

**NEVADA BELL TELEPHONE COMPANY (NBTC)**  
**2018 ANNUAL FILING**  
**3RD QUARTER FEDERAL UNIVERSAL SERVICE FUND (FUSF) ADJUSTMENTS**  
**TRANSITION OF PRICE CAP CARRIER ACCESS CHARGES - STEP 7**  
**HOLDING COMPANY ACCESS RECOVERY CHARGE (ARC)**

**DESCRIPTION AND JUSTIFICATION**  
**FCC No. 1, Transmittal No. 310**  
**June 18, 2018**

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## 1. INTRODUCTION

This filing is being made in compliance with the following:

- ❑ In the Matter of July 1, 2018 Annual Access Charge Tariff Filings, DA 18-335 (*Filing Dates*), released April 5, 2018;
- ❑ In the Matter of Material to be Filed in Support of 2018 Annual Access Tariff Filings, DA 18-404 (*Tariff Review Plans*), released April 25, 2018;
- ❑ Rolka Loube Associates submits payment formulas and funding requirement for the Interstates Telecommunications Relay Services fund for the 2018-2019 fund year, DA 18-494, released May 14, 2018.
- ❑ In the Matter of Assessment and Collection of Regulatory Fees for the Fiscal Year 2018, MD Docket 18-175, FCC 18-65, released May 22, 2018;
- ❑ In the Matter of Connect America Fund and Developing an Unified Intercarrier Compensation Plan, *ICC Clarification Order*, DA 14-434, released March 31, 2014;
- ❑ In the Matter of Connect America Fund WC Docket No. 10-90, A National Broadband Plan for Our Future GN Docket No. 09-51, Establishing Just and Reasonable Rates for Local Exchange Carriers WC Docket No. 07-135, High-Cost Universal Service Support WC Docket No. 05-337, Developing an Unified Intercarrier Compensation Regime CC Docket No. 01-92, Federal-State Joint Board on Universal Service CC Docket No. 96-45, Lifeline and Link-Up WC Docket No. 03-109, Universal Service Reform – Mobility Fund WT Docket No. 10-208, Order (*June 5, 2012 Order*), FCC 11-161, released June 5, 2012;
- ❑ In the Matter of Connect America Fund WC Docket No. 10-90, A National Broadband Plan for Our Future GN Docket No. 09-51, Establishing Just and Reasonable Rates for Local Exchange Carriers WC Docket No. 07-135, High-Cost Universal Service Support WC Docket No. 05-337, Developing an Unified Intercarrier Compensation Regime CC Docket No. 01-92, Federal-State Joint Board on Universal Service CC Docket No. 96-45, Lifeline and Link-Up WC Docket No. 03-109, Universal Service Reform – Mobility Fund WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking (*USF/ICC Transformation Order*), FCC 11-161, released November 18, 2011;

- ❑ 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, Sixth Report and Order CC Docket Nos. 96-262 and 94-1, Report and Order CC Docket No. 99-249 and Eleventh Report and Order CC Docket No. 96-45, (*CALLS Order*), FCC 00-193, 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;
- ❑ 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*);
- ❑ In the Matter of Policy and Rules Concerning Rates for Dominant Carriers, Second Report and Order, 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.

This filing is comprised of four sections. The first section contains supporting documentation for the Price Cap 2018 Annual Filing. The *LEC Price Cap Order* requires an annual access tariff filing in which Price Cap companies are 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.

The second portion of this filing contains supporting documentation to implement the 3rd quarter USF factor.

The third portion of this filing contains supporting documentation necessary to implement the Step 7 requirements of the *USF/ICC Transformation Order*.

The final portion of this filing contains supporting documentation for development of AT&T's Access Recovery Charge (ARC) established in the *USF/ICC Transformation Order*.

## **2018 ANNUAL FILING**

### **2. EXOGENOUS COST DEVELOPMENT - ( $\Delta Z$ )**

Part 61.45(a) of the *Code of Federal Regulations (CFR)* requires that local exchange carriers (LECs) adjust their PCIs to reflect the dollar effect of the exogenous cost changes ( $\Delta Z$ ) described in Part 61.45(d). According to Part 61.45(b), this dollar effect must be measured at the base period level of operations.

In the 2018 Annual Filing, the following exogenous adjustments will be made. All are allowable in accordance with the Commission's Part 61 Rules or were designated in Commission Orders:

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

Part 61.45(d)(3) requires that exogenous cost changes be apportioned between price cap services and excluded services. The exogenous cost changes were 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.

#### **2.A INVESTMENT TAX CREDIT (ITC) AMORTIZATION**

In paragraph 72 of the *LEC Price Cap Reconsideration Order*, the FCC allowed exogenous treatment of the flow-through of the repeal of the Invest Tax Credit (ITC). In this filing, NBTC reflects the estimated exogenous cost changes associated with this item in ***Exhibit 2.2*** for the 2018-2019 tariff period.

## **2.B 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.C TELECOMMUNICATIONS RELAY SERVICES (TRS) FUND**

The Commission has also ruled Telecommunications Relay Service (TRS) fund payments<sup>1</sup> may be treated as exogenous. NBTC is estimating the total TRS contribution amount for the ensuing tariff period based on the proposed factor of \$.03034. The development of the TRS exogenous cost for this filing is provided in *Exhibit 2.5*.

## **2.D 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) and the Common Carrier Bureau's October 7, 1994 *Order*.<sup>2</sup> NBTC is estimating the total Regulatory Fees for fiscal year 2018 tariff period based on the proposed factor of \$.00276. The regulatory fee payments and the corresponding exogenous adjustment are estimated based upon the proposed factor and revenue. The exogenous adjustment is detailed in *Exhibit 2.5*.

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<sup>1</sup> *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.

<sup>2</sup> *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.



## **2.E SUMMARY OF EXOGENOUS COSTS & DISTRIBUTIONS**

Part 61.45(d) (4) 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 representing non-price cap service revenue. Totals of all exogenous costs applied in this filing are summarized on *Exhibit 2.6*.

## **3. OTHER PRICE CAP INDEX FACTORS/VARIABLES DEVELOPMENT**

The annual filing adjustments to the PCI, detailed in Part 61.45(a), require the identification or development of the factors<sup>3</sup> contained in the PCI formulas. The development of these factors, except for  $\Delta Z$ , is described in this Section. The development of the  $\Delta Z$  factor is described in Section 2.

These factors are used to calculate a new PCI for each of the price cap baskets. The new PCIs are the benchmark against which the price cap basket Actual Price Indices (APIs), associated with the proposed prices, are measured. The change in the PCI also affects the calculation of the allowable Service Band Index (SBI) Upper Limits, which are used to demonstrate if the proposed service category rates are in-band for the Special Access basket. The change in the

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<sup>3</sup> The required factors are  $PCI_{t-1}$ , GDP-PI, X, R, g, w, and  $\square Z$ .

PCI also affects the allowable Sub-Index upper limits for Special Access DS1, DS3 and Zone Density Pricing (ZDP) categories.

The calculations of the PCIs are detailed on form PCI-1 of the Tariff Review Plan (TRP).

## **EXISTING PCI**

The  $PCI_{t-1}$  is described in Part 61.45(c) as "the immediately preceding PCI value." For purposes of the 2018 Annual Filing, the immediately preceding PCIs are identified in the existing PCI column of the TRP. The reference document, which is required to identify the transmittal associated with each of the existing PCIs, is provided as *Exhibit 11*.

## **SPECIAL ACCESS AND INTEREXCHANGE REDUCTIONS**

No reductions are required in the Special Access Service pursuant to Part 61.45(b)(iv).

## **GDP-PI**

The GDP-PI factor is described in Part 61.45(c) as "the percentage change in the GDP-PI between the quarter ending six months prior to the effective date of the new annual tariff and the corresponding quarter of the previous year."

The GDP-PI for the 2018 Annual Filing is 1.8717 percent.

## **X FACTOR**

The x-factor for the Special Access basket is set 2%.

## **'R' VARIABLE**

The 'R' variable, as described in Part 61.45 (b)(1)(i), is calculated by multiplying base period quantities by the rates that were in effect at the time of the last PCI update.

The base period is defined in Part 61.3 (g) as "the 12-month period ending six months prior to the effective date of annual price cap tariffs." For purposes of this filing, the base period is the calendar year 2017.

The calculation of the 'R' variable for the Common Line and Special Access baskets are detailed in *Exhibits 5 and 6*, respectively.

## **COMMON LINE USAGE GROWTH (g)**

The Minutes of Use (MOU) Carrier Common Line (CCL) charges are zero, which eliminates the need to calculate a (g) factor.

## **4. DEVELOPMENT OF 2017 BASE PERIOD DEMAND**

Historical base period demand is required for the Common Line and Special Access baskets.

Demand information for these baskets is detailed on exhibits provided with this filing. Historical base period demand for the Special Access Basket reflects the removal of demand in MSAs that have been granted Phase II regulatory relief.<sup>4</sup>

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<sup>4</sup> MO&O, CCB/CPD No. 00-26, DA 01-670, released March 14, 2001; MO&O, CCB/CPD No. 01-32, DA 02-823, released April 11, 2002; and MO&O, WCB/Pricing No. 03-8, DA 03-1721, released May 15, 2003 MO&O, CCB/CPD No. 00-25, DA 01-670, released March 14, 2001; MO&O, CCB/CPD No. 01-35, DA 02-823, released April 11, 2002.

## **5. COMMON LINE BASKET RATE DEVELOPMENT**

The Common Line Basket rates were developed in accordance with Part 69.152. *Exhibit 5* lists the rates and demand used to calculate the Common Line 'R' value.

## **6. SPECIAL ACCESS BASKET PCI, API, SBI AND RATE DEVELOPMENT**

In accordance with Parts 61.45(a), 61.46(a), 61.47(a), 61.47(b) and 61.47(e), the determination of the proposed Special Access Basket rates, PCI, API, SBI and SBI Upper Limits for each of the service categories or sub categories of Voice Grade, Audio & Video, and High Cap & DDS associated with the 2017 Annual Filing are developed using 2017 base period demand. The 2018 Annual Filing PCI calculation is detailed on the IND-1, PCI-1, and RTE-1 forms of the TRP.

In addition, exhibits detailing compliance with the CFR are as follows:

*Exhibit 6* – Calculation of 'R' Value

*Exhibit 6.1* – Calculation of API and SBI

*Exhibit 6.2* - Calculation of DS1 & DS3 Sub-Indices

## **7. INTEREXCHANGE BASKET PCI, API AND RATE DEVELOPMENT**

In accordance with Part 61.45, the existing and proposed PCI for the Interexchange Basket is detailed on the PCI-1 form of the TRP. The associated APIs are included on the IND-1 and RTE-1 forms of the TRP.

## 8. PART 69 WAIVERS

The following is a list of Part 69 waivers involving Southwestern Bell Telephone Company (SWBT), Pacific Bell Telephone Company (PBTC), NBTC, Ameritech Operating Companies (Ameritech), 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, BellSouth – Order (DA 17-443), released May 10, 2017, granting permission to waive of the requirement that price cap incumbent local exchange carriers (LECs) file short form Tariff Review Plans (TRPs).
- 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, BellSouth, 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, BellSouth, 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.
- 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.
- 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 - 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.

## **9. NEW SERVICES INCLUDED IN THE PRICE CAP INDICES**

No new services were added in 2017.

## **10. SERVICES EXCLUDED FROM PRICE CAPS**

The Commission’s Order, *In the Matter of Material to be Filed in Support of 2001 Annual Access Tariff Filings (2001 TRP Order)*, released April 30, 2001, required LECs, for the first time, to provide support documentation detailing services excluded from price cap regulation. In

***Exhibit 10***, NBTC has included a list of all services excluded from price cap regulation, which has been revised to reflect activity subsequent to the 2017 Annual Filing in accordance with the *2018 TRP Order*.

## **11. IND-1 REFERENCE**

The reference document, which is required to identify the transmittal associated with each of the existing PCIs, is provided as ***Exhibit 11***.

## **12. RATE COMPARISON**

***Exhibit 12*** identifies current and proposed rates for elements with changing rates. In addition to this exhibit, a Rate Detail file which lists all price cap services demand and revenues by service basket is provided.

### **13. EXHIBITS**

This section provides the exhibits and other support documents referenced in prior sections of the D&J.

- 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
- Exhibit 5 – Common Line Basket Price Cap Model
- Exhibit 6 – Calculation of ‘R’ Value – (Special)
- Exhibit 6.1 – Calculation of Price Cap Indices (Special)
- Exhibit 6.2 – Calculation of DS1 & DS3 Sub-Indices (Special)
- Exhibit 10 – Excluded Services List
- Exhibit 11 – IND-1 Reference
- Exhibit 12 – Rate Comparison
- Tariff Review Plan (TRP)
- Rate Detail File



## **3RD QUARTER FEDERAL UNIVERSAL SERVICE FUND (FUSF) ADJUSTMENTS**

### **14. 3RD QUARTER UNIVERSAL SERVICE FUND ADJUSTMENTS**

This portion of the filing is to revise the USF obligation based on the 3rd quarter 2018 contribution factor, which NBTC will begin billing July 3, 2018. The 3rd quarter contribution factor, 17.9 percent, was provided in the Commission's recent Public Notice, DA 18-613, released June 13, 2018. Recovery of this contribution is allowable pursuant to Part 69.158. The methodology used to calculate end user charges assessed to recover this liability is detailed below.

#### **Calculation of the Federal Universal Service Fund Flat Rate End User Charge**

To ensure compliance with the Commission's *Interim Contribution Methodology Order*, NBTC recovers its USF obligation associated with switched access services through various flat-rate end user charges.<sup>5</sup> The charges will be assessed with respect to the interstate end user service that generates the USF obligation.

NBTC assesses three general types of USF charges (Basic, Port, and Non-recurring) for switched access customers. These charges are calculated using the following methodology as shown on *Exhibit 14.1* and *Exhibit 14.2*.

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<sup>5</sup>See *Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability*, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116,, 98-170, *Report and Order and Second Further Notice of Proposed Rule Making*, 17 FCC RCD 24952 (2202) (*Interim Contribution Methodology Order*).

## **Basic USF Recovery Charges**

These charges are assessed to switched access lines to recover the USF obligation associated with the assessment of End User Common Line (EUCL) and End User Port charges.

### **Residential / Single Line Business (SLB)**

NBTC develops the Basic USF charge for residential and single line business customers by multiplying EUCL charges assessed to these customers by the relevant contribution factor released by the Commission. The calculation for the Basic FUSF Residential/Single Line Business rate is demonstrated in *Exhibit 14.1*.

### **BRI ISDN / BRI ISDN Port**

NBTC develops the Basic USF charge for BRI ISDN by adding the BRI ISDN EUCL rate to the BRI ISDN LINE PORT rate, to arrive at the TOTAL BRI ISDN basic interstate revenue. The TOTAL BRI ISDN interstate revenue is then multiplied by the relevant contribution factor released by the Commission. The calculation for the BRI ISDN USF Recovery Charge is demonstrated in *Exhibit 14.1*.

