

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

FORECASTED REVENUE REQUIREMENT*
TEST PERIOD JULY 2, 2019 THROUGH JUNE 30, 2020
(Data in \$000)

NECA's COMMON LINE POOL PARTICIPANTS

PAY TELEPHONE	\$0
INSIDE WIRE	\$0
BASE FACTOR PORTION	\$818,847
CONSUMER BROADBAND-ONLY LOOP (CBOL)	\$394,997
UNIVERSAL SERVICE CONTRIBUTIONS (CL)	\$47,533
TOTAL COMMON LINE	\$1,261,377

NECA's TRAFFIC SENSITIVE POOL PARTICIPANTS

TOTAL SWITCHED ACCESS**	\$241,056
SPECIAL ACCESS	\$388,155

Notes:

* Revenue Requirements Include NECA Expenses

** See Note on Volume 1 Exhibit 2 for details on the calculation of SW RRQ

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
RATE OF RETURN
HISTORICAL COST ANALYSIS SUMMARY (\$000)

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		----- COMMON LINE -----				
HISTORICAL DATA PERIOD 2018		PAY PHONE	INSIDE WIRE	BFP	CBOL	TOTAL COMMON LINE WITH CBOL
		(I)	(J)	(K)	(L)	(M)
<u>REVENUES</u>						
100	Network Access	N/A	N/A	N/A	N/A	374,992
110	Uncollectibles	N/A	N/A	N/A	N/A	0
120	Common Line Support	N/A	N/A	N/A	N/A	0
130	CAF BLS Voice (NOTE 1)	N/A	N/A	N/A	N/A	667,518
135	CAF BLS Broadband-only (NOTE 1)	N/A	N/A	N/A	N/A	101,423
140	Transitional	N/A	N/A	N/A	N/A	0
150	Miscellaneous	N/A	N/A	N/A	N/A	0
160	Net Revenues	N/A	N/A	N/A	N/A	1,143,934
<u>EXPENSES</u>						
170	Plant Specific	0	0	126,526	37,470	163,996
171	Network Support	0	0	2,944	703	3,647
172	General Support	0	0	29,474	9,242	38,716
173	Central Office	0	0	32,713	10,582	43,295
174	Operator Systems	0	0	0	0	0
175	COE Switching	0	0	0	0	0
176	COE Transmission	0	0	32,713	10,582	43,295
177	IOT	-	-	-	-	-
178	Cable & Wire Facilities	0	0	61,394	16,944	78,338
180	Plant Non Specific excl Depr & Amort	0	0	47,319	16,728	64,047
190	Depreciation/Amortization	0	0	170,284	55,298	225,582
200	Customer Operations	0	0	35,306	4,751	40,056
201	Marketing	0	0	9,121	2,227	11,348
202	Local Business Office	0	0	19,998	108	20,105
203	Revenue Accounting	0	0	1,793	1,909	3,702
204	Other Billing and Collections	0	0	1,764	0	1,764
210	Access	N/A	N/A	N/A	N/A	N/A
215	Universal Service Contributions (NOTE 2)	N/A	N/A	N/A	N/A	71,892
220	Corporate Operations	0	0	95,976	22,322	118,299
230	AFUDC	0	0	1,145	348	1,493
240	Other Expenses and Adjustments	0	0	(97)	188	91
250	Taxes Other than FIT	0	0	20,714	6,526	27,240
260	Total Expenses and Other Taxes	0	0	494,882	142,935	709,709
<u>NECA ADJUSTMENTS</u>						
261	NECA Administrative Expenses	0	0	24,054	6,572	30,626
262	Average Schedule Settlements	0	0	86,844	22,082	108,926
263	Adjustment for Line Port/TIC	0	0	72,777	1,824	74,601
264	Total NECA Adjustments	0	0	183,674	30,479	214,153
<u>FIT ADJUSTMENTS</u>						
270	Adjustments for FIT	0	0	17,279	8,046	25,325
280	Amortized ITC	0	0	1,887	750	2,637
290	Federal Income Taxes	0	0	9,343	2,913	12,256
300	TOTAL EXPENSES AND TAXES	0	0	687,899	176,327	936,118
<u>TELEPHONE PLANT IN SERVICE</u>						
310	General Support	0	0	412,807	130,583	543,390
320	Central Office Equipment - Switch	0	0	0	0	0
321	Operator Systems	0	0	0	0	0
322	Tandem Switching	0	0	0	0	0
323	Local Switching Cat 3	0	0	0	0	0
324	Equal Access	0	0	0	0	0
330	Central Office Equipment - Trans	0	0	549,019	163,377	712,396
331	Subscriber Line	0	0	549,019	0	549,019
332	Exchange Circuit	0	0	0	163,377	163,377
333	Interexchange Circuit	0	0	0	0	0
334	Host Remote	0	0	0	0	0
340	Cable and Wire	0	0	2,906,436	898,156	3,804,593
341	Subscriber Line	0	0	2,906,436	898,156	3,804,593
342	Exchange	0	0	0	0	0
343	Interexchange Circuit	0	0	0	0	0
344	Host Remote	0	0	0	0	0
350	Info Orig/Term Equipment	0	0	526	0	526
360	Amortizable Assets	0	0	5,931	2,560	8,491
370	Total Plant in Service	0	0	3,874,719	1,194,676	5,069,395
<u>ADJUSTMENTS TO TPIS</u>						
380	Depreciation/Amortization Reserve	0	0	2,405,544	681,944	3,087,488
390	Accum. Deferred Income Tax	0	0	65,019	22,601	87,620
400	Other Rate Base Adjustments	0	0	99,446	33,739	133,185
<u>RETURN DATA</u>						
410	Average Rate Base	0	0	1,503,603	523,869	2,027,473
420	Return	0	0	154,119	53,697	207,816
430	Rate of Return	10.25%	10.25%	10.25%	10.25%	10.25%

