

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.

FORECASTED REVENUE REQUIREMENT*
TEST PERIOD JULY 2, 2024 THROUGH JUNE 30, 2025
(Data in \$000)

NECA's COMMON LINE POOL PARTICIPANTS

PAY TELEPHONE	\$0
INSIDE WIRE	\$0
BASE FACTOR PORTION	\$351,109
CONSUMER BROADBAND-ONLY LOOP (CBOL)	\$977,421
UNIVERSAL SERVICE CONTRIBUTIONS (CL)	\$30,088
TOTAL COMMON LINE	\$1,358,618

NECA's TRAFFIC SENSITIVE POOL PARTICIPANTS

TOTAL SWITCHED ACCESS**	\$164,658
SPECIAL ACCESS	\$223,229

* 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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HISTORICAL DATA PERIOD 2023		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		563,271	330,749	232,521
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		563,271	330,749	232,521
<u>EXPENSES</u>					
170	Plant Specific		126,178	71,365	54,812
171	Network Support		2,812	1,560	1,252
172	General Support		23,690	14,344	9,346
173	Central Office		60,688	24,700	35,988
174	Operator Systems		0	0	0
175	COE Switching		0	0	0
176	COE Transmission		60,688	24,700	35,988
177	IOT		0	0	0
178	Cable & Wire Facilities		38,988	30,761	8,227
180	Plant Non Spec excl Depr & Amort		35,764	22,667	13,097
190	Depreciation/Amortization		139,352	88,924	50,428
200	Customer Operations		9,085	3,931	5,154
201	Marketing		2,704	1,681	1,023
202	Local Business Office		2,485	295	2,190
203	Revenue Accounting		3,171	1,709	1,462
204	Other Billing and Collections		0	0	0
210	Access		N/A	N/A	N/A
220	Corporate Operations		72,308	40,423	31,885
230	AFUDC		979	561	418
240	Other Expenses and Adjustments		419	265	155
250	Taxes Other than FIT		15,954	10,715	5,239
260	Total Expenses and Other Taxes		398,081	237,729	160,352
<u>MAG Order Adjustments</u>					
261	Line Port		N/A	N/A	N/A
262	TIC		5,464	1,609	3,855
<u>NECA ADJUSTMENTS</u>					
263	NECA Administrative Expenses		8,012	N/A	8,012
264	Average Schedule Settlements		28,224	N/A	28,224
265	Total NECA Adjustments		36,236	N/A	36,236
<u>FIT ADJUSTMENTS</u>					
270	Adjustments for FIT		9,745	7,210	2,535
280	Amortized ITC		1,681	1,012	669
290	Federal Income Taxes		7,260	4,553	2,707
300	TOTAL EXPENSES AND TAXES		447,041	243,890	203,151
<u>TELEPHONE PLANT IN SERVICE</u>					
310	General Support		321,328	208,549	112,779
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		764,525	273,413	491,112
331	Subscriber Lines		176,091	0	176,091
332	Exchange Circuit		586,531	273,413	313,118
333	Interexchange Circuit		1,903	0	1,903
334	Host Remote		0	0	0
340	Cable and Wire		1,950,854	1,529,323	421,530
341	Subscriber Lines		9,694	0	9,694
342	Exchange		1,744,635	1,529,323	215,311
343	Interexchange Circuit		196,525	0	196,525
344	Host Remote		0	0	0
350	Info Orig/Term Equipment		83	0	83
360	Amortizable Assets		4,441	2,396	2,045
370	Total Plant in Service		3,041,230	2,013,681	1,027,549
<u>ADJUSTMENTS TO TPIS</u>					
380	Depreciation/Amortization Reserve		1,929,867	1,181,171	748,697
390	Accum. Deferred Income Tax		59,346	35,178	24,167
400	Other Rate Base Adjustments		140,085	93,534	46,551
<u>RETURN DATA</u>					
410	Average Rate Base		1,192,102	890,866	301,236
420	Return		116,230	86,859	29,371
430	Rate of Return		9.75%	9.75%	9.75%

* 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.
RATE OF RETURN
PROSPECTIVE COST ANALYSIS SUMMARY (\$000)

