



DESCRIPTION AND JUSTIFICATION

CONSOLIDATED COMMUNICATIONS COMPANIES

CONSISTING OF

CONSOLIDATED COMMUNICATIONS OF TEXAS COMPANY (CCTX)

AND

CONSOLIDATED COMMUNICATIONS OF FORT BEND COMPANY (CCFB)

INTERSTATE ACCESS SERVICES

CONSOLIDATED COMMUNICATIONS COMPANIES

TARIFF FCC No. 1

ANNUAL 2016 ACCESS CHARGE TARIFF FILING

TRANSMITTAL No. 66

June 16, 2016

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SECTION 1

INTRODUCTION AND SUMMARY

Introduction

The Consolidated Communications Companies, consisting of Consolidated Communications of Texas Company d/b/a Consolidated Communications and Consolidated Communications of Fort Bend Company d/b/a Consolidated Communications, hereby provide a Description and Justification for its limited Tariff Review Plan revisions to F.C.C. Tariff No. 1 with individual company rates (Section 17 and Section 18, respectively), along with supporting documentation proposed under transmittal 66 of the Consolidated Communications Companies.

This information is being filed in accordance with the Commission's 2016 TRP Notices released March 16, 2016 and April 13, 2016 (DA 16-274 and DA 16-399 respectively) and fulfills the requirements established in Sections 61.41 through 61.49 of the Commission rules.

Description of the Consolidated Communications Companies Operations

The Consolidated Communications Companies (CCC) consists of two separate legal entities: Consolidated Communications of Texas Company (CCTX) d/b/a Consolidated Communications and Consolidated Communications of Fort Bend Company (CCFB) d/b/a Consolidated Communications. Both of these entities are price cap companies pursuant to FCC Order DA 08-1026¹ that fall under Sections 61.41 through 61.49 of the Commission's Rules and relevant Commission Orders.² They provide local service, toll, private line services, access services, DSL, CLASS services, and other modern telecommunications services to their customers.

CCTX originated with three separate telephone companies that merged over the years. Lufkin Telephone Exchange officially began business in 1898 and was incorporated in the state of Texas in 1910. Conroe Communications Company began providing service in the Conroe area in 1899 and was purchased by the owners of Lufkin Telephone Exchange and incorporated as the Conroe Telephone Company in 1929. The Alto Telephone Company was purchased in 1963. Ownership of the 3 entities was consolidated in 1969 to form Lufkin-Conroe Communications Company. In 1997, Lufkin-Conroe Communications Company and its subsidiaries were purchased by Texas Utilities Company and became TXU Communications Telephone Company. In April 2004, Consolidated Communications, Inc. purchased the company, changing the name to Consolidated Communications of Texas Company (CCTX).

CCTX is a rural East Texas telecommunications carrier providing service to approximately 73,000 customers in two distinct market areas: Conroe and Lufkin. The 16 communities served include: Alto, Apple Springs, Central, Conroe, Cut-N-Shoot, Diboll, Etoile, Fuller Springs, Grangerland, Hudson, Lake Conroe, Lufkin, Montgomery, Riverbrook, Walden, and Wells. The

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

² See, Order, July 2016 Annual Access Charge Tariff Filings, released March 16, 2016, DA 16-274 ("2016 Filing Order"); and Tariff Review Plans, Material to be filed in support of 2016 Annual filings, DA 16-399, released April 13, 2016 ("2016 TRP Order").

7 exchanges of the Conroe market area contain approximately 46,000 customers, primarily in Montgomery County.

The Lufkin market area serves 9 exchanges and 27,000 access lines in a separate area 85 miles north of the Conroe area, centered on the city of Lufkin. The area economy is supported primarily through manufacturing of paper and metal products, retail sales, service companies, government entities, and farming.