NOTE 1: CAF BLS reflects amounts prior to budget control

NOTE 2: Universal service include amounts for both Cost and Average Schedule companies.

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
RATE OF RETURN
HISTORICAL COST ANALYSIS SUMMARY (\$000)

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HISTORICAL DATA PERIOD 2018		TOTAL SWITCH TRFFC SNSTV *	SPECIAL ACCESS BEFORE COSTS MOVED TO CBOL	CBOL (Costs removed from Special Access)	SPECIAL ACCESS AFTER COSTS MOVED TO CBOL
		(N)	(O)	(P)	(Q)
<u>REVENUES</u>					
100	Network Access		493,318	82,567	410,751
110	Uncollectibles		0	0	0
120	Local Switching Support		N/A	N/A	N/A
130	N/A		N/A	N/A	N/A
135	N/A		N/A	N/A	N/A
140	N/A		N/A	N/A	N/A
150	Miscellaneous		N/A	N/A	N/A
160	Net Revenues		493,318	82,567	410,751
<u>EXPENSES</u>					
170	Plant Specific		106,554	15,491	91,063
171	Network Support		1,840	412	1,428
172	General Support		17,190	2,966	14,223
173	Central Office		67,741	5,360	62,381
174	Operator Systems		0	0	0
175	COE Switching		0	0	0
176	COE Transmission		67,741	5,360	62,381
177	IOT		0	0	0
178	Cable & Wire Facilities		19,784	6,753	13,031
180	Plant Non Spec excl Depr & Amort		26,196	5,986	20,210
190	Depreciation/Amortization		116,847	22,435	94,412
200	Customer Operations		14,094	1,612	12,482
201	Marketing		3,454	517	2,937
202	Local Business Office		3,078	110	2,967
203	Revenue Accounting		5,951	766	5,185
204	Other Billing and Collections		0	0	0
210	Access		N/A	N/A	N/A
220	Corporate Operations		62,737	9,973	52,764
230	AFUDC		645	154	491
240	Other Expenses and Adjustments		330	63	266
250	Taxes Other than FIT		11,795	2,707	9,088
260	Total Expenses and Other Taxes		337,908	58,115	279,793
<u>NECA ADJUSTMENTS</u>					
261	NECA Administrative Expenses		15,901	N/A	15,901
262	Average Schedule Settlements		49,147	N/A	49,147
263	Adjustment for Line Port/TIC		9,119	965	8,154
264	Total NECA Adjustments		74,167	965	73,202
<u>FIT ADJUSTMENTS</u>					
270	Adjustments for FIT		9,749	2,550	7,199
280	Amortized ITC		1,220	281	939
290	Federal Income Taxes		5,141	1,042	4,099
300	TOTAL EXPENSES AND TAXES		417,216	60,122	357,094
<u>TELEPHONE PLANT IN SERVICE</u>					
310	General Support		234,235	48,535	185,699
320	Central Office Equipment - Switch		0	0	0
321	Operator Systems		0	0	0
322	Tandem Switching		0	0	0
323	Local Switching Cat 3		0	0	0
324	Equal Access		0	0	0
330	Central Office Equipment - Trans		902,274	61,069	841,205
331	Subscriber Lines		261,577	(0)	261,577
332	Exchange Circuit		636,743	61,069	575,674
333	Interexchange Circuit		3,954	0	3,954
334	Host Remote		0	0	0
340	Cable and Wire		967,269	345,056	622,212
341	Subscriber Lines		22,443	0	22,443
342	Exchange		680,669	345,056	335,613
343	Interexchange Circuit		264,157	0	264,157
344	Host Remote		0	0	0
350	Info Orig/Term Equipment		113	0	113
360	Amortizable Assets		3,363	569	2,793
370	Total Plant in Service		2,107,253	455,230	1,652,023
<u>ADJUSTMENTS TO TPIS</u>					
380	Depreciation/Amortization Reserve		1,380,994	241,502	1,139,492
390	Accum. Deferred Income Tax		43,686	8,486	35,200
400	Other Rate Base Adjustments		59,886	13,736	46,150
<u>RETURN DATA</u>					
410	Average Rate Base		742,459	218,978	523,481
420	Return		76,102	22,445	53,657
430	Rate of Return		10.25%	10.25%	10.25%

