

IND-1

Filing Date: 5/5/2004

Filing Entity: CTC2

Transmittal Number: TRP Letter filing 5/5/04

2004 Annual Filing Short Form TRP

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Price Cap Tariff Review Plan
Indices

| | PROPOSED PCI (A) | PROPOSED API (B) | PROPOSED SBI (C) | PROPOSED SBI LIMIT (D) | EXISTING PCI (E) | EXISTING API (F) | EXISTING SBI (G) | EXISTING SBI LIMIT (H) | 6/30/2004 PCI (I) | 6/30/2004 SBI (J) |
|---------------------------------|------------------------|------------------------|------------------------|------------------------------|------------------------|------------------------|------------------------|------------------------------|-------------------------|-------------------------|
| Common Line Basket | | | | | | | | | | |
| 100 Total Common Line | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Traffic Sensitive Basket | | | | | | | | | | |
| 200 Local Switching | N/A | N/A | June filing | June filing | N/A | N/A | 11.4761 | 12.0499 | N/A | 11.4761 |
| 210 Information | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 220 Database Access | N/A | N/A | June filing | June filing | N/A | N/A | 100.2930 | 105.2830 | N/A | 100.2930 |
| 230 800 DB VertSvcs Sub-Cat | N/A | N/A | June filing | June filing | N/A | N/A | 100.0000 | 105.0000 | N/A | 100.0000 |
| 240 Billing Name and Address | N/A | N/A | June filing | June filing | N/A | N/A | 46.4006 | 48.7206 | N/A | 46.4006 |
| 250 Local Switching Trunk Ports | N/A | N/A | June filing | June filing | N/A | N/A | 31.6611 | 33.2441 | N/A | 31.6611 |
| 260 STP Port Terminations | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 299 Total Traffic Sensitive | June filing | June filing | N/A | N/A | 15.9314 | 15.9314 | N/A | N/A | 15.9314 | N/A |
| Trunking Basket | | | | | | | | | | |
| 300 Interconnection Charge | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 310 Tandem Switched Transport | N/A | N/A | June filing | June filing | N/A | N/A | 36.2127 | 36.9370 | N/A | 36.2127 |
| 311 TST Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 312 TST Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 313 TST Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 314 TST Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 315 TST Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 316 TST Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 317 TST Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 320 VoiceGrade - Switched | N/A | N/A | June filing | June filing | N/A | N/A | 99.1666 | 104.1249 | N/A | 99.1666 |
| 321 VG DTT/EF Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 322 VG DTT/EF Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 323 VG DTT/EF Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 324 VG DTT/EF Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 325 VG DTT/EF Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 326 VG DTT/EF Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 327 VG DTT/EF Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 340 High Cap & Other - Switched | N/A | N/A | June filing | June filing | N/A | N/A | 64.2463 | 67.4586 | N/A | 64.2463 |
| 350 DS-1 SubCat - Switched | N/A | N/A | June filing | June filing | N/A | N/A | 79.4520 | 83.4246 | N/A | 79.4520 |
| 351 DS1 DTT Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 352 DS1 DTT Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 353 DS1 DTT Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 354 DS1 DTT Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 355 DS1 DTT Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 356 DS1 DTT Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 357 DS1 DTT Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 360 DS-3 SubCat - Switched | N/A | N/A | June filing | June filing | N/A | N/A | 6.5818 | 6.9109 | N/A | 6.5818 |
| 361 DS3 DTT Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 362 DS3 DTT Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 363 DS3 DTT Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 364 DS3 DTT Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 365 DS3 DTT Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 366 DS3 DTT Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 367 DS3 DTT Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |

