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Filing Date: 5/5/2004

Filing Entity: CTC3

Transmittal Number: TRP Letter filing 5/5/04

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|                                 | PROPOSED<br>PCI<br>(A) | PROPOSED<br>API<br>(B) | PROPOSED<br>SBI<br>(C) | PROPOSED<br>SBI LIMIT<br>(D) | EXISTING<br>PCI<br>(E) | EXISTING<br>API<br>(F) | EXISTING<br>SBI<br>(G) | EXISTING<br>SBI LIMIT<br>(H) | 6/30/2004<br>PCI<br>(I) | 6/30/2004<br>SBI<br>(J) |
|---------------------------------|------------------------|------------------------|------------------------|------------------------------|------------------------|------------------------|------------------------|------------------------------|-------------------------|-------------------------|
| <b>Common Line Basket</b>       |                        |                        |                        |                              |                        |                        |                        |                              |                         |                         |
| 100 Total Common Line           | N/A                    | N/A                    | N/A                    | N/A                          | N/A                    | N/A                    | N/A                    | N/A                          | N/A                     | N/A                     |
| <b>Traffic Sensitive Basket</b> |                        |                        |                        |                              |                        |                        |                        |                              |                         |                         |
| 200 Local Switching             | N/A                    | N/A                    | June filing            | June filing                  | N/A                    | N/A                    | 44.3275                | 46.5439                      | N/A                     | 44.3275                 |
| 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                    | 0.0000                 | 0.0000                       | N/A                     | 0.0000                  |
| 230 800 DB VertSvcs Sub-Cat     | N/A                    | N/A                    | June filing            | June filing                  | N/A                    | N/A                    | 0.0000                 | 0.0000                       | N/A                     | 0.0000                  |
| 240 Billing Name and Address    | N/A                    | N/A                    | June filing            | June filing                  | N/A                    | N/A                    | 0.0000                 | 0.0000                       | N/A                     | 0.0000                  |
| 250 Local Switching Trunk Ports | N/A                    | N/A                    | June filing            | June filing                  | N/A                    | N/A                    | 74.6735                | 78.4072                      | N/A                     | 74.6735                 |
| 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                          | 40.7959                | 40.7955                | N/A                    | N/A                          | 40.7959                 | N/A                     |
| <b>Trunking Basket</b>          |                        |                        |                        |                              |                        |                        |                        |                              |                         |                         |
| 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                    | 60.4299                | 61.6385                      | N/A                     | 60.4299                 |
| 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                    | 0.0000                 | 0.0000                       | N/A                     | 0.0000                  |
| 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                    | 100.0000               | 105.0000                     | N/A                     | 100.0000                |
| 350 DS-1 SubCat - Switched      | N/A                    | N/A                    | June filing            | June filing                  | N/A                    | N/A                    | 100.0000               | 105.0000                     | N/A                     | 100.0000                |
| 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                    | 0.0000                 | 0.0000                       | N/A                     | 0.0000                  |
| 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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|------------------------------|-----------------------------|-------------|-------------|-------------|-------------|----------|----------|----------|-----------|-----------|-----------|
|                              |                             | 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         | 24.6757  | 24.6755  | N/A      | N/A       | 24.6757   | N/A       |
| <b>Interexchange Basket</b>  |                             |             |             |             |             |          |          |          |           |           |           |
| 600                          | Total Interexchange         | June filing | June filing | N/A         | N/A         | 0.0000   | 0.0000   | N/A      | N/A       | 0.0000    | N/A       |
| <b>Special Access Basket</b> |                             |             |             |             |             |          |          |          |           |           |           |
| 720                          | VG/WATS, Met, Tgh - Special | N/A         | N/A         | June filing | June filing | N/A      | N/A      | 82.0822  | 82.3099   | N/A       | 82.0822   |
| 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      | 0.0000   | 0.0000    | N/A       | 0.0000    |
| 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      | 92.5090  | 97.1990   | N/A       | 92.5090   |
| 750                          | DS-1 SubCat - Special       | N/A         | N/A         | June filing | June filing | N/A      | N/A      | 91.2814  | 99.3314   | N/A       | 91.2814   |
| 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      | 82.7967  | 83.1185   | N/A       | 82.7967   |
| 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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|-----|-----------------------------|-------------|-------------|-------------|-------------|----------|----------|----------|-----------|-----------|-----------|
|     |                             | PCI         | API         | SBI         | SBI LIMIT   | PCI      | API      | SBI      | SBI LIMIT | PCI       | SBI       |
|     |                             | (A)         | (B)         | (C)         | (D)         | (E)      | (F)      | (G)      | (H)       | (I)       | (J)       |
| 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         | 80.9036  | 80.8996  | N/A      | N/A       | 80.9036   | N/A       |