* Switched Access detail is no longer relevant pursuant to the freezing of Switched Access revenue requirement at the Test Period 2011/2012 level consistent with the provisions of the *USF/ICC Transformation Order*.

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
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PROSPECTIVE COST ANALYSIS SUMMARY (\$000)

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----- COMMON LINE -----					
TEST YEAR FORECAST 7/2/19 THROUGH 6/30/20	PAY PHONE	INSIDE WIRE	BFP	CBOL	TOTAL COMMON LINE WITH CBOL
	(I)	(J)	(K)	(L)	(M)
<u>REVENUES</u>					
100 Network Access	N/A	N/A	N/A	N/A	357,270
110 Uncollectibles	N/A	N/A	N/A	N/A	0
120 Common Line Support	N/A	N/A	N/A	N/A	0
130 CAF BLS Voice (NOTE 1)	N/A	N/A	N/A	N/A	654,596
135 CAF BLS Broadband-only (NOTE 1)	N/A	N/A	N/A	N/A	249,511
140 Transitional	N/A	N/A	N/A	N/A	0
150 Miscellaneous	N/A	N/A	N/A	N/A	0
160 Net Revenues	N/A	N/A	N/A	N/A	1,261,377
<u>EXPENSES</u>					
170 Plant Specific	0	0	123,668	66,473	190,141
171 Network Support	0	0	2,822	1,049	3,872
172 General Support	0	0	29,235	15,219	44,454
173 Central Office	0	0	32,632	18,757	51,389
174 Operator Systems	0	0	0	0	0
175 COE Switching	0	0	0	0	0
176 COE Transmission	0	0	32,632	18,757	51,389
177 IOT	0	0	0	0	0
178 Cable & Wire Facilities	0	0	58,979	31,448	90,426
180 Plant Non Specific excl Depr & Amort	0	0	46,706	27,966	74,672
190 Depreciation/Amortization	0	0	162,327	95,409	257,736
200 Customer Operations	0	0	35,292	7,818	43,110
201 Marketing	0	0	8,608	3,770	12,378
202 Local Business Office	0	0	20,444	209	20,653
203 Revenue Accounting	0	0	1,827	3,070	4,897
204 Other Billing and Collections	0	0	1,794	0	1,794
210 Access	N/A	N/A	N/A	N/A	N/A
215 Universal Service Contributions (NOTE 2)	N/A	N/A	N/A	N/A	47,533
220 Corporate Operations	0	0	91,281	39,685	130,967
230 AFUDC	0	0	1,081	701	1,782
240 Other Expenses and Adjustments	0	0	(105)	252	147
250 Taxes Other than FIT	0	0	19,861	11,106	30,967
260 Total Expenses and Other Taxes	0	0	477,949	248,009	773,492
<u>NECA ADJUSTMENTS</u>					
261 NECA Administrative Expenses	0	0	24,577	11,743	36,320
262 Average Schedule Settlements	0	0	87,086	34,680	121,766
263 Adjustment for Line Port/TIC	0	0	72,777	2,946.82	75,723
264 Total NECA Adjustments	0	0	184,440	49,369	233,809
<u>FIT ADJUSTMENTS</u>					
270 Adjustments for FIT	0	0	15,865	11,885	27,750
280 Amortized ITC	0	0	1,968	1,021	2,989
290 Federal Income Taxes	0	0	9,120	4,729	13,849
300 TOTAL EXPENSES AND TAXES	0	0	671,509	302,108	1,021,150
<u>TELEPHONE PLANT IN SERVICE</u>					
310 General Support	0	0	412,126	226,357	638,483
320 Central Office Equipment - Switch	0	0	0	0	0
321 Operator Systems	0	0	0	0	0
322 Tandem Switching	0	0	0	0	0
323 Local Switching Cat 3	0	0	0	0	0
324 Equal Access	0	0	0	0	0
330 Central Office Equipment - Trans	0	0	563,652	286,326	849,978
331 Subscriber Line	0	0	563,652	0	563,652
332 Exchange Circuit	0	0	0	286,326	286,326
333 Interexchange Circuit	0	0	0	0	0
334 Host Remote	0	0	0	0	0
340 Cable and Wire	0	0	2,892,089	1,640,754	4,532,843
341 Subscriber Line	0	0	2,892,089	1,640,754	4,532,843
342 Exchange	0	0	0	0	0
343 Interexchange Circuit	0	0	0	0	0
344 Host Remote	0	0	0	0	0
350 Info Orig/Term Equipment	0	0	561	0	561
360 Amortizable Assets	0	0	5,747	3,323	9,070
370 Total Plant in Service	0	0	3,874,175	2,156,760	6,030,935
<u>ADJUSTMENTS TO TPIS</u>					
380 Depreciation/Amortization Reserve	0	0	2,461,928	1,266,674	3,728,602
390 Accum. Deferred Income Tax	0	0	57,447	34,436	91,883
400 Other Rate Base Adjustments	0	0	82,637	50,590	133,228
<u>RETURN DATA</u>					
410 Average Rate Base	0	0	1,437,437	906,241	2,343,677
420 Return	0	0	147,337	92,890	240,227
430 Rate of Return	10.25%	10.25%	10.25%	10.25%	10.25%