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| | | PROPOSED | PROPOSED | PROPOSED | PROPOSED | EXISTING | EXISTING | EXISTING | EXISTING | 6/30/2004 | 6/30/2004 |
|------------------------------|-----------------------------|-------------|-------------|-------------|-------------|----------|----------|----------|-----------|-----------|-----------|
| | | PCI | API | SBI | SBI LIMIT | PCI | API | SBI | SBI LIMIT | PCI | SBI |
| | | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) |
| 370 | HC Other Sw Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 371 | HC Other Sw Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 372 | HC Other Sw Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 373 | HC Other Sw Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 374 | HC Other Sw Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 375 | HC Other Sw Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 376 | HC Other Sw Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 380 | Signalling Interconnection | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 381 | SigIntCon Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 382 | SigIntCon Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 383 | SigIntCon Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 384 | SigIntCon Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 385 | SigIntCon Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 386 | SigIntCon Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 387 | SigIntCon Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 499 | Total Trunking | June filing | June filing | N/A | N/A | 16.8022 | 16.7893 | N/A | N/A | 16.8022 | N/A |
| Interexchange Basket | | | | | | | | | | | |
| 600 | Total Interexchange | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | N/A | 0.0000 | N/A |
| Special Access Basket | | | | | | | | | | | |
| 720 | VG/WATS, Met, Tgh - Special | N/A | N/A | June filing | June filing | N/A | N/A | 87.1148 | 87.7314 | N/A | 87.1148 |
| 721 | VG Spec Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 722 | VG Spec Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 723 | VG Spec Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 724 | VG Spec Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 725 | VG Spec Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 726 | VG Spec Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 727 | VG Spec Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 730 | Audio & Video | N/A | N/A | June filing | June filing | N/A | N/A | 98.0727 | 98.0771 | N/A | 98.0727 |
| 731 | Audio/Video Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 732 | Audio/Video Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 733 | Audio/Video Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 734 | Audio/Video Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 735 | Audio/Video Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 736 | Audio/Video Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 737 | Audio/Video Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 740 | High Cap & DDS - Special | N/A | N/A | June filing | June filing | N/A | N/A | 81.9012 | 86.1672 | N/A | 81.9012 |
| 750 | DS-1 SubCat - Special | N/A | N/A | June filing | June filing | N/A | N/A | 79.3447 | 84.7019 | N/A | 79.3447 |
| 751 | DS1 Spec Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 752 | DS1 Spec Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 753 | DS1 Spec Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 754 | DS1 Spec Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 755 | DS1 Spec Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 756 | DS1 Spec Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 757 | DS1 Spec Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 760 | DS-3 SubCat - Special | N/A | N/A | June filing | June filing | N/A | N/A | 84.3780 | 85.4261 | N/A | 84.3780 |
| 761 | DS3 Spec Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 762 | DS3 Spec Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 763 | DS3 Spec Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 764 | DS3 Spec Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 765 | DS3 Spec Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 766 | DS3 Spec Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 767 | DS3 Spec Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |

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|-----|-----------------------------|------------------------|------------------------|------------------------|------------------------------|------------------------|------------------------|------------------------|------------------------------|-------------------------|-------------------------|
| 770 | DDS&Other Sp Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 771 | DDS&Other Sp Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 772 | DDS&Other Sp Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 773 | DDS&Other Sp Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 774 | DDS&Other Sp Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 775 | DDS&Other Sp Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 776 | DDS&Other Sp Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 790 | Wideband | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 791 | WB Density Zone 1 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 792 | WB Density Zone 2 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 793 | WB Density Zone 3 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 794 | WB Density Zone 4 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 795 | WB Density Zone 5 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 796 | WB Density Zone 6 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 797 | WB Density Zone 7 | N/A | N/A | June filing | June filing | N/A | N/A | 0.0000 | 0.0000 | N/A | 0.0000 |
| 899 | Total Special Access | June filing | June filing | N/A | N/A | 48.5879 | 48.5878 | N/A | N/A | 48.5879 | N/A |

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Price Cap Tariff Review Plan
Targeting: Inputs and Aggregate Target

