L5) | N/A | N/A |
| 11 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 12 Excess DIT Revenue Requirement Impact (L10*L11) | N/A | N/A |
| 13 Total Excess DIT Rev. Req. Impact (L9+L12) | N/A | <u><u>22</u></u> |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES - WISCONSIN
Calculation of Excess Deferred Tax (EDT) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| <u>Distribution of Deferred Income Taxes</u> | | |
| 1 Interstate Allocation Factor | | 24.03% |
| <u>Change In Excess Deferred Tax Amounts</u> | | |
| <u>RATEBASE</u> | | |
| 2 Change in Excess DIT Payable | <u>(231)</u> | <u>(56)</u> |
| <u>COST OF SERVICE</u> | | |
| 3 Base Year PCI Excess DIT Amortization | 231 | 56 |
| 4 Base Year PCI t-1 Excess DIT Amortization | 231 | 56 |
| 5 Change in Excess DIT Amortization (L3-L4) | <u>-</u> | <u>-</u> |
| <u>Calculation of Revenue Requirement Impact</u> | | |
| <u>RATEBASE</u> | | |
| 6 Annual Rate Base Impact (- L2) | N/A | N/A |
| 7 Net Return (L6*.1125) | N/A | N/A |
| 8 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 9 Excess DIT Rate Base Revenue Req. Impact (L7*L8) | N/A | N/A |
| <u>COST OF SERVICE</u> | | |
| 10 Excess DIT Impact on Federal Income Tax (- L5) | N/A | N/A |
| 11 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 12 Excess DIT Revenue Requirement Impact (L10*L11) | N/A | N/A |
| 13 Total Excess DIT Rev. Req. Impact (L9+L12) | N/A | <u><u>10</u></u> |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES
Calculation of Investment Tax Credit (ITC) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| 1 Interstate Allocation Factor | - | - |
| <u>Change In Investment Tax Credit Amounts</u> | | |
| 2 Base Year PCI ITC Amortization | 1,924 | 467 |
| 3 Base Year PCI t-1 ITC Amortization | 2,010 | 489 |
| 4 Change In ITC Amortization (L2-L3) | <u>(86)</u> | <u>(22)</u> |
| Calculation of Revenue Requirement Impact | | |
| 5 ITC-A Impact on Federal Income Tax (-L4) | N/A | 22 |
| 6 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | <u>1.4534</u> |
| 7 ITC-A Revenue Requirement Impact (L5*L6) | N/A | <u><u>32</u></u> |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES - ILLINOIS
Calculation of Investment Tax Credit (ITC) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| 1 Interstate Allocation Factor | | 23.39% |
| <u>Change In Investment Tax Credit Amounts</u> | | |
| 2 Base Year PCI ITC Amortization | 832 | 195 |
| 3 Base Year PCI t-1 ITC Amortization | 839 | 196 |
| 4 Change In ITC Amortization (L2-L3) | <u>(7)</u> | <u>(2)</u> |
| Calculation of Revenue Requirement Impact | | |
| 5 ITC-A Impact on Federal Income Tax (-L4) | N/A | N/A |
| 6 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | <u>N/A</u> |
| 7 ITC-A Revenue Requirement Impact (L5*L6) | N/A | <u><u>2</u></u> |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES - INDIANA
