

**Cincinnati Bell Telephone LLC**

**Tariff FCC No. 35**

**2022 Mid-Year Tariff Review Plan Filing**

**Transmittal No. 938**

**September 16, 2022**

## **Description & Justification**

### **Introduction**

Cincinnati Bell Telephone Company (CBT) makes this mid-year 2022 Tariff Review Plan (TRP) Filing in order to reflect revised Regulatory Fees, North American Numbering Plan (NANP) and Telecommunication Relay Service (TRS) factors. Attachment RDET shows the current and proposed rate changes to adjust for the exogenous cost changes. This filing also revises the Federal Universal Service Fund contribution factor for fourth quarter 2022.

### **Regulatory Fees, TRS and NANP Exogenous Costs**

Subsequent to CBT's 2022 Annual Access Filing the Commission released revised Regulatory Fees, TRS and NANP factors. The new factors caused changes to CBT's exogenous cost recovery calculations. A description of the Regulatory Fees, TRS and NANP exogenous costs changes follows.

#### **A. Development of Regulatory Fees**

On August 26, 2021, the Commission released its Report and Order in the Matter of *Assessment and Collection of Regulatory Fees for Fiscal Year 2021*, FCC 21-98. This NPRM proposed the Regulatory Fee factor of 0.004. CBT calculated its 2022 Regulatory Fees exogenous adjustment by multiplying the 0.004 factor by the 2021 end-user revenue from FCC Form 499A.

On September 2, 2022, the Commission released its Report and Order and Further Notice of Proposed Rulemaking in the Matter of *Assessment and Collection of Regulatory Fees for Fiscal Year 2022*, FCC 22-69. This Order specified the Regulatory Fee factor of 0.00452. The current 0.00452 factor was multiplied by CBT's end-user revenue from FCC Form 499A to yield CBT's 2022 Regulatory Fees exogenous adjustment. CBT computed the difference between the original and revised 2022 adjustments. See Exhibit EXG-ALLOCATE.

**B. Development of Telecom Relay Support (TRS)**

On June 30, 2021, the Commission released its Order in the Matter of *Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, DA 21-779. This Order defined and established two TRS factors: Non-IP CTS factor of 0.01331 and IP-CTS factor of 0.00831. The Order also specified that the Non-IP-CTS factor should be applied to End-User revenues obtained from Interstate and International Telecommunications Services, while the IP-CTS factor should be applied to End-User revenues obtained from Intrastate, Interstate and International Telecommunications Services. CBT calculated its 2022 TRS Exogenous adjustment by multiplying each factor to the specified 2021 End-User revenues from FCC Form 499A.

On June 30, 2022, the Commission released its Order in the Matter of *Telecommunications Relay Services and Speech-to-Speech Services for*

*Individuals with Hearing and Speech Disabilities*, DA 22-699. This Order established two TRS factors: Non-IP CTS factor of 0.011251 and IP-CTS factor of 0.006530. CBT computed the difference between the original and revised 2022 adjustments. See Exhibit EXG-ALLOCATE.

**C. Development of North American Numbering Plan (NANP) Contribution**

On August 9, 2021, the Commission released Public Notice CC Docket 92-237, DA 21-976, *Wireline Competition Bureau Announces The Proposed North American Numbering Plan Administration Fund Size Estimate and Contribution Factor for October 2021 through September 2022*. This Public Notice proposed a NANP factor of 0.000535. CBT calculated its 2022 Regulatory Fees Exogenous adjustment by multiplying the 0.000535 factor by the 2021 End-User revenue from FCC Form 499 to yield the 2022 NANP exogenous adjustment.

On August 8, 2022, the Commission released Public Notice CC Docket 92-237, DA 22-833, *Wireline Competition Bureau Announces The Proposed North American Numbering Plan Administration Fund Size Estimate and Contribution Factor for October 2022 through September 2023*. This Public Notice proposed a NANP factor of 0.0000853. CBT calculated its 2022 Regulatory Fees Exogenous adjustment by multiplying the 0.0000853 factor by the 2021 End-User revenue from FCC Form 499A. CBT computed the difference between the original and

revised 2022 adjustments. The resulting differential was included as the NANP exogenous cost.

## **Common Line**

### **A. End-User Common Line Development**

The CALLS Order increased the EUCL ceiling for residence and single-line business lines to \$6.50 beginning in July, 2003. However, Price Cap companies are limited to a residence and single-line business EUCL equal to the Common Line, Marketing, and Transport revenue per line, if that revenue per line is less than the \$6.50 ceiling. To compute the EUCL rates, CBT developed line demand and MOU demand quantities based on the year 2021 demand levels.

As a result of the Regulatory Fees, NANP and TRS factor changes, CBT has recalculated its proposed Common Line, Marketing and Transport (CMT) revenue. The CMT revenue per line of \$5.52 is less than the \$6.50 residence and single-line business EUCL ceiling.

Therefore, in accordance with Part 69.152(e)(1) and Part 69.152(k)(1) of the Commission's Rules, CBT's calculated EUCL rates are \$5.52 for Residence and Single-line business, \$5.52 for Non-primary Residence and ISDN-BRI, and \$5.52 for Multi-line Business, ISDN-PRI and Centrex. See TRP Form CAP-1.

## PCI Development

Based on the revised TRS and NANP factors, CBT calculated its Price Cap Indices ("PCI") for the Common Line and Special Access baskets in accordance with the CALLS Price Cap Rules. See TRP Form PCI-1.