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----- COMMON LINE -----					
TEST YEAR FORECAST 7/2/24 THROUGH 6/30/25	PAY PHONE (I)	INSIDE WIRE (J)	BFP (K)	CBOL (L)	TOTAL COMMON LINE WITH CBOL (M)
<u>REVENUES</u>					
100 Network Access	N/A	N/A	N/A	N/A	426,255
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	295,792
135 CAF BLS Broadband-only (NOTE 1)	N/A	N/A	N/A	N/A	636,571
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	1,358,618
<u>EXPENSES</u>					
170 Plant Specific	0	0	52,589	183,536	236,125
171 Network Support	0	0	1,302	3,089	4,391
172 General Support	0	0	13,173	44,305	57,478
173 Central Office	0	0	14,883	54,664	69,548
174 Operator Systems	0	0	0	0	0
175 COE Switching	0	0	0	0	0
176 COE Transmission	0	0	14,883	54,664	69,548
177 IOT	0	0	5	0	5
178 Cable & Wire Facilities	0	0	23,225	81,478	104,703
180 Plant Non Specific excl Depr & Amort	0	0	19,928	70,096	90,024
190 Depreciation/Amortization	0	0	62,744	231,572	294,316
200 Customer Operations	0	0	16,208	10,866	27,074
201 Marketing	0	0	1,716	5,332	7,047
202 Local Business Office	0	0	11,854	788	12,641
203 Revenue Accounting	0	0	931	4,054	4,985
204 Other Billing and Collections	0	0	931	0	931
210 Access	N/A	N/A	N/A	N/A	N/A
215 Universal Service Contributions (NOTE 2)	N/A	N/A	30,088	N/A	30,088
220 Corporate Operations	0	0	40,271	104,552	144,823
230 AFUDC	0	0	737	2,985	3,722
240 Other Expenses and Adjustments	0	0	11	697	708
250 Taxes Other than FIT	0	0	7,298	23,578	30,876
260 Total Expenses and Other Taxes	0	0	228,400	621,913	850,313
<u>MAG Order Adjustments</u>					
261 Line Port	0	0	21,793	N/A	21,793
262 TIC	0	0	15,533	3,056	18,590
<u>NECA ADJUSTMENTS</u>					
263 NECA Administrative Expenses	0	0	13,105	36,456	49,561
264 Average Schedule Settlements	0	0	39,951	92,401	132,352
265 Total NECA Adjustments	0	0	53,056	128,856	181,913
<u>FIT ADJUSTMENTS</u>					
270 Adjustments for FIT	0	0	4,078	16,398	20,475
280 Amortized ITC	0	0	561	1,944	2,504
290 Federal Income Taxes	0	0	5,100	14,684	19,784
300 TOTAL EXPENSES AND TAXES	0	0	323,883	768,510	1,092,393
<u>TELEPHONE PLANT IN SERVICE</u>					
310 General Support	0	0	166,594	574,643	741,237
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	235,478	777,114	1,012,591
331 Subscriber Line	0	0	235,478	0	235,478
332 Exchange Circuit	0	0	0	777,114	777,114
333 Interexchange Circuit	0	0	0	0	0
334 Host Remote	0	0	0	0	0
340 Cable and Wire	0	0	1,179,056	4,085,861	5,264,917
341 Subscriber Line	0	0	1,179,056	4,085,861	5,264,917
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	49	0	49
360 Amortizable Assets	0	0	2,732	10,456	13,188
370 Total Plant in Service	0	0	1,583,909	5,448,073	7,031,982
<u>ADJUSTMENTS TO TPIS</u>					
380 Depreciation/Amortization Reserve	0	0	1,043,993	3,474,029	4,518,022
390 Accum. Deferred Income Tax	0	0	26,921	78,957	105,878
400 Other Rate Base Adjustments	0	0	74,848	247,585	322,433
<u>RETURN DATA</u>					
410 Average Rate Base	0	0	587,842	2,142,673	2,730,515
420 Return	0	0	57,315	208,911	266,225
430 Rate of Return	9.75%	9.75%	9.75%	9.75%	9.75%