NOTE 1: CAF BLS reflects amounts prior to budget control

NOTE 2: Universal service include amounts for both Cost and Average Schedule companies.

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PROSPECTIVE COST ANALYSIS SUMMARY (\$000)

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TEST YEAR FORECAST 7/2/19 THROUGH 6/30/20	TOTAL SWITCH TRFFC SNSTV *	SPECIAL ACCESS BEFORE COSTS MOVED TO CBOL	CBOL (Costs removed from Special Access)	SPECIAL ACCESS AFTER COSTS MOVED TO CBOL
	(N)	(O)	(P)	(Q)
<u>REVENUES</u>				
100 Network Access		554,549	166,394	388,155
110 Uncollectibles		0	0	0
120 Local Switching Support		N/A	N/A	N/A
130 N/A		N/A	N/A	N/A
135 N/A		N/A	N/A	N/A
140 N/A		N/A	N/A	N/A
150 Miscellaneous		N/A	N/A	N/A
160 Net Revenues		554,549	166,394	388,155
<u>EXPENSES</u>				
170 Plant Specific		119,904	31,857	88,047
171 Network Support		1,873	562	1,311
172 General Support		20,302	6,237	14,065
173 Central Office		70,715	10,770	59,945
174 Operator Systems		0	0	0
175 COE Switching		0	0	0
176 COE Transmission		70,715	10,770	59,945
177 IOT		0	0	0
178 Cable & Wire Facilities		27,013	14,288	12,726
180 Plant Non Spec excl Depr & Amort		31,731	11,646	20,085
190 Depreciation/Amortization		133,946	45,344	88,602
200 Customer Operations		14,750	3,145	11,605
201 Marketing		3,871	1,145	2,726
202 Local Business Office		3,159	211	2,948
203 Revenue Accounting		6,049	1,421	4,628
204 Other Billing and Collections		0	0	0
210 Access		N/A	N/A	N/A
220 Corporate Operations		71,260	19,473	51,786
230 AFUDC		814	366	448
240 Other Expenses and Adjustments		283	75	208
250 Taxes Other than FIT		14,283	5,487	8,796
260 Total Expenses and Other Taxes		385,342	116,661	268,681
<u>NECA ADJUSTMENTS</u>				
261 NECA Administrative Expenses		11,650	N/A	11,650
262 Average Schedule Settlements		45,924	N/A	45,924
263 Adjustment for Line Port/TIC		7,510	1,732	9,241
264 Total NECA Adjustments		65,083	1,732	66,815
<u>FIT ADJUSTMENTS</u>				
270 Adjustments for FIT		11,569	5,099	6,470
280 Amortized ITC		1,519	440	1,079
290 Federal Income Taxes		5,526	1,851	3,675
300 TOTAL EXPENSES AND TAXES		459,414	120,244	339,171
<u>TELEPHONE PLANT IN SERVICE</u>				
310 General Support		284,950	101,675	183,275
320 Central Office Equipment - Switch		0	0	0
321 Operator Systems		0	0	0
322 Tandem Switching		0	0	0
323 Local Switching Cat 3		0	0	0
324 Equal Access		0	0	0
330 Central Office Equipment - Trans		963,570	131,452	832,118
331 Subscriber Lines		255,564	0	255,564
332 Exchange Circuit		703,766	131,452	572,314
333 Interexchange Circuit		4,240	0	4,240
334 Host Remote		0	0	0
340 Cable and Wire		1,385,204	755,301	629,904
341 Subscriber Lines		24,084	0	24,084
342 Exchange		1,102,581	755,301	347,280
343 Interexchange Circuit		258,540	0	258,540
344 Host Remote		0	0	0
350 Info Orig/Term Equipment		113	0	113
360 Amortizable Assets		3,742	960	2,782
370 Total Plant in Service		2,637,580	989,388	1,648,192
<u>ADJUSTMENTS TO TPIS</u>				
380 Depreciation/Amortization Reserve		1,729,566	550,449	1,179,117
390 Accum. Deferred Income Tax		44,944	13,596	31,347
400 Other Rate Base Adjustments		65,076	24,904	40,172
<u>RETURN DATA</u>				
410 Average Rate Base		928,146	450,247	477,900
420 Return		95,135	46,150	48,985
430 Rate of Return		10.25%	10.25%	10.25%