### **Multi Line Business, PRI ISDN, and Centrex**

NBTC elected to utilize the provisions granted in the Commission's *Order and Second Order on Reconsideration* regarding Centrex customers.<sup>6</sup> A portion of the un-recovered obligation created

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<sup>6</sup> See *Federal-State Joint Board on Universal Service, 1998 Biennial Regulatory Review – Streamlined Contributor Reporting Requirements Associated with Administration of Telecommunications Relay Service, North American Numbering Plan, Local Number Portability, and Universal Service Support Mechanisms, Telecommunications Services for Individuals with Hearing and Speech Disabilities, and the Americans with Disabilities Act of 1990, Administration of the North American Numbering Plan and North American Numbering Plan Cost Recovery Contribution Factor and Fund Size, Number Resource Optimization, Telephone Number Portability*, CC Docket Nos. 96-45, 98-171, 90-571, 92-237, 99-200, 95-116, 98-170, *Order and Second Order on Reconsideration*, FCC 03-58, para. 3 (rel. March 14, 2003).

from using the PICC equivalency ratios for Centrex customers is applied to Multi-line business customers. However, due to the constraints included in the Commission's *Order*, NBTC averages the obligation associated with End User Common Line (EUCL) charges for Centrex customers. Centrex customers are assessed the full amount of the obligation associated with their SPNP end user surcharges.

NBTC determines the Basic USF recovery rate for business customers using the method detailed below.

#### **Establish the Basic Multi-Line Business Rate**

**Step 1** – Determine total revenue using access lines as of March 2018 for these customers generated from EUCL assessments by multiplying the EUCL rate by the number of lines.

**Step 2** – Multiply the result from Step 1 by the contribution factor to obtain the obligation associated with the customer base.

**Step 3** – Divide the obligation developed in Step 2 by the number of billable lines (using lines as of March 2018). The line base is adjusted using PICC equivalency ratios as defined in Part 69.153. The result is the Basic MLB rate per line.

**Step 4** – Add to the Basic MLB rate, all other USF recovery associated with the customer type. Step 4 is calculated by customer type for Multi-line business, PRI ISDN, and Centrex customers as shown in *Exhibit 14.2*.

The final rates per customer type are detailed on both *Exhibit 14.1* and *Exhibit 14.2*. These final rates preclude any USF recovery necessary from non-recurring interstate end user charges.

### **Other Non-recurring USF Surcharges**

Non-recurring USF surcharges are assessed to interstate end user non-recurring charges, which generate a USF obligation. NBTC calculates Other Non-recurring USF charges by multiplying the non-recurring charge by the contribution factor. These USF recovery charges will only be assessed per occurrence of the interstate end user non-recurring charge. For billing purposes, the USF recovery charge may be added to the existing interstate end user charge, which generates the obligation.

NBTC assesses Lifeline customers the Non-recurring USF charges when they are assessed the non-recurring charge that generates the obligation. NBTC also assesses Interexchange Carriers (ICs) the Presubscribed Interexchange Change (PIC) USF Charge when the IC is assessed the PIC change charge.

### **Other Recurring Federal Universal Fund Surcharges**

NBTC will continue to recover its other recurring (i.e. Special Access and True Internet Protocol to Public Switched Telephone Network (TIPToP Service)) USF obligations through a percentage-based USF recovery charge applied to interstate end user billed revenues. This percentage-based USF recovery charge is set equal to the Commission's contribution factor released via Public Notice.

## **15. EXHIBITS**

This section provides the exhibits and other support documents referenced in prior sections of the D&J.

- Exhibit 14.1                      – Universal Service Fee Rate Development 1
- Exhibit 14.2                      – Universal Service Fee Rate Development 2

## **TRANSITION OF PRICE CAP CARRIER ACCESS CHARGES - STEP 7**

### **16. DEVELOPING THE INTERSTATE AND INTRASTATE SWITCHED ACCESS REVENUE REDUCTION**

The purpose of this section of the filing is to implement the Step 7 Transition of Price Cap Carrier Access Service<sup>7</sup> per Part 51.907(g) of the CFR. This includes:

- (a) Each Price Cap Carrier shall, in accordance with a bill-and-keep methodology, refile its interstate access tariffs and any state tariffs, in accordance with §51.905(b)(2), removing any intercarrier charges for terminating End Office Access Service.
- (b) Each Price Cap Carrier shall establish, for interstate and intrastate terminating traffic traversing a tandem switch that the terminating carrier or its affiliates owns (i.e. Tandem to End Office), Tandem-Switched Transport Access Service rates no greater than \$0.0000 per minute. All other terminating tandem-Switched Transport Access Service rates (i.e. Tandem to 3rd Party) rates will not be subject to transition.
- (c) Nothing in this section obligates or allows a Price Cap Carrier that has intrastate rates lower than its functionally equivalent interstate rates to make any intrastate tariff filing or intrastate tariff revisions raising such rates.
- (d) Each Price Cap Carrier shall calculate its eligible recovery, for July 2018 through June 2019, as per the *ICC Transformation Order*.<sup>8</sup>

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<sup>7</sup> Part 51.903(d) defines *End Office Access Service* as:

- (1) The switching of access traffic at the carrier's end office switch and the delivery to or from of such traffic to the called party's premises;
- (2) The routing of interexchange telecommunications traffic to or from the called party's premises, either directly or via contractual or other arrangements with an affiliated or unaffiliated entity, regardless of the specific functions provided or facilities used; or
- (3) Any functional equivalent of the incumbent local exchange carrier access service provided by a non-incumbent local exchange carrier. End Office Access Service rate elements for an incumbent local exchange carrier include the local switching rate elements specified in §69.106 of this chapter, the carrier common line rate elements specified in §69.154 of this chapter, and the intrastate rate elements for functionally equivalent access services. End Office Access Service rate elements for an incumbent local exchange carrier also include any rate elements assessed on local switching access minutes, including the information surcharge and residual rate elements.

<sup>8</sup> Part 51.915(d)(1)(vi).

The company and state-specific forms are filed with the transmittals for each of the AT&T Companies. The access revenue reduction exhibits by company and state are:

**Ameritech Operating Companies (Ameritech) Tariff FCC No. 2**

- Ameritech – *Exhibit AIT*

**BellSouth Telecommunications, LLC (BellSouth) Tariff FCC No. 1**

- BellSouth – *Exhibit BST*

**Nevada Bell Telephone Company (NBTC) Tariff FCC No. 1**

- Nevada – *Exhibit NV*

**Pacific Bell Telephone Company (PBTC) Tariff FCC No. 1**

- California – *Exhibit CA*

**Southwestern Bell Telephone Company (SWBT) Tariff FCC No. 73**

- SWBT – *Exhibit SWBT*

**17. ESTABLISHMENT OF ORIGINATING AND TERMINATING RATES**

Part 51.907(d)(1) states “[a] Price Cap Carrier shall establish separate originating and terminating rate elements for all per-minute components within interstate and intrastate End Office Access Service. For fixed charges, the Price Cap Carrier shall divide the rate between originating and terminating rate elements based on relative originating and terminating end office switching minutes. If sufficient originating and terminating end office switching minute data is not available, the carrier shall divide such charges equally between originating and terminating elements.”

All of the AT&T ILEC End Office Access Services are comprised of one or more local switching per minute of use (MOU) charges, a shared end office (EO) trunk port per MOU charge, one or two dedicated EO trunk port monthly recurring charges (MRCs) and various optional EO feature MRCs and nonrecurring charges (NRCs). To meet the requirement of Part 51.907(d)(1), AT&T separated the intrastate and interstate local switching per MOU, shared EO

trunk port per MOU and dedicated EO trunk port charges into originating and terminating rates in 2013. The filings separating<sup>9</sup> the per MOU charges and dedicated port charges into originating and terminating were effective as follows:

- Ameritech Tariff FCC No. 2, Transmittal No. 1792, effective May 15, 2013.
- Illinois ILL. C.C. No. 21, Switched Access Service usage effective March 11, 2013 and ports effective May 25, 2013.
- Indiana, Michigan, Ohio and Wisconsin Access Service Tariffs have long cross referenced to Tariff FCC No. 2 for Switched Access Service rates and regulations.
- BellSouth Tariff FCC No. 1, Transmittal No. 60, effective May 15, 2013.
- Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee Access Service Tariffs cross reference to Tariff FCC No. 1 for Switched Access Service rates and regulations effective July 2, 2013.
- NBTC Tariff FCC No 1, Transmittal No. 246, effective May 15, 2013.
- Nevada Tariff P.U.C.N. No. C cross references to Tariff FCC No. 1 for Switched Access Service rates and regulations effective July 2, 2013.
- PBTC Tariff FCC No. 1, Transmittal No. 488, effective May 15, 2013.
- California Schedule CAL.P.U.C. NO. 175-T cross references to Tariff FCC No. 1 for Switched Access Service rates and regulations effective June 10, 2013.
- SWBT Tariff FCC No. 73, Transmittal No. 3373, effective May 15, 2013.
- Arkansas, Kansas and Missouri Access Service Tariffs cross reference to Tariff FCC No. 73 for Switched Access Service rates and structure.
- Oklahoma Access Service Tariff cross references to Tariff FCC No. 73 for Switched Access Service rates only as of July 2, 2013 effective July 2, 2013.
- Texas Access Service Tariff began cross referencing to Tariff FCC No. 73 for Carrier Common Line Access Service and Switched Access Services rates and regulations effective August 20, 2012.

The MRCs and NRCs for the EO features will not be tariffed as originating and terminating. Instead, AT&T has changed rate of zero for these rate elements in the 2015 Annual Filing, thereby eliminating the need to tariff and bill these features based on directionality. It should be noted, however, that only terminating demand was utilized in determining the eligible recovery as discussed in the following section Fiscal Year 2011 Demand Development.

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<sup>9</sup> While the intrastate rate elements were separated into originating and terminating prior to July 2, 2013, intrastate terminating rates were revised effective July 2, 2013 as needed to comply with Part 51.907(c).



## **18. FISCAL YEAR 2011 DEMAND DEVELOPMENT**

For all twenty-one ILEC states, AT&T obtained the interstate and intrastate billed quantities for Fiscal Year 2011<sup>10</sup> for rate elements existing in each state access tariff. The interstate and intrastate rates in effect for Fiscal Year 2011 did not have separate rates for originating and terminating. Therefore, unless a rate element is specifically assessed on a particular direction of traffic, such as Message Unit Credit, which is assessed on the originating end of a call, AT&T allocated the demand to terminating by applying a terminating percentage developed from originating and terminating Local Switching MOUs and Tandem Switching MOUs. Although originating and terminating rates for Local Switching and Tandem Switching were not separately identified in the tariffs when the rates were frozen on December 29, 2011, customers' Switched Access bills provide minutes by originating and terminating, thus enabling AT&T to easily develop factors designating the amount of total traffic that is terminating.

Except for the dedicated end office trunk port and the dedicated tandem trunk port rate elements, the Local Switching and Tandem Switching terminating percentages were then applied to those MRC and NRC rate elements within the Local Switching and Tandem Switching categories, respectively, that have been included in the Switched Access Revenue Reduction.

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<sup>10</sup> Part 51.903(e) Fiscal Year 2011 means October 1, 2010 through September 30, 2011.

The demand for the dedicated end office trunk port and dedicated tandem trunk port rate elements have been split between originating and terminating using a Percent Originating Usage (POU) factor of 50 percent in accordance with the currently effective tariffs.<sup>11</sup>

To help determine the billed demand quantities for which payment was collected by March 31, 2012,<sup>12</sup> calculations were completed to determine an “uncollected” experience and produce a factor that could be used to determine billed but not collected quantities. This experience was determined by reviewing twelve months of billed Switched Access revenue data in the aggregate for all five AT&T ILECs. These Switched Access revenues were compared to the negative revenue adjustments created by service center adjustments or settlements that reduce revenue (contra revenue). This produced a factor of 3.84 percent. This represents in a revenue format what was billed but not collected. The uncollected factor, again roughly 4 percent, was employed in adjusting billed quantities to estimate the billed quantities which were collected.

The intrastate demand quantities adjusted for these uncollected quantities are used to calculate the intrastate revenue based on intrastate rates and the intrastate revenue based on interstate rates.

### **Arkansas Additional Demand Development**

Arkansas did not establish the rate elements allowed in the *First Report and Order (Access Reform)*, released May 16, 1997, DA 97-158. The current Arkansas *Access Service Tariff* does not contain the Dedicated End Office Trunk Port, Shared End Office Trunk Port, Dedicated

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<sup>11</sup> POU language became effective May 15, 2013 in AIT Tariff FCC No. 2, BST Tariff FCC No. 1, NBTC Tariff FCC No.1, PBTC Tariff FCC No. 1 and SWBT Tariff FCC No. 73 effective May 15, 2013 and will apply to the intrastate jurisdiction effective July 2, 2013. The POU language also became effective May 17, 2013 in Illinois ILL. C.C. NO. 21.

<sup>12</sup> *USF/ICC Transformation Order*, para. 880 and para. 898.

Tandem Trunk Port, Tandem Shared End Office Multiplexer, Host Remote Transmission per minute nor Host Remote Transmission per minute per mile rate elements. Host remote traffic is currently assessed Tandem Switched Transmission charges, which is the structure that existed prior to *Access Reform*. Therefore, the Tandem Switched Transmission demand is reduced by the amounts shown in the respective Host Remote Transmission rows.

To enable a proper comparison of the Arkansas intrastate rate structure to the current interstate rate structure for the Local Switching category, AT&T developed restructured intrastate rates for Local Switching per minute of use (MOU), Dedicated End Office Trunk Port, and Shared End Office Trunk Port that produce the same revenue as the current rate structure, i.e., Local Switching per MOU. The restructured rates are located in column A2, and the associated demand is located in column D1 of ***Exhibit AR***. *Access Reform* did not impact how the Local Switching per MOU rate is assessed; therefore, the demand for that element is the same pre-access reform and post-access reform. For rate elements assigned a Universal Service Order Code (USOC), e.g., Dedicated End Office Trunk Port, the interstate and intrastate demand is available in the billing system via application of the Percent Interstate Usage (PIU) factor. As a result, the intrastate quantity is available within the billing system. The intrastate demand for the Shared End Office Trunk Port was estimated based on the interstate Shared End Office Trunk Port and the Local Switching PIU.

To enable a proper comparison of the current interstate and intrastate rate structures for the Tandem Switching category, AT&T developed restructured intrastate rates for Tandem Switching per MOU, Host Remote Transmission per MOU and per minute per mile, Dedicated Tandem Trunk Port and Tandem Shared End Office Multiplexing that produce the same revenue

as the current Arkansas intrastate Tandem Switching rate element. The Dedicated Tandem Trunk Port is assigned a USOC; therefore, that demand is readily available in the billing system. The intrastate demand for Host Remote was removed from the intrastate Tandem Switched Transmission demand to ensure no double counting. The Tandem Shared End Office Multiplexer demand was estimated based on interstate Tandem Switching experience.

