Filing Date: 6/16/2004
Filing Entity: NECA
Transmittal Number : 1030

RATE OF RETURN
PROSPECTIVE COST ANALYSIS SUMMARY ($000)

---------- COMMON LINE ----------

	TEST YEAR FORECAST 7/04 THRU 6/05	PAY PHONE (I)	INSIDE WIRE (J)	BFP (K)	TOTAL (L)
	REVENUES				
100	Network Access	N/A	N/A	N/A	1,103,316
110	Uncollectibles	N/A	N/A	N/A	82
120	Common Line Support	N/A	N/A	N/A	0
130	Long Term Support* (NOTE 1)	N/A	N/A	N/A	0
135	Interstate Common Line Support* (NOTE 1)	N/A	N/A	N/A	907,705
140	Transitional	N/A	N/A	N/A	0
150	Miscellaneous	N/A	N/A	N/A	0
160	Net Revenues	N/A	N/A	N/A	2,010,939
	EXPENSES				
170	Plant Specific	0	0	251,667	251,667
171	Network Support	0	0	5,500	5,500
172	General Support	0	0	62,869	62,869
173	Central Office	0	0	26,602	26,602
174	Operator Systems	0	0	0	0
175	COE Switching	0	0	0	0
176	COE Transmission	0	0	26,602	26,602
177	IOT	0	0	265	265
178	Cable & Wire Facilities	0	0	156,108	156,108
180	Plant Non Specific excl Depr & Amort	0	0	85,692	85,692
190	Depreciation/Amortization	0	0	360,330	360,330
200	Customer Operations	0	0	70,964	70,964
201	Marketing	0	0	26,218	26,218
202	Local Business Office	0	0	39,063	39,063
203	Revenue Accounting	0	0	5,056	5,056
204	Other Billing and Collections	0	0	4,241	4,241
210	Access	N/A	N/A	N/A	0
215	Universal Service Contributions* (NOTE 2)	N/A	N/A	N/A	100,900
220	Corporate Operations	0	0	192,678	192,678
230	AFUDC	0	0	2,728	2,728
240	Other Expenses and Adjustments	0	0	(4,663)	(4,663)
250	Taxes Other than FIT	0	0	60,704	60,704
260	Total Expenses and Other Taxes	0	0	1,014,645	1,115,545
	NECA ADJUSTMENTS				
261	NECA Administrative Expenses	0	0	26,932	26,932
262	Average Schedule Settlements	0	0	291,857	291,857
263	Adjustment for Line Port/TIC	0	0	236,170	236,170
264	Total NECA Adjustments	0	0	554,960	554,960
	FIT ADJUSTMENTS				
270	Adjustments for FIT	0	0	42,234	42,234
280	Amortized ITC	0	0	243	243
290	Federal Income Taxes	0	0	79,055	79,055
300	TOTAL EXPENSES AND TAXES	0	0	1,648,660	1,749,560
	TELEPHONE PLANT IN SERVICE				
310	General Support	0	0	653,033	653,033
320	Central Office Equipment - Switch	0	0	0	0
321	Operator Systems	0	0	0	0
322	Tandem Switching	0	0	0	0
323	Local Switching Cat 3	0	0	0	0
324	Equal Access	0	0	0	0
330	Central Office Equipment - Trans	0	0	928,538	928,538
331	Subscriber Line	0	0	928,538	928,538
332	Exchange Circuit	0	0	0	0
333	Interexchange Circuit	0	0	0	0
334	Host Remote	0	0	0	0
340	Cable and Wire	0	0	4,327,715	4,327,715
341	Subscriber Line	0	0	4,327,715	4,327,715
342	Exchange	0	0	0	0
343	Interexchange Circuit	0	0	0	0
344	Host Remote	0	0	0	0
350	Info Orig/Term Equipment	0	0	3,629	3,629
360	Amortizable Assets	0	0	21,246	21,246
370	Total Plant in Service	0	0	5,934,161	5,934,161
	ADJUSTMENTS TO TPIS				
380	Depreciation/Amortization Reserve	0	0	3,558,736	3,558,736
390	Accum. Deferred Income Tax	0	0	160,627	160,627
400	Other Rate Base Adjustments	0	0	108,572	108,572
	RETURN DATA				
410	Average Rate Base	0	0	2,323,370	2,323,370
420	Return	0	0	261,379	261,379
430	Rate of Return	11.25%	11.25%	11.25%	11.25%

NOTE 1: Effective 7/1/04, Long-Term Support is folded into Interstate Common Line Support (ICLS). ICLS is recovered from the universal service support program.

NOTE 2: Universal service include amounts for both Cost and Average Schedule companies.

Filing Date: 6/16/2004
Filing Entity: NECA
Transmittal Number : 1030

RATE OF RETURN
PROSPECTIVE COST ANALYSIS SUMMARY ($000)