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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TEST YEAR FORECAST 7/2/24 THROUGH 6/30/25		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		627,066	403,837	223,229
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		627,066	403,837	223,229
<u>EXPENSES</u>					
170	Plant Specific		140,074	87,032	53,042
171	Network Support		3,118	2,017	1,100
172	General Support		26,555	17,602	8,953
173	Central Office		64,593	29,819	34,774
174	Operator Systems		0	0	0
175	COE Switching		0	0	0
176	COE Transmission		64,593	29,819	34,774
177	IOT		0	0	0
178	Cable & Wire Facilities		45,808	37,593	8,214
180	Plant Non Spec excl Depr & Amort		40,897	28,421	12,477
190	Depreciation/Amortization		158,494	110,820	47,674
200	Customer Operations		9,776	4,663	5,113
201	Marketing		2,897	1,970	928
202	Local Business Office		2,918	507	2,410
203	Revenue Accounting		3,234	1,907	1,327
204	Other Billing and Collections		0	0	0
210	Access		N/A	N/A	N/A
220	Corporate Operations		78,649	47,993	30,655
230	AFUDC		1,194	745	449
240	Other Expenses and Adjustments		434	278	156
250	Taxes Other than FIT		18,502	13,322	5,180
260	Total Expenses and Other Taxes		445,632	291,784	153,848
<u>MAG Order Adjustments</u>					
261	Line Port		N/A	N/A	N/A
262	TIC		6,719	1,700	5,019
<u>NECA ADJUSTMENTS</u>					
263	NECA Administrative Expenses		8,332	N/A	8,332
264	Average Schedule Settlements		24,552	N/A	24,552
265	Total NECA Adjustments		32,884	N/A	32,884
<u>FIT ADJUSTMENTS</u>					
270	Adjustments for FIT		10,322	7,761	2,561
280	Amortized ITC		1,366	850	515
290	Federal Income Taxes		9,393	6,633	2,759
300	TOTAL EXPENSES AND TAXES		494,627	300,118	194,510
<u>TELEPHONE PLANT IN SERVICE</u>					
310	General Support		377,430	263,949	113,481
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		844,110	355,246	488,865
331	Subscriber Lines		177,828	0	177,828
332	Exchange Circuit		664,185	355,246	308,939
333	Interexchange Circuit		2,097	0	2,097
334	Host Remote		0	0	0
340	Cable and Wire		2,344,924	1,914,491	430,433
341	Subscriber Lines		10,206	0	10,206
342	Exchange		2,138,134	1,914,491	223,643
343	Interexchange Circuit		196,584	0	196,584
344	Host Remote		0	0	0
350	Info Orig/Term Equipment		83	0	83
360	Amortizable Assets		4,979	3,063	1,916
370	Total Plant in Service		3,571,527	2,536,748	1,034,778
<u>ADJUSTMENTS TO TPIS</u>					
380	Depreciation/Amortization Reserve		2,296,367	1,538,922	757,445
390	Accum. Deferred Income Tax		62,003	40,276	21,727
400	Other Rate Base Adjustments		145,187	106,234	38,953
<u>RETURN DATA</u>					
410	Average Rate Base		1,358,343	1,063,784	294,559
420	Return		132,438	103,719	28,719
430	Rate of Return		9.75%	9.75%	9.75%

* 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: _____ 2022
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: _____ 2022
FORECAST PERIOD: _____

ITEM	FORECASTED TOTAL COMPANY	TOTAL INTERSTATE	COMMON LINE	SWITCHED ACCESS			SWITCHED ACCESS	SPECIAL ACCESS	B&C+IX OTHER
				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 -----

	<u>PYCOS</u> <u>1/23-12/23</u>	<u>TEST PERIOD</u> <u>7/2/24-6/30/25</u>	<u>ANNUAL</u> <u>PCT CHG</u>
<u>COST COMPANIES:</u>			
EXPENSES AND TAXES *	\$243,940	\$234,178	-2.69%
AVERAGE NET INVESTMENT	\$611,246	\$587,842	-2.57%
NET RETURN @ 9.75%	\$59,597	\$57,315	-2.57%
REVENUE REQUIREMENT***	\$303,537	\$291,493	-2.66%
<u>AVERAGE SCHEDULE COMPANIES:</u>			
AVG SCHEDULE SETTLEMENTS***	\$48,980	\$46,511	-3.39%
NECA EXPENSES	\$14,046	\$13,105	-4.52%
UNIVERSAL SERVICE CONTRIBUTIONS	\$30,521	\$30,088	-0.95%
<u>TOTAL NECA POOL:</u>			
EXPENSES AND TAXES ** #	\$337,488	\$323,883	-2.71%
AVERAGE NET INVESTMENT	\$611,246	\$587,842	-2.57%
NET RETURN @ 9.75%	\$59,597	\$57,315	-2.57%
REVENUE REQUIREMENT#	\$397,084	\$381,198	-2.69%