CCFB began business in 1898 as Fort Bend Telephone Company and was incorporated in Texas in 1910. In May 2000, Fort Bend Telephone Company and its affiliates were purchased by Texas Utilities Company and became Fort Bend Telephone Company d/b/a TXU Communications. In April 2004, TXU Communications, including Fort Bend Telephone Company, was purchased by Consolidated Communications, Inc., which changed the name to Consolidated Communications of Fort Bend Company (CCFB).

CCFB is also a rural carrier with approximately 26,000 access lines in 5 East Texas exchanges: Beasley, Brookshire, Damon, Katy, and Needville. CCFB possesses the same rural characteristics as CCTX, providing service in Brazoria, Harris, Fort Bend and Waller counties.

SECTION 2 OVERVIEW OF FILING PACKAGE

Tariff Support Material

This support material is submitted pursuant to Part 61.49 of the Federal Communications Commission (Commission) Rules and Regulations and the Order issued in WC Docket No. 16-71, July, 2016 Annual Access Charge Tariff Filings released March 16, 2016, and Tariff Review Plans issued in WC Docket No. 16-71, Material to be Filed in Support of 2016 Annual Access Tariff Filings, released April 13, 2016.

In addition to the description and justification contained in this volume, the following information is submitted to provide specific support data at the proposed tariff level of detail for the Consolidated local operating companies.

Description and Justification

- Exhibit 1 – Consolidation Local Operating Companies and Study Area Designators
- Exhibit 2 – PCI Development
- Exhibit 3 – Price Cap Revenue Impact Analysis

Files:

- Tariff Review Plan (Excel files CCTXAN16.xls and CCFBAN16.xls)***
- Rate Detail (Excel files CCTXA16a.xls and CCFBA16a.xls)***
- Eligible Recovery Spreadsheet (Excel file CCTCER16.xls)***
- Eligible Recovery Summary File (Excel file CCTCERSUM16.xls)***

Confidential Files:

- Access Reduction Spreadsheet (Excel files CCTXAR16.xls and CCFBAR16.xls)***
- Recip Comp Spreadsheet (Excel file CCTCRC16.xls)***
- ARC Spreadsheet (Excel file CCTCARC16.xls)***
- ARC True Up Form (Excel file CCTCARCTURE16.xls)***
- Tariff Rate Comparison (Excel file CCTCTRC16.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 1.099% 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, 2015 and the corresponding quarter of the 2014 GDP-PI.

As directed by the Commission,³ a workpaper identifying the transmittal or letter filing date where the last index changes were implemented for the price cap categories has been included in Exhibit 2, RDEV-1, Page 3. Also, pursuant to DA 08-1026⁴, Consolidated has excluded ICLS receipts from its CMT PCI calculations.

The prospective PCI values for the Special Access Basket are calculated using formula found in 61.45(b) of the Commission's rules. Calculation of PCI values is shown in Exhibit 2, RDEV-1, Page 1 of 3.

Determination of Exogenous Changes

In Accordance with the Commission's Rules, Consolidated developed certain exogenous changes for inclusion in the price cap formula. These changes include: (1) North American Number Plan Administration; (2) Regulatory Fees; and (3) Telecommunications Relay Service Fees.

Exogenous cost changes were individually developed for each of the items outlined above, and in the aggregate for all changes. Consolidated used base year 2014 (time of its last tariff filing) to estimate exogenous costs embedded in rates. Consolidated has also normalized the exogenous amounts to reflect any shift in revenue growth. The result is that no exogenous adjustment is made if the support rate has not changed. In other words the rate per line remains unchanged if the factor is unchanged. A brief description of each change follows and a summary of the exogenous changes is shown in Exhibit 2, RDEV-1.

³ 2016 TRP Notice, Supra., Paragraph 14.