Calculation of Investment Tax Credit (ITC) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| 1 Interstate Allocation Factor | | 25.66% |
| <u>Change In Investment Tax Credit Amounts</u> | | |
| 2 Base Year PCI ITC Amortization | 141 | 36 |
| 3 Base Year PCI t-1 ITC Amortization | 142 | 36 |
| 4 Change In ITC Amortization (L2-L3) | <u>(1)</u> | <u>(0)</u> |
| Calculation of Revenue Requirement Impact | | |
| 5 ITC-A Impact on Federal Income Tax (-L4) | N/A | N/A |
| 6 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | <u>N/A</u> |
| 7 ITC-A Revenue Requirement Impact (L5*L6) | N/A | <u><u>-</u></u> |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES - MICHIGAN
Calculation of Investment Tax Credit (ITC) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| 1 Interstate Allocation Factor | | 22.58% |
| <u>Change In Investment Tax Credit Amounts</u> | | |
| 2 Base Year PCI ITC Amortization | 316 | 71 |
| 3 Base Year PCI t-1 ITC Amortization | 317 | 72 |
| 4 Change In ITC Amortization (L2-L3) | <u>(1)</u> | <u>(0)</u> |
| Calculation of Revenue Requirement Impact | | |
| 5 ITC-A Impact on Federal Income Tax (-L4) | N/A | N/A |
| 6 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | <u>N/A</u> |
| 7 ITC-A Revenue Requirement Impact (L5*L6) | N/A | <u><u>-</u></u> |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES - OHIO
Calculation of Investment Tax Credit (ITC) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| 1 Interstate Allocation Factor | | 25.82% |
| <u>Change In Investment Tax Credit Amounts</u> | | |
| 2 Base Year PCI ITC Amortization | 455 | 117 |
| 3 Base Year PCI t-1 ITC Amortization | 526 | 136 |
| 4 Change In ITC Amortization (L2-L3) | <u>(71)</u> | <u>(18)</u> |
| Calculation of Revenue Requirement Impact | | |
| 5 ITC-A Impact on Federal Income Tax (-L4) | N/A | N/A |
| 6 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | N/A |
| 7 ITC-A Revenue Requirement Impact (L5*L6) | N/A | <u><u>28</u></u> |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES - WISCONSIN
Calculation of Investment Tax Credit (ITC) Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|---|----------------------------------|---------------------------|
| Base Year Data | | |
| 1 Interstate Allocation Factor | | 26.10% |
| <u>Change In Investment Tax Credit Amounts</u> | | |
| 2 Base Year PCI ITC Amortization | 180 | 47 |
| 3 Base Year PCI t-1 ITC Amortization | 186 | 49 |
| 4 Change In ITC Amortization (L2-L3) | <u>(6)</u> | <u>(2)</u> |
| Calculation of Revenue Requirement Impact | | |
| 5 ITC-A Impact on Federal Income Tax (-L4) | N/A | N/A |
| 6 Tax Gross-up Factor [1/(1- Composite Tax Rate)] | N/A | <u>N/A</u> |
| 7 ITC-A Revenue Requirement Impact (L5*L6) | N/A | <u><u>2</u></u> |
| (Interstate = Sum of Columns c through g) | | |