### **Missouri Additional Demand Development**

Missouri did not establish the rate elements created by the *Local Transport Restructure Order*<sup>13</sup> (*LTR*) nor the *Access Reform Order*. Instead, Missouri PSC MO No. 36 Access Service Tariff is structured as distance sensitive Local Transport per MOU. To determine the Switched Access Revenue Reduction, AT&T developed intrastate demand quantities for all interstate rate elements that would be in Missouri PSC MO NO. 36 Access Service Tariff had Missouri implemented the two major reforms of Switched Access service.

After obtaining intrastate quantities for rate elements that are assigned USOCs, the following steps were taken to create intrastate demand quantities for the remaining restructured rate elements that could not be obtained from the billing system via USOCs.

AT&T developed a Local Switching PIU from Missouri interstate and intrastate Local Switching usage. Because there is no data upon which to create a Missouri Tandem Switching PIU, AT&T used an average terminating Tandem Switching PIU based upon the sum of Arkansas, Kansas, and Oklahoma. The Texas PIU factor is significantly different than the other SWBT states and was excluded.

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<sup>13</sup> First Memorandum Opinion and Order on Reconsideration, released July 21, 1993 and the Second Memorandum Opinion and Order on Reconsideration, released August 18, 1993 (*Local Transport Restructure Order*).

As stated previously, AT&T also developed a factor to represent the percent terminating for Local Switching from Missouri specific data. For Tandem Switching, AT&T once again used the average of Arkansas, Kansas, and Oklahoma to develop the percent terminating factor.

To enable a proper comparison to the current interstate rate structure for the Local Switching category, AT&T developed restructured intrastate rates for Local Switching per MOU, Dedicated End Office Trunk Port and Shared End Office Trunk Port that produce the same revenue as the current intrastate rate structure. The restructured rates are located in column A2, and the associated demand is located in column D2 of ***Exhibit MO***. Neither *LTR* nor *Access Reform* impacted the local switching traffic to which the Local Switching per MOU rate is assessed. Therefore, the demand for this rate element is the same pre- *LTR* / *Access Reform* and post- *LTR* / *Access Reform*. As explained above rate elements assigned a USOC, e.g., Dedicated End Office Trunk Port, are available within the billing system. The intrastate demand for the Shared End Office Trunk Port was estimated based on interstate Shared End Office Trunk Port and Local Switching PIU.

To enable a proper comparison to the current interstate rate structure for the Local Transport category, AT&T developed restructured intrastate rates for Tandem Switching, Tandem Switched Transmission (TST) and Direct Trunked Transport (DTT). Intrastate demand quantities were obtained from the billing system for the USOC-based rate elements. The terminating intrastate demand for Tandem Switching, TST per MOU, TST per minute per mile, and Tandem Shared End Office Multiplexer were estimated based on Tandem Switching experience.

## **19. DEVELOPMENT OF THE STEP 7 SWITCHED ACCESS SERVICE REVENUE REDUCTION AMOUNT**

The Step 7 Access Reduction is an accumulation of the 2012 through 2017 reduction amounts and the additional amounts identified in response to the rate changes proposed in the 2018 Annual Filing.

### **2012 and 2013 Intrastate Reduction**

As discussed in the 2013 Annual Filing, in accordance with Part 51.907(b)(2)(ii) and 51.907(4), AT&T calculated the total intrastate revenue at intrastate access rates by multiplying the Fiscal Year 2011 intrastate demand by the intrastate rates in effect December 29, 2011. Because the interstate rates were frozen at December 29, 2011 levels, no interstate reduction amount was identified prior to 2014. The results of the intrastate calculations were carried into column M of each state's 2015 Switched Access Revenue Reduction Exhibit, which is labeled as ***Exhibit xx***, where xx equals the state abbreviation. In the case of Ameritech, BellSouth and SWBT, which are multi-state regions, the states were summed into a regional 2015 Switched Access Revenue Reduction Exhibit, which is labeled as ***Exhibit xx***, where xx equals Ameritech, BellSouth or SWBT.

### **2014 Intrastate and Interstate Reduction**

The 2014 reduction amounts are developed by:

- A) reducing both intrastate and interstate end office rates as required by Part 51.907 (d)
- B) developing eligible recovery per 51.915 (d) (iii).

### **2015 Intrastate and Interstate Reduction**

The 2015 reduction amounts are developed by:

- C) reducing both intrastate and interstate end office rates as required by Part 51.907 (e)
- D) developing eligible recovery per 51.915 (d) (iv).

### **2016 Intrastate and Interstate Reduction**

Multiple calculations are required to obtain the 2016 reduction amounts.

**First**, the interstate 2011 Baseline Terminating End Office Access Rate is determined in accordance with Part 51.907(d)(2)(i) by:

- A) Multiplying the Fiscal Year 2011 terminating interstate end office demand by the interstate rates in effect December 29, 2011 (aka current rates) in column F of each state's 2016 Switched Access Revenue Reduction Exhibit.
- B) The terminating interstate end office revenue is summed into the cell labeled Terminating End Office Revenue at Current Rate.
- C) The terminating interstate local switching (aka End Office) minutes of use are summed into the cell labeled FY2011 Terminating Local Switching MOUs
- D) The interstate 2011 Baseline Composite Terminating End Office Rate is calculated by dividing B by C in the cell labeled Initial Composite Terminating End Office Access Rate.

**Second**, the 2016 Interstate Target Composite Terminating EO Access Rate is calculated in accordance with Part 51.907(f), which is **\$0.0007 per minute**. In the case of Ameritech, BellSouth and SWBT, this calculation is completed on the regional form only.

**Third**, in 2016 AT&T continued to implement a single per minute rate element for terminating End Office Access Service that is no greater than the 2016 Target Composite Terminating End Office Access Rate” as allowed by Part 51.907(f).<sup>14</sup> AT&T use terminating interstate local switching rate element as the stand-in for the 2016 Target Composite Terminating End Office Rate. The proposed interstate rates and reduced revenue are shown in columns H and I, respectively, of the state 2016 Switched Access Revenue Reduction Exhibits. In the case of Ameritech, BellSouth and SWBT, the regional exhibit sums the results from the state exhibits.

**Fourth**, as the FCC clarified in paragraph 5 of the *ICC Clarification Order*, released March 31, 2014, AT&T must maintain “parity between interstate and intrastate rates, not interstate and intrastate composite rates.” In column J of each state’s exhibit, the intrastate terminating local switching rates are set equal to the proposed interstate rates, and column K calculates the revenue based on the proposed rates. On the exhibits, the 2016 intrastate reduction amount is the difference between column K and column G, which is the FY 2011 intrastate demand multiplied by the July 2, 2013 intrastate rates.

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<sup>14</sup> *ICC Clarification Order*, paragraph 17, “We thus clarify that both price cap and rate-of-return carriers may tariff the single composite rate as a terminating local switching access rate, consistent with the ICC transition, as long as all other rate elements associated with terminating end office access service are reduced to zero.<sup>43</sup> If its Target Composite Terminating End Office Access Rate is higher than the terminating local switching rate such carrier tariffed the previous year that will not constitute an impermissible rate increase.”



**Lastly**, the total interstate plus intrastate 2016 reduction amount (aka 2016 Total Difference) is identified in column L of each state's and region's 2016 Switched Access Revenue Reduction Exhibit.

### **2017 Intrastate and Interstate Reduction**

**First**, AT&T, in accordance with a bill-and-keep methodology, has refiled its interstate access tariffs and any state tariffs, in accordance with §51.905(b)(2), by removing any intercarrier charges for terminating End Office Access Service. Therefore, AT&T's terminating Local Switching Rates are set to be zero.

### **Second**,

Pursuant the Federal Communications Commission's (FCC's) Report and Order and Further Order of Proposed Rulemaking (*USF/ICC Order*), FCC No. 11-161 released November 18, 2011, carriers are required to bifurcate their tandem end office rates elements to reflect traffic terminating to the Telephone Companies own end office and traffic terminating to non-Telephone Company 3rd party locations based on call recordings. Subsequent to discussion between the Price Cap Industry and the FCC the following clarifications and common approach were agreed upon:

- Traffic Terminating from a Price Cap ILEC owned Tandem to its own or any other Price Cap ILEC End Office owned by the same Holding Company, will be considered "Tandem-to-End Office" that will transition to \$0.0007 (July 2017).
- All other Tandem Traffic that traverses an ILEC owned tandem and does not terminate to an end user served by the ILEC End Office will be considered "Tandem-to- 3<sup>rd</sup> Parties" and will continued to be billed at the current Interstate rates. This includes traffic that terminates from a Price Cap ILEC owned tandem to an affiliated CLEC or wireless end office
- Terminating traffic switched through a Tandem to an End Office to a Host and then to a Remote that are all owned by the same Price Cap LEC, should be billed at the transitional rates – (Tandem to End office).

- For terminating traffic delivered to a Host Office through a direct trunk transport then to a Remote where the Price Cap LEC owns the Host/Remote facilities, the rate depends on whether or not the Tandem within the study area (Homing Tandem) is owned by the Price Cap LEC.

### **2018 Intrastate and Interstate Reduction**

Pursuant the Federal Communications Commission's (FCC's) Report and Order and Further Order of Proposed Rulemaking (*USF/ICC Order*), FCC No. 11-161 released November 18, 2011, carriers are required to bifurcate their tandem end office rates elements to reflect traffic terminating to the Telephone Companies own end office and traffic terminating to non-Telephone Company 3rd party locations based on call recordings. Subsequent to discussion between the Price Cap Industry and the FCC the following clarifications and common approach were agreed upon:

- Traffic Terminating from a Price Cap ILEC owned Tandem to its own or any other Price Cap ILEC End Office owned by the same Holding Company, will be considered "Tandem-to-End Office" that will transition to \$0.0000 (July 2018).
- All other Tandem Traffic that traverses an ILEC owned tandem and does not terminate to an end user served by the ILEC End Office will be considered "Tandem-to- 3<sup>rd</sup> Parties" and will continued to be billed at the current Interstate rates. This includes traffic that terminates from a Price Cap ILEC owned tandem to an affiliated CLEC or wireless end office
- Terminating traffic switched through a Tandem to an End Office to a Host and then to a Remote that are all owned by the same Price Cap LEC, should be billed at the transitional rates – (Tandem to End office).
- For terminating traffic delivered to a Host Office through a direct trunk transport then to a Remote where the Price Cap LEC owns the Host/Remote facilities, the rate depends on whether or not the Tandem within the study area (Homing Tandem) is owned by the Price Cap LEC.

## **2018 Accumulated Access Reductions and Eligible Recovery**

Beginning July 1, 2018, AT&T's eligible recovery will be equal to ninety (90) percent of the sum of the amounts in paragraphs (d)(1)(vi) through (d)(1)(vi)(F) of this section, and then adding the amount in paragraph (d)(1)(vi)(G) of this section to that amount:

- (A) The amount of the reduction in Transitional Intrastate Access Service revenues determined pursuant to §51.907(b)(2) and (c) multiplied by the Price Cap Carrier Traffic Demand Factor; and
- (B) The reduction in interstate switched access revenues equal to the 2011 Baseline Composite Terminating End Office Access Rate using Fiscal Year 2011 terminating interstate end office switching minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;
- (C) The reduction in revenues equal to the intrastate 2014 Composite terminating End Office Access Rate using Fiscal Year 2011 terminating intrastate end office switching minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;
- (D) The reduction in revenues resulting from reducing the terminating Tandem-Switched Transport Access Service rate, for traffic that terminates to telephone companies own end offices, to \$0.0000 pursuant to §51.907(g)(2) using pro-rated share of Fiscal Year 2011 terminating tandem-switched minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;<sup>15</sup>
- (E) CMRS Net Reciprocal Compensation Revenues multiplied by the Price Cap Carrier Traffic Demand Factor;
- (F) The cumulative reductions in Fiscal Year 2011 net reciprocal compensation revenue less other than those associated with CMRS traffic as described in §51.701(b)(2) resulting from rate reductions required by §51.705. and
- (G) An amount equal to True-up Revenues for Access Recovery Charges for the year beginning July 1, 2015.

***NOTE: For the purpose of establishing its recovery for net reciprocal compensation, AT&T has elected to forgo that step (as described in F, above). As a result, AT&T will not receive any recovery for reductions in net reciprocal compensation.***

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<sup>15</sup> AT&T determined the amount of traffic terminating directly to an AT&T End Office, AT&T Tandem to End Office and AT&T Tandem to 3<sup>rd</sup> Party based on the following methods. First, "peg counts" (a count of calls over telephone trunks performed by the AT&T Network organization) were used to develop an AT&T Direct to End Office percentage. Peg counts provide the amount of calls on the network to determine traffic load. Next, to determine the AT&T Tandem to AT&T End Office percent, data from network traffic studies were analyzed. This study ran traffic data up against a Local Exchange Routing Guide (LERG) and Local Number Portability (LNP) databases. Finally, percentages were developed based upon tandem to end office and tandem 3<sup>rd</sup> party usage.

The sum of the interstate and intrastate 2018 cumulative reductions are utilized in determining the 2018 Access Recovery Charge (ARC) and are presented in column N of each state's Switched Access Revenue Reduction Exhibit, as well as the regional forms for Ameritech, BellSouth and SWBT.

## **20. INTRASTATE AND INTERSTATE RATES**

In accordance with Part 51.907(b)(2)(i), the rates utilized in determining the 2012 and 2013 Total Reductions presented in column M and to develop the interstate revenue amounts in columns F and I are the rates that were in effect in the intrastate and interstate access tariffs on December 29, 2011.<sup>16</sup> The intrastate rates utilized to calculate this year's additional reductions, which are the difference between columns G and K, are the rates that became effective July 2, 2013.

## **21. SERVICES EXCLUDED FROM THE SWITCHED ACCESS REVENUE REDUCTION CALCULATION**

The Switched Access Revenue Reduction calculations are based on terminating traffic only for CCL, Local Switching and Tandem rate elements and the total demand for Entrance Facilities and Direct Trunk Transport. Therefore, services that are assessed on the originating end of a call only have been excluded from the Switched Access Revenue Reduction calculation.

This includes, but is not limited to, Message Unit Credit and 500 access service and Carrier Identification Parameter (CIP).

All end user services, such as International Blocking, are excluded from the Switched Access Revenue Reduction calculation.

Dedicated Network Access Lines (DNALs) are not a circuit switched service. Therefore, despite being located in the Switched Access section of most of the tariffs, DNALs and any associated services are excluded from the Switched Access Revenue Reduction calculation.

As the Commission recognized in paragraph 63 of the *USF/ICC Transformation Order*, packet services are not circuit switched services. Therefore, they are excluded from the Switched Access Revenue Reduction calculations. This includes X.25 and X.75 protocol services and frame relay services.

Telecommunications Relay Services (TRS) / Telecommunications Relay Interconnection Services (TRIS) / Telecommunications Relay Service-Provider Transport (TRS-PT) are specialized services created for a very specific purpose. They are not part of basic Switched Access service and are excluded from the Switched Access Revenue Reduction calculations.

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<sup>16</sup> South Carolina utilizes a price list for Switched Local Channel, Switched Interoffice Channel and Channelization.