---------- SWITCHED TRAFFIC SENSITIVE ----------

	TEST YEAR FORECAST 7/04 THRU 6/05	LOCAL SWITCHING	EQUAL ACCESS	SS7	INFORMATION	TANDEM SWITCHING	LOCAL TRANSPORT	HOST REMOTE	TOTAL SWTCH TRFFC SNSTV	SPECIAL ACCESS
		(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)
	REVENUES									
100	Network Access	237,811	0	0	3,990	10,470	100,532	35,057	387,861	446,037
110	Uncollectibles	107	0	0	2	0	168	2	279	26
120	Local Switching Support * (NOTE 1)	309,197	N/A	N/A	N/A	N/A	N/A	N/A	309,197	N/A
130	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
135	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
140	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
150	Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
160	Net Revenues	546,900	0	0	3,988	10,470	100,364	35,056	696,779	446,011
	EXPENSES									
170	Plant Specific	109,105	0	0	0	1,170	22,118	6,335	138,728	53,965
171	Network Support	1,406	0	0	0	63	362	113	1,944	1,439
172	General Support	17,122	0	0	0	482	4,806	1,668	24,078	12,690
173	Central Office	90,317	0	0	0	626	11,128	2,308	104,379	23,145
174	Operator Systems	31	0	0	0	0	0	0	31	0
175	COE Switching	90,286	0	0	0	626	0	0	90,912	0
176	COE Transmission	0	0	0	0	0	11,128	2,308	13,436	23,145
177	IOT	0	0	0	0	0	0	0	0	0
178	Cable & Wire Facilities	0	0	0	0	0	5,783	2,245	8,028	16,297
180	Plant Non Spec excl Depr & Amort	21,592	0	0	0	563	6,485	2,084	30,724	18,092
190	Depreciation/Amortization	124,109	0	0	0	3,194	27,727	9,748	164,777	89,605
200	Customer Operations	24,424	0	0	2,099	411	6,347	1,995	35,276	19,100
201	Marketing	4,812	0	0	0	88	1,230	383	6,512	4,594
202	Local Business Office	5,721	0	0	0	89	1,849	482	8,140	4,467
203	Revenue Accounting	12,982	0	0	0	232	3,192	1,093	17,499	9,755
204	Other Billing and Collections	0	0	0	0	0	0	0	0	0
210	Access	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
220	Corporate Operations	74,014	0	0	1,122	933	15,860	4,818	96,746	39,621
230	AFUDC	668	0	0	0	27	273	76	1,044	640
240	Other Expenses and Adjustments	(108)	0	0	0	1	(75)	(12)	(194)	(202)
250	Taxes Other than FIT	13,203	0	0	0	291	5,022	1,355	19,871	12,237
260	Total Expenses and Other Taxes	365,671	0	0	3,221	6,535	83,210	26,248	484,885	231,778
	NECA ADJUSTMENTS									
261	NECA Administrative Expenses	7,863	0	0	0	116	1,354	495	9,828	6,289
262	Average Schedule Settlements	184,648	0	0	0	6,331	66,899	14,147	272,025	111,674
263	Adjustment for Line Port/TIC	(76,870)	0	0	767	(4,649)	(81,409)	(14,739)	(176,900)	18,530
264	Total NECA Adjustments	115,641	0	0	767	1,798	(13,156)	(97)	104,953	136,493
	FIT ADJUSTMENTS									
270	Adjustments for FIT	9,075	0	0	0	244	4,651	1,340	15,310	10,663
280	Amortized ITC	99	0	0	0	3	21	7	130	78
290	Federal Income Taxes	14,733	0	0	0	331	6,942	1,514	23,519	20,638
300	TOTAL EXPENSES AND TAXES	496,044	0	0	3,988	8,664	76,996	27,665	613,357	388,909
	TELEPHONE PLANT IN SERVICE									
310	General Support	190,725	0	0	0	5,410	56,222	21,309	273,666	148,982
320	Central Office Equipment - Switch	1,211,085	0	0	0	34,894	0	0	1,245,980	0
321	Operator Systems	170	0	0	0	0	0	0	170	0
322	Tandem Switching	0	0	0	0	34,894	0	0	34,894	0
323	Local Switching Cat 3	1,204,642	0	0	0	0	0	0	1,204,642	0
324	Equal Access	6,274	0	0	0	0	0	0	6,274	0
330	Central Office Equipment - Trans	0	0	0	0	0	217,186	62,179	279,366	592,598
331	Subscriber Lines	0	0	0	0	0	0	0	0	228,534
332	Exchange Circuit	0	0	0	0	0	0	0	0	331,628
333	Interexchange Circuit	0	0	0	0	0	217,186	0	217,186	30,755
334	Host Remote	0	0	0	0	0	0	62,179	62,179	1,682
340	Cable and Wire	17	0	0	0	0	174,741	69,381	244,140	463,080
341	Subscriber Lines	17	0	0	0	0	0	0	17	141,709
342	Exchange	0	0	0	0	0	1,080	0	1,080	154,833
343	Interexchange Circuit	0	0	0	0	0	173,661	0	173,661	166,538
344	Host Remote	0	0	0	0	0	0	69,381	69,381	0
350	Info Orig/Term Equipment	0	0	0	0	0	0	0	0	0
360	Amortizable Assets	4,226	0	0	0	132	15,891	2,055	22,304	19,964
370	Total Plant in Service	1,406,053	0	0	0	40,436	464,041	154,925	2,065,454	1,224,624
	ADJUSTMENTS TO TPIS									
380	Depreciation/Amortization Reserve	955,311	0	0	0	24,982	264,212	92,183	1,336,688	720,819
390	Accum. Deferred Income Tax	40,633	0	0	0	832	9,498	2,271	53,234	33,985
400	Other Rate Base Adjustments	41,943	0	0	0	1,434	17,385	5,229	65,991	37,755
	RETURN DATA									
410	Average Rate Base	452,053	0	0	0	16,056	207,715	65,699	741,523	507,575
420	Return	50,856	0	0	0	1,806	23,368	7,391	83,421	57,102
430	Rate of Return	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

NOTE 1: Local Switching Support is recovered from the universal service support program.

Filing Date: 6/16/2004
Filing Entity: NECA
Transmittal Number : 1030

RATE OF RETURN
HISTORICAL COST ANALYSIS SUMMARY ($000)

---------- COMMON LINE ----------

	TEST YEAR FORECAST 1/03 THRU 12/03	PAY PHONE (I)	INSIDE WIRE (J)	BFP (K)	TOTAL (L)
	REVENUES				
100	Network Access	N/A	N/A	N/A	1,454,656
110	Uncollectibles	N/A	N/A	N/A	57
120	Common Line Support	N/A	N/A	N/A	0
130	Long Term Support * (NOTE 1)	N/A	N/A	N/A	479,260
135	Interstate Common Line Support * (NOTE 1)	N/A	N/A	N/A	380,303
140	Transitional	N/A	N/A	N/A	0
150	Miscellaneous	N/A	N/A	N/A	0
160	Net Revenues	N/A	N/A	N/A	1,933,859
	EXPENSES				
170	Plant Specific	0	0	237,579	237,579
171	Network Support	0	0	5,085	5,085
172	General Support	0	0	58,775	58,775
173	Central Office	0	0	24,578	24,578
174	Operator Systems	0	0	0	0
175	COE Switching	0	0	0	0
176	COE Transmission	0	0	24,578	24,578
177	IOT	0	0	234	234
178	Cable & Wire Facilities	0	0	148,609	148,609
180	Plant Non Specific excl Depr & Amort	0	0	81,313	81,313
190	Depreciation/Amortization	0	0	339,782	339,782
200	Customer Operations	0	0	66,905	66,905
201	Marketing	0	0	24,050	24,050
202	Local Business Office	0	0	37,308	37,308
203	Revenue Accounting	0	0	4,939	4,939
204	Other Billing and Collections	0	0	4,157	4,157
210	Access	N/A	N/A	N/A	0
215	Universal Service Contributions* (NOTE 2)	N/A	N/A	N/A	86,000
220	Corporate Operations	0	0	183,182	183,182
230	AFUDC	0	0	2,727	2,727
240	Other Expenses and Adjustments	0	0	(4,566)	(4,566)
250	Taxes Other than FIT	0	0	56,807	56,807
260	Total Expenses and Other Taxes	0	0	958,275	1,044,275
	NECA ADJUSTMENTS				
261	NECA Administrative Expenses	0	0	29,243	29,243
262	Average Schedule Settlements	0	0	272,878	272,878
263	Adjustment for Line Port/TIC	0	0	243,754	243,754
264	Total NECA Adjustments	0	0	545,876	545,876
	FIT ADJUSTMENTS				
270	Adjustments for FIT	0	0	41,980	41,980
280	Amortized ITC	0	0	277	277
290	Federal Income Taxes	0	0	78,892	78,892
300	TOTAL EXPENSES AND TAXES	0	0	1,583,043	1,669,043
	TELEPHONE PLANT IN SERVICE				
310	General Support	0	0	608,510	608,510
320	Central Office Equipment - Switch	0	0	0	0
321	Operator Systems	0	0	0	0
322	Tandem Switching	0	0	0	0
323	Local Switching Cat 3	0	0	0	0
324	Equal Access	0	0	0	0
330	Central Office Equipment - Trans	0	0	837,597	837,597
331	Subscriber Line	0	0	837,597	837,597
332	Exchange Circuit	0	0	0	0
333	Interexchange Circuit	0	0	0	0
334	Host Remote	0	0	0	0
340	Cable and Wire	0	0	4,049,103	4,049,103
341	Subscriber Line	0	0	4,049,103	4,049,103
342	Exchange	0	0	0	0
343	Interexchange Circuit	0	0	0	0
344	Host Remote	0	0	0	0
350	Info Orig/Term Equipment	0	0	3,869	3,869
360	Amortizable Assets	0	0	18,962	18,962
370	Total Plant in Service	0	0	5,518,042	5,518,042
	ADJUSTMENTS TO TPIS				
380	Depreciation/Amortization Reserve	0	0	3,115,452	3,115,452
390	Accum. Deferred Income Tax	0	0	160,848	160,848
400	Other Rate Base Adjustments	0	0	112,179	112,179
	RETURN DATA				
410	Average Rate Base	0	0	2,353,921	2,353,921
420	Return	0	0	264,816	264,816
430	Rate of Return	11.25%	11.25%	11.25%	11.25%

NOTE 1: Long-Term Support and Interstate Common Line Support is recovered from the universal service support program.

