

INVESTMENTS AND COSTS

Projected ADSL Voice-Data Demand	2,769	L1 Exhibit 3
Projected ADSL Data-Only Demand	7	L2 Exhibit 3
Total Investment Per Unit	\$499.74	L3 Engineering
Annual Charge Factor (ACF)	0.3420	L4 ACF Model
Monthly Recurring Cost Per Unit	\$14.24	L5 L3 * L4 / 12
Other Monthly Costs Per Unit	\$2.26	L6 Engineering
Monthly Cost Per ADSL Voice/Data Unit	\$16.51	L7 Sum (5..L6)
Total Monthly Service Cost	\$45,713	L8 L7 * L1
Total Annual Cost - ADSL/Voice Data	\$548,555	L9 L8 * 12
Monthly Cost per Loop	\$17.85	L10 Engineering
Monthly Cost per ADSL-Data Only Unit	\$34.36	L11 L7 + L10
Total Monthly Service Cost	\$240.53	L12 L11 * L2
Total Annual Cost - ADSL-Data Only Service	\$2,886.39	L13 L12 * 12
Total Annual Cost	\$551,441.41	L14 L9 + L13

PRICING & REVENUES

	<u>Demand</u>	<u>Proposed Price</u>	<u>Revenue</u>	
ADSL Voice-Data	-	\$32.95	\$0.00	L15 Exhibit 2
ADSL Voice-Data Monthly Plan	-	\$30.95	\$0.00	L16 Exhibit 2
ADSL Voice-Data Option 1; 1 Yr	-	\$27.95	\$0.00	L17 Exhibit 2
ADSL Voice-Data Option 1; 3 Yr	-	\$24.95	\$0.00	L18 Exhibit 2
ADSL Voice-Data Option 2, 1 Yr	-	\$24.95	\$0.00	L19 Exhibit 2
ADSL Voice-Data Option 2, 3 Yr	1,385	\$20.95	\$29,005.28	L20 Exhibit 2
ADSL Voice-Data Option 3, 1 Yr	-	\$20.95	\$0.00	L21 Exhibit 2
ADSL Voice-Data Option 3, 3 Yr	1,385	\$18.95	\$26,236.28	L22 Exhibit 2
ADSL Data-Only	-	\$57.95	\$0.00	L23 Exhibit 2
ADSL Data-Only Monthly Plan	-	\$55.95	\$0.00	L24 Exhibit 2
ADSL Data-Only Option 1, 1 Yr	-	\$52.95	\$0.00	L25 Exhibit 2
ADSL Data-Only Option 1, 3 Yr	-	\$49.95	\$0.00	L26 Exhibit 2
ADSL Data-Only Option 2, 1 Yr	-	\$49.95	\$0.00	L27 Exhibit 2
ADSL Data-Only Option 2, 3 Yr	4	\$45.95	\$183.80	L28 Exhibit 2
ADSL Data-Only Option 3, 1 Yr	-	\$45.95	\$0.00	L29 Exhibit 2
ADSL Data-Only Option 3, 1 Yr	-	\$45.95	\$0.00	L30 Exhibit 2
ADSL Data-Only Option 3, 3 Yr	3	\$43.95	\$131.85	L31 Exhibit 2
ADSL SWC Option 1	-	\$75.00	\$0.00	L32 Exhibit 2
ADSL SWC Option 2	6	\$150.00	\$900.00	L33 Exhibit 2
ADSL SWC Option 3	5	\$250.00	\$1,250.00	L34 Exhibit 2
Total Monthly Revenue			\$57,707.20	L35 Sum(L15..L34)
Total Annual Revenue			\$692,486.40	L36 L35 * 12
Annual Revenue Effect			\$7,543.80	L37 Exhibit 2
ADSL Recurring Revenue Impact June 1 - June 30, 2004			\$628.65	L38 L37 / 12