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

	<u>PYCOS##</u> <u>1/23-12/23</u>	<u>TEST PERIOD</u> <u>7/2/24-6/30/25</u>	<u>ANNUAL</u> <u>PCT CHG</u>
<u>COST COMPANIES:</u>			
EXPENSES AND TAXES *	\$524,823	\$639,653	14.10%
AVERAGE NET INVESTMENT	\$1,806,267	\$2,142,673	12.06%
NET RETURN @ 9.75%	\$176,111	\$208,911	12.06%
REVENUE REQUIREMENT***	\$700,934	\$848,564	13.59%
<u>AVERAGE SCHEDULE COMPANIES:</u>			
AVG SCHEDULE SETTLEMENTS***	\$80,992	\$92,401	9.18%
NECA EXPENSES	\$32,536	\$36,456	7.88%
UNIVERSAL SERVICE CONTRIBUTIONS	N/A	N/A	N/A
<u>TOTAL NECA POOL:</u>			
EXPENSES AND TAXES **	\$638,351	\$768,510	13.17%
AVERAGE NET INVESTMENT	\$1,806,267	\$2,142,673	12.06%
NET RETURN @ 9.75%	\$176,111	\$208,911	12.06%
REVENUE REQUIREMENT	\$814,462	\$977,421	12.93%

* INCLUDES UNCOLLECTIBLES, LINE PORT/TIC SHIFT AMOUNTS, AND LIMITATIONS ON CORPORATE OPERATIONS EXPENSE AND OPERATING EXPENSES

** 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>1/23-12/23</u>	TEST PERIOD <u>7/2/24-6/30/25</u>	ANNUAL <u>PCT CHG</u>
<u>COST COMPANIES:</u>			
REVENUE REQUIREMENT***	\$136,971	\$126,786	-5.02%
<u>AVERAGE SCHEDULE COMPANIES:</u>			
AVG SCHEDULE SETTLEMENTS***	\$30,212	\$27,965	-5.02%
NECA EXPENSES	\$9,520	\$9,907	2.69%
<u>TOTAL NECA POOL:</u>			
REVENUE REQUIREMENT	\$176,703	\$164,658	-4.60%

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

	PYCOS <u>1/23-12/23</u>	TEST PERIOD <u>7/2/24-6/30/25</u>	ANNUAL <u>PCT CHG</u>
<u>COST COMPANIES:</u>			
EXPENSES AND TAXES *	\$166,915	\$160,371	-2.63%
AVERAGE NET INVESTMENT	\$301,236	\$294,559	-1.48%
NET RETURN @ 9.75%	\$29,371	\$28,719	-1.48%
REVENUE REQUIREMENT	\$196,285	\$189,091	-2.46%
<u>AVERAGE SCHEDULE COMPANIES:</u>			
AVG SCHEDULE SETTLEMENTS	\$28,224	\$25,807	-5.79%
NECA EXPENSES	\$8,012	\$8,332	2.65%
<u>TOTAL NECA POOL:</u>			
EXPENSES AND TAXES **	\$203,151	\$194,510	-2.86%
AVERAGE NET INVESTMENT	\$301,236	\$294,559	-1.48%
NET RETURN @ 9.75%	\$29,371	\$28,719	-1.48%
REVENUE REQUIREMENT	\$232,521	\$223,229	-2.68%

* 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
(Data in \$000)

Special Access	Actual		Consistent Sample				Non-Consistent Sample			Total			Test Period	
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2024/2025</u>	<u>TP/PYCOS</u>
Company Supplied	\$211.039	\$204.452	\$202.729	\$195.142	\$189.184	\$185.452	\$0.000	\$0.000	\$0.000	\$195.142	\$189.184	\$185.452	\$187.318	-2.69%
Adjustment				\$1.143	\$1.639	\$1.905				\$1.143	\$1.639	\$1.905	\$1.772	
NECA	\$211.039	\$204.452	\$202.729	\$196.285	\$190.823	\$187.358	\$0.000	\$0.000	\$0.000	\$196.285	\$190.823	\$187.358	\$189.091	-2.46%

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
2024 ANNUAL ACCESS FILING
AVERAGE SCHEDULE SETTLEMENT ATTRIBUTION ANALYSIS
(\$000,000)