AT&T - AMERITECH OPERATING COMPANIES
Calculation of Combined Effect of Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company | |
|--|----------------|-------------------|
| | Total | Interstate |
| | (a) | (b) |
| 1 Excess DIT Exogenous Rev. Req Impact (Exhibit 2) | N/A | 45 |
| 2 ITC-A Exogenous Revenue Req Impact (Exhibit 2.1) | N/A | 32 |
| 3 Non-Reg Exogenous Rev Req Impact | N/A | <u>0</u> |
| 4 Combined Effect of Exogenous Costs (L1..L3) | | <u><u>77</u></u> |

AT&T - AMERITECH OPERATING COMPANIES - ILLINOIS
Calculation of Combined Effect of Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company | |
|--|----------------|-------------------|
| | Total | Interstate |
| | (a) | (b) |
| 1 Excess DIT Exogenous Rev. Req Impact (Exhibit 2) | N/A | 0 |
| 2 ITC-A Exogenous Revenue Req Impact (Exhibit 2.1) | N/A | 2 |
| 3 Non-Reg Exogenous Rev Req Impact | N/A | <u>0</u> |
| 4 Combined Effect of Exogenous Costs (L1..L3) | | <u><u>2</u></u> |

AT&T - AMERITECH OPERATING COMPANIES - INDIANA
Calculation of Combined Effect of Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company | |
|--|----------------|-------------------|
| | Total | Interstate |
| | (a) | (b) |
| 1 Excess DIT Exogenous Rev. Req Impact (Exhibit 2) | N/A | (4) |
| 2 ITC-A Exogenous Revenue Req Impact (Exhibit 2.1) | N/A | 0 |
| 3 Non-Reg Exogenous Rev Req Impact | N/A | <u>0</u> |
| 4 Combined Effect of Exogenous Costs (L1..L3) | | <u><u>(4)</u></u> |

AT&T - AMERITECH OPERATING COMPANIES - MICHIGAN
Calculation of Combined Effect of Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company | |
|--|----------------|-------------------|
| | Total | Interstate |
| | (a) | (b) |
| 1 Excess DIT Exogenous Rev. Req Impact (Exhibit 2) | N/A | 17 |
| 2 ITC-A Exogenous Revenue Req Impact (Exhibit 2.1) | N/A | 0 |
| 3 Non-Reg Exogenous Rev Req Impact | N/A | <u>0</u> |
| 4 Combined Effect of Exogenous Costs (L1..L3) | | <u><u>17</u></u> |

AT&T - AMERITECH OPERATING COMPANIES - OHIO
Calculation of Combined Effect of Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company | |
|--|----------------|-------------------|
| | Total | Interstate |
| | (a) | (b) |
| 1 Ecess DIT Exogenous Rev. Req Impact (Exhibit 2) | N/A | 22 |
| 2 ITC-A Exogenous Revenue Req Impact (Exhibit 2.1) | N/A | 28 |
| 3 Non-Reg Exogenous Rev Req Impact | N/A | <u>0</u> |
| 4 Combined Effect of Exogenous Costs (L1..L3) | | <u><u>50</u></u> |

AT&T - AMERITECH OPERATING COMPANIES - WISCONSIN
Calculation of Combined Effect of Exogenous Cost
for the 2016 Annual Filing

(000)

| | Company | |
|--|----------------|-------------------|
| | Total | Interstate |
| | (a) | (b) |
| 1 Excess DIT Exogenous Rev. Req Impact (Exhibit 2) | N/A | 10 |
| 2 ITC-A Exogenous Revenue Req Impact (Exhibit 2.1) | N/A | 2 |
| 3 Non-Reg Exogenous Rev Req Impact | N/A | <u>0</u> |
| 4 Combined Effect of Exogenous Costs (L1..L3) | | <u><u>12</u></u> |

AT&T - AMERITECH OPERATING COMPANIES
Exogenous Costs Adjusted for Non-Price Cap Services
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|--|----------------------------------|---------------------------|
| <u>Assignment of Exogenous Costs to NonPrice Cap Services</u> | | |
| 1 Exogenous Costs With NonPrice Cap Services (Exhibit 2.2, L4) | N/A | 77 |
| 2 Ratio To Adjust NonPrice Cap Services (L 7) | N/A | N/A |
| 3 Exogenous Costs Associated With Non Price Cap Services (L1*L2) (Interstate = Sum of Columns c through g) | N/A | 22 |
| 4 Exogenous Without NonPrice Cap Services (L1-L3) (Interstate = Sum of Columns c through g) | N/A | 55 |
| <u>Distribution of Excluded Services Revenue</u> | | |
| 5 2042 Revenues With NonPrice Cap Services (Excl B&C) | N/A | N/A |
| 6 2014 NonPrice Cap Services Revenue FCC 492 Footnote | N/A | N/A |
| 7 Ratio (L6/L5) | N/A | N/A |

AT&T - AMERITECH OPERATING COMPANIES - ILLINOIS
Exogenous Costs Adjusted for Non-Price Cap Services
for the 2016 Annual Filing