In footnote 114 of the *USF/ICC Transformation Order*, the Commission states “while we encourage carriers to continue to offer operator services and directory assistance, we do not mandate that ETCs provide operator services or directory assistance.” Therefore, all directory assistance and operator services are excluded from the Switched Access Revenue Reduction calculations.

## **22. EXHIBITS**

- Exhibit SWBT- SWBT Target Composite Terminating EO Access Rate

## **HOLDING COMPANY ACCESS RECOVERY CHARGE (ARC)**

### **23. ARC DEVELOPMENT AND APPLICATION**

AT&T has chosen to calculate the ARC once at the holding company level while each AT&T incumbent local exchange carrier (ILEC) must file all supporting documents separately to comply with the requirements of the *Tariff Review Plan* order. As a result, the required exhibits for this Holding Company ARC section are the same in all five transmittals filed separately by the AT&T ILECs.

Price cap carriers like the ILECs are permitted to recover a limited portion of their Eligible Recovery from their end users through a monthly fixed charge called Access Recovery Charge (ARC). Section 51.915(e)(1) of the FCC's proposed rules defines ARC as:

A charge that is expressed in dollars and cents per line per month may be assessed upon end users that may also be assessed an end user common line charge pursuant to § 69.152 of the chapter, to the extent necessary to allow the Price Cap Carrier to recover some or all of its eligible recovery determined pursuant to paragraph 51.915(d), subject to the caps described in paragraph 51.915(e)(5). A Price Cap Carrier may elect to forgo charging some or all of the Access Recovery Charge.

AT&T, a Price Cap Carrier Holding Company, is allowed to recover eligible recovery attributable to any of the 21 price cap study areas operated by its wholly-owned operating companies through assessment of the ARC on end users in any of those price cap study areas, all of which are operating as price cap ILECs. However, distribution of ARC among different types of lines should follow rules outlined in Section 51.915(e)(4) of the *USF/ICC Transformation Order*. Per that rule, AT&T Holding Company may not recover a higher fraction of its total eligible revenue recovery from ARC assessed on Residential and Single Line Business lines than

their share of Total Weighted Lines where Multi-Line Business lines gets twice the weight (i.e.

Total Weighted Lines = Residential Lines + Single-Line Business Lines+ (2 X Multi-Line Business Lines)).

- For purposes of distribution of ARC among different types of lines, the AT&T ILECs' Residential and Single Line Business lines are lines (other than lines of Lifeline Customers) assessed the residential and single line business end user common line charge and lines assessed the non-primary residential EUCL charge.
- AT&T ILECs' Multi-Line Business Lines are lines assessed the multi-line business end user common line charge.

As shown on *Exhibit ATTTER18* and summarized on *Exhibit ICC SUM-1*, the total eligible recovery based on the Switched Access Revenue Reductions in Steps 1 through 6 and the CMRS Reciprocal Compensation Eligible Recovery is equal to the CALLS Study Area Base Factor multiplied by the sum of the amounts calculated per paragraphs (A) through (E) below:

Beginning July 1, 2018, AT&T's eligible recovery will be equal to ninety (90) percent of the sum of the amounts in paragraphs (d)(1)(vi) through (d)(1)(vi)(F) of this section, and then adding the amount in paragraph (d)(1)(vi)(G) of this section to that amount:

- (A) The amount of the reduction in Transitional Intrastate Access Service revenues determined pursuant to §51.907(b)(2) and (c) multiplied by the Price Cap Carrier Traffic Demand Factor; and
- (B) The reduction in interstate switched access revenues equal to the 2011 Baseline Composite Terminating End Office Access Rate using Fiscal Year 2011 terminating interstate end office switching minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;
- (C) The reduction in revenues equal to the intrastate 2014 Composite terminating End Office Access Rate using Fiscal Year 2011 terminating intrastate end office switching minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;



- (D) The reduction in revenues resulting from reducing the terminating Tandem-Switched Transport Access Service rate, for traffic that terminates to telephone companies own end offices, to \$0.0000 pursuant to §51.907(g)(2) using pro-rated share of Fiscal Year 2011 terminating tandem-switched minutes, and then multiply by the Price Cap Carrier Traffic Demand Factor;
- (E) CMRS Net Reciprocal Compensation Revenues multiplied by the Price Cap Carrier Traffic Demand Factor;
- (F) The cumulative reductions in Fiscal Year 2011 net reciprocal compensation revenue less other than those associated with CMRS traffic as described in §51.701(b)(2) resulting from rate reductions required by §51.705.<sup>10</sup> and
- (G) An amount equal to True-up Revenues for Access Recovery Charges for the year beginning July 1, 2015

The eligible recovery amounts from each of the 21 states are aggregated up to the AT&T Holding Company level and as shown on each state's *Exhibit ARC-NO CAF-1*<sup>17</sup> and *Exhibit ARC-NO CAF-2*, distributed among lines of different types using the criteria outlined in Section 51.915(e)(4).<sup>18</sup>

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<sup>17</sup> Each state's form is labeled as Exhibit ARC-NO CAF-1 xx, where xx equals the state abbreviation.

<sup>18</sup> A Price Cap carrier holding company that does not receive ICC-replacement CAF support may not recover a higher fraction of its total revenue recovery from Access Recovery Charges assessed on Residential and Single Line Business lines than:

- A. The number of Residential and Single-Line Business lines divided by
- B. The sum of the number of Residential and Single-Line Business lines and two times the number of Multi-Line Business lines.

Billing constraints and the availability of granular E-911 charges restricts AT&T's ability to implement exchange level Residential and Single-Line Business ARC. As a result, AT&T will spread the recovery of Eligible Recovery among a subset of end-users.<sup>19</sup> For the July 2018 through June 2019 tariff period, AT&T has decided not to charge ARC to residential and single-line business customers in 18<sup>20</sup> of its 21 ILEC study areas. AT&T will recover revenues from residential and single-line business customers in the remaining 3<sup>21</sup> ILEC study areas. AT&T will charge ARC to multi-line business customers in all 21 ILEC study areas.

The total AT&T ILEC reduction determined pursuant to § 51.907(b)(2) is projected to be \$311.3M. The Net CMRS Reciprocal Compensation Revenue reduction is projected to be \$19.2M. The amount equal to True-up Revenues for Access Recovery Charge is - \$0.4M, which is calculated by exchange on *Exhibit ARC-TUP-1* and summarized by state on *Exhibit ARC-TUP-2*. AT&T has elected to forgo the recovery for net non-CMRS reciprocal compensation per the option outlined in Section 51.915(d)(3) of the Rules. As a result, the total Eligible Recovery Revenue pursuant to 51.915(d)(1)(i) of the Rules (after adjusting for CALLS Study Area Base Factor and Price Cap Carriers Traffic Demand Factor) is \$141.9M.

Per Paragraph 911 of the *USF/ICC Transformation Order*, AT&T could have allocated 30.2 percent of the Eligible Recovery (i.e. \$42.9 M) to Residential Lines (that includes Single-Line Business and BRI-ISDN) and 69.8 percent to Multi-Line Business Lines. However, due to residential rate ceiling constraints, the Eligible Recovery allocated to Residential (including

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<sup>19</sup> We permit carriers to determine at the holding company level how Eligible Recovery will be allocated among their incumbent LECs' ARCs. By providing this flexibility, carriers will be able to spread the recovery of Eligible Recovery among a broader set of customers, minimizing the increase experienced by any one customer. This also will enable carriers to more fully recover Eligible Recovery from end-users with rates below the \$30 Residential Rate Ceiling, limiting the potential impact on the CAF (Paragraph 910).

Single-Line Business and BRI-ISDN) is only 10.3 percent, or \$14.6 M, and the Eligible Recovery for Multi-Line Business is 89.7 percent, or \$127.3 M.

Given the ARC rates filed with this tariff and projected line count for this tariff period, AT&T's Expected ARC Revenue from Residential Lines and Single Line Business will be \$14.6 M and from Multi-Line Business Lines \$127.3 M.

Currently, AT&T ILECs are not receiving any ICC-CAF funding. However, AT&T is still required to file one additional form called Rate Ceiling Calcs spreadsheet, which is attached to the *Tariff Review Plan*. As a result, ***Exhibit ARC-NO-CAF-3*** is included in the filing package.

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<sup>20</sup> Alabama, Arkansas, California, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Michigan, Mississippi, Missouri, Nevada, North Carolina, Oklahoma, Tennessee, Texas and Wisconsin.

<sup>21</sup> Illinois, Ohio, and South Carolina.

*Exhibits ARCRCTRP-NO CAF-1*<sup>22</sup> and *ARCRCTRP-NO CAF-2* provide the required Tariff Rate Comparisons.

## 24. EXHIBITS

- Exhibit ATTTTER15 - Total Eligible Recovery Step 4
- Exhibit ICC SUM-1 - Eligible ARC/ARC Recovery

### **Ameritech Operating Companies (Ameritech) Tariff FCC No. 2**

- Exhibit ARC-NO CAF-1 IL - Illinois ARC Form
- Exhibit ARC-NO CAF-1 IN - Indiana ARC Form
- Exhibit ARC-NO CAF-1 MI - Michigan ARC Form
- Exhibit ARC-NO CAF-1 OH - Ohio ARC Form
- Exhibit ARC-NO CAF-1 WI - Wisconsin ARC Form

### **BellSouth Telecommunications, LLC (BellSouth) Tariff FCC No. 1**

- Exhibit ARC-NO CAF-1 AL - Alabama ARC Form
- Exhibit ARC-NO CAF-1 FL - Florida ARC Form
- Exhibit ARC-NO CAF-1 GA - Georgia ARC Form
- Exhibit ARC-NO CAF-1 KY - Kentucky ARC Form
- Exhibit ARC-NO CAF-1 LA - Louisiana ARC Form
- Exhibit ARC-NO CAF-1 MS - Mississippi ARC Form
- Exhibit ARC-NO CAF-1 NC - North Carolina ARC Form
- Exhibit ARC-NO CAF-1 SC - South Carolina ARC Form
- Exhibit ARC-NO CAF-1 TN - Tennessee ARC Form

### **Nevada Bell Telephone Company (NBTC) Tariff FCC No. 1**

- Exhibit ARC-NO CAF-1 NV - Nevada ARC Form

### **Pacific Bell Telephone Company (PBTC) Tariff FCC No. 1**

- Exhibit ARC-NO CAF-1 CA - California ARC Form

### **Southwestern Bell Telephone Company (SWBT) Tariff FCC No. 73**

- Exhibit ARC-NO CAF-1 AR - Arkansas ARC Form
- Exhibit ARC-NO CAF-1 KS - Kansas ARC Form
- Exhibit ARC-NO CAF-1 MO - Missouri ARC Form
- Exhibit ARC-NO CAF-1 OK - Oklahoma ARC Form
- Exhibit ARC-NO CAF-1 TX - Texas ARC Form
- Exhibit ARC-NO CAF-2 - Maximum ARC Revenue Calculation
- Exhibit ARC-NO CAF-3 - Rate Ceiling No CAF
- Exhibit ARC-NO CAF-4 - Footnotes

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<sup>22</sup> Each state's form is labeled as Exhibit ARCRCTRP – NO CAF-1 xx, where xx equals the state abbreviation.

**Ameritech Operating Companies (Ameritech) Tariff FCC No. 2**

- Exhibit ARCRCTRP-NO CAF-1 IL - Illinois Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 IN - Indiana Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 MI - Michigan Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 OH - Ohio Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 WI - Wisconsin Tariff Rate Comparison No CAF

**BellSouth Telecommunications, LLC (BellSouth) Tariff FCC No. 1**

- Exhibit ARCRCTRP-NO CAF-1 AL - Alabama Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 FL - Florida Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 GA - Georgia Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 KY - Kentucky Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 LA - Louisiana Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 MS - Mississippi Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 NC - North Carolina Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 SC - South Carolina Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 TN - Tennessee Tariff Rate Comparison No CAF

**Nevada Bell Telephone Company (NBTC) Tariff FCC No. 1**

- Exhibit ARCRCTRP-NO CAF-1 NV - Nevada Tariff Rate Comparison No CAF

**Pacific Bell Telephone Company (PBTC) Tariff FCC No. 1**

- Exhibit ARCRCTRP-NO CAF-1 CA - California Tariff Rate Comparison No CAF

**Southwestern Bell Telephone Company (SWBT) Tariff FCC No. 73**

- Exhibit ARCRCTRP-NO CAF-1 AR - Arkansas Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 KS - Kansas Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 MO - Missouri Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 OK - Oklahoma Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-1 TX - Texas Tariff Rate Comparison No CAF
- Exhibit ARCRCTRP-NO CAF-2 - Tariff Rate Comparison No CAF

Exhibit ARCRCTRP-NO CAF-3 - Footnotes

Exhibit ARC-TUP-1 - True Up Calculation by Exchange

Exhibit ARC-TUP-2 - True Up Summary by State

Exhibit ARC-TUP-3 - Footnotes

**AT&T - NEVADA BELL TELEPHONE COMPANY**  
**Calculation of Investment Tax Credit (ITC) Exogenous Cost**  
**for the 2018 Annual Filing**

(000)

	<b>Company Total (a)</b>	<b>Interstate (b)</b>
<b>Base Year Data</b>		
1 Interstate Allocation Factor		29.74%
<b><u>Change In Investment Tax Credit Amounts</u></b>		
2 Base Year PCI ITC Amortization	141	42
3 Base Year PCI t-1 ITC Amortization	143	43
4 Change In ITC Amortization (L2-L3)	<u>(2)</u>	<u>(1)</u>
<b>Calculation of Revenue Requirement Impact</b>		
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 <b>ITC-A Revenue Requirement Impact (L5*L6)</b>	N/A	<u><u>1</u></u>
(Interstate = Sum of Columns c through g)		

**AT&T - NEVADA BELL TELEPHONE COMPANY**  
**Calculation of Combined Effect of Exogenous Cost**  
**for the 2018 Annual Filing**

**(000)**

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

**AT&T - NEVADA BELL TELEPHONE COMPANY**  
**Exogenous Costs Adjusted for Non-Price Cap Services**  
**for the 2018 Annual Filing**

(000)

	<b>Company Total (a)</b>	<b>Interstate (b)</b>
<b><u>Assignment of Exogenous Costs to NonPrice Cap Services</u></b>		
1 Exogenous Costs With NonPrice Cap Services (Exhibit 2.2, L4)	N/A	1
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>0</u>
4 Exogenous Without NonPrice Cap Services (L1-L3) (Interstate = Sum of Columns c through g)	N/A	<u><u>1</u></u>
<b><u>Distribution of Excluded Services Revenue</u></b>		
5 2017 Revenues With NonPrice Cap Services	N/A	N/A
6 2017 NonPrice Cap Services Revenue FCC 492 Footnote	N/A	N/A
7 Ratio (L6/L5)	N/A	N/A



**AT&T - NEVADA BELL TELEPHONE COMPANY  
TELECOMMUNICATIONS RELAY SERVICE/REGULATORY FEES  
EXOGENOUS COST DEVELOPEMENT**