NOTE 2: Universal service include amounts for both Cost and Average Schedule companies.

1,933,917

RATE OF RETURN
HISTORICAL COST ANALYSIS SUMMARY ($000)

---------- SWITCHED TRAFFIC SENSITIVE ----------

	TEST YEAR FORECAST 1/03 THRU 12/03	LOCAL SWITCHING	EQUAL ACCESS	SS7	INFORMATION	TANDEM SWITCHING	LOCAL TRANSPORT	HOST REMOTE	TOTAL SWTCH TRFFC SNSTV	SPECIAL ACCESS
		(M)	(N)	(O)	(P)	(Q)	(R)	(S)	(T)	(U)
	REVENUES									
100	Network Access	254,506	0	0	3,746	9,513	77,492	31,148	376,405	339,375
110	Uncollectibles * (NOTE 1)	155	0	0	0	7	50	33	245	77
120	Local Switching Support * (NOTE 2)	306,649	N/A	N/A	N/A	N/A	N/A	N/A	306,649	N/A
130	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
135	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
140	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
150	Miscellaneous	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
160	Net Revenues	561,000	0	0	3,746	9,506	77,443	31,114	682,809	339,298
	EXPENSES									
170	Plant Specific	102,630	0	0	0	1,143	21,705	6,282	131,760	38,529
171	Network Support	1,319	0	0	0	63	328	112	1,822	1,027
172	General Support	16,057	0	0	0	473	4,789	1,600	22,919	9,060
173	Central Office	85,012	0	0	0	607	10,897	2,353	98,868	16,420
174	Operator Systems	39	0	0	0	0	0	0	39	0
175	COE Switching	84,972	0	0	0	607	0	0	85,579	0
176	COE Transmission	0	0	0	0	0	10,897	2,353	13,250	16,420
177	IOT	0	0	0	0	0	0	0	0	0
178	Cable & Wire Facilities	0	0	0	0	0	5,654	2,217	7,872	11,658
180	Plant Non Spec excl Depr & Amort	21,080	0	0	0	560	6,384	2,056	30,080	13,272
190	Depreciation/Amortization	118,191	0	0	0	2,848	30,075	9,990	161,104	66,267
200	Customer Operations	23,448	0	0	2,391	406	6,199	1,967	34,411	13,639
201	Marketing	4,524	0	0	0	82	1,241	370	6,218	3,187
202	Local Business Office	5,494	0	0	0	87	1,764	474	7,820	3,150
203	Revenue Accounting	12,691	0	0	0	235	3,115	1,084	17,125	7,096
204	Other Billing and Collections	0	0	0	0	0	0	0	0	0
210	Access	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
220	Corporate Operations	72,046	0	0	1,047	929	15,857	4,813	94,692	28,942
230	AFUDC	733	0	0	0	30	406	92	1,260	553
240	Other Expenses and Adjustments	(170)	0	0	0	1	(50)	(13)	(232)	(211)
250	Taxes Other than FIT	13,024	0	0	0	288	4,845	1,352	19,509	8,563
260	Total Expenses and Other Taxes	349,516	0	0	3,438	6,147	84,609	26,354	470,064	168,448
	NECA ADJUSTMENTS									
261	NECA Administrative Expenses	7,723	0	0	0	195	2,281	834	11,033	5,684
262	Average Schedule Settlements	206,583	0	0	0	5,547	38,240	8,796	259,165	89,254
263	Adjustment for Line Port/TIC	(77,328)	0	0	309	(4,510)	(79,423)	(14,120)	(175,072)	18,033
264	Total NECA Adjustments	136,978	0	0	309	1,232	(38,902)	(4,490)	95,126	112,971
	FIT ADJUSTMENTS									
270	Adjustments for FIT	9,667	0	0	0	268	5,188	1,346	16,469	7,556
280	Amortized ITC	125	0	0	0	3	26	8	163	66
290	Federal Income Taxes	16,970	0	0	0	310	7,177	1,555	26,013	13,897
300	TOTAL EXPENSES AND TAXES	503,465	0	0	3,746	7,689	52,884	23,419	591,203	295,316
	TELEPHONE PLANT IN SERVICE									
310	General Support	181,988	0	0	0	5,316	55,312	20,703	263,319	107,752
320	Central Office Equipment - Switch	1,145,370	0	0	0	33,400	0	0	1,178,769	0
321	Operator Systems	178	0	0	0	0	0	0	178	0
322	Tandem Switching	0	0	0	0	33,400	0	0	33,400	0
323	Local Switching Cat 3	1,138,947	0	0	0	0	0	0	1,138,947	0
324	Equal Access	6,244	0	0	0	0	0	0	6,244	0
330	Central Office Equipment - Trans	0	0	0	0	0	205,408	60,299	265,707	421,529
331	Subscriber Lines	0	0	0	0	0	0	0	0	167,370
332	Exchange Circuit	0	0	0	0	0	13	0	13	231,814
333	Interexchange Circuit	0	0	0	0	0	205,395	0	205,395	21,231
334	Host Remote	0	0	0	0	0	0	60,299	60,299	1,115
340	Cable and Wire	0	0	0	0	0	167,810	66,997	234,807	328,300
341	Subscriber Lines	0	0	0	0	0	0	0	0	98,828
342	Exchange	0	0	0	0	0	969	0	969	117,022
343	Interexchange Circuit	0	0	0	0	0	166,841	0	166,841	112,450
344	Host Remote	0	0	0	0	0	0	66,997	66,997	0
350	Info Orig/Term Equipment	0	0	0	0	0	0	0	0	0
360	Amortizable Assets	3,999	0	0	0	127	16,647	1,432	22,206	11,878
370	Total Plant in Service	1,331,357	0	0	0	38,842	445,178	149,431	1,964,808	869,459
	ADJUSTMENTS TO TPIS									
380	Depreciation/Amortization Reserve	825,025	0	0	0	23,372	239,256	84,260	1,171,913	484,969
390	Accum. Deferred Income Tax	40,491	0	0	0	841	9,379	2,281	52,991	23,656
400	Other Rate Base Adjustments	45,584	0	0	0	1,523	21,758	5,513	74,378	30,115
	RETURN DATA									
410	Average Rate Base	511,426	0	0	0	16,153	218,301	68,403	814,282	390,948
420	Return	57,535	0	0	0	1,817	24,559	7,695	91,607	43,982
430	Rate of Return	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%	11.25%

NOTE 1: Uncollectibles excludes Global Crossing and WorldCom bankruptcies.

NOTE 2: Local Switching Support is recovered from the universal service support program.

61.38 ACR-1 Historical
Filing Date: 6/16/2004
Filing Entity: NECA
Transmittal Number : 1030

Rate-of Return TRP
ACR Adjustments
Historical (Calendar Year 2003)
($000)

Section 61.38 carriers should ANNUALIZE their revenue requirement figures for this worksheet.