(000)

| | Company | |
|--|----------------|-------------------|
| | Total | Interstate |
| | (a) | (b) |
| <u>Assignment of Exogenous Costs to NonPrice Cap Services</u> | | |
| 1 Exogenous Costs With NonPrice Cap Services (Exhibit 2.2, L4) | N/A | 2 |
| 2 Ratio To Adjust NonPrice Cap Services (L 7) | N/A | N/A |
| 3 Exogenous Costs Associated With Non Price Cap Services (L1*L2) (Interstate = Sum of Columns c through g) | N/A | <u>1</u> |
| 4 Exogenous Without NonPrice Cap Services (L1-L3) (Interstate = Sum of Columns c through g) | N/A | <u><u>1</u></u> |
| <u>Distribution of Excluded Services Revenue</u> | | |
| 5 2015 Revenues With NonPrice Cap Services (Excl B&C) | N/A | N/A |
| 6 2015 NonPrice Cap Services Revenue FCC 492 Footnote | N/A | N/A |
| 7 Ratio (L6/L5) | N/A | N/A |

AT&T - AMERITECH OPERATING COMPANIES - INDIANA
Exogenous Costs Adjusted for Non-Price Cap Services
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|--|----------------------------------|---------------------------|
| <u>Assignment of Exogenous Costs to NonPrice Cap Services</u> | | |
| 1 Exogenous Costs With NonPrice Cap Services (Exhibit 2.2, L4) | N/A | (4) |
| 2 Ratio To Adjust NonPrice Cap Services (L 7) | N/A | N/A |
| 3 Exogenous Costs Associated With Non Price Cap Services (L1*L2) (Interstate = Sum of Columns c through g) | N/A | <u>(1)</u> |
| 4 Exogenous Without NonPrice Cap Services (L1-L3) (Interstate = Sum of Columns c through g) | N/A | <u><u>(3)</u></u> |
| <u>Distribution of Excluded Services Revenue</u> | | |
| 5 2015 Revenues With NonPrice Cap Services (Excl B&C) | N/A | N/A |
| 6 2015 NonPrice Cap Services Revenue FCC 492 Footnote | N/A | N/A |
| 7 Ratio (L6/L5) | N/A | N/A |

AT&T - AMERITECH OPERATING COMPANIES - MICHIGAN
Exogenous Costs Adjusted for Non-Price Cap Services
for the 2016 Annual Filing

(000)

| | Company Total (a) | Interstate (b) |
|--|----------------------------------|---------------------------|
| <u>Assignment of Exogenous Costs to NonPrice Cap Services</u> | | |
| 1 Exogenous Costs With NonPrice Cap Services (Exhibit 2.2, L4) | N/A | 17 |
| 2 Ratio To Adjust NonPrice Cap Services (L 7) | N/A | N/A |
| 3 Exogenous Costs Associated With Non Price Cap Services (L1*L2) (Interstate = Sum of Columns c through g) | N/A | <u>4</u> |
| 4 Exogenous Without NonPrice Cap Services (L1-L3) (Interstate = Sum of Columns c through g) | N/A | <u><u>13</u></u> |
| <u>Distribution of Excluded Services Revenue</u> | | |
| 5 2015 Revenues With NonPrice Cap Services (Excl B&C) | N/A | N/A |
| 6 2015 NonPrice Cap Services Revenue FCC 492 Footnote | N/A | N/A |
| 7 Ratio (L6/L5) | N/A | N/A |

AT&T - AMERITECH OPERATING COMPANIES - OHIO
Exogenous Costs Adjusted for Non-Price Cap Services
for the 2016 Annual Filing

(000)

| | Company | |
|--|----------------|-------------------|
| | Total | Interstate |
| | (a) | (b) |
| <u>Assignment of Exogenous Costs to NonPrice Cap Services</u> | | |
| 1 Exogenous Costs With NonPrice Cap Services (Exhibit 2.2, L4) | N/A | 50 |
| 2 Ratio To Adjust NonPrice Cap Services (L 7) | N/A | N/A |
| 3 Exogenous Costs Associated With Non Price Cap Services (L1*L2) (Interstate = Sum of Columns c through g) | N/A | <u>14</u> |
| 4 Exogenous Without NonPrice Cap Services (L1-L3) (Interstate = Sum of Columns c through g) | N/A | <u><u>36</u></u> |
| <u>Distribution of Excluded Services Revenue</u> | | |
| 5 2015 Revenues With NonPrice Cap Services (Excl B&C) | N/A | N/A |
| 6 2015 NonPrice Cap Services Revenue FCC 492 Footnote | N/A | N/A |
| 7 Ratio (L6/L5) | N/A | N/A |