Exhibit 2.5

		<b>2016 Annual</b>		<b>FCC 17-111</b>	<b>Rolka Loube Estimate</b>
		<b>Total</b>	<b>Interstate</b>	<b>9/5/2017</b>	<b>6/2/2017</b>
		<b>End User Revenues</b>	<b>End User Revenues</b>	<b>Regulatory Fee</b>	<b>Telecom Relay</b>
		<b>( 499A )</b>	<b>( 499A )</b>	<b>(C) = B * 0.00302</b>	<b>(D) = B * 0.02244</b>
		<b>(A)</b>	<b>(B)</b>		
Exogenous Amount	\$	75,463,748	\$ 18,629,645	\$ 56,262	\$ 418,049
Excluded Revenue	\$	1,601,226	\$ 1,601,226		
Price Cap Revenue Percentage		97.88%	91.40%		

<b>2017 Mid-Year Rate Changes</b>		<b>Rolka Loube Estimate</b>		<b>DA 17-642</b>	<b>Annualized</b>
		<b>6/2/2017</b>	<b>6/30/2017</b>	<b>Difference</b>	<b>Reversal</b>
		<b>Telecom Relay</b>	<b>Telecom Relay</b>	<b>(G) = (F) - (D)</b>	<b>(H) = (G) * 12 / 9</b>
		<b>(D) = B * 0.02244</b>	<b>(F) = B * 0.02289</b>		
Exogenous Amount	\$	418,049	\$ 426,433	\$ 8,383	\$ 11,178

		<b>2017 Annual</b>		<b>FCC 18-65</b>	<b>DA 18-494</b>
		<b>Total</b>	<b>Interstate</b>	<b>5/22/2018</b>	<b>5/14/2018</b>
		<b>End User Revenues</b>	<b>End User Revenues</b>	<b>Regulatory Fee</b>	<b>Telecom Relay</b>
		<b>( 499A )</b>	<b>( 499A )</b>	<b>(C') = B' * 0.00276</b>	<b>(D') = B' * 0.03034</b>
		<b>(A')</b>	<b>(B')</b>		
Exogenous Amount	\$	71,339,475	\$ 18,398,639	\$ 50,780	\$ 558,215
Excluded Revenue	\$	5,440,275	\$ 5,440,275		
Price Cap Revenue Percentage		92.37%	70.43%		

	<b>7/17 - 6/18</b>	<b>7/18 - 6/19</b>	<b>Exogenous</b>
<b>Telecommunications Relay Service Support:</b>			
Rolka Loube Estimate - 0.02244 Factor 2016 Revenue - D	\$ 418,049		
DA 17-642 - 0.02289 Factor 2016 Revenue - H	\$ 11,178		
DA 18-494 - 0.03034 Factor 2017 Revenue - D'		\$ 558,215	
	\$ 429,227	\$ 558,215	
% Price Cap Allocation	91.40%	70.43%	
Price Cap Exogenous Amount	\$ 392,335	\$ 393,157	
FCC 2016 Price Cap Interstate End User Revenue	\$ 17,028,419		
FCC 2017 Price Cap Interstate End User Revenue	\$ 12,958,364		
Revenue Change ( R )	-23.90%		
Price Cap Only with R Adj	\$ 298,561	\$ 393,157	\$ 94,596

	<b>7/17 - 6/18</b>	<b>7/18 - 6/19</b>	<b>Exogenous</b>
<b>Regulatory Fee Support:</b>			
FCC 17-111 - 0.00302 Factor 2016 Revenue - C	\$ 56,262		
FCC 18-65 - 0.00276 Factor 2017 Revenue - C'		\$ 50,780	
	\$ 56,262	\$ 50,780	
% Price Cap Allocation	91.40%	70.43%	
Price Cap Exogenous Amount	\$ 51,426	\$ 35,765	
FCC 2016 Price Cap Interstate End User Revenue	\$ 17,028,419		
FCC 2017 Price Cap Interstate End User Revenue	\$ 12,958,364		
Revenue Change ( R )	-23.90%		
Price Cap Only with R Adj	\$ 39,134	\$ 35,765	\$ (3,369)

	<b>Common Line</b>		<b>Special</b>		<b>Price Cap</b>
	<b>499A</b>		<b>499A</b>		<b>Revenue</b>
499A 2017 Interstate End User Revenues	\$ 12,599,059		\$ 359,305		\$ 12,958,364
Allocation Basis	97.23%		2.77%		
Telecom. Relay Support	\$ 91,973		\$ 2,623		\$ 94,596
Regulatory Fee Support:	\$ (3,276)		\$ (93)		\$ (3,369)
	\$ 88,697		\$ 2,530		\$ 91,227

AT&T - NEVADA BELL TELEPHONE COMPANY  
SUMMARY OF EXOGENOUS COSTS AND DISTRIBUTIONS  
TO NON-ATS SERVICES

Exhibit 2.6

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)			-	1,000			
2	% OF EDT AND ITC EXOG COST W/EXCLUDED SERVICES EXHIBIT 2.5			0.00%	30.40%			
3	EXOGENOUS COSTS TO BE DISTRUBUTED (L1*(1-L2))			-	696	94,596	(3,369)	91,923
4	COMMON LINE EUCL AND PICC 'R' (Sum1 Column A, Row 100)	3,951,185	74.74%	-	520	91,973	(3,276)	89,218
5	SPECIAL ACCESS BASKET 'R'	1,335,264	25.26%	-	176	2,623	(93)	2,705
6	TOTAL (SUM L4 THRU L8)	5,286,448	100.00%	-	696	94,596	(3,369)	91,923

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

**AT&T - NEVADA BELL TELEPHONE COMPANY  
COMMON LINE BASKET**

Exhibit 5

<b>RATE ELEMENTS</b>	<b>CURRENT RATE</b>	<b>BASE PERIOD DEMAND</b>	<b>BASE PERIOD REVENUES</b>	<b>PROPOSED RATE</b>	<b>PROPOSED REVENUES</b>
<b>EUCL</b>					
PRIMARY RES EUCL	\$ 4.66	324,230	\$ 1,510,321	\$ 4.77	\$ 1,546,022
SINGLE LINE BUS EUCL	\$ 4.66	8,324	\$ 38,775	\$ 4.77	\$ 39,691
LIFELINE EUCL	\$ 4.66	9,879	\$ 46,018	\$ 4.77	\$ 47,106
NONPRIMARY RES EUCL	\$ 4.66	29,423	\$ 137,058	\$ 4.77	\$ 140,297
BRI ISDN EUCL	\$ 4.66	582	\$ 2,711	\$ 4.77	\$ 2,775
MULTILINE BUS EUCL	\$ 4.66	235,682	\$ 1,097,849	\$ 4.77	\$ 1,123,799
PRI ISDN EUCL	\$ 4.66	4,770	\$ 22,220	\$ 4.77	\$ 22,745
CENTREX EUCL	\$ 4.66	197,365	\$ 919,361	\$ 4.77	\$ 941,093
<b>PICC</b>					
MULTILINE BUS PICC	\$ -	235,682	\$ -	\$ -	\$ -
PRI ISDN PICC	\$ -	4,770	\$ -	\$ -	\$ -
CENTREX SYSTEM <9 LINES	\$ -	7,733	\$ -	\$ -	\$ -
CENTREX PICC <9 LINES	\$ -	35,149	\$ -	\$ -	\$ -
CENTREX PICC >9 LINES	\$ -	162,216	\$ -	\$ -	\$ -
<b>SPECIAL ACCESS SURCHARGE</b>	\$ 25.00	60	\$ 1,500	\$ 25.00	\$ 1,500
<b>END USER PORTS</b>					
END USER PORT CHARGE BRI ISDN PORT	\$ 3.90	582	\$ 2,270	\$ 3.90	\$ 2,270
END USER PORT CHARGE PRI ISDN PORT	\$ 36.29	4,770	\$ 173,103	\$ 36.29	\$ 173,103
<b>CARRIER COMMON LINE</b>					
Terminating CCL Prem.	\$ -	87,220,839	\$ -	\$ -	\$ -
Terminating CCL Non-Prem.	\$ -	-	\$ -	\$ -	\$ -
Originating CCL Prem.	\$ -	104,935,944	\$ -	\$ -	\$ -
Originating CCL Non-Prem.	\$ -	-	\$ -	\$ -	\$ -
<b>USAC Receipts</b>	\$ 1.63	810,255	\$ 1,317,246	\$ 1.63	\$ 1,317,246
<b>TOTAL CMT BASKET</b>			<b>\$ 5,268,430</b>		<b>\$ 5,357,647</b>

**AT&T - NEVADA BELL TELEPHONE COMPANY - SPECIAL  
CALCULATION OF 'R' VALUE**

ST	ZN	DESCRIPTION	PCI(t-1) RATE	BASE PERIOD DEMAND	'R'
NV		VG CHAN TERM 2-WIRE	\$21.65	12	\$260
NV		VG CHAN TERM 4-WIRE	\$21.65	403	\$8,725
NV		VG WATS CHAN TERM 2-WIRE	\$21.65	0	\$0
NV		VG WATS CHAN TERM 4-WIRE	\$21.65	0	\$0
NV		VG BRDG - 2-WIRE VOICE - PER PORT	\$2.72	0	\$0
NV		VG BRDG - 4-WIRE VOICE - PER PORT	\$3.42	36	\$123
NV		VG BRDG - 2-WIRE DATA - PER PORT	\$2.72	0	\$0
NV		VG BRDG - 4-WIRE DATA - PER PORT	\$3.42	0	\$0
NV		NV - C- TYPE COND.	\$3.79	0	\$0
NV		VG IMP. ATTENUATION.	\$5.37	115	\$618
NV		VG IMP. ENVELOPE DELAY	\$26.83	24	\$644
NV		VG SEALING CURRENT	\$6.97	24	\$167
NV		VG IMP. RETURN LOSS 2-WIRE	\$8.24	0	\$0
NV		VG IMP. RETURN LOSS 4-WIRE	\$8.20	115	\$943
NV		VG CUST- SPEC. RECEIVED LEVEL	\$4.61	120	\$553
NV		VG DATA CAPABILITY	\$5.67	12	\$68
NV		VG TELEPHOTO CAPABILITY	\$7.40	0	\$0
NV		VG SIG. CAPABILITY	\$9.94	12	\$119
NV		VG/ANALOG MISC REVENUES - SPECIAL	\$0.00	0	\$0
NV		VG - SERVICE DATE CHANGE	\$26.50	0	\$0
NV		VG - DESIGN CHANGE CHAGRE	\$60.00	0	\$0
NV		VG - TRIP CHARGE	\$200.00	0	\$0
NV		VG CHAN TERMS 2-WIRE-NRC-1ST	\$200.00	0	\$0
NV		VG CHAN TERMS 4-WIRE-NRC-1ST	\$200.00	0	\$0
NV		VG WATS CHAN TERMS 2-WIRE-NRC-1ST	\$200.00	0	\$0
NV		VG WATS CHAN TERMS 4-WIRE-NRC-1ST	\$200.00	0	\$0
NV		VG IMPROVED. ATTENUATION DISTORTION-NRC	\$180.80	0	\$0
NV		VG IMPROVED ENVELOPE DELAY-NRC	\$287.06	0	\$0
NV		VG DATA CAPABILITY - NRC	\$91.27	0	\$0
NV		VG TELEPHOTO CAPABILITY - NRC	\$377.67	0	\$0
NV		AP(200-3500 HZ)CHAN TERM-MO	\$25.00	0	\$0
NV		AP(100-5000 HZ)CHAN TERM -MO.	\$28.00	0	\$0
NV		AP(50-8000 HZ)CHAN TERM- MO.	\$30.00	0	\$0
NV		AP(50-15000 HZ)CHAN TERM- MO.	\$110.00	0	\$0
NV		AP GAIN COND. PER SVC - MO.	\$2.00	0	\$0
NV		AP(200-3500 HZ)CHAN TERM( DAILY)	\$4.00	0	\$0
NV		AP(100-5000 HZ)CHAN TERM( DAILY)	\$4.00	0	\$0
NV		AP(50-8000 HZ)CHAN TERM( DAILY)	\$4.00	0	\$0
NV		AP(50-15000 HZ)CHAN TERM( DAILY)	\$12.00	0	\$0
NV		AP GAIN COND.- DAILY	\$2.00	0	\$0
NV		AP(200-3500HZ) CHAN TERM (MO)- NRC	\$289.75	0	\$0
NV		AP(100-5000HZ) CHAN TERM (MO)- NRC	\$289.75	0	\$0
NV		AP(50-8000HZ)CHAN TERM (MO)- NRC	\$289.75	0	\$0
NV		AP(50-15000HZ) CHAN TERM (MO)- NRC	\$289.75	0	\$0
NV		AP GAIN CONDITIONING(MO) - NRC	\$73.25	0	\$0
NV		AP(200-3500HZ) CHAN TERM (DAILY)- NRC	\$289.75	0	\$0
NV		AP(100-5000HZ) CHAN TERM (DAILY)- NRC	\$289.75	0	\$0
NV		AP(50-8000HZ)CHAN TERM (DAILY)- NRC	\$289.75	0	\$0
NV		AP(50-15000HZ) CHAN TERM (DAILY)- NRC	\$289.75	0	\$0
NV		AP GAIN COND.- ( DAILY) - NRC	\$73.25	0	\$0
NV		AUDIO/VIDEO MISC REVENUES - SPECIAL	\$1.00	0	\$0
NV		AV - SERVICE DATE CHANGE	\$1.00	0	\$0
NV		AV - DESIGN CHANGE CHAGRE	\$26.50	0	\$0
NV		AV - TRIP CHARGE	\$60.00	0	\$0
NV		VIDEO(TV1-2) CHAN TERM (MO)	\$200.00	0	\$0
NV		VIDEO(4TV-5) CHAN TERM (MO)	\$450.00	0	\$0
NV		VIDEO(6TV-5) CHAN TERM (MO)	\$500.00	0	\$0
NV		VIDEO(TV15) CHAN TERM ( MO)	\$500.00	0	\$0
NV		VIDEO(TV1-2) CHAN TERM (DAILY)	\$60.00	0	\$0
NV		VIDEO(4TV-5) CHAN TERM (DAILY)	\$125.00	0	\$0
NV		VIDEO(6TV-5) CHAN TERM (DAILY)	\$125.00	0	\$0
NV		VIDEO(TV15) CHAN TERM (DAILY)	\$125.00	0	\$0
NV		VIDEO(TV1-2) CHAN TERM (MO)-NRC	\$35.00	0	\$0
NV		VIDEO(4TV-5) CHAN TERM (MO)-NRC	\$250.00	0	\$0
NV		VIDEO(6TV-5) CHAN TERM (MO)-NRC	\$250.00	0	\$0
NV		VIDEO(TV15) CHAN TERM ( MO)-NRC	\$250.00	0	\$0
NV		DIGITAL MISC REVENUES - SPECIAL	\$250.00	0	\$0
NV		DDS EXPEDITE ORDER CHARGE	\$24.44	1	\$24
NV		DIGITAL - SERVICE DATE CHANGE	\$26.50	0	\$0
NV		DIGITAL - DESIGN CHANGE CHARGE	\$60.00	0	\$0
NV		DIGITAL - TRIP CHARGE	\$200.00	0	\$0
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - BASIC TIME - INSTALL TECH	\$40.21	0	\$0
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - BASIC TIME - CTRL OFFICE I	\$32.72	0	\$0
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - OVERTIME - INSTALL TECH	\$60.32	0	\$0
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - OVERTIME - CTRL OFFICE M	\$49.08	0	\$0
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - PREMIUM - INSTALL TECH	\$80.42	0	\$0
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - PREMIUM - CTRL OFFICE M/	\$65.43	0	\$0
NV		SPL ADDL MANUAL TESTING - BASIC - INSTALL TECH	\$40.21	0	\$0
NV		SPL ADDL MANUAL TESTING - BASIC - CTRL OFFICE MAIN TECH	\$32.72	0	\$0
NV		SPL ADDL MANUAL TESTING - OVERTIME - INSTALL TECH	\$60.32	0	\$0
NV		SPL ADDL MANUAL TESTING - OVERTIME - CTRL OFFICE MAIN TECH	\$49.08	0	\$0
NV		SPL ADDL MANUAL TESTING - PREMIUM - INSTALL TECH	\$80.42	0	\$0