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

North American Numbering Plan Administration

On June 27, 2001, the Federal Communications Commission release an order approving the compensation plan for the North American Numbering Plan Administration (NANPA) for fiscal year 2001.⁵ The Commission reviewed and accepted the North American Numbering Plan Administrator submission and ordered that a contribution factor of 0.0000387.⁶ This factor is used as an estimate for application to end user revenues of each telecommunications carrier in the United States to fund the program for the 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 decisions⁷ allow local exchange companies to reflect the impact of regulatory fees as an exogenous cost in annual price cap filings. The impact of regulatory fee changes for the July 2016 – June 2017 fiscal year was calculated using a factor of .00370 as prescribed in the Commission's *Regulatory Fee Order*,⁸ and has been used as an estimate and included as an exogenous cost in this filing and is shown in Exhibit 2, RDEV-1.

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. 90-571,⁹ 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 .01862 as estimated in the May 9, 2016 FCC submission by Rolka Loube Saltzer Assoc. (RLSA)¹⁰ and is displayed on Exhibit 2, RDEV-1.

⁵ *In the Matter of Administration of the North American Number Plan*, CC Docket No. 92-237 and *North American Number Plan Cost Recovery Contribution Factor and Fund Size*, NDS File No. L-00-72, Order (DA 01-1524), released June 7, 2001 (NANP Order)

⁶ *In the Matter of Administration of the North American Numbering Plan*, Proposed North American Numbering Plan Administration Fund Size Estimate and Contribution Factor for July 2015 through June 2016, Public Notice DA 15-670, CC Docket No. 92-237, released June 8, 2015.

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

⁸ *In the Matter of Assessment and Collection of Regulatory Fees for Fiscal Year 2016*, Notice of Proposed Rulemaking, (filed May 19, 2016) FCC Order 16-61, MD Docket 16-166 (*Regulatory Fee Order*).

⁹ *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*).

¹⁰ *Rolka Loube Associates submits payment formulas and funding requirement for the interstate telecommunications relay services fund for the 2016 - 17 fund year*, FCC Public Notice, (filed May 9, 2016, DA 16-518, CG Docket 03-123 (*TRS Order*)).

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 order¹¹ 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*,¹² 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.¹³

ARC True Up Spreadsheet (CONFIDENTIAL) – The ARC True up reconciles the 2014 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.¹⁴

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.

¹¹ See, Order, Consolidated Communications Petition for Conversion to Price Cap Regulation and for Limited Waiver Relief, DA 08-1026 para 17.

¹² 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).

¹³ 47 C.F.R. §51.915(e)

¹⁴ *Id.* At §§ 51.907(b)-(g), 51.915(d).

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 showing 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 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 50% 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 50% 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.¹⁵

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.

¹⁵ *Id.* At §§ 51.705, 51.915(d).

Exhibit 1

Consolidated Communications Operating Companies and Study Area Designators

**Consolidated Communications Operating Companies
And Study Areas**

<u>Operating Company</u>	<u>COSA</u>
Consolidated Communications of Texas Company (442109)	CCTX
Consolidated Communications of Fort Bend Company (442072)	CCFB

CCFB

Exhibit 2

PCI Development

Filing Date: 06/16/2016
Filing Entity: Consolidated Communications of Fort Bend Com
Transmittal Number: 66
July 1, 2016 Access Charge TRP Filing (CCFBAN16.xls)