* Switched Access detail is no longer relevant pursuant to the freezing of Switched Access revenue requirement at the Test Period 2011/2012 level consistent with the provisions of the *USF/ICC Transformation Order*.

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
PART 69 LEVEL OF DETAIL

COMPANY NAME: _____
STUDY AREA CODE: _____ (Enter as a Label)
TAX STATUS: _____ (Y) Taxable or (N) Exempt
BASE YEAR: 2017
FORECAST PERIOD: _____

ITEM	FORECASTED TOTAL COMPANY	TOTAL INTERSTATE	COMMON LINE	SWITCHED ACCESS			SWITCHED ACCESS	SPECIAL ACCESS	B&C+IX OTHER
				TRANSPORT	LOCAL SWITCHING	INFORMATION			
UNCOLLECTIBLES	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
AFUDC	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
PLANT SPECIFIC	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
PLNT NON SPEC x/D&A	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
CUST. OPER-MARKETING	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
CUST. OPER-SERVICES	_____ \$						\$0	_____ \$	_____ \$
CORP. OPERATIONS	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
ACCESS	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
DEPRECIATION & AMORT	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
FCC EXP ADJUSTMENT	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
EQUAL ACCESS EXPENSE	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
TOT EXP LESS TAXES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTHER INCOME & EXP.	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
SIT EC AMT - IS AMT	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
GRT EC AMT - IS AMT	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
OTH. ST AND LOC TAXES	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
TOTAL OTHER TAXES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
PART 69 LEVEL OF DETAIL

COMPANY NAME: _____
STUDY AREA CODE: _____ (Enter as a Label)
TAX STATUS: _____ (Y) Taxable or (N) Exempt
BASE YEAR: 2017
FORECAST PERIOD: _____

ITEM	FORECASTED	TOTAL INTERSTATE	COMMON LINE	SWITCHED ACCESS			SWITCHED ACCESS	SPECIAL ACCESS	B&C+IX OTHER
	TOTAL COMPANY			TRANSPORT	LOCAL SWITCHING	INFORMATION			
FIXED CHARGES	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
PATRONAGE DIVIDENDS	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
OTHER ADJ.	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
ITC AMORTIZATION	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
EXCESS DEFERRED TAXES	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
SUPPORT PLANT	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
OPER. SYSTEM EQUIP	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
COE-SW CAT-2 Tandem	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
COE-SW CAT-3 Local SW	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
COE-TRANS Cat 4.1	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
COE-TRANS Cat 4.2	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
COE-TRANS Cat 4.3	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
C & W FACIL Cat-1	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
C & W FACIL Cat-2	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
C & W FACIL Cat-3	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
C & W FACIL Cat-4	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
IOT EQUIPMENT	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
AMORTIZABLE ASSETS	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
EQUAL ACCESS INVEST	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
TOTAL PLANT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROP HELD-FUTURE USE	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
PLANT UNDER CONST.	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
PLANT ACQ. ADJ	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
INVEST IN NON-AFF-COS	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
INVENTORIES	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
CASH WORKING CAPITAL	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
FCC INVESTMENT ADJ.	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
TOT OTH INVESTMENTS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OTH JURIS ASSETS-NET	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
ACCUMULATED DEPR.	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
ACCUMULATED AMORT.	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
DEFERRED FIT	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
CUSTOMER DEPOSITS	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
OTHER ACCRUED LIAB.	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
ALL OTHER RESERVES	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
FCC RESERVE ADJ.	_____ \$	\$0	_____ \$	_____ \$	_____ \$	_____ \$	\$0	_____ \$	_____ \$
TOTAL RESERVES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