AT&T - AMERITECH OPERATING COMPANIES - WISCONSIN
Exogenous Costs Adjusted for Non-Price Cap Services
for the 2016 Annual Filing

(000)

| | Company | |
|--|----------------|-------------------|
| | Total | Interstate |
| | (a) | (b) |
| <u>Assignment of Exogenous Costs to NonPrice Cap Services</u> | | |
| 1 Exogenous Costs With NonPrice Cap Services (Exhibit 2.2, L4) | N/A | 12 |
| 2 Ratio To Adjust NonPrice Cap Services (L 7) | N/A | N/A |
| 3 Exogenous Costs Associated With Non Price Cap Services (L1*L2) (Interstate = Sum of Columns c through g) | N/A | <u>4</u> |
| 4 Exogenous Without NonPrice Cap Services (L1-L3) (Interstate = Sum of Columns c through g) | N/A | <u><u>9</u></u> |
| <u>Distribution of Excluded Services Revenue</u> | | |
| 5 2015 Revenues With NonPrice Cap Services (Excl B&C) | N/A | N/A |
| 6 2015 NonPrice Cap Services Revenue FCC 492 Footnote | N/A | N/A |
| 7 Ratio (L6/L5) | N/A | N/A |

AT&T - AMERITECH OPERATING COMPANIES
 TELECOMMUNICATIONS RELAY SERVICE / REGULATORY FEES
 EXOGENOUS COST DEVELOPMENT

Exhibit 2.5

| | 2014 Annual | | | |
|------------------------------|-------------------|----------------|-------------------|-------------------|
| | Total | Interstate | FCC 15-59 | DA 15-612 |
| | End User Revenues | | 5/21/2015 | 5/20/2015 |
| | (499A) | (499A) | Reg Fee | Telecom Relay |
| | (A) | (B) | (C) = B * 0.00329 | (D) = B * 0.01635 |
| Exogenous Amount | \$ 3,558,012,013 | \$ 853,855,160 | \$ 2,809,183 | \$ 13,960,532 |
| Excluded Revenue | \$ 98,094,657 | \$ 98,094,657 | | |
| Price Cap Revenue Percentage | 97.24% | 88.51% | | |

| | 2015 Annual | | | |
|------------------------------|-------------------|----------------|--------------------------|--------------------------|
| | Total | Interstate | FCC 15-108 | DA 16-518 |
| | End User Revenues | | 9/2/2015 | 5/9/2016 |
| | (499A) | (499A) | Reg Fee | TRS |
| | (A''') | (B''') | (C''') = B'''' * 0.00331 | (D''') = B'''' * 0.01862 |
| Exogenous Amount | \$ 3,402,288,656 | \$ 891,672,518 | \$ 2,951,436 | \$ 16,602,942 |
| Excluded Revenue | \$ 95,396,992 | \$ 95,396,992 | | |
| Price Cap Revenue Percentage | 97.20% | 89.30% | | |

| | 7/15 - 6/16 | 7/16 - 6/17 | Exogenous |
|--|----------------|---------------|--------------|
| Telecommunications Relay Service Support: | | | |
| DA 15-612 - 0.01635 Factor 2014 Revenue - D | \$ 13,960,532 | | |
| DA 16-518 - 0.01862 Factor 2015 Revenue - D'''' | | \$ 16,602,942 | |
| | \$ 13,960,532 | \$ 16,602,942 | |
| % Price Cap Allocation | 88.51% | 89.30% | |
| Price Cap Exogenous Amount | \$ 12,356,684 | \$ 14,826,650 | |
| FCC 2014 Price Cap Interstate End User Revenue | \$ 755,760,503 | | |
| FCC 2015 Price Cap Interstate End User Revenue | \$ 796,275,526 | | |
| Revenue Change (R) | 5.36% | | |
| Price Cap Only with R Adj | \$ 13,019,105 | \$ 14,826,650 | \$ 1,807,545 |