Access Category	Interstate Revenue Requirement Prior to Adjustments	Local Switching Support	Subtotal	Factor Used for Line Port Adjustment	Line Port Transfer	Universal Service Fund Contribution	JUL '00 - JUN '01 TIC Revenues	Test Year TIC Revenue Requirement	Interstate Revenue Requirement Used as Base for TIC Reallocation	TIC Reallocation	Line Port Transfer NonTS Companies	TIC Reallocation NonTS Companies
	Note 1	Note 2		Note 3	Note 4	Note 5	Note 6	Note 7				
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)
Common Line	$1,660,919		$1,660,919		$92,298	$86,000			$1,667,218	$74,235	$39,314	$37,906
Local Switching	$630,760	$306,649	$324,111	28.48%	($92,298)				$231,812	$14,970		
Information	$3,438		$3,438						$3,438	$309		
Transport	$212,895		$212,895				$130,085	$74,829	$74,829	($68,899)		
Special Access	$315,190		$315,190						$315,190	$17,951		

Note 1: Source: company workpapers - After reallocating General Support Facilities Investment, but before other part 69 adjustments as a result of the Rate-of-Return Access Charge Reform Order as reflected in this form. Express as ANNUAL amounts.
Note 2: USAC Allocation Amount
Note 3: Percentage factor based on carrier's cost study or 30%.
Note 4: Spreadsheet formula will calculate Local Switching Revenue Requirement multiplied by Line Port Adjustment Factor input.
Note 5: Based on USF Contributions placed into self identified sub-accounts of expense Account 6540
Note 6: "The amount to be reallocated is limited to the total revenues recovered through the interconnection charge assessed pursuant to section 69.124 for the 12-month period ending June 30, 2001." (C.F.R.§ 69.415(b)).
Note 7: TIC Revenue Requirement for historical period based on carrier's July, 2000 annual access tariff filing.
Note 8: Includes NECA expenses

Interstate Revenue Requirement Subject to Rate Making Note 8 (M)
$1,933,917
$561,155
$3,747
$147,306
$338,824

61.38 ACR-1 Projected
Filing Date: 6/16/2004
Filing Entity: NECA
Transmittal Number: 1030

Rate of Return TRP
ACR Adjustments
Test Year, 7/04-6/05
($000)

Section 61.38 carriers should ANNUALIZE their revenue requirement figures for this worksheet.

Access Category	Interstate Revenue Requirement Prior to Adjustments	Local Switching Support	Subtotal	Factor Used for Line Port Adjustment	Line Port Transfer	Universal Service Fund Contribution	JUL '00 - JUN '01 TIC Revenues	Test Year TIC Revenue Requirement	Interstate Revenue Requirement Used as Base for TIC Reallocation	TIC Reallocation	Line Port Transfer NonTS Companies	TIC Reallocation NonTS Companies	Interstate Revenue Requirement Subject to Rate Making
	Note 1	Note 2		Note 3	Note 4	Note 5	Note 6	Note 7					Note 8
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
Common Line	$1,747,917		$1,747,917		$91,192	$100,900			$1,738,209	$67,764	$39,136	$38,079	$2,011,020
Local Switching	$616,014	$309,197	$306,818	29.72%	($91,192)				$215,626	$14,322			$547,007
Information	$3,223		$3,223						$3,223	$767			$3,990
Transport	$245,397		$245,397				$130,085	$108,050	$108,050	($101,302)			$146,060
Special Access	$421,218		$421,218						$421,218	$18,530			$446,037

Note 1: Source: company workpapers - After reallocating General Support Facilities Investment, but before other part 69 adjustments as a result of the Rate-of-Return Access Charge Reform Order as reflected in this form. Express as ANNUAL amounts.
Note 2: USAC Allocation Amount
Note 3: Percentage factor based on carrier's cost study or 30%.
Note 4: Spreadsheet formula will calculate Local Switching Revenue Requirement multiplied by Line Port Adjustment Factor input.
Note 5: Based on projected USF Contributions.
Note 6: "The amount to be reallocated is limited to the total revenues recovered through the interconnection charge assessed pursuant to section 69.124 for the 12-month period ending June 30, 2001." (C.F.R.§ 69.415(b)).
Note 7: TIC Revenue Requirement for test period.
Note 8: Includes NECA expenses

NECA ARC-1
Filing Date: 6/16/2004
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Transmittal Number: 1030

COST TO BE MOVED TO COMMON LINE
TEST PERIOD JULY 1, 2004 THROUGH JUNE 30, 2005

			DATA USED IN NECA TARIFF FILING		
SAC	COMPANY NAME	SETTLEMENT TYPE	LINE PORT	TRANSPORT (TIC)	TIC REVENUES FOR 12 MONTH PERIOD ENDING 6/30/01
170156	CITIZENS - KECKSBURG	A	57,084	54,588	67,083
170175	IRONTON TEL CO	A	99,960	67,356	115,223
170191	NORTH EASTERN PA TEL	A	176,244	258,828	385,787
170196	PALMERTON TEL CO	A	133,332	132,804	182,566
190226	NTELOS, INC.	A	581,052	16,596	40,484
310675	BARAGA TEL CO	A	81,528	96,660	146,031
320818	SMITHVILLE TEL CO	A	315,300	0	0
341016	GENESEO TEL CO	A	117,084	81,444	80,844
351212	JEFFERSON TEL CO -IA	A	51,156	60,828	276,565
351232	LYNNVILLE TEL. CO.	A	14,424	12,768	1,289,966
351260	NORTHWEST IOWA TEL	A	160,152	1,828,980	8,147,885
351278	READLYN TEL CO	A	21,372	8,352	14,006
351301	SOUTHWEST TEL EXCH	A	27,816	24,324	24,319
351306	SULLY TEL ASSOC	A	44,424	9,936	23,992
351331	WEST IOWA TEL CO	A	88,740	140,964	457,464
351405	HILLS TEL CO, INC-IA	A	87,156	0	0
361375	MID-COMM-HICKORYTECH	A	290,544	122,064	912,051
361427	MANKATO-HICKORYTECH	A	290,544	122,064	960,613
391642	ALLIANCE-BALTIC	A	85,188	114,720	114,715
391657	ALLIANCE-SPLITROCK	A	126,744	0	0
391664	JAMES VALLEY COOP	A	109,188	0	0
391684	UNION TEL CO.	A	37,170	51,296	51,296
401712	MOUNTAIN VIEW TEL CO	A	109,536	139,440	249,465
482252	RONAN TEL CO	A	67,476	62,376	108,763
150106	ALLTEL NY-FULTON	C	189,097	32,346	55,864
150109	ALLTEL NY-JAMESTOWN	C	269,134	86,221	185,770
150113	ALLTEL NY-RED JACKET	C	21,804	4,689	8,845
170176	ALLTEL PENNSYLVANIA	C	1,153,641	253,459	467,485
210330	SMART CITY TEL LLC	C	341,229	34,005	56,551
210336	ALLTEL FLORIDA INC.	C	461,776	0	0
220356	COASTAL UTILITIES	C	543,564	8,942	14,907
220357	ALLTEL GEORGIA INC.	C	363,229	22,420	33,101
220377	PINELAND TEL COOP	C	97,686	1,532	1,879
230468	ATLANTIC MEMBERSHIP	C	324,366	2,192	3,299
230474	CONCORD TEL CO	C	596,376	199,239	291,913
230476	ALLTEL CAROLINA-NO	C	1,322,068	19,610	37,142
230483	LEXCOM TELEPHONE CO.	C	189,356	370,492	832,945
230502	STAR MEMBERSHIP CORP	C	155,507	323,618	507,870
240517	ALLTEL SO CAROLINA	C	372,366	97,758	156,196
240520	FARMERS TEL COOP	C	323,615	16,057	22,780
240521	FORT MILL TEL CO	C	152,603	21,208	28,045
240523	HARGRAY TEL CO	C	778,723	99,314	213,561
240527	HOME TEL CO	C	170,530	14,431	20,853
240528	HORRY TEL COOP	C	1,595,544	84,350	139,084
240531	LANCASTER TEL CO	C	174,938	8,840	28,725
240542	ROCK HILL TEL CO	C	348,412	11,352	18,495
250298	GULF TEL CO - AL	C	774,045	852,523	1,511,101
250302	ALLTEL ALABAMA	C	247,164	0	0
260402	ALLTEL KENTUCKY	C	178,797	1,398	2,930
260418	SOUTH CENTRAL RURAL	C	49,225	45,281	791,237
270429	EAST ASCENSION TEL	C	258,446	306,972	380,375
280453	ALLTEL MISSISSIPPI	C	78,037	0	0
290571	MILLINGTON TEL CO	C	213,882	16,360	22,873
300597	THE CHILLICOTHE TEL	C	141,025	68,935	84,211
300630	CENTURYTEL OF OHIO	C	849,458	495,055	1,147,224
300666	WESTERN RESERVE TEL	C	1,503,092	187,041	415,652
310671	CENTURY TEL. MIDWEST	C	255,662	87,755	110,505
310702	CENTURY OF MICHIGAN	C	501,333	165,207	215,406
320742	BLOOMINGDALE HOME	C	46,321	19,994	30,725
330841	CENTURYTEL-MW-WI(CENCOM)	C	218,801	365,889	490,974