REVENUE REQUIREMENT COMPARISON

(Data in \$000)

NECA's COMMON LINE POOL

----- COMMON LINE -----

	PYCOS <u>1/18-12/18</u>	TEST PERIOD <u>7/2/19-6/30/20</u>	ANNUAL <u>PCT CHG</u>
<u>COST COMPANIES:</u>			
EXPENSES AND TAXES *	\$563,782	\$546,627	-2.04%
AVERAGE NET INVESTMENT	\$1,503,603	\$1,437,437	-2.96%
NET RETURN @ 10.25%	\$154,119	\$147,337	-2.96%
REVENUE REQUIREMENT***	\$717,901	\$693,964	-2.24%
<u>AVERAGE SCHEDULE COMPANIES:</u>			
AVG SCHEDULE SETTLEMENTS***	\$100,063	\$100,305	0.16%
NECA EXPENSES	\$24,054	\$24,577	1.45%
UNIVERSAL SERVICE CONTRIBUTIONS	\$71,892	\$47,533	-24.11%
<u>TOTAL NECA POOL:</u>			
EXPENSES AND TAXES ** #	\$759,791	\$719,043	-3.61%
AVERAGE NET INVESTMENT	\$1,503,603	\$1,437,437	-2.96%
NET RETURN @ 10.25%	\$154,119	\$147,337	-2.96%
REVENUE REQUIREMENT#	\$913,911	\$866,380	-3.50%

----- CONSUMER BROADBAND-ONLY LOOPS -----

	PYCOS## <u>1/18-12/18</u>	TEST PERIOD <u>7/2/19-6/30/20</u>	ANNUAL <u>PCT CHG</u>
<u>COST COMPANIES:</u>			
EXPENSES AND TAXES *	\$147,672	\$255,685	44.19%
AVERAGE NET INVESTMENT	\$523,869	\$906,241	44.11%
NET RETURN @ 10.25%	\$53,697	\$92,890	44.11%
REVENUE REQUIREMENT***	\$201,369	\$348,575	44.17%
<u>AVERAGE SCHEDULE COMPANIES:</u>			
AVG SCHEDULE SETTLEMENTS***	\$22,082	\$34,680	35.11%
NECA EXPENSES	\$6,572	\$11,743	47.24%
UNIVERSAL SERVICE CONTRIBUTIONS	N/A	N/A	N/A
<u>TOTAL NECA POOL:</u>			
EXPENSES AND TAXES **	\$176,327	\$302,108	43.18%
AVERAGE NET INVESTMENT	\$523,869	\$906,241	44.11%
NET RETURN @ 10.25%	\$53,697	\$92,890	44.11%
REVENUE REQUIREMENT	\$230,023	\$394,997	43.40%

* INCLUDES UNCOLLECTIBLES, LINE PORT/TIC SHIFT AMOUNTS, AND LIMITATIONS ON CORPORATE OPERATION EXPENSE, OPERATING EXPENSE, AND CAPITAL INVESTMENT ALLOWANCE

** INCLUDES UNCOLLECTIBLES, AVG. SCHED. SETTLEMENTS AND NECA EXPENSES

*** DOES NOT INCLUDE UNIVERSAL SERVICE CONTRIBUTIONS

INCLUDES UNIVERSAL SERVICE CONTRIBUTIONS

ADJUSTED AS DESCRIBED IN VOLUME 2C

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

REVENUE REQUIREMENT COMPARISON

(Data in \$000)

NECA's TRAFFIC SENSITIVE POOL

----- SWITCHED ACCESS -----

	PYCOS <u>1/18-12/18</u>	TEST PERIOD <u>7/2/19-6/30/20</u>	ANNUAL <u>PCT CHG</u>
<u>COST COMPANIES:</u>			
REVENUE REQUIREMENT***	\$204,773	\$189,546	-5.02%
<u>AVERAGE SCHEDULE COMPANIES:</u>			
AVG SCHEDULE SETTLEMENTS***	\$42,922	\$39,730	-5.02%
NECA EXPENSES	\$10,043	\$11,780	11.22%
<u>TOTAL NECA POOL:</u>			
REVENUE REQUIREMENT	\$257,737	\$241,056	-4.36%