Calculation of Revenue Effect

	Existing			Proposed				
	Demand	Price	Annual Revenue	Demand	Price	Annual Revenue	Revenue Effect	Price Change
ATM Basic 1.544 Mbps Port	0	\$360.00	\$0	0	\$360.00	\$0	\$0	0.0%
ATM Basic 44.736 Mbps Port	0	\$2,000.00	\$0	0	\$2,000.00	\$0	\$0	0.0%
ATM Basic 155.52 Mbps Port	0	\$4,100.00	\$0	0	\$3,100.00	\$0	\$0	-24.4%
ATM Basic 622.08 Mbps Port	0	\$8,100.00	\$0	0	\$4,500.00	\$0	\$0	-44.4%
ATM 10 Mbps Ethernet Port	0	\$1,200.00	\$0	0	\$555.00	\$0	\$0	-53.8%
ATM 100 Mbps Ethernet Port	0	\$4,500.00	\$0	0	\$4,500.00	\$0	\$0	0.0%
ATM 1 Gbps Ethernet Port	0	N/A	\$0	0	N/A	\$0	\$0	n/a
ATM Virtual Path	0	\$5.00	\$0	0	\$5.00	\$0	\$0	0.0%
ATM Virtual Circuit Channel	0	\$5.00	\$0	0	\$5.00	\$0	\$0	0.0%
ATM 1 Mbps DSL VCC	0	\$30.00	\$0	0	\$30.00	\$0	\$0	0.0%
ADSL Voice-Data	0	\$32.95	\$0	0	\$32.95	\$0	\$0	0.0%
ADSL Voice-Data Monthly Plan	0	\$30.95	\$0	0	\$30.95	\$0	\$0	0.0%
ADSL Voice-Data Option 1; 1 Yr	0	\$26.95	\$0	0	\$27.95	\$0	\$0	3.7%
ADSL Voice-Data Option 1; 3 Yr	0	\$23.95	\$0	0	\$24.95	\$0	\$0	4.2%
ADSL Voice-Data Option 2; 1 Yr	0	\$23.95	\$0	0	\$24.95	\$0	\$0	4.2%
ADSL Voice-Data Option 2; 3 Yr	2,769	\$20.95	\$696,127	1,385	\$20.95	\$348,063	(\$348,063)	0.0%
ADSL Voice-Data Option 3; 1 Yr	0	N/A	\$0	-	\$20.95	\$0	\$0	n/a
ADSL Voice-Data Option 3; 3 Yr	0	N/A	\$0	1,385	\$18.95	\$314,835	\$314,835	n/a
ADSL Data-Only	0	N/A	\$0	0	\$57.95	\$0	\$0	n/a
ADSL Data-Only Monthly Plan	0	N/A	\$0	0	\$55.95	\$0	\$0	n/a
ADSL Data-Only Option 1; 1 Yr	0	N/A	\$0	0	\$52.95	\$0	\$0	n/a
ADSL Data-Only Option 1; 3 Yr	0	N/A	\$0	0	\$49.95	\$0	\$0	n/a
ADSL Data-Only Option 2; 1 Yr	0	N/A	\$0	0	\$49.95	\$0	\$0	n/a
ADSL Data-Only Option 2; 3 Yr	0	N/A	\$0	4	\$45.95	\$2,206	\$2,206	n/a
ADSL Data-Only Option 3; 1 Yr	0	N/A	\$0	0	\$45.95	\$0	\$0	n/a
ADSL Data-Only Option 3; 1 Yr	0	N/A	\$0	0	\$45.95	\$0	\$0	n/a
ADSL Data-Only Option 3; 3 Yr	0	N/A	\$0	3	\$43.95	\$1,582	\$1,582	n/a
ADSL Data-Only Option NRC	0	N/A	\$0	7	\$251.00	\$21,084	\$21,084	n/a
ADSL SWC Option 1	11	\$75.00	\$9,900	0	\$75.00	\$0	(\$9,900)	0.0%
ADSL SWC Option 2	0	\$150.00	\$0	6	\$150.00	\$10,800	\$10,800	0.0%
ADSL SWC Option 3	0	N/A	\$0	5	\$250.00	\$15,000	\$15,000	n/a
ADSL Network Reconfiguration	0	\$0.00	\$0	0	\$0.00	\$0	\$0	0.0%
Total			\$706,027			\$713,570	\$7,544	

Notes:

- 1) Proposed demand assumes 50% of existing customers will convert to new Options 2 & 3.
- 2) Existing demand per Carrier Access Billing Department.

pfloyd