NECA ARC-1
Filing Date: 6/16/2004
Filing Entity: NECA
Transmittal Number: 1030

COST TO BE MOVED TO COMMON LINE
TEST PERIOD JULY 1, 2004 THROUGH JUNE 30, 2005

			DATA USED IN NECA TARIFF FILING		
SAC	COMPANY NAME	SETTLEMENT TYPE	LINE PORT	TRANSPORT (TIC)	TIC REVENUES FOR 12 MONTH PERIOD ENDING 6/30/01
330857	CENTURYTEL-MW-WI(CASCO)	C	12,859	9,858	14,779
330895	CENTURYTEL-WISCONSIN	C	441,988	6,114	15,670
330916	MOUNT HOREB TEL CO	C	44,663	78	127
330922	CENTURYTEL-MW-WI/NW	C	800,550	1,126,813	1,649,638
330924	CENTURYTEL-MW-KENDAL	C	495,404	779,453	1,801,417
330934	CENTURYTEL-MW-WI(PLATTEVILLE)	C	71,836	96,632	212,728
330959	CENTURYTEL-MW-WI(THORP)	C	1,165	19,102	38,225
340978	ALHAMBRA-GRANTFORK	C	10,080	22,940	33,925
340984	CASS TEL CO	C	48,762	20,950	30,907
341003	EGYPTIAN COOP ASSN	C	77,214	58,660	88,452
341004	EL PASO TEL CO	C	27,838	3,948	5,988
341012	FLAT ROCK TEL CO-OP	C	13,049	6,779	9,704
341020	GRAFTON TEL CO	C	31,825	5,281	8,307
341023	GRIDLEY TEL CO	C	72,313	8,338	61,613
341025	SHAWNEE TELEPHONE CO	C	117,275	95,207	186,734
341026	HARRISONVILLE TEL CO	C	162,516	72,143	114,062
341032	HOME TEL CO-ST JACOB	C	112,580	0	0
341037	IL CONSOLIDATED TEL	C	776,790	803,334	1,857,733
341043	LA HARPE TEL CO	C	35,089	39,496	51,934
341045	LEAF RIVER TEL CO	C	41,500	11,313	17,157
341047	MCDONOUGH TEL COOP	C	41,812	66,550	90,837
341048	MCNABB TEL CO	C	19,480	5,992	11,650
341049	MADISON TEL CO	C	111,343	35,429	64,903
341057	GALLATIN RIVER COMM.	C	782,119	0	0
341060	MOULTRIE INDEPENDENT	C	24,943	0	0
341088	WABASH TEL COOP, INC	C	49,556	172,624	259,998
341093	YATES CITY TEL CO	C	8,581	0	0
351096	HEARTLND-HICKORYTECH	C	114,981	218,981	529,111
361445	CENTURYTEL-MINNESOTA	C	349,509	414,077	538,118
371517	ARLINGTON TEL CO	C	12,620	9,207	11,576
371524	BLAIR TEL CO	C	48,091	68,354	123,990
371537	DALTON TEL CO, INC	C	128,964	31,260	56,356
381637	W. RIVER TELECOM.	C	117,868	319,351	440,637
391666	JEFFERSON TEL CO -SD	C	34,323	0	0
401691	ALLTEL ARKANSAS INC	C	809,199	125,461	243,979
411833	SOUTHERN KANSAS TEL	C	120,616	177,329	530,921
411841	UNITED TEL ASSN	C	61,746	56,715	235,886
421864	CHARITON VALLEY TEL	C	85,898	0	0
421865	CITIZENS TEL CO - MO	C	99,279	36,043	55,567
421882	FIDELITY TEL CO	C	158,146	68,563	102,044
421885	ALLTEL MISSOURI	C	393,515	0	0
431831	S. CENTRAL TEL - OK	C	0	0	0
431965	ALLTEL OKLAHOMA INC	C	166,418	0	0
432011	OKLAHOMA ALLTEL, INC	C	157,721	0	0
442070	ETEX TEL COOP INC	C	96,393	0	0
442072	FORT BEND TEL CO	C	282,983	324,968	386,408
442109	TXU COMMUNICATIONS	C	525,242	190,964	273,109
442147	SUGAR LAND TEL CO	C	427,521	112,647	288,090
442153	TEXAS-ALLTEL, INC.	C	177,352	0	0
462185	CENTURYTEL OF EAGLE	C	1,010,422	1,425,801	2,050,179
472223	CENTURY-GEM STATE-ID	C	47,786	20,677	38,748
482249	CENTURYTEL-MONTANA	C	505,218	651,735	1,886,569
502284	BEEHIVE TEL CO - UT	C	368,832	115,027	380,851
512296	TRI COUNTY TEL ASSN	C	83,469	26,336	200,842
512297	UNION TELEPHONE CO	C	341,450	931,930	2,011,438
512299	CENTURYTEL OF WY.	C	731	105,059	152,772
522408	CENTURYTEL-WASHINGTO	C	1,775,140	2,858,358	4,040,484
522410	CENTURYTEL-COWICHE	C	16,425	15,853	49,276
532359	BEAVER CREEK COOP	C	112,118	70,237	119,932
532361	CENTURYTEL-EA OREGON	C	888,380	1,136,421	1,655,164

NECA ARC-1
Filing Date: 6/16/2004
Filing Entity: NECA
Transmittal Number: 1030

COST TO BE MOVED TO COMMON LINE
TEST PERIOD JULY 1, 2004 THROUGH JUNE 30, 2005

			DATA USED IN NECA TARIFF FILING		
SAC	**COMPANY NAME**	**SETTLEMENT TYPE**	**LINE PORT**	**TRANSPORT (TIC)**	**TIC REVENUES FOR 12 MONTH PERIOD ENDING 6/30/01**
542334	SUREWEST TEL.	C	412,811	87,786	183,173
552223	CENTURY-GEM STATE-NV	C	8,153	4,813	18,049
552284	BEEHIVE TEL CO - NV	C	16,827	26,099	125,574
613000	ACS OF ANCHORAGE	C	981,763	384,008	704,269
633200	P R T C - CENTRAL	C	573,978	1,963,908	2,594,641
633201	PUERTO RICO TEL CO	C	4,201,514	14,369,022	18,704,957
643300	VITELCO-INNOVATIVE	C	555,716	533,660	680,372
			39,136,290	38,078,536	68,017,211

Note:

- NECA calculated projected test period amounts for all companies in its Common Line pool (including 61.38 and 61.39 companies that file their own TS tariffs) in the following manner:

1. Companies were requested to provide budget-level forecasts and projected investment, expenses, reserves, and taxes for 2004 and 2005. NECA developed cost forecasts using both these cost data projections and historical cost trends.