**AT&T - NEVADA BELL TELEPHONE COMPANY - SPECIAL  
CALCULATION OF 'R' VALUE**

ST	ZN	DESCRIPTION	PCI(t-1) RATE	BASE PERIOD DEMAND	'R'
NV		SPL ADDL MANUAL TESTING - PREMIUM - CTRL OFFICE MAIN TECH	\$65.43	0	\$0
NV		ADDL ENGR - BASIC TIME - EACH HALF HOUR (NRC)	\$44.69	0	\$0
NV		ADDL ENGR - OVERTIME - EACH HALF HOUR (NRC)	\$31.75	0	\$0
NV		ADDL LABOR INSTALLATION/ REPAIR - OVERTIME - EACH HALF HOUR (NRC)	\$250.00	3	\$750
NV		ADDL LABOR INSTALLATION/ REPAIR - PREMIUM - EACH HALF HOUR (NRC)	\$300.00	0	\$0
NV		ADDL LABOR STANDBY - BASIC - EACH HALF HOUR (NRC)	\$85.00	0	\$0
NV		ADDL LABOR STANDBY - OVERTIME - EACH HALF HOUR (NRC)	\$80.00	15	\$1,200
NV		ADDL LABOR STANDBY - PREMIUM - EACH HALF HOUR (NRC)	\$90.00	0	\$0
NV		ADDL LABOR TEST & MTCE - BASIC - INSTALL TECH (NRC)	\$115.00	0	\$0
NV		ADDL LABOR TEST & MTCE - BASIC - CTRL OFFICE MAIN TECH (NRC)	\$40.00	12	\$480
NV		ADDL LABOR TEST & MTCE - OVERTIME - INSTALL TECH (NRC)	\$80.00	0	\$0
NV		ADDL LABOR TEST & MTCE - OVERTIME - CTRL OFFICE MAIN TECH (NRC)	\$60.00	0	\$0
NV		ADDL LABOR TEST & MTCE - PREMIUM - INSTALL TECH (NRC)	\$110.00	0	\$0
NV		ADDL LABOR TEST & MTCE - PREMIUM - CTRL OFFICE MAIN TECH (NRC)	\$95.00	0	\$0
NV		GDT(2.4 KBPS) CHAN TERM	\$71.10	0	\$0
NV		GDT(4.8 KBPS) CHAN TERM	\$71.10	0	\$0
NV		GDT(9.6 KBPS) CHAN TERM	\$71.10	0	\$0
NV		GDT(56 KBPS) CHAN TERM	\$71.10	234	\$16,637
NV		GDT (64 KBPS) CHAN TERM	\$71.10	69	\$4,906
NV		GDT - BRDG-PER PORT	\$16.51	0	\$0
NV		GDT(2.4 KBPS) CHAN TERM-NRC	\$250.00	0	\$0
NV		GDT(4.8 KBPS) CHAN TERM-NRC	\$250.00	0	\$0
NV		GDT(9.6 KBPS) CHAN TERM-NRC	\$250.00	0	\$0
NV		GDT(56 KBPS) CHAN TERM-NRC	\$250.00	0	\$0
NV		GDT (64 KBPS) CHAN TERM-NRC	\$250.00	0	\$0
NV		Frac DS1 CHAN TERM - MTM	\$125.00	0	\$0
NV		Frac DS1 CHAN TERM - 3 YR	\$115.00	0	\$0
NV		Frac DS1 CHAN TERM - 5 YR	\$105.00	0	\$0
NV		Frac DS1 CHAN TERM - MTM - 1ST NRC	\$900.00	0	\$0
NV		Frac DS1 CHAN TERM - 3 YR - 1ST NRC	\$900.00	0	\$0
NV		Frac DS1 CHAN TERM - 5 YR - 1ST NRC	\$900.00	0	\$0
NV		Frac DS1 CHAN TERM - MTM - ADDL NRC	\$900.00	0	\$0
NV		Frac DS1 CHAN TERM - 3 YR - ADDL NRC	\$900.00	0	\$0
NV		Frac DS1 CHAN TERM - 5 YR - ADDL NRC	\$900.00	0	\$0
NV		DS1 CHAN TERM	\$124.55	1,041	\$129,657
NV		DS1 MISC REVENUE	\$284,648.22	0	\$113,859
NV		DS1 CHAN TERM - NRC	\$450.00	0	\$0
NV		DS1 CHAN TERM ROLLOVER - NRC	\$450.00	0	\$0
NV		DS1 TPP - CHAN TERM TPP 1YR	\$122.50	0	\$0
NV		DS1 TPP - CHAN TERM TPP 2YR	\$120.00	0	\$0
NV		DS1 TPP - CHAN TERM TPP 3YR	\$115.00	767	\$88,205
NV		DS1 TPP - CHAN TERM TPP 5YR	\$105.00	1,970	\$206,850
NV		DS1 TPP - CHAN TERM TPP 7YR	\$98.50	3,250	\$320,125
NV		DS1 - TPP - CHAN TERM - NRC	\$900.00	0	\$0
NV		DS3 CHAN TERM-MTM	\$2,125.00	101	\$214,625
NV		DS3 CHAN TERM-MER	\$2,125.00	0	\$0
NV		DS3 CHAN TERM-1YR	\$1,450.00	0	\$0
NV		DS3 CHAN TERM-3YR	\$900.00	31	\$27,900
NV		DS3 CHAN TERM-5YR	\$800.00	170	\$136,000
NV		DS3 CHAN TERM -MTM- NRC	\$1,500.00	0	\$0
NV		DS3 CHAN TERM -1YR- NRC	\$1,000.00	0	\$0
NV		DS3 CHAN TERM -3YR- NRC	\$1,000.00	0	\$0
NV		DS3 CHAN TERM -5YR- NRC	\$1,000.00	0	\$0
NV		DS3 CHAN TERM ROLLOVER	\$900.00	0	\$0
NV		DS3 - MISC REVENUES	\$61,824.85	1	\$61,825

**AT&T - NEVADA BELL TELEPHONE COMPANY  
CALCULATION OF PRICE CAP INDICES (SPECIAL ACCESS)**

Exhibit 6.1

ST	ZN	DESCRIPTION	CURRENT RATE	BASE PERIOD DEMAND	BASE PERIOD REVENUE	PROPOSED RATE	API WEIGHT	API	SBI WEIGHT	SBI
NV		VG CHAN TERM 2-WIRE	\$21.65	12	\$260	\$21.65	0.02%	0.02%	2.13%	2.13%
NV		VG CHAN TERM 4-WIRE	\$21.65	403	\$8,725	\$21.65	0.65%	0.65%	71.40%	71.40%
NV		VG WATS CHAN TERM 2-WIRE	\$21.65	0	\$0	\$21.65	0.00%	0.00%	0.00%	0.00%
NV		VG WATS CHAN TERM 4-WIRE	\$21.65	0	\$0	\$21.65	0.00%	0.00%	0.00%	0.00%
NV		VG BRDG - 2-WIRE VOICE - PER PORT	\$2.72	0	\$0	\$2.72	0.00%	0.00%	0.00%	0.00%
NV		VG BRDG - 4-WIRE VOICE - PER PORT	\$3.42	36	\$123	\$3.42	0.01%	0.01%	1.01%	1.01%
NV		VG BRDG - 2-WIRE DATA - PER PORT	\$2.72	0	\$0	\$2.72	0.00%	0.00%	0.00%	0.00%
NV		VG BRDG - 4-WIRE DATA - PER PORT	\$3.42	0	\$0	\$3.42	0.00%	0.00%	0.00%	0.00%
NV		NV -C- TYPE COND.	\$3.79	0	\$0	\$3.79	0.00%	0.00%	0.00%	0.00%
NV		VG IMP. ATTENUATION.	\$5.37	115	\$618	\$5.37	0.05%	0.05%	5.05%	5.05%
NV		VG IMP. ENVELOPE DELAY	\$26.83	24	\$644	\$26.83	0.05%	0.05%	5.27%	5.27%
NV		VG SEALING CURRENT	\$6.97	24	\$167	\$6.97	0.01%	0.01%	1.37%	1.37%
NV		VG IMP. RETURN LOSS 2-WIRE	\$8.24	0	\$0	\$8.24	0.00%	0.00%	0.00%	0.00%
NV		VG IMP. RETURN LOSS 4-WIRE	\$8.20	115	\$943	\$8.20	0.07%	0.07%	7.72%	7.72%
NV		VG CUST- SPEC. RECEIVED LEVEL	\$4.61	120	\$553	\$4.61	0.04%	0.04%	4.53%	4.53%
NV		VG DATA CAPABILITY	\$5.67	12	\$68	\$5.67	0.01%	0.01%	0.56%	0.56%
NV		VG TELEPHOTO CAPABILITY	\$7.40	0	\$0	\$7.40	0.00%	0.00%	0.00%	0.00%
NV		VG SIG. CAPABILITY	\$9.94	12	\$119	\$9.94	0.01%	0.01%	0.98%	0.98%
NV		VG/ANALOG MISC REVENUES - SPECIAL	\$0.00	0	\$0	\$0.00	0.00%	0.00%	0.00%	0.00%
NV		VG - SERVICE DATE CHANGE	\$26.50	0	\$0	\$26.50	0.00%	0.00%	0.00%	0.00%
NV		VG - DESIGN CHANGE CHAGRE	\$60.00	0	\$0	\$60.00	0.00%	0.00%	0.00%	0.00%
NV		VG - TRIP CHARGE	\$200.00	0	\$0	\$200.00	0.00%	0.00%	0.00%	0.00%
NV		VG CHAN TERMS 2-WIRE-NRC-1ST	\$200.00	0	\$0	\$200.00	0.00%	0.00%	0.00%	0.00%
NV		VG CHAN TERMS 4-WIRE-NRC-1ST	\$200.00	0	\$0	\$200.00	0.00%	0.00%	0.00%	0.00%
NV		VG WATS CHAN TERMS 2-WIRE-NRC-1ST	\$200.00	0	\$0	\$200.00	0.00%	0.00%	0.00%	0.00%
NV		VG WATS CHAN TERMS 4-WIRE-NRC-1ST	\$200.00	0	\$0	\$200.00	0.00%	0.00%	0.00%	0.00%
NV		VG IMPROVED. ATTENUATION DISTORTION-NRC	\$180.80	0	\$0	\$180.80	0.00%	0.00%	0.00%	0.00%
NV		VG IMPROVED ENVELOPE DELAY-NRC	\$287.06	0	\$0	\$287.06	0.00%	0.00%	0.00%	0.00%
NV		VG DATA CAPABILITY - NRC	\$91.27	0	\$0	\$91.27	0.00%	0.00%	0.00%	0.00%
NV		VG TELEPHOTO CAPABILITY - NRC	\$377.67	0	\$0	\$377.67	0.00%	0.00%	0.00%	0.00%
NV		AP(200-3500 HZ)CHAN TERM-MO	\$25.00	0	\$0	\$25.00	0.00%	0.00%	0.00%	0.00%
NV		AP(100-5000 HZ)CHAN TERM -MO.	\$28.00	0	\$0	\$28.00	0.00%	0.00%	0.00%	0.00%
NV		AP(50-8000 HZ)CHAN TERM- MO.	\$30.00	0	\$0	\$30.00	0.00%	0.00%	0.00%	0.00%
NV		AP(50-15000 HZ)CHAN TERM- MO.	\$110.00	0	\$0	\$110.00	0.00%	0.00%	0.00%	0.00%
NV		AP GAIN COND. PER SVC - MO.	\$2.00	0	\$0	\$2.00	0.00%	0.00%	0.00%	0.00%
NV		AP(200-3500 HZ)CHAN TERM( DAILY)	\$4.00	0	\$0	\$4.00	0.00%	0.00%	0.00%	0.00%
NV		AP(100-5000 HZ)CHAN TERM( DAILY)	\$4.00	0	\$0	\$4.00	0.00%	0.00%	0.00%	0.00%
NV		AP(50-8000 HZ)CHAN TERM( DAILY)	\$4.00	0	\$0	\$4.00	0.00%	0.00%	0.00%	0.00%
NV		AP(50-15000 HZ)CHAN TERM( DAILY)	\$12.00	0	\$0	\$12.00	0.00%	0.00%	0.00%	0.00%
NV		AP GAIN COND.- DAILY	\$2.00	0	\$0	\$2.00	0.00%	0.00%	0.00%	0.00%
NV		AP(200-3500HZ) CHAN TERM (MO)- NRC	\$289.75	0	\$0	\$289.75	0.00%	0.00%	0.00%	0.00%
NV		AP(100-5000HZ) CHAN TERM (MO)- NRC	\$289.75	0	\$0	\$289.75	0.00%	0.00%	0.00%	0.00%
NV		AP(50-8000HZ)CHAN TERM (MO)- NRC	\$289.75	0	\$0	\$289.75	0.00%	0.00%	0.00%	0.00%
NV		AP(50-15000HZ) CHAN TERM (MO)- NRC	\$289.75	0	\$0	\$289.75	0.00%	0.00%	0.00%	0.00%
NV		AP GAIN CONDITIONING(MO) - NRC	\$73.25	0	\$0	\$73.25	0.00%	0.00%	0.00%	0.00%
NV		AP(200-3500HZ) CHAN TERM (DAILY)- NRC	\$289.75	0	\$0	\$289.75	0.00%	0.00%	0.00%	0.00%
NV		AP(100-5000HZ) CHAN TERM (DAILY)- NRC	\$289.75	0	\$0	\$289.75	0.00%	0.00%	0.00%	0.00%
NV		AP(50-8000HZ)CHAN TERM (DAILY)- NRC	\$289.75	0	\$0	\$289.75	0.00%	0.00%	0.00%	0.00%
NV		AP(50-15000HZ) CHAN TERM (DAILY)- NRC	\$289.75	0	\$0	\$289.75	0.00%	0.00%	0.00%	0.00%
NV		AP GAIN COND.- ( DAILY) - NRC	\$73.25	0	\$0	\$73.25	0.00%	0.00%	0.00%	0.00%
NV		AUDIO/VIDEO MISC REVENUES - SPECIAL	\$1.00	0	\$0	\$1.00	0.00%	0.00%	0.00%	0.00%
NV		AUDIO VIDEO EXPEDITE ORDER CHARGE	\$1.00	0	\$0	\$1.00	0.00%	0.00%	0.00%	0.00%
NV		AV - SERVICE DATE CHANGE	\$26.50	0	\$0	\$26.50	0.00%	0.00%	0.00%	0.00%
NV		AV - DESIGN CHANGE CHAGRE	\$60.00	0	\$0	\$60.00	0.00%	0.00%	0.00%	0.00%
NV		AV - TRIP CHARGE	\$200.00	0	\$0	\$200.00	0.00%	0.00%	0.00%	0.00%
NV		VIDEO(TV1-2) CHAN TERM (MO)	\$450.00	0	\$0	\$450.00	0.00%	0.00%	0.00%	0.00%
NV		VIDEO(4TV-5) CHAN TERM (MO)	\$500.00	0	\$0	\$500.00	0.00%	0.00%	0.00%	0.00%
NV		VIDEO(6TV-5) CHAN TERM (MO)	\$500.00	0	\$0	\$500.00	0.00%	0.00%	0.00%	0.00%
NV		VIDEO(TV15) CHAN TERM ( MO)	\$500.00	0	\$0	\$500.00	0.00%	0.00%	0.00%	0.00%
NV		VIDEO(TV1-2) CHAN TERM (DAILY)	\$125.00	0	\$0	\$125.00	0.00%	0.00%	0.00%	0.00%
NV		VIDEO(4TV-5) CHAN TERM (DAILY)	\$125.00	0	\$0	\$125.00	0.00%	0.00%	0.00%	0.00%