7/1/16 PCI Development

	Common Line (A)	Interexchange (D)	Special (E)
1. Revenues (R)	845,582	0	3,049,864
2. Exogenous Changes (Z)	4,714	0	22
a. EDFIT / ITC / Access Cost Changes	0	0	0
b. Telecom. Relay Service Changes	3,993	0	19
c. Lower Formula Adjustment (LFAM)	0	0	0
d. Regulatory Fee Support Changes	721	0	3
e. North American Numbering Plan Admin.	0	0	0
3. Z/R = (Ln 2 / Ln 1)	0.005575	0.000000	0.000007
4. W = ((Ln 1 + Ln 2) / R)	1.005575	0.000000	1.000007
5. GDP-PI Chain Weighted (4 Qtr 2012)	110.2870	110.2870	110.2870
6. GDP-PI Chain Weighted (4 Qtr 2011)	109.0810	109.0810	109.0810
7. Percent Change in GDP-PI (I) ((Ln 5 - Ln 6) / Ln 6) * 100	1.0999%	1.0999%	1.0999%
8. Productivity (X)	N/A	3.0000%	1.099900%
9. GDP-PI - X (Ln 8 - Ln 7)	N/A	-1.9001%	0.0000%
10. Growth Rate of CCL MOU/Line (g)	-14.4619%	N/A	N/A
11. Existing PCI	0.0000	0.0000	100.0000
12. Targeted Revenue Differential TRP Form TGT- 1 r1100	N/A	N/A	N/A
13. Prop. PCI (NonExog Only: Annual Filing col.b&c: Ln 11; col.e: Ln 11 * (1 + Ln 9) SBI Upper Limit calculations only)	N/A	0.0000	100.0000
14. Proposed PCI col.b&c: Ln 11 * (1 + Ln 3 + Ln 12 / Ln 1) col.d&e: Ln 11 * (1 + Ln 3 + Ln 4 * Ln 9)	N/A	0.0000	100.0007

Filing Date: 06/16/2016
Filing Entity: Consolidated Communications of Fort Bend Company
Transmittal Number: 66

July 1, 2016 Annual Price Cap Filing (CCFBAM16.XLS)
Exogenous Cost Changes Detail

	2014 Annual		2015 Annual	
	Total	Interstate	Total	Interstate
	End User Revenues	End User Revenues	End User Revenues	End User Revenues
	(A)	(B)	(A')	(B')
Exogenous Amount	\$ 13,068,927	\$ 1,682,727	\$ 12,559,354	\$ 1,767,304
Excluded Revenue	\$ -	\$ -	\$ -	\$ -
Price Cap Revenue Percentage	100.00%	100.00%	100.00%	100.00%

	2014 Annual		2015 Annual	
	FCC 15-59	DA 15-612	FCC 16-61	DA 16-518
	5/21/2015	5/20/2015	5/19/2016	5/20/2016
	Relax	Relax	Reg Fee	TRS
	(C) = B * 0.00329	(D) = B * 0.01635	(E) = A * 0.0000387	(F) = A * 0.0000387
Exogenous Amount	\$ 5,536	\$ 27,513	\$ 6,539	\$ 32,907
Excluded Revenue	\$ -	\$ -	\$ -	\$ -
Price Cap Revenue Percentage	100.00%	100.00%	100.00%	100.00%

Telecommunications Relay Service Support:
DA 15-612 - 0.01635 Factor 2014 Revenue - D
DA 16-518 - 0.01662 Factor 2015 Revenue - D'

% Price Cap Allocation
Price Cap Exogenous Amount
FCC 2014 Price Cap Interstate End User Revenue
FCC 2015 Price Cap Interstate End User Revenue
Revenue Change (R)
Price Cap Only with R Adj

North American Numbering Plan Administration:
DA 15-670 - 0.0000387 Factor 2014 Revenue - E
DA 16-518 - 0.0000387 Factor 2015 Revenue - E'

% Price Cap Allocation
Price Cap Exogenous Amount
FCC 2014 Total End User Revenue
FCC 2015 Total End User Revenue
Revenue Change (R)
Price Cap Only with R Adj

Regulatory Fee Support:
FCC 15-59 - 0.00329 Factor 2014 Revenue - C
FCC 16-61 - 0.00329 Factor 2015 Revenue - C'

% Price Cap Allocation
Price Cap Exogenous Amount
FCC 2014 Price Cap Interstate End User Revenue
FCC 2015 Price Cap Interstate End User Revenue
Revenue Change (R)
Price Cap Only with R Adj