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Targeting: Inputs and Aggregate Target

|   | Source   | Total<br>(A) | Common Line<br>(B) | Traffic Sensitive<br>(C) | Trunking<br>(D) |
|---|--|--------------|--------------------|--------------------------|-----------------|
| 100 Local Switching (ATS-related)               | for ShortForm: Input Revenue   | 274,082      | N/A                | 274,082                  | N/A             |
| 105 LS Trunk Ports                              | for ShortForm: Input Revenue   | 47,797       | N/A                | 47,797                   | 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 Trpt (ATS-related)                | for ShortForm: Input Revenue   | 36,559       | N/A                | N/A                      | 36,559          |
| 160 VG: SW (ATS-related)                        | for ShortForm: Input Revenue   | 0            | N/A                | N/A                      | 0               |
| 220 High Caps & Other (ATS-related)             | for ShortForm: Input Revenue   | 9,064        | N/A                | N/A                      | 9,064           |
| 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)  | 367,502      | N/A                | N/A                      | N/A             |
| 410 Switched TS Revenue                         | sum(r100 thru r115)  | 321,879      | N/A                | N/A                      | N/A             |
| 415 Switched Transport Revenue                  | sum(r125 thru r380)  | 45,623       | N/A                | N/A                      | N/A             |
| 420 Local Switching MOU                         | for ShortForm: Input MOU   | 38,630,944   | N/A                | N/A                      | N/A             |
| 430 LEC Transport MOU                           | Input  | 38,630,944   | N/A                | N/A                      | N/A             |
| 440 Switched TS Rev per MOU                     | r410/r420  | 0.008332     | N/A                | N/A                      | N/A             |
| 450 Switched Transport Rev per LEC Trnsprt MOU  | r415/r430  | 0.001181     | N/A                | N/A                      | N/A             |
| 460 ATS Rev per MOU                             | r440+r450  | 0.00951315   | 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   | Yes          | TN #138            | 7/1/03                   | 0.00950000      |
| 478 Target Avg TS MOU Rate                      | If have not met target:: r470; else:<br>if AnnFil, r460;if MidYr.prev.AnnFil TGT3r1130   | 0.00951315   | 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;<br>else Max(0, r460 - r478)  | 0.00000000   | 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"; June filing<br>else, if r470<.0095 or if (r470>=.0095 &<br>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: CTC3