2. These cost forecasts (i.e., investment, expenses, reserves) were used as inputs to NECA's allocation program, which processes total company data through Part 36 (Separations) and Part 69 (Access). General purpose computer investment was reallocated for study areas as necessary.

3. For some companies who have their own allocation programs, Part 69 access element test period forecasts as developed by the company were used. These company-supplied forecasts were reviewed by NECA for reasonableness.

- Using Part 69 element forecast data, NECA applied each study area's line port factor to the local switching revenue requirement net of Local Switching Support (LSS) and transferred those amounts to the common line category.

- NECA reallocated each study area's TIC costs to the other access elements (i.e., common line, local switching, other transport, information, special access) based on each access element's projected revenue requirement divided by projected total access element revenue requirements as prescribed by FCC rules.

Filing Date: 6/16/2004
Filing Entity: NECA
Transmittal Number: 1030

ANNUALIZED TEST PERIOD 7/04 TO 6/05 ACCESS REVENUE REQUIREMENTS
DEMAND AND RATE RECONCILIATION

		RATES			RATE MAKING DEMAND				
		MIN/MSG	MIN MILE	LINE OR TRUNK	MIN/MSG	MIN MILE	LINE OR TRUNK	ANTICIPATED REVENUE	REVENUE REQUIREMENTS
		(A)	(B)	(C)	(D)	(E)	(F)	G=(A*D)+ (B*E)+(C*F)	(H)
	COMMON LINE								
100	Line Port Element	N/A	N/A	23.51	N/A	N/A	6,670	1,881,740	N/A
110	Multi Line Business	N/A	N/A	8.90	N/A	N/A	2,178,337	232,720,027	N/A
120	Single Line Business	N/A	N/A	6.49	N/A	N/A	730,492	56,847,066	N/A
130	Residence	N/A	N/A	6.49	N/A	N/A	9,193,992	716,074,773	N/A
140	Special Access Surcharge	N/A	N/A	25.00	N/A	N/A	4,525	1,357,500	N/A
150	Terminating CCL Premium	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
160	Terminating CCL NonPremium	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
170	Originating CCL Premium	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
180	Originating CCL NonPremium	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
190	USF Contribution	N/A	N/A	8.9%	N/A	N/A	N/A	100,868,759	100,871,545
200	Common Line - Total w/o ICLS							1,109,749,865	1,100,615,716
	INFORMATION								
210	Directory Assistance	1.01	N/A	N/A	0	N/A	N/A	0	N/A
220	White Page Srcng Prem	0.000211	N/A	N/A	18,908,242,616	N/A	N/A	3,989,639	N/A
230	White Page Srcng NPrem	0.000095	N/A	N/A	1,157,416	N/A	N/A	110	N/A
240	Other Information	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
250	Information - Total							3,989,749	3,990,075
	LOCAL SWITCHING								
260	Premium	0.012068	N/A	N/A	18,908,242,616	N/A	N/A	228,184,672	N/A
270	Non-Premium	0.005431	N/A	N/A	1,157,416	N/A	N/A	6,286	N/A
280	Equal Access	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
290	Switching - Total w/o Local Switching Support							228,190,958	228,182,012
	LOCAL TRANSPORT								
300	Premium LTT Termination	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
310	NonPremium LTT Termination	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
320	Premium LTF Facility	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
330	NonPremium LTF Facility	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
340	Tandem Switching	0.002956	N/A	N/A	3,541,753,711	N/A	N/A	10,469,424	N/A
350	TST Termination	0.000816	N/A	N/A	28,166,155,105	N/A	N/A	22,983,583	N/A
360	TST Facility	N/A	0.000165	N/A	N/A	297,667,663,628	N/A	49,115,164	N/A
370	Premium Interconnection	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
380	NonPremium Interconnection	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
390	Install NRC per Trunk	N/A	N/A	404.00	N/A	N/A	167	67,468	N/A

NOTE: Effective 4/1/03, Federal Universal Service Charge is set equal to FCC's quarterly USF contribution factor.
NOTE: For Line Port Element category, ISDN PRI is reflected in line 100.
NOTE: Difference between revenues and revenue requirement is primarily due to uncollectibles.

Filing Date: 6/16/2004
Filing Entity: NECA
Transmittal Number: 1030

ANNUALIZED TEST PERIOD 7/04 TO 6/05 ACCESS REVENUE REQUIREMENTS
DEMAND AND RATE RECONCILIATION

		RATES			RATE MAKING DEMAND				
		TERMINATIONS (A)	CIRCUITS (B)	MILES (C)	TERMINATIONS (D)	CIRCUITS (E)	MILES (F)	ANTICIPATED REVENUE G=(A*D)+(B*E)+(C*F)	REVENUE REQUIREMENTS (H)
	LOCAL TRANSPORT - Continued								
400	DS3 Entrance Facility	N/A	2150.77	N/A	N/A	3,188	N/A	6,856,655	N/A
410	DS3 Direct Termination	551.16	N/A	N/A	1,642	N/A	N/A	905,005	N/A
420	DS3 Direct Facility	N/A	N/A	138.17	N/A	N/A	5,853	808,709	N/A
430	DS1 Entrance Facility	N/A	185.41	N/A	N/A	17,274	N/A	3,202,772	N/A
440	DS1 Direct Termination	98.96	N/A	N/A	145,375	N/A	N/A	14,386,310	N/A
450	DS1 Direct Facility	N/A	N/A	20.07	N/A	N/A	1,657,438	33,264,781	N/A
460	VG Entrance Facility Two Wire	N/A	43.30	N/A	N/A	333	N/A	14,419	N/A
	VG Entrance Facility Four Wire	N/A	69.28	N/A	N/A	2,189	N/A	151,654	
470	VG Direct Termination	30.99	N/A	N/A	10,207	N/A	N/A	316,315	N/A
480	VG Direct Facility - Mileage	N/A	N/A	3.09	N/A	N/A	118,489	366,131	N/A
490	Other Transport	N/A	N/A	N/A	N/A	N/A	N/A	3,069,220	N/A
500	Local Transport - Total							145,977,609	146,060,134
	SPECIAL - VOICE GRADE								
510	2-Wire Channel Term	N/A	43.30	N/A	N/A	33,527	N/A	1,451,713	N/A
520	4-Wire Channel Term	N/A	69.28	N/A	N/A	59,103	N/A	4,094,644	N/A
530	Channel Mileage Term	30.99	N/A	N/A	64,956	N/A	N/A	2,012,986	N/A
540	Channel Mileage Facility	N/A	N/A	3.09	N/A	N/A	937,046	2,895,474	N/A
550	Non-Recurring (Note 1)	N/A	289.00	N/A	N/A	47	N/A	13,560	N/A
	SPECIAL - HIGH CAPACITY								
560	Hi-Cap Channel Term	N/A	185.41	N/A	N/A	578,134	N/A	107,191,825	N/A
570	Channel Mileage Term	98.96	N/A	N/A	494,384	N/A	N/A	48,924,241	N/A
580	Channel Mileage Facility	N/A	N/A	20.07	N/A	N/A	5,377,043	107,917,253	N/A
590	Non-Recurring (Note 1)	N/A	281.00	N/A	N/A	5,231	N/A	1,469,856	N/A
600	Special Access Total							446,022,851	446,037,089

NOTE 1: A "composite" Special NRC must be used if the installation rates vary among the services.