499A 2015 Interstate End User Revenues
Allocation Basis
Telecom. Relay Support
NANPA
Regulatory Fee Support:

	Common Line	Special	Price Cap Revenue
	\$ 1,758,959	\$ 8,345	\$ 1,767,304
	\$ 99.53%	\$ 0.47%	\$ 100.00%
	\$ 3,983	\$ 19	\$ 4,012
	\$ 721	\$ 3	\$ 725
	\$ 4,714	\$ 22	\$ 4,736

IND-1

Filing Date: 06/16/2016

Filing Entity: Consolidated Communications of Fort Bend Company

Transmittal Number: 66

July 1, 2016 Access Charge TRP Filing (CCFBAN16.xls)

Price Cap Tariff Review Plan
Indices

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	7/01/2016 PCI (I)	7/01/2016 SBI (J)
<u>Common Line Basket</u>						
100 Total Common Line	N/A	N/A	N/A	N/A	N/A	N/A
<u>Interexchange Basket</u>						
600 Total Interexchange	Trans.No. 24	Trans.No. 24	N/A	N/A	Trans.No. 24	N/A
<u>Special Access Basket</u>						
720 VG/WATS, Met, Tgh - Special	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
721 VG Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
722 VG Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
723 VG Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
724 VG Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
725 VG Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
726 VG Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
727 VG Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
730 Audio & Video	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
731 Audio/Video Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
732 Audio/Video Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
733 Audio/Video Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
734 Audio/Video Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
735 Audio/Video Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
736 Audio/Video Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
737 Audio/Video Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
740 High Cap & DDS - Special	N/A	N/A	Trans.No. 48	Trans.No. 48	N/A	Trans.No. 66
750 DS-1 SubCat - Special	N/A	N/A	Trans.No. 48	Trans.No. 48	N/A	Trans.No. 66
751 DS1 Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
752 DS1 Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
753 DS1 Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
754 DS1 Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
755 DS1 Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
756 DS1 Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
757 DS1 Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
760 DS-3 SubCat - Special	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
761 DS3 Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
762 DS3 Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
763 DS3 Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
764 DS3 Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
765 DS3 Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
766 DS3 Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
767 DS3 Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
770 DDS&Other Sp Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
771 DDS&Other Sp Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
772 DDS&Other Sp Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
773 DDS&Other Sp Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
774 DDS&Other Sp Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
775 DDS&Other Sp Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
776 DDS&Other Sp Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
790 Wideband	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
791 WB Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
792 WB Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
793 WB Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
794 WB Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
795 WB Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
796 WB Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
797 WB Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
899 Total Special Access	Trans.No. 32	Trans.No. 32	N/A	N/A	Trans.No. 32	N/A

CCTX

Exhibit 2

PCI Development

Filing Date: 06/16/2016
Filing Entity: Consolidated Communications of Texas Company
Transmittal Number: 66
July 1, 2016 Access Charge TRP Filing (CCTXAN16.xls)

