

**NEVADA BELL
DESCRIPTION AND JUSTIFICATION
TRANSMITTAL NO. 318
DECEMBER 18, 2000**

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DESCRIPTION AND JUSTIFICATION

1. INTRODUCTION

In this filing, Nevada Bell (Nevada) proposes to incorporate adjustments in Universal Service Fund (USF) per line support as required under price cap regulation and incorporate the 1st quarter 2001 USF obligation into the non-price caps USF end user charge.

2. PRICE CAP COMPLIANCE

Adjustments to USF per line support calculations were required by the Fund Administrator pursuant to section 54.804 through 54.807 based on data submitted by Price Cap LECs on October 15, 2000, required under Part 54.802. Universal Service Administration Company (USAC) support for Nevada was adjusted, thus amending the CMT revenue and allowable recovery levels. Rate changes were needed to accommodate modifications in CMT revenue. A Tariff Review Plan (TRP) is attached to reflect all changes. Additionally, Figure 1 details Nevada's USF per line support and USAC receipts.

3. UNIVERSAL SERVICE FUND (USF)

The purpose of this portion of the filing is to revise Nevada's obligation based on the 1st quarter 2001 contribution factor. This factor was provided in the Commission's December 8, 2000, Public Notice CC-Docket No. 00-2764.

The estimated annual contribution amount was calculated as shown on Figure 2.

In addition, Nevada is revising its Special Access USF charge to reflect the 1st quarter 2001 factor.

Pacific Bell USAC Receipt Worksheet

USAC Receipts to be USED in CAP forms

Figure 1

			Zone 1 Single Line Business (B)	Multi-line Business (C)	Zone 2 Single Line Business (D)	Multi-line Business (E)	Zone 3 Single Line Business (F)	Multi-line Business (G)	Zone 4 Single Line Business (H)	Multi-line Business (I)	Total (J)
	Sourcing (A)										
100	Access USF Support per Line	Master File 6	\$0.00	\$0.00	\$0.00	\$0.00	\$0.19	\$0.00	\$0.00	\$0.00	\$0.19
105	Percentage of ILEC Lines by Zone	Master File 6	43.5300%	20.4100%	22.2800%	6.4800%	5.9200%	1.3800%	0.0000%	0.0000%	100.0000%
110	Percentage of ILEC Res/Bus Lines by Zone	(b=105b/(105b+d+f+h), c=105c/(105c+e+g+l))	60.6859%	72.1967%	31.0609%	22.9218%	8.2532%	4.8815%	0.0000%	0.0000%	200.0000%
115	Res. & Single Line Bus Access Lines	(J):CAP-1 r100+110a,(B-I):Ln110*Ln120J	86,241,585	102,599,700	44,141,110	0	11,728,697	0	0	0	142,111,392
120	Multi-line Business Access Lines	(J):CAP-1 r120a,(B-I):Ln110*Ln120J	0	56,991,182	0	18,094,212	0	3,853,397	0	0	78,938,790
130	Explicit USF Receipts	Res = Ln 100 * Ln 115, Bus = Ln 100 * Ln 120	\$0	\$0	\$0	\$0	\$2,251,910	\$0	\$0	\$0	\$2,251,910
140	Explicit Per Line Subsidy from USAC (at t)	(J):Ln 130J/(Ln 115J+ Ln 120J) = RTE-1 r185d									\$0.01018732

NEVADA BELL
USF End User Charge

Figure 2

<u>Line</u>		<u>Source</u>	<u>USF PAYMENT</u>
1	Jan-June, 2000 Contribution Base	Form 499-S	\$ 13,845,000
2	Jan-June, 2000 Special Access Revenues	Form 499-S	\$ 2,314,746
3	Jan-June, 2000 End User Revenues	(L1 - L2)	\$ 11,530,254
4	1st Quarter 2000 Contribution Factor	Note 1	0.066827
5	Annual USF Liability to be recovered via end user charge	(L3 / 2 * L4 * 4)	\$ 1,541,065
	PICC Line Counts (1999 Base Period) less Lifeline and resold lines		
6	Primary Residential & Single Line Bus		2,225,203
7	Nonprimary Residential & BRI ISDN		546,760
8	Multiline Business & PRI ISDN		700,218
9	Centrex Lines >9 Lines		56,606
10	Centrex Systems with <9 Lines		3,154
11	TOTAL LINES	Sum L6 thru L10	3,531,941
12	USF Per Line	(L5 / L11)	\$ 0.44

Note 1: Public Notice, DA 00-2764, released December 8, 2000.

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