----- SPECIAL ACCESS -----

	PYCOS <u>1/18-12/18</u>	TEST PERIOD <u>7/2/19-6/30/20</u>	ANNUAL <u>PCT CHG</u>
<u>COST COMPANIES:</u>			
EXPENSES AND TAXES *	\$292,046	\$279,745	-2.83%
AVERAGE NET INVESTMENT	\$523,481	\$477,900	-5.89%
NET RETURN @ 10.25%	\$53,657	\$48,985	-5.89%
REVENUE REQUIREMENT	\$345,703	\$328,730	-3.30%
<u>AVERAGE SCHEDULE COMPANIES:</u>			
AVG SCHEDULE SETTLEMENTS	\$49,147	\$47,776	-1.87%
NECA EXPENSES	\$15,901	\$11,650	-18.73%
<u>TOTAL NECA POOL:</u>			
EXPENSES AND TAXES **	\$357,094	\$339,171	-3.37%
AVERAGE NET INVESTMENT	\$523,481	\$477,900	-5.89%
NET RETURN @ 10.25%	\$53,657	\$48,985	-5.89%
REVENUE REQUIREMENT	\$410,751	\$388,155	-3.70%

* INCLUDES UNCOLLECTIBLES AND TIC SHIFT AMOUNTS

** INCLUDES UNCOLLECTIBLES, AVG. SCHED. SETTLEMENTS AND NECA EXPENSES

*** REFLECTS IMPACTS OF *USF/ICC TRANSFORMATION ORDER* AS DESCRIBED IN VOLUME 2

SEE NOTE ON VOLUME 1 EXHIBIT 2 FOR DETAILS ON CALCULATION OF SW RRQ

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
COST COMPANY REVENUE REQUIREMENTS TREND FORECASTS
(\$ MILLIONS)

Volume 2
Exhibit 5

<u>Special Access</u>	Consistent Sample						Non-Consistent Sample			Total			Test Period	
	<u>2015</u>	<u>Actual</u> <u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Projection</u>		<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2019/2020</u>	<u>TP/PYCOS</u>
Company Supplied	\$347.213	\$355.008	\$353.350	\$339.341	\$326.977	\$316.298	\$3.770	\$3.829	\$3.888	\$343.111	\$330.806	\$320.186	\$325.496	-3.45%
Adjustment				\$2.592	\$2.503	\$3.964				\$2.592	\$2.503	\$3.964	\$3.234	
NECA	\$347.213	\$355.008	\$353.350	\$341.933	\$329.480	\$320.262	\$3.770	\$3.829	\$3.888	\$345.703	\$333.309	\$324.150	\$328.730	-3.30%

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
2019 ANNUAL ACCESS FILING
AVERAGE SCHEDULE SETTLEMENT ATTRIBUTION ANALYSIS
(\$000,000)

VOLUME 2
EXHIBIT 6

	COMPARISON SETTLEMENT NOTE 1	FILING UPDATE NOTE 2	COST CONVERSIONS NOTE 3	ADJUSTED SETTLEMENT A+B-C (D)	SEASONALLY ADJUSTED NOTE 4 (E)	ANNUALIZED SETTLEMENTS 12 x E (F)	ANNUAL GROWTH RATIO NOTE 5 (G)	18 MONTH GROWTH RATIO (G-1) *1.5+1 (H)	POOL EXITS & ENTRIES NOTE 6 (I)	TEST PERIOD REV REQ w/o M + A FxH+I (J)	NEW STUDY AREA & ACQUISITIONS (K)	TEST PERIOD REV. REQ. (L)
SETTLEMENT ELEMENT	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
COMMON LINE	8.897	0.106	0.019	8.984	9.004	108.053	0.9522	0.9283	0.000	100.305	0.000	100.305
CBOL	1.965	0.083	0.007	2.041	2.033	24.398	1.275	1.413	0.217	34.680	0.000	34.680
USF CONTRIBUTION	0.715	-0.105	0.001	0.609	0.761	9.133	0.952	0.928	0.000	8.478	0.000	8.478
TOTAL CL	11.577	0.084	0.027	11.634	11.798	141.584			0.217	143.463	0.000	143.463
SWITCHED	3.321	0.000	0.011	3.311	3.311	39.730			0.000	39.730	0.000	39.730
SPECIAL ACCESS NON DSL	2.713	0.273	0.004	2.982	2.982	35.786	0.876	0.814	-1.932	27.198	0.000	27.198
SPECIAL ACCESS DSL	1.833	-0.002	0.008	1.824	1.823	21.881	0.988	0.982	-0.909	20.578	0.000	20.578
TOTAL SPECIAL ACCESS	4.546	0.271	0.012	4.806	4.805	57.667			-2.841	47.776	0.000	47.776
TOTAL TS	7.867	0.271	0.023	8.117	8.116	97.397			-2.841	87.506	0.000	87.506
TOTAL	19.444	0.355	0.050	19.751	19.914	238.981			-2.624	230.969	0.000	230.969