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RATE OF RETURN TEST PERIOD REVENUES

		TOTAL NETWORK ACCESS (A)=B+C+D	RECURRING w/o ICB (B)	NON-RECURRING w/o ICB (C)	ICB (D)
100	Carrier Common Line	N/A	N/A	N/A	N/A
110	Special Access	446,022,851	442,029,156	3,833,375	160,320
120	Local Switching	228,175,699	228,175,699	0	0
130	Equal Access	N/A	0	0	0
140	Information	3,989,749	3,989,749	0	0
150	Local Transport	145,977,609	144,690,284	1,287,325	0
160	Total TS - Switched	696,968,225	696,968,225	0	0

NOTE: Total Common Line is: $2,012,960,733
NOTE: Total Local Switching (including LSS) is: $537,372,239

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RATE OF RETURN
ACCESS RATE ANALYSIS

		7/1/03 RATE	CURRENTLY EFFECTIVE RATE	PROPOSED 7/1/04 RATE	PROPOSED TO 7/1/03 % CHANGE
		(A)	(B)	(C)	D=((C-A)/A)*100
	A. SWITCHED ACCESS RATES				
100	Line Port	$23.51	$23.51	$23.51	0.00%
110	Premium CCL Terminating Rate $ Per Minute	N/A	N/A	N/A	N/A
120	Non-Premium CCL Terminating Rate $ Per Minute	N/A	N/A	N/A	N/A
130	Premium Switching Rate $ Per Minute	$0.0137	$0.0137	$0.0121	-12.21%
140	Non-Premium Switching Rate $ Per Minute	$0.0062	$0.0062	$0.0054	-12.21%
150	Equal Access	N/A	N/A	N/A	N/A
160	USF Contribution	9.5%	8.7%	8.9%	-6.32%
170	Special Access Surcharge	$25	$25	$25	0.00%
	B. END USER CHARGES				
180	Multiline Business	$8.82	$8.82	$8.90	0.95%
190	Residence and Single Line Bus.	$6.47	$6.47	$6.49	0.31%

NOTE : In Line 100, for Line Port Element, ISDN PRI is reflected.

PROPOSED TO CURRENT % CHANGE
E=((C-B)/B)*100
0.00%
N/A
N/A
-12.21%
-12.21%
N/A
2.30%
0.00%
0.95%
0.31%

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RATE OF RETURN
ACCESS RATE ANALYSIS

		7/1/03 RATE	CURRENTLY EFFECTIVE RATE	PROPOSED 7/1/04 RATE	PROPOSED TO 7/1/03 % CHANGE	PROPOSED TO CURRENT % CHANGE
		(A)	(B)	(C)	D=((C-A)/A*100)	E = ((C-B)B*100)
	C. LOCAL TRANSPORT RATES					
200	Premium Local Transport Rate, $ Per Minute (Avg Mileage)	$0.004453	$0.004453	$0.004464	0.25%	0.25%
210	Non-Premium Local Transport Rate, $ Per Minute (Avg Mileage)	$0.002004	$0.002004	$0.002009	0.25%	0.25%
220	DS1 Entrance Facility Rate, $ Per Circuit	$178.63	$178.63	$185.41	3.80%	3.80%
230	DS1 Direct Trunk Rate, $ Per Circuit (Avg Mileage)	$384.08	$384.08	$398.62	3.79%	3.79%
240	Tandem Switched Transport, $ Per Minute (Avg Mileage)	$0.003356	$0.003356	$0.003282	-2.21%	-2.21%
250	Tandem Switching Rate, $ Per TND Minute	$0.002743	$0.002743	$0.002956	7.77%	7.77%
260	Premium Interconnection Charge, $ Per Minute (Uniform Rate)	N/A	N/A	N/A	N/A	N/A
270	Non-Prem Interconnection Charge, $ Per Minute	N/A	N/A	N/A	N/A	N/A
280	Non-Recurring Charge, Per Trunk Activation	$310.00	$310.00	$404.00	30.32%	30.32%
	D. SPECIAL ACCESS RATES					
290	2-Wire Voice Grade, $ Per Circuit (Avg Mileage)	$172.84	$172.84	$179.48	3.84%	3.84%
300	4-Wire Voice Grade, $ Per Circuit (Avg Mileage)	$222.90	$222.90	$231.44	3.83%	3.83%

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RATE OF RETURN
ANNUALIZED ACCESS PRICEOUT COMPARISONS

		REVENUE AT 7/1/03 RATE (A)	REVENUE AT CURRENTLY EFFECTIVE RATE (B)	CHANGE (C)=B-A	REVENUE AT PROPOSED 7/1/04 RATE (D)
100	Line Port	1,881,740	1,881,740	0	1,881,740
110	Multi Line Business	230,447,272	230,447,272	0	232,720,027
120	Residence and Single Line Business	770,347,800	770,347,800	0	772,921,839
130	Carrier Common Line	N/A	N/A	N/A	N/A
140	Special Access	429,790,663	429,790,663	0	446,022,851
150	Special Access Surcharge	1,357,500	1,357,500	0	1,357,500
160	Local Switching	260,966,973	260,966,973	0	228,175,699
170	Equal Access	N/A	N/A	N/A	N/A
180	Information	3,895,206	3,895,206	0	3,989,749
190	Local Transport	144,622,540	144,622,540	0	145,977,609
200	USF Contributions	107,671,874	98,604,747	(9,067,127)	100,868,759
	TOTAL	1,950,981,569	1,941,914,442	(9,067,127)	1,881,740

NOTE 1: Both NECA end user and non end user tariff participants are displayed on lines 110 and 120.
NOTE 2: In Line 100, for Line Port Element, ISDN PRI is reflected.

CHANGE (E)=D-B
0
2,272,755
2,574,038
N/A
16,232,189
0
(32,791,275)
N/A
94,544
1,355,069
2,264,012
(7,998,669)

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ACCESS DEMAND
COMMON LINE

		PREMIUM CCL MOU			NON-PREMIUM CCL MOU	
		ORIG.	TERM.	TOTAL	ORIG.	TERM.
		(A)	(B)	(C)	(D)	(E)
HISTORICAL PERIOD						
100	1st Qtr. 2000	N/A	N/A	N/A	N/A	N/A
110	2nd Qtr. 2000	N/A	N/A	N/A	N/A	N/A
120	3rd Qtr. 2000	N/A	N/A	N/A	N/A	N/A
130	4th Qtr. 2000	N/A	N/A	N/A	N/A	N/A
140	1st Qtr. 2001	N/A	N/A	N/A	N/A	N/A
150	2nd Qtr. 2001	N/A	N/A	N/A	N/A	N/A
160	3rd Qtr. 2001	N/A	N/A	N/A	N/A	N/A
170	4th Qtr. 2001	N/A	N/A	N/A	N/A	N/A
180	1st Qtr. 2002	N/A	N/A	N/A	N/A	N/A
190	2nd Qtr. 2002	N/A	N/A	N/A	N/A	N/A
200	3rd Qtr. 2002	N/A	N/A	N/A	N/A	N/A
210	4th Qtr. 2002	N/A	N/A	N/A	N/A	N/A
220	PYCOS PERIOD (1/03 THRU 12/03)	N/A	N/A	N/A	N/A	N/A
230	PROSPECTIVE PERIOD (7/04 THRU 6/05)	N/A	N/A	N/A	N/A	N/A

NOTE : Effective 7/1/03, CCL rate is eliminated, and hence CCL MOU forecast is no longer available.