Transmittal Number: TRP Letter filing 5/5/04

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

| Source  |   | Total<br>(A) | Common Line<br>(B) | Traffic Sensitive<br>(C) | Trunking<br>(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<br>TGT1(r480*(r420*r100/r400+r430*(1-r100/r400))), or<br>Input (for specific entities)           | June Filing  | N/A                | N/A                      | N/A             |
| 500 GDPPI   | Input   | N/A          | June Filing        | June Filing              | June Filing     |
| 510 X   | Input   | N/A          | June Filing        | June Filing              | June Filing     |
| 520 g factor  | for ShortForm: Input  | N/A          | June Filing        | N/A                      | N/A             |
| 530 CL MOU Revenue (t-1) (EXCLUDING Mktg)                           | Input   | N/A          | June Filing        | N/A                      | N/A             |
| 540 R(t-1)  | for ShortForm: Input  | June Filing  | June Filing        | June Filing              | June Filing     |
| 547 Reversal of Prior Yr Pooling btwn Jurisdictions                 | Input   | June Filing  | June Filing        | N/A                      | N/A             |
| 550 Initial Target Reduction  | col.b:(r540+r547-r530+r530/(1+r520/200))*<br>(1+(r500-r510)/100)-r540-r547<br>col.c.d: (r500-r510)/100*r540                                       | June Filing  | June Filing        | June Filing              | June Filing     |
| 555 Transfer Targeting Amount                                       | Input   | June Filing  | June Filing        | N/A                      | N/A             |
| 560 Actual Available Targeting Revenue                              | -Min(-r550-r555, r490); or Input for specific entities  | June Filing  | N/A                | N/A                      | N/A             |
| 570 Revenue remaining to Target                                     | r490+r560   | June Filing  | N/A                | N/A                      | N/A             |
| 595 Percentage Reduction in LS                                      | Input (enter 0 if not your initial CALLS filing)  | June Filing  | N/A                | N/A                      | N/A             |
| 600 Specified LS Revenue Reduction                                  | Initial restructure: r595*TGT1r100; else 0; or Input<br>for specific entities   | June Filing  | N/A                | N/A                      | N/A             |
| 610 Amount of Calculated LS Reduction                               | Min(r600, r570); or Input for specific entities   | June Filing  | N/A                | N/A                      | N/A             |
| 620 Final Revenue Remaining to Target                               | r570-r610   | June Filing  | N/A                | N/A                      | N/A             |
| 700 Required TIC Reduction  | if TGT1r125a>0,-Min(-r560a, TGT1r125a); else 0  | June Filing  | N/A                | N/A                      | 0               |
| 710 Required Info Surcharge Reduction                               | if TGT1r110a>0,-Min(-r560a+r700a,TGT1r110a);else 0  | June Filing  | N/A                | June Filing              | N/A             |
| 715 Residual Amount   | r560a-r700a-r710a-r610a   | June Filing  | N/A                | June Filing              | N/A             |
| 720 Minimum Amount for LS Band                                      | if TGT1r470>.0095 & not met in prior filing<br>Min(TGT1r100/(r700+r710+TGT1r400)*r715,r715); else<br>Max(TGT1r100/(r700+r710+TGT1r400)*r715,r715) | June Filing  | N/A                | June Filing              | N/A             |
| 730 Max. Avail. for Other ATS Ratemaking                            | r715-r720   | June Filing  | N/A                | N/A                      | N/A             |

Price Cap Tariff Review Plan  
PCI Development

| SOURCE   |  | COMMON<br>LINE<br>BASKET | TRAFFIC<br>SENSITIVE<br>BASKET | TRUNKING<br>BASKET | INTER-<br>EXCHANGE<br>BASKET | SPECIAL<br>ACCESS<br>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;<br>col.d:3.0; col.e:r600, exc. for COSA w/X extension<br>r600-r610 | N/A                      | 1.6252                         | 1.6252             | 0.0000                       | 1.6252                      |
| 620 GDP-PI - X   |  | N/A                      | 0.0000                         | 0.0000             | 0.0000                       | 0.0000                      |
| 680 Existing PCI   | Input  | N/A                      | 40.7959                        | 24.6757            | 0.0000                       | 80.9036                     |
| 710 Delta Z  | EXG1,c.S   | N/A                      | 0                              | 0                  | 0                            | (13,188)                    |
| 720 R(t-1)   | for ShortForm: Input   | N/A                      | 321,879                        | 45,623             | 0                            | 270,246                     |
| 740 Delta Z/R  | r710/r720*100  | N/A                      | 0.0000                         | 0.0000             | 0.0000                       | (4.8801)                    |
| 750 W  | 100+r740   | N/A                      | 100.0000                       | 100.0000           | 0.0000                       | 95.1199                     |
| 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<br>SBI Upper Limit calculations only) | col.b&c: r680; col.e: r680*(1+r620/100)  | N/A                      | 40.7959                        | 24.6757            | N/A                          | 80.9036                     |
| 980 Proposed PCI   | col.b&c: r680*(1+r740/100+r950/r720)<br>col.d&e: r680*(1+r760/100+r740/100)  | N/A                      | 40.7959                        | 24.6757            | 0.0000                       | 76.9555                     |