| | 7/15 - 6/16 | 7/16 - 6/17 | Exogenous |
|--|----------------|--------------|-----------|
| Regulatory Fee Support: | | | |
| FCC 15-59 - 0.00329 Factor 2014 Revenue - C | \$ 2,809,183 | | |
| FCC 15-108 - 0.00331 Factor 2015 Revenue - C'''' | | \$ 2,951,436 | |
| | \$ 2,809,183 | \$ 2,951,436 | |
| % Price Cap Allocation | 88.51% | 89.30% | |
| Price Cap Exogenous Amount | \$ 2,486,452 | \$ 2,635,672 | |
| FCC 2014 Price Cap Interstate End User Revenue | \$ 755,760,503 | | |
| FCC 2015 Price Cap Interstate End User Revenue | \$ 796,275,526 | | |
| Revenue Change (R) | 5.36% | | |
| Price Cap Only with R Adj | \$ 2,619,746 | \$ 2,635,672 | \$ 15,926 |

| | Common Line | Special | Price Cap Revenue |
|--|----------------|----------------|-------------------|
| 499A 2014 Interstate End User Revenues | \$ 632,281,698 | \$ 123,924,305 | \$ 756,206,003 |
| Allocation Basis | 83.61% | 16.39% | |
| Telecom. Relay Support | \$ 1,511,331 | \$ 296,214 | \$ 1,807,545 |
| Regulatory Fee Support: | \$ 13,316 | \$ 2,610 | \$ 15,926 |
| | \$ 1,524,647 | \$ 298,824 | \$ 1,823,471 |

AT&T - AMERITECH OPERATING COMPANIES
SUMMARY OF EXOGENOUS COSTS AND DISTRIBUTIONS
TO NON-ATS SERVICES

| LINE | DESCRIPTION | 'R' VALUE (A) | DISTRIBUTION (B) = (A/LINE 9A) | EDT EXOG (C) | ITC EXOG (D) | TRS EXOG (E) | REG FEE EXOG (F) | TOTAL |
|------|---|------------------|-----------------------------------|-----------------|-----------------|-----------------|------------------------|-----------|
| 1 | INTERSTATE EXOGENOUS COST TO BE DISTRIBUTED (Exhibit 2.4 b) | | | 45,000 | 32,000 | | | |
| 2 | % OF EDT AND ITC EXOG COST W/EXCLUDED SERVICES EXHIBIT 2.5 | | | 45.75% | 45.75% | | | |
| 3 | EXOGENOUS COSTS TO BE DISTRUBUTED (L1*(1-L2)) | | | 24,413 | 17,360 | 1,807,545 | 15,926 | 1,865,245 |
| 4 | COMMON LINE EUCL AND PICC 'R' (Sum1 Column A, Row 100) | 239,924,431 | 29.34% | 7,163 | 5,093 | 1,511,331 | 13,316 | 1,536,903 |
| 5 | INTEREXCHANGE BASKET 'R' | - | 0.00% | - | - | | | - |
| 6 | SPECIAL ACCESS BASKET 'R' | 577,848,649 | 70.66% | 17,251 | 12,267 | 296,214 | 2,610 | 328,342 |
| 7 | TOTAL (SUM L4 THRU L8) | 817,773,080 | 100.00% | 24,413 | 17,360 | 1,807,545 | 15,926 | 1,865,245 |

**Effective 10/01/2003 TRS and Reg Fee Exogenous is only spread between the Common Line and Special Access Baskets