| | Source | Total (A) | Common Line (B) | Traffic Sensitive (C) | Trunking (D) |
|---|---|--------------|--------------------|--------------------------|-----------------|
| 100 Local Switching (ATS-related) | for ShortForm: Input Revenue | 2,042,169 | N/A | 2,042,169 | N/A |
| 105 LS Trunk Ports | for ShortForm: Input Revenue | 865,758 | N/A | 865,758 | N/A |
| 110 Info Surcharge | for ShortForm: Input Revenue | 0 | N/A | 0 | N/A |
| 115 STP Port | for ShortForm: Input Revenue | 0 | N/A | 0 | N/A |
| 125 TIC | for ShortForm: Input Revenue | 0 | N/A | N/A | 0 |
| 130 Tandem SW Trprt (ATS-related) | for ShortForm: Input Revenue | 939,831 | N/A | N/A | 939,831 |
| 160 VG: SW (ATS-related) | for ShortForm: Input Revenue | 70,687 | N/A | N/A | 70,687 |
| 220 High Caps & Other (ATS-related) | for ShortForm: Input Revenue | 1,401,294 | N/A | N/A | 1,401,294 |
| 380 Signalling Interconnection (ATS-related) | for ShortForm: Input Revenue | 0 | N/A | N/A | 0 |
| 400 Total Avg-Traffic-Sensitive-Related Revenue | sum(r100 thru r380) | 5,319,739 | N/A | N/A | N/A |
| 410 Switched TS Revenue | sum(r100 thru r115) | 2,907,927 | N/A | N/A | N/A |
| 415 Switched Transport Revenue | sum(r125 thru r380) | 2,411,812 | N/A | N/A | N/A |
| 420 Local Switching MOU | for ShortForm: Input MOU | 499,615,710 | N/A | N/A | N/A |
| 430 LEC Transport MOU | Input | 499,615,710 | N/A | N/A | N/A |
| 440 Switched TS Rev per MOU | r410/r420 | 0.005820 | N/A | N/A | N/A |
| 450 Switched Transport Rev per LEC Trnsprt MOU | r415/r430 | 0.004827 | N/A | N/A | N/A |
| 460 ATS Rev per MOU | r440+r450 | 0.01064766 | N/A | N/A | N/A |
| 470 Original Target Avg TS MOU Rate | Input (will not change from year to year) | 0.00950000 | N/A | N/A | N/A |
| 475 ATS Target Met in Prior Filing? | Yes/No;if Yes, enter Trnsm#,Date,Rate in col.B,C,D | No | TN# | Date | 0.00000000 |
| 478 Target Avg TS MOU Rate | If have not met target:: r470; else: if AnnFil, r460;if MidYr.prev.AnnFil TGT3r1130 | 0.00950000 | N/A | N/A | N/A |
| 480 Difference bet curr ATS and Target ATS | if r 475a = "Yes", 0; else if r470>0.0095, r460 - r478; else Max(0, r460 - r478) | 0.00114766 | N/A | N/A | N/A |
| 485 TGT form on which to continue | if r480>0 or if(r480<0 & r470>.0095 & r475="No"),"TGT2"; TGT2 else, if r470<.0095 or if (r470>=.0095 & CAP1(r650-r652-r660)<=0), "June filing"; else "TGT2" | | N/A | N/A | N/A |

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Filing Date: 5/5/2004

Filing Entity: CTC2

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Price Cap Tariff Review Plan
Initial Targeting Calculations, for ILECs Not Meeting Target Coming into This Filing

| Source | | Total (A) | Common Line (B) | Traffic Sensitive (C) | Trunking (D) |
|---|---|--------------|--------------------|--------------------------|-----------------|
| For all rows: if TGT1r485="TGT2", use sourcing below; else TGT1r485 | | | | | |
| 490 Maximum Revenue to Target | if TGT1r420>TGT1r430, then TGT1(r480*r420), else TGT1(r480*(r420*r100/r400+r430*(1-r100/r400))), or Input (for specific entities) | 573,390 | N/A | N/A | N/A |
| 500 GDPPI | Input | N/A | 1.6252 | 1.6252 | 1.6252 |
| 510 X | Input | N/A | 6.5000 | 6.5000 | 6.5000 |
| 520 g factor | for ShortForm: Input | N/A | 0.0000 | N/A | N/A |
| 530 CL MOU Revenue (t-1) (EXCLUDING Mktg) | Input | N/A | 659,391 | N/A | N/A |
| 540 R(t-1) | for ShortForm: Input | 30,756,864 | 24,670,339 | 3,674,713 | 2,411,812 |
| 547 Reversal of Prior Yr Pooling btwn Jurisdictions | Input | 1,991,703 | 1,991,703 | N/A | N/A |
| 550 Initial Target Reduction | col.b:(r540+r547-r530+r530/(1+r520/200))* (1+(r500-r510)/100)-r540-r547 col.c.d: (r500-r510)/100*r540 | (1,596,427) | (1,299,721) | (179,135) | (117,571) |
| 555 Transfer Targeting Amount | Input | 0 | 0 | N/A | N/A |
| 560 Actual Available Targeting Revenue | -Min(-r550-r555, r490); or Input for specific entities | (573,390) | N/A | N/A | N/A |
| 570 Revenue remaining to Target | r490+r560 | 0 | N/A | N/A | N/A |
| 595 Percentage Reduction in LS | Input (enter 0 if not your initial CALLS filing) | 0.0000 | N/A | N/A | N/A |
| 600 Specified LS Revenue Reduction | Initial restructure: r595*TGT1r100; else 0; or Input for specific entities | 0 | N/A | N/A | N/A |
| 610 Amount of Calculated LS Reduction | Min(r600, r570); or Input for specific entities | 0 | N/A | N/A | N/A |
| 620 Final Revenue Remaining to Target | r570-r610 | 0 | N/A | N/A | N/A |
| 700 Required TIC Reduction | if TGT1r125a>0,-Min(-r560a, TGT1r125a); else 0 | 0 | N/A | N/A | 0 |
| 710 Required Info Surcharge Reduction | if TGT1r110a>0,-Min(-r560a+r700a,TGT1r110a);else 0 | 0 | N/A | 0 | N/A |
| 715 Residual Amount | r560a-r700a-r710a-r610a | (573,390) | N/A | (573,390) | N/A |
| 720 Minimum Amount for LS Band | if TGT1r470>.0095 & not met in prior filing Min(TGT1r100/(r700+r710+TGT1r400)*r715,r715); else Max(TGT1r100/(r700+r710+TGT1r400)*r715,r715) | (220,116) | N/A | (220,116) | N/A |
| 730 Max. Avail. for Other ATS Ratemaking | r715-r720 | (353,274) | N/A | N/A | N/A |