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<br>EXCHANGES | REGULA-<br>TORY<br>FEES | EXCESS<br>DEFERRED<br>TAXES | ITC<br>AMORTIZ. | REMOVAL OF<br>LOW END<br>ADJUSTMENT | TRUEUP PRIOR<br>SHARING /<br>LOW END<br>ADJUSTMENT | CURRENT<br>LOW END<br>ADJUSTMENT | TELECOMM.<br>RELAY<br>SERVICES | REG/NON-REG |
|--|----------------------|-------------------------|-----------------------------|-----------------|-------------------------------------|--|----------------------------------|--------------------------------|-------------|
|  | (A)                  | (B)                     | (C)                         | (D)             | (E)                                 | (F)  | (G)                              | (H)                            | (I)         |
| <b><u>COMMON LINE Revenue Effect</u></b>       |                      |                         |                             |                 |                                     |  |                                  |                                |             |
| 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                    | 410                     | 0                           | 0               | 0                                   | 0  | 0                                | 1,909                          | 0           |
| <b><u>TRAFFIC SENSITIVE Revenue Effect</u></b> |                      |                         |                             |                 |                                     |  |                                  |                                |             |
| 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                    | 0                       | 0                           | 0               | 0                                   | 0  | 0                                | 0                              | 0           |
| <b><u>TRUNKING Revenue Effect</u></b>          |                      |                         |                             |                 |                                     |  |                                  |                                |             |
| 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           |
| <b><u>INTEREXCHANGE Revenue Effect</u></b>     |                      |                         |                             |                 |                                     |  |                                  |                                |             |
| 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           |
| <b><u>SPECIAL Access Revenue Effect</u></b>    |                      |                         |                             |                 |                                     |  |                                  |                                |             |
| 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                    | 167                     | 0                           | 0               | 0                                   | 0  | 0                                | 40                             | 0           |

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

(2) Display whole numbers.

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Price Cap Tariff Review Plan  
Exogenous Cost Changes

| DESCRIPTION:                                   | NANPA     | TBNP<br>(incl. reversal) |           |           |           |           |           |           |           |       |          |
|--|-----------|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------|----------|
|  | OTHER (1) | OTHER (2)                | OTHER (3) | OTHER (4) | OTHER (5) | OTHER (6) | OTHER (7) | OTHER (8) | OTHER (9) | TOTAL |          |
|  | (J)       | (K)                      | (L)       | (M)       | (N)       | (O)       | (P)       | (Q)       | (R)       | (S)   |          |
| <b><u>COMMON LINE Revenue Effect</u></b>       |           |                          |           |           |           |           |           |           |           |       |          |
| 100 Depreciation Expense                       | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | N/A      |
| 110 Expense less Depreciation                  | 0         | 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         | 0     | N/A      |
| 130 Net Return                                 | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | N/A      |
| 140 F.I.T.                                     | 0         | 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         | 0     | N/A      |
| 160 Revenue Effects                            | (23)      | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | (71,341) |
| <b><u>TRAFFIC SENSITIVE Revenue Effect</u></b> |           |                          |           |           |           |           |           |           |           |       |          |
| 300 Depreciation Expense                       | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | N/A      |
| 310 Expense less Depreciation                  | 0         | 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         | 0     | N/A      |
| 330 Net Return                                 | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | N/A      |
| 340 F.I.T.                                     | 0         | 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         | 0     | N/A      |
| 360 Revenue Effects                            | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | 0        |
| <b><u>TRUNKING Revenue Effect</u></b>          |           |                          |           |           |           |           |           |           |           |       |          |
| 500 Depreciation Expense                       | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | N/A      |
| 510 Expense less Depreciation                  | 0         | 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         | 0     | N/A      |
| 530 Net Return                                 | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | N/A      |
| 540 F.I.T.                                     | 0         | 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         | 0     | N/A      |
| 560 Revenue Effects                            | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | 0        |
| <b><u>INTEREXCHANGE Revenue Effect</u></b>     |           |                          |           |           |           |           |           |           |           |       |          |
| 700 Depreciation Expense                       | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | N/A      |
| 710 Expense less Depreciation                  | 0         | 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         | 0     | N/A      |
| 730 Net Return                                 | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | N/A      |
| 740 F.I.T.                                     | 0         | 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         | 0     | N/A      |
| 760 Revenue Effects                            | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | 0        |
| <b><u>SPECIAL Access Revenue Effect</u></b>    |           |                          |           |           |           |           |           |           |           |       |          |
| 1300 Depreciation Expense                      | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | N/A      |
| 1310 Expense less Depreciation                 | 0         | 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         | 0     | N/A      |
| 1330 Net Return                                | 0         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | N/A      |
| 1340 F.I.T.                                    | 0         | 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         | 0     | N/A      |
| 1360 Revenue Effects                           | 3         | 0                        | 0         | 0         | 0         | 0         | 0         | 0         | 0         | 0     | (13,188) |

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

(2) Display whole numbers.