Transmittal No. 310

June 18, 2018

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**AT&T - NEVADA BELL TELEPHONE COMPANY  
CALCULATION OF PRICE CAP INDICES (SPECIAL ACCESS)**

Exhibit 6.1

ST	ZN	DESCRIPTION	CURRENT RATE	BASE PERIOD DEMAND	BASE PERIOD REVENUE	PROPOSED RATE	API WEIGHT	API	SBI WEIGHT	SBI
NV		VIDEO(6TV-5) CHAN TERM (DAILY)	\$125.00	0	\$0	\$125.00	0.00%	0.00%	0.00%	0.00%
NV		VIDEO(TV15) CHAN TERM (DAILY)	\$125.00	0	\$0	\$125.00	0.00%	0.00%	0.00%	0.00%
NV		VIDEO(TV1-2) CHAN TERM (MO)-NRC	\$250.00	0	\$0	\$250.00	0.00%	0.00%	0.00%	0.00%
NV		VIDEO(4TV-5) CHAN TERM (MO)-NRC	\$250.00	0	\$0	\$250.00	0.00%	0.00%	0.00%	0.00%
NV		VIDEO(6TV-5) CHAN TERM (MO)-NRC	\$250.00	0	\$0	\$250.00	0.00%	0.00%	0.00%	0.00%
NV		VIDEO(TV15) CHAN TERM ( MO)-NRC	\$250.00	0	\$0	\$250.00	0.00%	0.00%	0.00%	0.00%
NV		DIGITAL MISC REVENUES - SPECIAL	\$24.44	1	\$24	\$24.44	0.00%	0.00%	0.00%	0.00%
NV		DIGITAL - SERVICE DATE CHANGE	\$26.50	0	\$0	\$26.50	0.00%	0.00%	0.00%	0.00%
NV		DIGITAL - DESIGN CHANGE CHARGE	\$60.00	0	\$0	\$60.00	0.00%	0.00%	0.00%	0.00%
NV		DIGITAL - TRIP CHARGE	\$200.00	0	\$0	\$200.00	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - BASIC TIME - INSTALL TECH	\$40.21	0	\$0	\$40.21	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - BASIC TIME - CTRL OFFICE MAIN TECH	\$32.72	0	\$0	\$32.72	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - OVERTIME - INSTALL TECH	\$60.32	0	\$0	\$60.32	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - OVERTIME - CTRL OFFICE MAIN TECH	\$49.08	0	\$0	\$49.08	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - PREMIUM - INSTALL TECH	\$80.42	0	\$0	\$80.42	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL COOPERATIVE ACCEPTANCE TESTING - PREMIUM - CTRL OFFICE MAIN TECH	\$65.43	0	\$0	\$65.43	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL MANUAL TESTING - BASIC - INSTALL TECH	\$40.21	0	\$0	\$40.21	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL MANUAL TESTING - BASIC - CTRL OFFICE MAIN TECH	\$32.72	0	\$0	\$32.72	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL MANUAL TESTING - OVERTIME - INSTALL TECH	\$60.32	0	\$0	\$60.32	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL MANUAL TESTING - OVERTIME - CTRL OFFICE MAIN TECH	\$49.08	0	\$0	\$49.08	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL MANUAL TESTING - PREMIUM - INSTALL TECH	\$80.42	0	\$0	\$80.42	0.00%	0.00%	0.00%	0.00%
NV		SPL ADDL MANUAL TESTING - PREMIUM - CTRL OFFICE MAIN TECH	\$65.43	0	\$0	\$65.43	0.00%	0.00%	0.00%	0.00%
NV		ADDL ENGR - BASIC TIME - EACH HALF HOUR (NRC)	\$44.69	0	\$0	\$44.69	0.00%	0.00%	0.00%	0.00%
NV		ADDL ENGR - OVERTIME - EACH HALF HOUR (NRC)	\$31.75	0	\$0	\$31.75	0.00%	0.00%	0.00%	0.00%
NV		ADDL LABOR INSTALLATION/ REPAIR - OVERTIME - EACH HALF HOUR (NRC)	\$250.00	3	\$750	\$250.00	0.06%	0.06%	0.06%	0.06%
NV		ADDL LABOR INSTALLATION/ REPAIR - PREMIUM - EACH HALF HOUR (NRC)	\$300.00	0	\$0	\$300.00	0.00%	0.00%	0.00%	0.00%
NV		ADDL LABOR STANDBY - BASIC - EACH HALF HOUR (NRC)	\$85.00	0	\$0	\$85.00	0.00%	0.00%	0.00%	0.00%
NV		ADDL LABOR STANDBY - OVERTIME - EACH HALF HOUR (NRC)	\$80.00	15	\$1,200	\$80.00	0.09%	0.09%	0.09%	0.09%
NV		ADDL LABOR STANDBY - PREMIUM - EACH HALF HOUR (NRC)	\$90.00	0	\$0	\$90.00	0.00%	0.00%	0.00%	0.00%
NV		ADDL LABOR TEST & MTCE - BASIC - INSTALL TECH (NRC)	\$115.00	0	\$0	\$115.00	0.00%	0.00%	0.00%	0.00%
NV		ADDL LABOR TEST & MTCE - BASIC - CTRL OFFICE MAIN TECH (NRC)	\$40.00	12	\$480	\$40.00	0.04%	0.04%	0.04%	0.04%
NV		ADDL LABOR TEST & MTCE - OVERTIME - INSTALL TECH (NRC)	\$80.00	0	\$0	\$80.00	0.00%	0.00%	0.00%	0.00%
NV		ADDL LABOR TEST & MTCE - OVERTIME - CTRL OFFICE MAIN TECH (NRC)	\$60.00	0	\$0	\$60.00	0.00%	0.00%	0.00%	0.00%
NV		ADDL LABOR TEST & MTCE - PREMIUM - INSTALL TECH (NRC)	\$110.00	0	\$0	\$110.00	0.00%	0.00%	0.00%	0.00%
NV		ADDL LABOR TEST & MTCE - PREMIUM - CTRL OFFICE MAIN TECH (NRC)	\$95.00	0	\$0	\$95.00	0.00%	0.00%	0.00%	0.00%
NV		GDT(2.4 KBPS) CHAN TERM	\$71.10	0	\$0	\$71.10	0.00%	0.00%	0.00%	0.00%
NV		GDT(4.8 KBPS) CHAN TERM	\$71.10	0	\$0	\$71.10	0.00%	0.00%	0.00%	0.00%
NV		GDT(9.6 KBPS) CHAN TERM	\$71.10	0	\$0	\$71.10	0.00%	0.00%	0.00%	0.00%
NV		GDT(56 KBPS) CHAN TERM	\$71.10	234	\$16,637	\$71.10	1.25%	1.25%	1.26%	1.26%
NV		GDT (64 KBPS) CHAN TERM	\$71.10	69	\$4,906	\$71.10	0.37%	0.37%	0.37%	0.37%
NV		GDT - BRDG-PER PORT	\$16.51	0	\$0	\$16.51	0.00%	0.00%	0.00%	0.00%
NV		GDT(2.4 KBPS) CHAN TERM-NRC	\$250.00	0	\$0	\$250.00	0.00%	0.00%	0.00%	0.00%
NV		GDT(4.8 KBPS) CHAN TERM-NRC	\$250.00	0	\$0	\$250.00	0.00%	0.00%	0.00%	0.00%
NV		GDT(9.6 KBPS) CHAN TERM-NRC	\$250.00	0	\$0	\$250.00	0.00%	0.00%	0.00%	0.00%
NV		GDT(56 KBPS) CHAN TERM-NRC	\$250.00	0	\$0	\$250.00	0.00%	0.00%	0.00%	0.00%
NV		GDT (64 KBPS) CHAN TERM-NRC	\$250.00	0	\$0	\$250.00	0.00%	0.00%	0.00%	0.00%
NV		Frac DS1 CHAN TERM - MTM	\$125.00	0	\$0	\$125.00	0.00%	0.00%	0.00%	0.00%
NV		Frac DS1 CHAN TERM - 3 YR	\$115.00	0	\$0	\$115.00	0.00%	0.00%	0.00%	0.00%
NV		Frac DS1 CHAN TERM - 5 YR	\$105.00	0	\$0	\$105.00	0.00%	0.00%	0.00%	0.00%
NV		Frac DS1 CHAN TERM - MTM - 1ST NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%	0.00%	0.00%
NV		Frac DS1 CHAN TERM - 3 YR - 1ST NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%	0.00%	0.00%
NV		Frac DS1 CHAN TERM - 5 YR - 1ST NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%	0.00%	0.00%
NV		Frac DS1 CHAN TERM - MTM - ADDL NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%	0.00%	0.00%
NV		Frac DS1 CHAN TERM - 3 YR - ADDL NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%	0.00%	0.00%
NV		Frac DS1 CHAN TERM - 5 YR - ADDL NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%	0.00%	0.00%
NV		DS1 CHAN TERM	\$124.55	1,041	\$129,657	\$125.50	9.71%	9.78%	9.80%	9.87%
NV		DS1 MISC REVENUE	\$284,648.22	0	\$113,859	\$284,648.22	8.53%	8.53%	8.61%	8.61%
NV		DS1 CHAN TERM - NRC	\$450.00	0	\$0	\$450.00	0.00%	0.00%	0.00%	0.00%
NV		DS1 CHAN TERM ROLLOVER - NRC	\$450.00	0	\$0	\$450.00	0.00%	0.00%	0.00%	0.00%
NV		DS1 TPP - CHAN TERM TPP 1YR	\$122.50	0	\$0	\$122.50	0.00%	0.00%	0.00%	0.00%
NV		DS1 TPP - CHAN TERM TPP 2YR	\$120.00	0	\$0	\$120.00	0.00%	0.00%	0.00%	0.00%

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**AT&T - NEVADA BELL TELEPHONE COMPANY  
CALCULATION OF PRICE CAP INDICES (SPECIAL ACCESS)**

Exhibit 6.1

ST	ZN	DESCRIPTION	CURRENT RATE	BASE PERIOD DEMAND	BASE PERIOD REVENUE	PROPOSED RATE	API WEIGHT	API	SBI WEIGHT	SBI
NV		DS1 TPP - CHAN TERM TPP 3YR	\$115.00	767	\$88,205	\$115.00	6.61%	6.61%	6.67%	6.67%
NV		DS1 TPP - CHAN TERM TPP 5YR	\$105.00	1,970	\$206,850	\$105.00	15.49%	15.49%	15.63%	15.63%
NV		DS1 TPP - CHAN TERM TPP 7YR	\$98.50	3,250	\$320,125	\$98.50	23.97%	23.97%	24.20%	24.20%
NV		DS1 - TPP - CHAN TERM - NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%	0.00%	0.00%
NV		DS3 CHAN TERM-MTM	\$2,125.00	101	\$214,625	\$2,125.00	16.07%	16.07%	16.22%	16.22%
NV		DS3 CHAN TERM-MER	\$2,125.00	0	\$0	\$2,125.00	0.00%	0.00%	0.00%	0.00%
NV		DS3 CHAN TERM-1YR	\$1,450.00	0	\$0	\$1,450.00	0.00%	0.00%	0.00%	0.00%
NV		DS3 CHAN TERM-3YR	\$900.00	31	\$27,900	\$900.00	2.09%	2.09%	2.11%	2.11%
NV		DS3 CHAN TERM-5YR	\$800.00	170	\$136,000	\$800.00	10.19%	10.19%	10.28%	10.28%
NV		DS3 CHAN TERM -MTM- NRC	\$1,500.00	0	\$0	\$1,500.00	0.00%	0.00%	0.00%	0.00%
NV		DS3 CHAN TERM -1YR- NRC	\$1,000.00	0	\$0	\$1,000.00	0.00%	0.00%	0.00%	0.00%
NV		DS3 CHAN TERM -3YR- NRC	\$1,000.00	0	\$0	\$1,000.00	0.00%	0.00%	0.00%	0.00%
NV		DS3 CHAN TERM -5YR- NRC	\$1,000.00	0	\$0	\$1,000.00	0.00%	0.00%	0.00%	0.00%
NV		DS3 CHAN TERM ROLLOVER	\$900.00	0	\$0	\$900.00	0.00%	0.00%	0.00%	0.00%