- (1) FROM NECA'S 2018 MODIFICATION OF AVERAGE SCHEDULES FILING, EXHIBIT 7.6
IT REFLECTS SEPTEMBER 2018 VIEW OF JULY 2018 DEMAND DATA AND INCLUDES MAG SHIFTS
- (2) EFFECTS OF TRUE-UPS SINCE SEPTEMBER 2018 VIEW OF DATA REFLECTED IN (1)
- (3) BASED ON DATA OF COMPANIES THAT CONVERTED TO INDIVIDUAL COST SETTLEMENTS
- (4) COMPARES JULY 2018 DEMAND TO THE AVERAGE MONTH OF 2018
- (5) DERIVED FROM NECA'S 2018 STUDY OF AVERAGE SCHEDULES AND FROM STUDIES SUPPORTING THIS FILING
- (6) REFLECTS DATA OF STUDY AREAS THAT LEFT OR JOINED NECA POOLS AS OF JULY 2019

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
CATEGORY I. ADMINISTRATIVE COSTS
2019/2020 TEST PERIOD
(IN MILLIONS)

<u>CATEGORY</u>	<u>PROJECTED REVENUES</u>	<u>PCT. OF TOTAL</u>	<u>AMOUNT</u>
Universal Service Fund and Lifeline Assistance - I.A.	\$0.0	0.0%	\$0.0
End User Common Line, Carrier Common Line, Special Access Surcharge, Long Term Support and CAF Broadband-Only Loop Support - I.B.	\$1,177.5	60.9%	\$36.3
Other Association Access Charges - I.C. **	\$757.2	39.1%	\$23.4
	=====	=====	=====
	\$1,934.7	100.0%	\$59.7

** Category I.C. is split into Traffic Sensitive Switched Access and Traffic Sensitive Special Access based on projected access element revenues and account for the addition of ARC revenues and CAF ICC support to total interstate SW revenues per the *2012 NECA Petition for Clarification*.

JUNE 17, 2019 NECA ACCESS CHARGE FILING
TEST PERIOD: JULY 2, 2019- JUNE 30, 2020
UNIVERSAL SERVICE SUPPORT MECHANISM (USSM) CONTRIBUTION
QUARTERLY INTERSTATE RETAIL REVENUE OF USSM CONTRIBUTORS
(\$ Million)

VOLUME 2
EXHIBIT 8

<u>LINE NO</u>	<u>DATE</u>	<u>PROJECTED USSM END USER RETAIL REVENUE ¹</u> (A)	<u>PROJECTED USSM ARC RETAIL REVENUE ²</u> (B)	<u>PROJECTED USSM SPECIAL ACCESS RETAIL REVENUE ³</u> (C)	<u>PROJECTED INTERSTATE RETAIL REVENUE (IRR)</u> (D = A + B + C)
1	3Q 2019	\$40.7	\$8.0	\$0.8	\$49.6
2	4Q 2019	\$40.1	\$7.9	\$0.8	\$48.9
3	1Q 2020	\$39.7	\$7.8	\$0.8	\$48.3
4	2Q 2020	\$39.4	\$7.8	\$0.8	\$48.0
5	TP 2019/2020 ⁴	\$159.8	\$31.6	\$3.3	\$194.8
6	3Q 2019 CONTRIBUTION FACTOR		DA 19-559		24.4%
7	TOTAL TEST PERIOD USSM CONTRIBUTION		LINE 5 * LINE 6		\$47.5

NOTE

- 1 End user retail revenue is the sum of SLC revenue (excluding life lines revenue), ISDN port revenue, DS1 channel service port revenue and Special Access Surcharges. NECA priced these revenues at proposed rates for 3Q 2019 through 2Q 2020.
- 2 NECA priced ARC retail revenues at proposed rates for 3Q 2019 through 2Q 2020.
- 3 Special access retail revenue excludes ADSL and SDSL retail revenue per *2018 USF Forbearance Order*.
- 4 Test period projection is calculated as LINE 1 + LINE 2 + LINE 3 + LINE 4.