TOTAL
(F)
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A
N/A

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COMMON LINE

		TOTAL CCL MOU			TOTAL CHARGEABLE CCL MOU	
		ORIG.	TERM.	TOTAL	ORIG.	TERM.
		(G)	(H)	(I)	(J)	(K)
HISTORICAL PERIOD		A+D	B+E	C+F	A+(D*.45)	B+(E*.45)
200	1st Qtr. 2000	N/A	N/A	N/A	N/A	N/A
210	2nd Qtr. 2000	N/A	N/A	N/A	N/A	N/A
220	3rd Qtr. 2000	N/A	N/A	N/A	N/A	N/A
230	4th Qtr. 2000	N/A	N/A	N/A	N/A	N/A
240	1st Qtr. 2001	N/A	N/A	N/A	N/A	N/A
250	2nd Qtr. 2001	N/A	N/A	N/A	N/A	N/A
260	3rd Qtr. 2001	N/A	N/A	N/A	N/A	N/A
270	4th Qtr. 2001	N/A	N/A	N/A	N/A	N/A
280	1st Qtr. 2002	N/A	N/A	N/A	N/A	N/A
290	2nd Qtr. 2002	N/A	N/A	N/A	N/A	N/A
300	3rd Qtr. 2002	N/A	N/A	N/A	N/A	N/A
310	4th Qtr. 2002	N/A	N/A	N/A	N/A	N/A
320	PYCOS PERIOD (1/03 THRU 12/03)	N/A	N/A	33,656,200,972	N/A	N/A
330	PROSPECTIVE PERIOD (7/04 THRU 6/05)	N/A	N/A	N/A	N/A	N/A

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ACCESS DEMAND
TRAFFIC SENSITIVE

		LOCL SWITCHING PREMIUM	LOCL SWITCHING NON-PREMIUM	LOCL SWITCHING TOTAL	LOCL SWITCHING TOTAL CHARGEABLE	TANDEM SWITCHING TOTAL*	TANDEM SWITCHING TRANSPORT**
		(A)	(B)	(C)=A+B	(D)=A+(B*.45)	(E)	(F)
HISTORICAL PERIOD							
300	1st Qtr. 2000	N/A	N/A	N/A	N/A	N/A	N/A
310	2nd Qtr. 2000	N/A	N/A	N/A	N/A	N/A	N/A
320	3rd Qtr. 2000	N/A	N/A	N/A	N/A	N/A	N/A
330	4th Qtr. 2000	N/A	N/A	N/A	N/A	N/A	N/A
340	1st Qtr. 2001	N/A	N/A	N/A	N/A	N/A	N/A
350	2nd Qtr. 2001	N/A	N/A	N/A	N/A	N/A	N/A
360	3rd Qtr. 2001	N/A	N/A	N/A	N/A	N/A	N/A
370	4th Qtr. 2001	N/A	N/A	N/A	N/A	N/A	N/A
380	1st Qtr. 2002	N/A	N/A	N/A	N/A	N/A	N/A
390	2nd Qtr. 2002	N/A	N/A	N/A	N/A	N/A	N/A
400	3rd Qtr. 2002	N/A	N/A	N/A	N/A	N/A	N/A
410	4th Qtr. 2002	N/A	N/A	N/A	N/A	N/A	N/A
420	PYCOS PERIOD (1/03 THRU 12/03)	18,991,778,098	1,918,507	18,993,696,605	18,992,641,426	3,558,383,451	28,298,404,800
430	PROSPECTIVE PERIOD (7/04 THRU 6/05)	18,908,242,616	1,157,416	18,909,400,032	18,908,763,453	3,541,753,711	28,166,155,105

* These are the Transport minutes, discussed in Part 69.111 (f) & (g)
** These are the Transport terminations, discussed in Part 69.111 (a) - (e)

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Rate of Return
Special Access Demand Comparison

		Historical 1/03 thru 12/03			Prospective 7/04 thru 6/05		
		Channel Termination	Circuits	Interoffice Miles	Channel Termination	Circuits	Interoffice Miles
100	Metallic	0	0	0	0	0	0
110	Telegraph	0	0	0	0	0	0
120	Voice Grade	108,979	83,830	1,097,943	92,630	71,254	937,046
130	Wats	N/A	N/A	N/A	N/A	N/A	N/A
140	Audio Program (Full time)	1,382	1,382	801	1,268	1,268	735
150	High Capacity	445,879	318,485	4,087,991	560,160	415,886	5,393,489

NOTE: This chart should be populated with annualized demand.

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COMMON LINE DEMAND AND REVENUE

		1/03-12/03 Historical Revenue (A)	1/03-12/03 Historical MOU or Lines (B)	7/04 - 6/05 Test Year Revenue (C)	7/04 - 6/05 Test Year MOU or Lines (D)
100	End User Common Line, Total (1)	988,289,189	12,324,119	1,007,523,606	12,102,821
110	Line Port Element (2)	1,853,528	6,570	1,881,740	6,670
120	Residential	695,579,723	9,339,447	716,074,773	9,193,992
130	Single Line Business	55,247,851	743,035	56,847,066	730,492
140	Multi-line Business	235,608,087	2,241,637	232,720,027	2,178,337
150	Special Access Surcharge	2,819,700	9,399	1,357,500	4,525
160	Carrier Common Line	31,001,759	33,656,200,972	N/A	N/A
170	Total Common Line Revenue	1,022,110,648	N/A	1,008,881,106	N/A

(1) Lines 110, 120, 130, and 140 are included into End User Common Line, Total (line 100) in Columns (A) and (C).
Lines 120, 130, and 140 are included in line 100 in Columns (B) and (D).

(2) Only ISDN PRI arrangements are used to compute Line Port Element historical and test year revenues.

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Rate of Return
Local Transport Demand Comparison

		Historical 1/03 thru 12/03			Prospective 7/04 thru 6/05		
		VG	**DS1**	**DS3**	**VG**	**DS1**	**DS3**
		(A)	(B)	(C)	(A)	(B)	(C)
100	Entrance Facility	2,534	17,355	3,203	2,522	17,274	3,188
110	Direct Trunked Transport	119,045	1,665,220	5,881	118,489	1,657,438	5,853

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Annualized Rate of Return Comparison

		Preliminary 2001/2002 FCC Monitoring Period*	Preliminary 2003 Period**	Prospective 7/04 - 6/05
100	Total Interstate Access	12.35%	13.18%	11.25%
110	Carrier Common Line	12.05%	12.09%	11.25%
120	Special Access	12.57%	16.37%	11.25%
130	Local Switching	N/A	N/A	N/A
140	Information	N/A	N/A	N/A
150	Local Transport	N/A	N/A	N/A
160	Total TS - Switched	12.76%	13.80%	11.25%

* Preliminary 2001/2002 Monitoring Period ROR is taken directly from the FCC492, filed September 30, 2003.
** Preliminary 2003 Period ROR is taken directly from the April, 2004 Assessment.

NOTE: Calendar year 2003 data is subject to true-up through December 2005. Historically, cost levels increase as companies begin reporting actual data. Considering this, it is expected that the rates of return reported on NECA's Form 492 Report and pool actuals will decline as companies update their studies.