Volume 2
Exhibit 6

SETTLEMENT ELEMENT	COMPARISON SETTLEMENT NOTE 1	FILING UPDATE NOTE 2	COST CONVERSIONS NOTE 3	ADJUSTED SETTLEMENT A+B-C	SEASONALLY ADJUSTED NOTE 4	ANNUALIZED SETTLEMENTS 12 x E	ANNUAL GROWTH RATIO NOTE 5	18 MONTH GROWTH RATIO (G-1) *1.5+1	POOL EXITS & ENTRIES NOTE 6	TEST PERIOD REV REQ w/o M + A FxH+I	NEW STUDY AREA & ACQUISITIONS	TEST PERIOD REV. REQ. NOTE 7
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
COMMON LINE	5.012	0.020	0.000	5.032	5.049	60.590	0.930	0.8950	-7.716	46.511	0.000	46.511
CBOL	6.736	0.571	0.000	7.307	7.281	87.378	1.160	1.2400	-15.948	92.401	0.000	92.401
USF CONTRIBUTION	0.414	0.026	0.000	0.440	0.475	5.701	0.930	0.8950	-0.600	4.503	0.000	4.503
TOTAL CL	12.162	0.617	0.000	12.779	12.805	153.669			-24.264	143.415	0.000	143.415
SWITCHED	1.884	-0.006	0.000	1.878	1.878	22.537			-1.275	21.262	0.000	21.262
SPECIAL ACCESS NON DSL	1.459	0.288	0.000	1.747	1.768	21.212	0.798	0.6970	-0.884	13.901	0.000	13.901
SPECIAL ACCESS DSL	1.074	0.017	0.000	1.091	1.089	13.063	0.961	0.9415	-0.394	11.905	0.000	11.905
TOTAL SPECIAL ACCESS	2.533	0.305	0.000	2.838	2.857	34.275			-1.278	25.806	0.000	25.806
TOTAL TS	4.417	0.299	0.000	4.716	4.735	56.812			-2.553	47.068	0.000	47.068
TOTAL	16.579	0.916	0.000	17.495	17.540	210.481			-26.817	190.483	0.000	190.483

(1) FROM NECA'S 2024 MODIFICATION OF AVERAGE SCHEDULES FILING, EXHIBIT 7.6

IT REFLECTS SEPTEMBER 2023 VIEW OF JULY 2023 DEMAND DATA AND INCLUDES MAG SHIFTS

(2) EFFECTS OF TRUE-UPS SINCE SEPTEMBER 2023 VIEW OF DATA REFLECTED IN (1)

(3) BASED ON DATA OF COMPANIES THAT CONVERTED TO INDIVIDUAL COST SETTLEMENTS

(4) COMPARES JULY 2023 DEMAND TO THE AVERAGE MONTH OF 2023

(5) DERIVED FROM NECA'S 2023 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 2024

(7) RRQ AMOUNTS FOR COMPANIES PARTICIPATING IN THE NECA CL POOL OR IN THE NECA TS POOL FOR BOTH SWITCHED AND SPECIAL ACCESS ARE INCLUDED

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC
CATEGORY I. ADMINISTRATIVE COSTS
2024/2025 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.	\$1,279.0	73.1%	\$49.6
Other Association Access Charges - I.C. **	\$470.4	26.9%	\$18.2
	=====	=====	=====
	\$1,749.4	100.0%	\$67.8

** 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, 2024 NECA ACCESS CHARGE FILING
TEST PERIOD: JULY 2, 2024- JUNE 30, 2025
UNIVERSAL SERVICE SUPPORT MECHANISM (USSM) CONTRIBUTION
QUARTERLY INTERSTATE RETAIL REVENUE OF USSM CONTRIBUTORS

VOLUME 2
EXHIBIT 8

(\$ Million)

<u>LINE NO</u>	<u>DATE</u>	<u>PROJECTED USSM END USER RETAIL REVENUE</u> ¹ (A)	<u>PROJECTED USSM ARC RETAIL REVENUE</u> ² (B)	<u>PROJECTED USSM SPECIAL ACCESS RETAIL REVENUE</u> ³ (C)	<u>PROJECTED INTERSTATE RETAIL REVENUE (IRR)</u> (D = A + B + C)
1	3Q 2024	\$13.8	\$1.9	\$6.7	\$22.4
2	4Q 2024	\$13.6	\$1.9	\$6.6	\$22.0
3	1Q 2025	\$13.3	\$1.8	\$6.5	\$21.7
4	2Q 2025	\$13.1	\$1.8	\$6.4	\$21.4
5	TP 2024/2025	\$53.9	\$7.5	\$26.1	\$87.5
6	3Q 2024 CONTRIBUTION FACTOR		DA 24-557		34.4%
7	TOTAL TEST PERIOD USSM CONTRIBUTION		LINE 5 * LINE 6		\$30.1

NOTES:

- 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. CBOL revenue was excluded per *the 2018 USF Forbearance Order*. NECA priced these revenues at proposed rates for 3Q 2024 through 2Q 2025.
- 2 NECA priced ARC retail revenues at proposed rates for 3Q 2024 through 2Q 2025, excluding ARC revenues of CL companies not in the TS pool.
- 3 Special access retail revenue excludes ADSL and SDSL retail revenue per *the 2018 USF Forbearance Order*.
NECA derived TP2024/2025 special access retail revenue and the exluded ARC revenue by applying the imputed FUSC revenue share from TP2023/2024 to projected end user retail revenue and ARC retail revenue explained in Notes 1 and 2.