**AT&T - NEVADA BELL TELEPHONE COMPANY  
CALCULATION OF DS1/DS3 SUB INDICIES (SPECIAL ACCESS)**

Exhibit 6.2

ST	ZN	DESCRIPTION	CURRENT RATE	BASE PERIOD DEMAND	BASE PERIOD REVENUE	PROPOSED RATE	SBI SUB-INDEX WEIGHT	SUB-INDEX SBI	ZONE SUB-INDEX WEIGHT	ZONE SUB-INDEX SBI
NV		Frac DS1 CHAN TERM - MTM	\$125.00	0	\$0	\$125.00	0.00%	0.00%		
NV		Frac DS1 CHAN TERM - 3 YR	\$115.00	0	\$0	\$115.00	0.00%	0.00%		
NV		Frac DS1 CHAN TERM - 5 YR	\$105.00	0	\$0	\$105.00	0.00%	0.00%		
NV		Frac DS1 CHAN TERM - MTM - 1ST NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%		
NV		Frac DS1 CHAN TERM - 3 YR - 1ST NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%		
NV		Frac DS1 CHAN TERM - 5 YR - 1ST NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%		
NV		Frac DS1 CHAN TERM - MTM - ADDL NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%		
NV		Frac DS1 CHAN TERM - 3 YR - ADDL NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%		
NV		Frac DS1 CHAN TERM - 5 YR - ADDL NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%		
NV		DS1 CHAN TERM	\$124.55	1,041	\$129,657	\$125.50	15.10%	15.21%		
NV		DS1 MISC REVENUE	\$284,648.22	0	\$113,859	\$284,648.22	13.26%	13.26%		
NV		DS1 CHAN TERM - NRC	\$450.00	0	\$0	\$450.00	0.00%	0.00%		
NV		DS1 CHAN TERM ROLLOVER - NRC	\$450.00	0	\$0	\$450.00	0.00%	0.00%		
NV		DS1 TPP - CHAN TERM TPP 1YR	\$122.50	0	\$0	\$122.50	0.00%	0.00%		
NV		DS1 TPP - CHAN TERM TPP 2YR	\$120.00	0	\$0	\$120.00	0.00%	0.00%		
NV		DS1 TPP - CHAN TERM TPP 3YR	\$115.00	767	\$88,205	\$115.00	10.27%	10.27%		
NV		DS1 TPP - CHAN TERM TPP 5YR	\$105.00	1,970	\$206,850	\$105.00	24.09%	24.09%		
NV		DS1 TPP - CHAN TERM TPP 7YR	\$98.50	3,250	\$320,125	\$98.50	37.28%	37.28%		
NV		DS1 - TPP - CHAN TERM - NRC	\$900.00	0	\$0	\$900.00	0.00%	0.00%		
NV		DS3 CHAN TERM-MTM	\$2,125.00	101	\$214,625	\$2,125.00	48.74%	48.74%		
NV		DS3 CHAN TERM-MER	\$2,125.00	0	\$0	\$2,125.00	0.00%	0.00%		
NV		DS3 CHAN TERM-1YR	\$1,450.00	0	\$0	\$1,450.00	0.00%	0.00%		
NV		DS3 CHAN TERM-3YR	\$900.00	31	\$27,900	\$900.00	6.34%	6.34%		
NV		DS3 CHAN TERM-5YR	\$800.00	170	\$136,000	\$800.00	30.88%	30.88%		
NV		DS3 CHAN TERM -MTM- NRC	\$1,500.00	0	\$0	\$1,500.00	0.00%	0.00%		
NV		DS3 CHAN TERM -1YR- NRC	\$1,000.00	0	\$0	\$1,000.00	0.00%	0.00%		
NV		DS3 CHAN TERM -3YR- NRC	\$1,000.00	0	\$0	\$1,000.00	0.00%	0.00%		
NV		DS3 CHAN TERM -5YR- NRC	\$1,000.00	0	\$0	\$1,000.00	0.00%	0.00%		
NV		DS3 CHAN TERM ROLLOVER	\$900.00	0	\$0	\$900.00	0.00%	0.00%		
NV		DS3 - MISC REVENUES	\$61,824.85	1	\$61,825	\$61,824.85	14.04%	14.04%		

**AT&T - NEVADA BELL TELEPHONE COMPANY**  
**LIST OF TARIFFED SERVICES EXCLUDED FROM PRICE CAPS**

<b>Tariff Section</b>	<b>Category</b>	<b>Service</b>	<b>MRC / NRC / Usage</b>	<b>Previously in Price Caps</b>	<b>Authority to Exclude or Remove From Price Caps</b>
4.7	End User Charges	Federal End User Charges	MRC	No	<i>CALLS Order</i>
6.8.2	Special Construction/ICB	Call Transfer ICB	MRC	No	<i>LEC Price Cap Order</i>
6.8.2	Special Construction/ICB	Answer Supervision ICB	MRC	No	<i>LEC Price Cap Order</i>
7.7.6	Packet Services	Public Packet Switching Network (PPSN) ICB	MRC	No	<i>LEC Price Cap Order</i>
7.11.5	Special Construction/ICB	Hi Cap ICBs	NRC / MRC	No	<i>LEC Price Cap Order</i>
10.8.2	Government Services	Voice Grade Special Access ICBs	NRC / MRC	No	<i>LEC Price Cap Order</i>
10.8.2	Government Services	Wideband Digital Special Access ICBs	NRC / MRC	No	<i>LEC Price Cap Order</i>
10.8.2	Government Services	Special Routing Access Service (SRAS)	NRC / MRC	No	<i>LEC Price Cap Order</i>
10.8.2	Government Services	Telecommunications Service Priority (TSP) System	NRC / MRC	No	<i>LEC Price Cap Order</i>
10.8.2	Government Services	Government Emergency Telecommunications Services (GETS)	NRC / MRC	No	<i>LEC Price Cap Order</i>
10.8.2	Government Services	SBC Federal Access Solutions Transport (FAST)	MRC	No	<i>LEC Price Cap Order</i>
11.2	Special Construction/ICB	Special Facilities Routing of Access Services	NRC / MRC	No	<i>LEC Price Cap Order</i>
12.3	Special Construction/ICB	Specialized Services ICBs	NRC / MRC	No	<i>LEC Price Cap Order</i>
13.3.3	End User Charges	Presubscription	NRC	No	<i>LEC Price Cap Order</i>
13.3.4	Miscellaneous/Other	Jack Installation Services	NRC	No	<i>LEC Price Cap Order</i>
13.3.7	Miscellaneous/Other	Controller Arrangement ICB	MRC	No	<i>LEC Price Cap Order</i>
13.3.9	End User Charges	900 Call Blocking	NRC / MRC	No	<i>LEC Price Cap Order</i>
18	Miscellaneous/Other	Expanded Interconnection / Collocation	NRC / MRC	No	Expanded Interconnection with Local Telephone Company Facilities and Amendment of Part 36 of the Commission's Rules and Establishment of a Joint Board, CC Docket No. 91-141, Transport Phase I and CC Docket No. 8-286, Second Report and Order and Third Notice of Proposed Rulemaking released September 2, 1993.
19.5	Miscellaneous/Other	Basic SPNP Service	MRC	No	<i>In the Matter of Telephone Number Portability, Third Report and Order, FCC 98-82, released May 12, 1998.</i>
21	Miscellaneous/Other	Optical Carrier Network (OCN)	NRC / MRC	No	<i>In the Matter of Petition of AT&amp;T Inc for Forbearance Under 47 U.S.C &amp; 160(c) from Title II and Computer Inquiry Rules with Respect to its Broadband Services, etc., Memorandum Opinion and Order, FCC 07-180, released October 12, 2007.</i>
22	Miscellaneous/Other	Pricing Flexibility	NRC / MRC	Yes	<i>FCC 99-206, Fifth Report and Order and Further Notice of Proposed Rulemaking (Pricing Flexibility Order)</i>
23	Miscellaneous/Other	Pricing Flexibility Contract Offerings	NRC / MRC	No	<i>FCC 99-206, Fifth Report and Order and Further Notice of Proposed Rulemaking (Pricing Flexibility Order)</i>
24	Miscellaneous/Other	TipTop	NRC / MRC	No	Annual waivers from FCC.

**ATT - NEVADA BELL TELEPHONE COMPANY**  
**IND-1 REFERENCE**

Exhibit 11

	PROPOSED PCI (A)	PROPOSED API (B)	PROPOSED SBI (C)	PROPOSED SBI LIMIT (D)	EXISTING PCI (E)	EXISTING API (F)	EXISTING SBI (G)	EXISTING SBI LIMIT (H)
<b><u>Special Access Basket</u></b>								
720 VG/WATS, Met, Tgh - Special	N/A	N/A	June Filing	June Filing	N/A	N/A	Trans #305	Trans #305
721 VG Spec Density Zone 1	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
722 VG Spec Density Zone 2	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
723 VG Spec Density Zone 3	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
724 VG Spec Density Zone 4	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
725 VG Spec Density Zone 5	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
726 VG Spec Density Zone 6	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
727 VG Spec Density Zone 7	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
730 Audio & Video	N/A	N/A	June Filing	June Filing	N/A	N/A	Trans #305	Trans #305
731 Audio/Video Density Zone 1	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
732 Audio/Video Density Zone 2	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
733 Audio/Video Density Zone 3	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
734 Audio/Video Density Zone 4	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
735 Audio/Video Density Zone 5	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
736 Audio/Video Density Zone 6	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
737 Audio/Video Density Zone 7	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
740 High Cap & DDS - Special	N/A	N/A	June Filing	June Filing	N/A	N/A	Trans #305	Trans #305
750 DS-1 SubCat - Special	N/A	N/A	June Filing	June Filing	N/A	N/A	Trans #305	Trans #305
751 DS1 Spec Density Zone 1	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
752 DS1 Spec Density Zone 2	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
753 DS1 Spec Density Zone 3	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
754 DS1 Spec Density Zone 4	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
755 DS1 Spec Density Zone 5	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
756 DS1 Spec Density Zone 6	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
757 DS1 Spec Density Zone 7	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
760 DS-3 SubCat - Special	N/A	N/A	June Filing	June Filing	N/A	N/A	Trans #305	Trans #305
761 DS3 Spec Density Zone 1	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
762 DS3 Spec Density Zone 2	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
763 DS3 Spec Density Zone 3	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
764 DS3 Spec Density Zone 4	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
765 DS3 Spec Density Zone 5	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
766 DS3 Spec Density Zone 6	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
767 DS3 Spec Density Zone 7	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
770 DDS&Other Sp Density Zone 1	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
771 DDS&Other Sp Density Zone 2	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
772 DDS&Other Sp Density Zone 3	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
773 DDS&Other Sp Density Zone 4	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
774 DDS&Other Sp Density Zone 5	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
775 DDS&Other Sp Density Zone 6	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
776 DDS&Other Sp Density Zone 7	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
790 Wideband	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
791 WB Density Zone 1	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
792 WB Density Zone 2	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
793 WB Density Zone 3	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
794 WB Density Zone 4	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
795 WB Density Zone 5	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
796 WB Density Zone 6	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
797 WB Density Zone 7	N/A	N/A	0.0000	0.0000	N/A	N/A	0.0000	0.0000
899 Total Special Access	June Filing	June Filing	N/A	N/A	Trans #305	Trans #305	N/A	N/A

**AT&T - NEVADA BELL TELEPHONE COMPANY**  
**RATE COMPARISON**

Exhibit 12

STATE		RATE ELEMENTS	CURRENT RATE	PROPOSED RATE
NEV		PRIMARY RES EUCL	\$ 4.66	\$ 4.77
NEV		SINGLE LINE BUS EUCL	\$ 4.66	\$ 4.77
NEV		LIFELINE EUCL	\$ 4.66	\$ 4.77
NEV		NONPRIMARY RES EUCL	\$ 4.66	\$ 4.77
NEV		BRI ISDN EUCL	\$ 4.66	\$ 4.77
NEV		MULTILINE BUS EUCL	\$ 4.66	\$ 4.77
NEV		PRI ISDN EUCL	\$ 4.66	\$ 4.77
NEV		CENTREX EUCL	\$ 4.66	\$ 4.77
NEV		DS1 CHAN TERM	\$ 124.55	\$ 125.50

**Nevada Bell Telephone Company (NBTC)**  
**Nevada Universal Service Fee (USF) Rate Development**

3rd Quarter 2018 Contribution Factor	Source DA 18-613	(A)	(B) 0.179	(C=A*B)
<b>Basic USF Recovery Charge</b>				
<b>Residential / Single-Line Business</b>		<b>Rate</b>		<b>USF Charge</b>
RES Access Recovery Charge (ARC)		<b>0.00</b>		
End User Common Line (EUCL) Rate		<b>4.77</b>		
ARC & EUCL Rate Combined		\$ 4.77		\$ 0.85
<b>BRI ISDN</b>				<b>USF Charge</b>
End User Common Line/ARC Rate		\$ 4.77		
BRI ISDN Port		\$ 3.90		
Total Basic Interstate End User Revenue		\$ 8.67		\$ 1.55
<b>Multi-line Business</b>				
<b>PBX</b>	Exhibit 2			\$ 2.09
<b>PRI ISDN</b>	Exhibit 2			\$ 2.09
<b>CENTREX</b>	Exhibit 2			\$ 16.94
	Exhibit 2			\$ 0.23
<b>Other USF Recovery Charges</b>				
PIC Manual Change Charge		\$ 3.89		\$ 0.69
PIC Mechanized Change Charge		\$ 1.60		\$ 0.28

**Nevada Bell Telephone Company (NBTC)**  
**Nevada Universal Service Fee (USF) Rate Development**

3rd Quarter 2018 Contribution Factor		Source DA 18-613	(A)	(B) 0.179	(C=A*B) USF Charge
<b>Basic USF Recovery Charge for MLB, PRI, &amp; Centrex</b>					
<i>Multi-line Business, PRI ISDN, CENTREX</i>					
<i>Lines as of March 2018</i>					
L1	MLB Lines		18,898		
L2	Centrex lines with less than 9 lines		2,903		
L3	Centrex lines with greater than 9 lines		13,399		
L4	PRI ISDN		420		
	BUS Access Recovery Charge (ARC)	\$2.38			
	End User Common Line (EUCL) Rate	\$ 4.77			
L5	ARC & EUCL Rate Combined	\$7.15	\$7.15		
<b>MLB, PRI ISDN, Centrex Revenue</b>					
L6	MLB	L5*L1	\$ 135,121		
L7	PRI ISDN	L5*L4*5	\$ 15,015		
L8	Centrex	(L5)*(L2+L3)	\$ 116,559		
L9	MLB, PRI ISDN, Centrex Revenue	L6:L8	\$ 266,695		
L10	MLB, PRI ISDN, Centrex Obligation	L9*USF Factor	\$ 47,738		
L11	PICC Equivalent Centrex Systems Line Counts (As stated in FCC 03-58 released March 14, 2003)		323		
L12		0 L1+(L3/9)+(L4*5)+L11	22,809		
<b>Recovery Cross Check Verification</b>					
L13	Basic MLB Rate	(L10/L12)		\$ 2.09	
L14	Basic Centrex Rate	L13/9		\$ 0.23	
L15	Basic PRI ISDN Rate (excluding Port recovery)	L13*5		\$ 10.45	
<b>Recovery Cross Check Verification</b>					
L16	Basic MLB USF Recovery	L1*L13	\$ 39,497		
L17	Basic Centrex USF Recovery	(L3*L14)+(L11*L13)	\$ 3,756		
L18	Basic PRI ISDN USF Recovery	(L5*L15)	\$ 4,389		
L19	Total MLB, PRI ISDN, Centrex Basic USF Recovery (L19 < L10)		\$ 47,642		OK
<b>Additives to the Basic MLB Rate</b>					
<b>PRI ISDN</b>			<b>Rate</b>		
L20	PRI ISDN Port Charge		\$ 36.29	\$ 6.49	
<b>Final Basic MLB, PRI ISDN, &amp; Centrex USF Rates Summary</b>					
L21	MLB	L13	\$ 2.09		
L22	PBX	L13	\$ 2.09		
L23	PRI ISDN	L15+L20	\$ 16.94		
L24	Centrex	L14	\$ 0.23		