## Universal Service Fund

CBT proposes to revise the Universal Service Fund (USF) factor per Commission Order. The Commission released its *Proposed Fourth Quarter 2022 Contribution Factor*, DA 22-946 on September 13, 2022. The Commission proposed a USF factor of 28.9 % down from the previous factor of 33.0 %. CBT recovers its USF contribution, pursuant to the Commission's Contribution Methodology Order<sup>1</sup> by applying the relevant USF Contribution factor to the following charges:

- \* EUCL
- \* Presubscribed Interexchange Carrier (PIC) change charge
- \* End-User Special Access
- \* Interstate IntraLATA Toll usage

The USF surcharge for these services is reflected as a separate line item, clearly identified on the customer's bill.

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<sup>1</sup> Report and Order and Second Further Notice of Proposed Rulemaking in CC Docket No. 96-45, CC Docket No. 98-171, CC Docket No. 90-571, CC Docket No. 92-237, CC Docket No. 99-200, CC Docket No. 95-116, and CC Docket No. 98-179, FCC 02-329, Released December 13, 2002.

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**09/16/2022 Price Cap Midyear Filing  
Exogenous Cost Changes Detail For EXG-1 and CAP Forms**

	2021		FCC 21-98	FCC DA 21-779	FCC DA 21-779	DA 21-976
	Total	Interstate	8/26/2021	6/30/2021	6/30/2021	8/9/2021
	End User Revenues		<u>Regulatory Fee</u>	<u>TRS-Non-IPCTS</u>	<u>TRS-IPCTS</u>	<u>NANPA</u>
	<u>( 499A )</u>	<u>( 499A )</u>	0.004	0.01331	0.00831	0.0000535
	(A)	(B)	(C) = B * 0.004	(D) = B * 0.01331	(D2) = A * 0.00831	(E) = A * 0.0000535
Exogenous Amount	\$ 138,040,474	\$ 48,404,075	\$ 193,616	\$ 644,258	\$ 1,147,116	\$ 7,385
Excluded Revenue	\$ 26,901,808	\$ 26,901,808				
Price Cap Revenue Percentage	80.51%	44.42%				

	2021 Mid-Year Rate Changes		FCC DA 22-69	FCC DA 22-699	FCC DA 22-699	DA 22-833
			9/2/2022	6/30/2022	6/30/2022	8/8/2022
			<u>Regulatory Fee</u>	<u>TRS-Non-IPCTS</u>	<u>TRS-IPCTS</u>	<u>NANPA</u>
			0.00452	0.01125	0.006530	0.0000853
			(C') = B * 0.00452	(D') = B * 0.01125	(D2') = A * 0.00653	(E') = A * 0.0000853
Exogenous Amount			\$ 218,786	\$ 544,546	\$ 901,404	\$ 11,775

	<u>10/2021 - 9/2022</u>	<u>10/2022 - 9/2023</u>	<u>Exogenous</u>	<u>Annualized</u>
	(A)	(B)	(C) = B - A	(D) = C * Annualization Factor
Regulatory Fee Support:				
FCC 21-98 - 0.004 Factor 2021 Revenue	\$ 193,616			
FCC DA 22-69 - 0.00452 Factor 2021 Mid-Year Revenue		\$ 218,786		
	\$ 193,616	\$ 218,786		
				Factor
% Price Cap Allocation	44.42%	44.42%		1.000000
Price Cap Exogenous Amount	\$ 86,009	\$ 97,190	\$ 11,181	\$ 11,181

	<u>7/2021 - 6/2022</u>	<u>7/2022 - 6/2023</u>	<u>Exogenous</u>	
	(A)	(B)	(C) = B - A	
Telecom Relay Support				
FCC DA 21-779 - 0.01331 Factor 2021 Revenue	\$ 644,258			
FCC DA 22-699 - 0.01125 Factor 2021 Mid-Year Revenue		\$ 544,546		
FCC DA 21-779 - 0.00831 Factor 2021 Revenue	\$ 1,147,116			
FCC DA 22-699 - 0.00653 Factor 2021 Mid-Year Revenue		\$ 901,404		
	\$ 1,791,375	\$ 1,445,950		
				Factor
% Price Cap Allocation - Non-IPCTS	44.42%	44.42%		1.333333
Price Cap Allocation - Non-IPCTS	\$ 286,195	\$ 241,901		
% Price Cap Allocation - IPCTS	80.51%	80.51%		
Price Cap Allocation - IPCTS	\$ 923,562	\$ 725,735		
Price Cap Exogenous Amount	\$ 1,209,757	\$ 967,636	(242,121)	(322,829)

	<u>10/2021 - 9/2022</u>	<u>10/2022 - 9/2023</u>	<u>Exogenous</u>	
	(A)	(B)	(C) = B - A	
North American Numbering Plan Administration:				
DA 21-976 - 0.0000535 Factor 2021 Revenue	\$ 7,385			
DA 22-833 - 0.0000853 Factor 2021 Mid-Year Revenue		\$ 11,775		
	\$ 7,385	\$ 11,775		
				Factor
% Price Cap Allocation	80.51%	80.51%		1.000000
Price Cap Exogenous Amount	\$ 5,946	\$ 9,480	\$ 3,534	\$ 3,534

	Common Line	Special	Price Cap Revenue
499A 2021 Interstate End User Revenues	\$ 21,491,969	\$ 10,298	\$ 21,502,267
Allocation Basis	99.95%	0.05%	
Regulatory Fee Support:	\$ 11,176	\$ 5	\$ 11,181
Telecom. Relay Support	\$ (322,674)	\$ (155)	\$ (322,829)
NANPA	\$ 3,533	\$ 2	\$ 3,534
Total Exogenous	\$ (307,966)	\$ (148)	\$ (308,113)