Price Cap Tariff Review Plan
PCI Development

| | SOURCE | COMMON LINE BASKET | TRAFFIC SENSITIVE BASKET | TRUNKING BASKET | INTER- EXCHANGE BASKET | SPECIAL ACCESS BASKET |
|--|--|--------------------------|--------------------------------|--------------------|------------------------------|-----------------------------|
| | | (A) | (B) | (C) | (D) | (E) |
| 600 GDP-PI | if TGT1r485="TGT2", TGT2r500; else Input | N/A | 1.6252 | 1.6252 | 0.0000 | 1.6252 |
| 610 Productivity Factor (X) | col.b&c:(ifTGT1r485="TGT2",TGT2r510; else,r600; col.d:3.0; col.e:r600, exc. for COSA w/X extension r600-r610 | N/A | 6.5000 | 6.5000 | 0.0000 | 1.6252 |
| 620 GDP-PI - X | | N/A | (4.8748) | (4.8748) | 0.0000 | 0.0000 |
| 680 Existing PCI | Input | N/A | 15.9314 | 16.8022 | 0.0000 | 48.5879 |
| 710 Delta Z | EXG1,c.S | N/A | 223 | 0 | 0 | 2,572 |
| 720 R(t-1) | for ShortForm: Input | N/A | 3,674,713 | 2,411,812 | 0 | 8,488,198 |
| 740 Delta Z/R | r710/r720*100 | N/A | 0.0061 | 0.0000 | 0.0000 | 0.0303 |
| 750 W | 100+r740 | N/A | 100.0061 | 100.0000 | 0.0000 | 100.0303 |
| 760 W*(GDP-PI - X) | r750*r620/100 | N/A | N/A | N/A | 0.0000 | 0.0000 |
| 950 Targeted Revenue Differential or Change | TGT3r1100 | N/A | June filing | June filing | N/A | N/A |
| 970 Prop. PCI (NonExog Only: Annual Filing SBI Upper Limit calculations only) | col.b&c: r680; col.e: r680*(1+r620/100) | N/A | 15.9314 | 16.8022 | N/A | 48.5879 |
| 980 Proposed PCI | col.b&c: r680*(1+r740/100+r950/r720) col.d&e: r680*(1+r760/100+r740/100) | N/A | 15.9323 | 16.8022 | 0.0000 | 48.6027 |

NOTES:

- (1) Display indexes and factors as percent to four decimal places (e.g., display 100% as 100.000).
- (2) Display revenues as whole numbers.

