

NEVADA BELL TELEPHONE COMPANY

Universal Service Fee (USF) Rate Development

2nd Quarter 2003 Contribution Factor	Source	(A)	(B)	(C=A*B)
	DA 03-689		0.091	
Basic USF Recovery Charge				
<i>Residential / Single-Line Business/ BRI ISDN</i>				USF Charge
End User Common Line Rate		5.37		
LNP End User Surcharge		0.41		
Total Basic Interstate End User Revenue		5.78		0.52
<i>Multi-line Business</i>	Exhibit2			0.99
<i>PBX</i>	Exhibit2			0.44
<i>PRI ISDN</i>	Exhibit2			8.26
<i>CENTREX</i>	Exhibit2			0.14
End User Port USF Recovery Charges				
BRI ISDN		3.90		0.35
Other USF Recovery Charges				
PIC Change Charge		5.00		0.45
International Call Blocking		-		0
900 Call Blocking		13.31		1.21

Universal Service Fee (USF) Rate Development

2nd Quarter 2003 Contribution Factor		Source DA 03-689	(A)	(B) 0.091	(C=A*B) USF Charge
Basic USF Recovery Charge for MLB, PRI, & Centrex					
<i>Multi-line Business, PRI ISDN, CENTREX</i>					
<i>Lines as of December 2002</i>					
L1	MLB Lines		51,687		
L2	Centrex lines with less than 9 lines		9,302		
L3	Centrex Systems with less than 9 lines		1,034		
L4	Centrex lines with greater than 9 lines		42,927		
L5	PRI ISDN		109		
	Total		105,059		
L6	End User Common Line Rate		5.89		
L7	MLB	L6*L1	304,436		
L8	PRI ISDN	L6*L5*5	3,216		
L9	Centrex	(L6)*(L2+L4)	307,629		
L10	MLB, PRI ISDN, Centrex Revenue	L7:L10	615,281		
L11	MLB, PRI ISDN, Centrex Obligation	L12*9.0044%	55,402		
L12	2002 Billable Lines	L1+L2+(L4/9)+(L5*5)	58,036		
	<i>(Centrex > 9 lines @ 1/9, Centrex Systems <9 lines, & PRI ISDN @5)</i>				
L13	Basic MLB Rate (excluding LNP recovery)	(L11/L12)			0.95
L14	Basic Centrex Rate (excluding LNP recovery)	L13/9			0.11
L15	Basic PRI ISDN Rate (excluding LNP and Port recovery)	L13*5			4.77
L16	Basic MLB USF Recovery	L1*L13	49,341		
L17	Basic Centrex USF Recovery	(L3*13)+(L4*L14)	5,540		
L18	Basic PRI ISDN USF Recovery	(L5*L15)	521		
L19	Total MLB, PRI ISDN, Centrex Basic USF Recovery		55,402		
Additives to the Basic MLB Rate					
<i>Multi-line Business, Centrex</i>					
L20	LNP End User Surcharge		0.41		0.04
<i>PBX</i>					
L21	LNP End User Surcharge		3.69		0.34
<i>PRI ISDN</i>					
L22	LNP End User Surcharge		2.05		
L23	PRI ISDN Port Charge		36.29		
L24	PRI ISDN LNP and Port Recovery	L22+L23	38.34		3.49
<i>Final Basic MLB, PRI ISDN, & Centrex USF Rates</i>					
L25	MLB	L13+L20			0.99
L26	PBX	L13+L21			0.44
L27	PRI ISDN	L15+L24			8.26
L28	Centrex	L14+L20			0.14