7/1/16 PCI Development

	Common Line (A)	Interexchange (D)	Special (E)
1. Revenues (R)	2,477,292	0	7,642,260
2. Exogenous Changes (Z)	14,039	0	403
a. EDFIT / ITC / Access Cost Changes	0	0	0
b. Telecom. Relay Service Changes	11,891	0	341
c. Lower Formula Adjustment (LFAM)	0	0	0
d. Regulatory Fee Support Changes	2,148	0	62
e. North American Numbering Plan Admin.	0	0	0
3. Z/R = (Ln 2 / Ln 1)	0.005667	0.000000	0.000053
4. W = ((Ln 1 + Ln 2) / R)	1.005667	0.000000	1.000053
5. GDP-PI Chain Weighted (4 Qtr 0000)	110.2870	110.2870	110.2870
6. GDP-PI Chain Weighted (4 Qtr -0001)	109.0810	109.0810	109.0810
7. Percent Change in GDP-PI (I) ((Ln 5 - Ln 6) / Ln 6) * 100	1.0999%	1.0999%	1.0999%
8. Productivity (X)	N/A	3.0000%	1.099900%
9. GDP-PI - X (Ln 8 - Ln 7)	N/A	-1.9001%	0.0000%
10. Growth Rate of CCL MOU/Line (g)	-5.7296%	N/A	N/A
11. Existing PCI	0.0000	0.0000	100.0000
12. Targeted Revenue Differential TRP Form TGT- 1 r1100	N/A	N/A	N/A
13. Prop. PCI (NonExog Only: Annual Filing col.b&c: Ln 11; col.e: Ln 11 * (1 + Ln 9) SBI Upper Limit calculations only)	N/A	0.0000	100.0000
14. Proposed PCI col.b&c: Ln 11 * (1 + Ln 3 + Ln 12 / Ln 1) col.d&e: Ln 11 * (1 + Ln 3 + Ln 4 * Ln 9)	N/A	0.0000	100.0053

Filing Date: 06/16/2016
Filing Entity: Consolidated Communications of Texas Company
Transmittal Number: 66

July 1, 2016 Annual Price Cap Filing (CCTXAN16.XLS)
Exogenous Cost Changes Detail

	2014 Annual		2015 Annual		2016 Annual		2017 Annual	
	Total	Interstate	Total	Interstate	FCC 15-59	DA 15-612	DA 15-612	DA 15-612
	End User Revenues	(A)	End User Revenues	(B)	5/21/2016	5/21/2016	5/21/2016	5/21/2016
	(A)	(B)	(A)	(B)	Reg Fee	Reg Fee	Reg Fee	Reg Fee
	(A)	(B)	(A)	(B)	(C) = B * 0.00329	(D) = B * 0.01635	(E) = A * 0.0000387	(E) = A * 0.0000387
Exogenous Amount	\$ 35,072,421	\$ 5,180,535	\$ 17,044	\$ 84,702	\$ 1,357	\$ 1,357	\$ 1,357	\$ 1,357
Excluded Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Price Cap Revenue Percentage	100.00%	100.00%	100.00%	100.00%				

	2015 Annual		2016 Annual		2017 Annual		2018 Annual	
	Total	Interstate	Total	Interstate	FCC 16-61	DA 16-518	DA 16-518	DA 16-518
	End User Revenues	(A)	End User Revenues	(B)	5/19/2016	5/19/2016	5/19/2016	5/19/2016
	(A)	(B)	(A)	(B)	Reg Fee	Reg Fee	Reg Fee	Reg Fee
	(A)	(B)	(A)	(B)	(C) = B * 0.00370	(D) = B * 0.01652	(E) = A * 0.0000387	(E) = A * 0.0000387
Exogenous Amount	\$ 34,602,375	\$ 5,388,520	\$ 19,938	\$ 100,334	\$ 1,339	\$ 1,339	\$ 1,339	\$ 1,339
Excluded Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Price Cap Revenue Percentage	100.00%	100.00%	100.00%	100.00%				

Telecommunications Relay Service Support:
DA 15-612 - 0.01635 Factor 2014 Revenue - D
DA 14-946 - 0.0 = F
DA 15-518 - 0.01662 Factor 2015 Revenue - D

% Price Cap Allocation
Price Cap Exogenous Amount
FCC 2014 Price Cap Interstate End User Revenue
FCC 2015 Price Cap Interstate End User Revenue
Revenue Change (R)
Price Cap Only with R Adj

North American Numbering Plan Administration:
DA 15-670 - 0.0000387 Factor 2014 Revenue - E
DA 14-792 - 0.0000 = F
DA 15-670 - 0.0000387 Factor 2015 Revenue - E

% Price Cap Allocation
Price Cap Exogenous Amount
FCC 2014 Total End User Revenue
FCC 2015 Total End User Revenue
Revenue Change (R)
Price Cap Only with R Adj