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Price Cap Tariff Review Plan
Exogenous Cost Changes

| | SALE OF EXCHANGES | REGULA- TORY FEES | EXCESS DEFERRED TAXES | ITC AMORTIZ. | REMOVAL OF LOW END ADJUSTMENT | TRUEUP PRIOR SHARING / LOW END ADJUSTMENT | CURRENT LOW END ADJUSTMENT | TELECOMM. RELAY SERVICES | REG/NON-REG |
|--|----------------------|-------------------------|-----------------------------|-----------------|-------------------------------------|--|----------------------------------|--------------------------------|-------------|
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) |
| <u>COMMON LINE Revenue Effect</u> | | | | | | | | | |
| 100 Depreciation Expense | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 110 Expense less Depreciation | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 120 Taxes less F.I.T. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 130 Net Return | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 140 F.I.T. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 150 Uncollectible Rev. & Other Adj. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 160 Revenue Effects | 0 | 3,538 | 0 | 0 | 0 | 0 | 0 | 8,669 | 0 |
| <u>TRAFFIC SENSITIVE Revenue Effect</u> | | | | | | | | | |
| 300 Depreciation Expense | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 310 Expense less Depreciation | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 320 Taxes less F.I.T. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 330 Net Return | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 340 F.I.T. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 350 Uncollectible Rev. & Other Adj. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 360 Revenue Effects | 0 | 118 | 0 | 0 | 0 | 0 | 0 | 102 | 0 |
| <u>TRUNKING Revenue Effect</u> | | | | | | | | | |
| 500 Depreciation Expense | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 510 Expense less Depreciation | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 520 Taxes less F.I.T. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 530 Net Return | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 540 F.I.T. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 550 Uncollectible Rev. & Other Adj. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 560 Revenue Effects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>INTEREXCHANGE Revenue Effect</u> | | | | | | | | | |
| 700 Depreciation Expense | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 710 Expense less Depreciation | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 720 Taxes less F.I.T. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 730 Net Return | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 740 F.I.T. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 750 Uncollectible Rev. & Other Adj. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 760 Revenue Effects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>SPECIAL Access Revenue Effect</u> | | | | | | | | | |
| 1300 Depreciation Expense | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 1310 Expense less Depreciation | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 1320 Taxes less F.I.T. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 1330 Net Return | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 1340 F.I.T. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 1350 Uncollectible Rev. & Other Adj. | 0 | N/A | 0 | 0 | N/A | N/A | N/A | N/A | N/A |
| 1360 Revenue Effects | 0 | 1,367 | 0 | 0 | 0 | 0 | 0 | 1,180 | 0 |

NOTE: (1) Total may not equal sum of changes due to interactive effects.

(2) Display whole numbers.

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Filing Entity: CTC2

Transmittal Number: TRP Letter filing 5/5/04

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Price Cap Tariff Review Plan
Exogenous Cost Changes

| DESCRIPTION: | NANPA | TBNP (incl. reversal) | OTHER (3) | OTHER (4) | OTHER (5) | OTHER (6) | OTHER (7) | OTHER (8) | OTHER (9) | TOTAL |
|--|-----------|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|--------|
| | OTHER (1) | OTHER (2) | | | | | | | | |
| | (J) | (K) | (L) | (M) | (N) | (O) | (P) | (Q) | (R) | (S) |
| <u>COMMON LINE Revenue Effect</u> | | | | | | | | | | |
| 100 Depreciation Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 110 Expense less Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 120 Taxes less F.I.T. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 130 Net Return | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 140 F.I.T. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 150 Uncollectible Rev. & Other Adj. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 160 Revenue Effects | (146) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 12,061 |
| <u>TRAFFIC SENSITIVE Revenue Effect</u> | | | | | | | | | | |
| 300 Depreciation Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 310 Expense less Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 320 Taxes less F.I.T. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 330 Net Return | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 340 F.I.T. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 350 Uncollectible Rev. & Other Adj. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 360 Revenue Effects | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 223 |
| <u>TRUNKING Revenue Effect</u> | | | | | | | | | | |
| 500 Depreciation Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 510 Expense less Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 520 Taxes less F.I.T. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 530 Net Return | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 540 F.I.T. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 550 Uncollectible Rev. & Other Adj. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 560 Revenue Effects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>INTEREXCHANGE Revenue Effect</u> | | | | | | | | | | |
| 700 Depreciation Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 710 Expense less Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 720 Taxes less F.I.T. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 730 Net Return | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 740 F.I.T. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 750 Uncollectible Rev. & Other Adj. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 760 Revenue Effects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| <u>SPECIAL Access Revenue Effect</u> | | | | | | | | | | |
| 1300 Depreciation Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 1310 Expense less Depreciation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 1320 Taxes less F.I.T. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 1330 Net Return | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 1340 F.I.T. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 1350 Uncollectible Rev. & Other Adj. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A |
| 1360 Revenue Effects | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,572 |

NOTE: (1) Total may not equal sum of changes due to interactive effects.

(2) Display whole numbers.