Regulatory Fee Support:
FCC 15-59 - 0.00329 Factor 2014 Revenue - C
FCC 14-129 - 0.00 = F
FCC 15-61 - 0.00370 Factor 2015 Revenue - C

% Price Cap Allocation
Price Cap Exogenous Amount
FCC 2014 Price Cap Interstate End User Revenue
FCC 2015 Price Cap Interstate End User Revenue
Revenue Change (R)
Price Cap Only with R Adj

499A 2015 Interstate End User Revenues
Allocation Basis
Telecom. Relay Support
NANPA
Regulatory Fee Support:

	Common Line	Special	Price Cap Revenue
	\$ 5,238,254	\$ 150,265	\$ 5,388,520
	\$ 97,21%	\$ 2,79%	
	\$ 11,891	\$ 341	\$ 12,232
	\$ -	\$ -	\$ -
	\$ 2,148	\$ 62	\$ 2,209
	\$ 14,039	\$ 403	\$ 14,441

Price Cap Tariff Review Plan
Indices

	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)	7/01/2016 PCI (I)	7/01/2016 SBI (J)
<u>Common Line Basket</u>						
100 Total Common Line	N/A	N/A	N/A	N/A	N/A	N/A
<u>Interexchange Basket</u>						
600 Total Interexchange	Trans.No. 24	Trans.No. 24	N/A	N/A	Trans.No. 24	N/A
<u>Special Access Basket</u>						
720 VG/WATS, Met, Tgh - Special	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
721 VG Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
722 VG Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
723 VG Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
724 VG Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
725 VG Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
726 VG Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
727 VG Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
730 Audio & Video	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
731 Audio/Video Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
732 Audio/Video Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
733 Audio/Video Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
734 Audio/Video Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
735 Audio/Video Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
736 Audio/Video Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
737 Audio/Video Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
740 High Cap & DDS - Special	N/A	N/A	Trans.No. 48	Trans.No. 48	N/A	Trans No. 66
750 DS-1 SubCat - Special	N/A	N/A	Trans.No. 48	Trans.No. 48	N/A	Trans No. 66
751 DS1 Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
752 DS1 Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
753 DS1 Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
754 DS1 Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
755 DS1 Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
756 DS1 Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
757 DS1 Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
760 DS-3 SubCat - Special	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
761 DS3 Spec Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
762 DS3 Spec Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
763 DS3 Spec Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
764 DS3 Spec Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
765 DS3 Spec Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
766 DS3 Spec Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
767 DS3 Spec Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
770 DDS&Other Sp Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
771 DDS&Other Sp Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
772 DDS&Other Sp Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
773 DDS&Other Sp Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
774 DDS&Other Sp Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
775 DDS&Other Sp Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
776 DDS&Other Sp Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
790 Wideband	N/A	N/A	Trans.No. 24	Trans.No. 24	N/A	Trans.No. 24
791 WB Density Zone 1	N/A	N/A	N/A	N/A	N/A	N/A
792 WB Density Zone 2	N/A	N/A	N/A	N/A	N/A	N/A
793 WB Density Zone 3	N/A	N/A	N/A	N/A	N/A	N/A
794 WB Density Zone 4	N/A	N/A	N/A	N/A	N/A	N/A
795 WB Density Zone 5	N/A	N/A	N/A	N/A	N/A	N/A
796 WB Density Zone 6	N/A	N/A	N/A	N/A	N/A	N/A
797 WB Density Zone 7	N/A	N/A	N/A	N/A	N/A	N/A
899 Total Special Access	Trans.No. 32	Trans.No. 32	N/A	N/A	Trans.No. 32	N/A

CCFB

Exhibit 3

Revenue Impact

IMP-ANALYSIS

Filing Entity: Consolidated Communications of Fort Bend Company

Filing Date: 06/16/16

Transmittal No.: 66

TRP

July 1, 2016 Access Charge TRP Filing (CCFBAN16.xls)
IMPACT ANALYSIS FOR INDUSTRY

Basket Description	Demand Times		Demand Times		% Difference (D) = (C)/(A)
	Current Rate (A)	Proposed Rate (B)	Difference (C) = (B) - (A)		
Common Line Basket					
End User Common Line	\$845,582	\$845,582	\$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	\$845,582	\$845,582	\$0	0.00%	
Special Access Basket					
VoiceGrade/WATS - NonDZ	\$1,763	\$1,763	\$0	0.00%	
Audio & Video - NonDZ	\$0	\$0	\$0	0.00%	
Total High Cap/DDS	\$3,048,101	\$3,048,123	\$22	0.00%	
Total High Cap - DS1 - Special	\$2,093,942	\$2,093,965	\$22	0.00%	
High Cap - DS1 - SP - DZ1	\$0	\$0	\$0	0.00%	
High Cap - DS1 - SP - DZ2	\$0	\$0	\$0	0.00%	
High Cap - DS1 - SP - DZ3	\$0	\$0	\$0	0.00%	
High Cap - DS1 - SP - NonDZ	\$2,093,942	\$2,093,965	\$22	0.00%	
Total High Cap - DS3 - Special	\$697,548	\$697,548	\$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	\$697,548	\$697,548	\$0	0.00%	
High Cap - Digital Data NonDZ	\$256,611	\$256,611	\$0	0.00%	
Wideband - Non-Zone	\$0	\$0	\$0	0.00%	
Total Special Access Basket	\$3,049,864	\$3,049,886	\$22	0.00%	
Grand Total	\$3,895,446	\$3,895,468	\$22	0.00%	

CCTX

Exhibit 3

Revenue Impact

IMP-ANALYSIS
Filing Entity: Consolidated Communications of Texas Company
Filing Date: 06/16/16
Transmittal No.: 66

TRP
July 1, 2016 Access Charge TRP Filing (CCTXAN16.xls)
IMPACT ANALYSIS FOR INDUSTRY

Basket Description	Demand Times	Demand Times	Difference (C) = (B) - (A)	% Difference (D) = (C)/(A)
	Current Rate (A)	Proposed Rate (B)		
Common Line Basket				
End User Common Line	\$2,477,292	\$2,477,292	\$0	0.00%
Common Line per MOU	\$0	\$0	\$0	0.00%
PICC Common Line	\$0	\$0	\$0	0.00%
Other Common Line	\$0	\$0	\$0	0.00%
Total Common Line	\$2,477,292	\$2,477,292	\$0	0.00%
Special Access Basket				
VoiceGrade/WATS - NonDZ	\$28,274	\$28,274	\$0	0.00%
Audio & Video - NonDZ	\$0	\$0	\$0	0.00%
Total High Cap/DDS	\$7,613,986	\$7,614,388	\$403	0.01%
Total High Cap - DS1 - Special	\$4,217,872	\$4,218,275	\$403	0.01%
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	\$4,217,872	\$4,218,275	\$403	0.01%
Total High Cap - DS3 - Special	\$3,199,052	\$3,199,052	\$0	0.00%
High Cap - DS3 - SP - DZ1	\$0	\$0	\$0	0.00%
High Cap - DS3 - SP - DZ2	\$0	\$0	\$0	0.00%
High Cap - DS3 - SP - DZ3	\$0	\$0	\$0	0.00%
High Cap - DS3 - SP - Non DZ	\$3,199,052	\$3,199,052	\$0	0.00%
High Cap - Digital Data NonDZ	\$197,061	\$197,061	\$0	0.00%
Wideband - Non-Zone	\$0	\$0	\$0	0.00%
Total Special Access Basket	\$7,642,260	\$7,642,663	\$403	0.01%
Grand Total	\$10,119,552	\$10,119,954	\$403	0.00%