Filing Date: 6/16/2005
Filing Entity: NECA
Transmittal Number : 1077

RATE OF RETURN
PROSPECTIVE COST ANALYSIS SUMMARY ($000)

	TEST YEAR FORECAST 7/05 THRU 6/06	SUBJECT TO SEPARATIONS	PAY PHONE	INSIDE WIRE	BFP	TOTAL
		---------- COMMON LINE ----------				
		(D)	(I)	(J)	(K)	(L)
	REVENUES					
100	Network Access	N/A	N/A	N/A	N/A	1,094,263
110	Uncollectibles	N/A	N/A	N/A	N/A	31
120	Common Line Support	N/A	N/A	N/A	N/A	0
130	Long Term Support* (NOTE 1)	N/A	N/A	N/A	N/A	0
135	Interstate Common Line Support* (NOTE 1)	N/A	N/A	N/A	N/A	951,479
140	Transitional	N/A	N/A	N/A	N/A	0
150	Miscellaneous	N/A	N/A	N/A	N/A	0
160	Net Revenues	N/A	N/A	N/A	N/A	2,045,712
	EXPENSES					
170	Plant Specific	1,666,868	0	0	253,167	253,167
171	Network Support	33,351	0	0	5,365	5,365
172	General Support	384,723	0	0	62,185	62,185
173	Central Office	746,740	0	0	27,849	27,849
174	Operator Systems	506	0	0	0	0
175	COE Switching	547,575	0	0	0	0
176	COE Transmission	198,659	0	0	27,849	27,849
177	IOT	2,553	0	0	538	538
178	Cable & Wire Facilities	499,501	0	0	156,875	156,875
180	Plant Non Specific excl Depr & Amort	515,882	0	0	85,330	85,330
190	Depreciation/Amortization	2,489,964	0	0	372,816	372,816
200	Customer Operations	805,781	0	0	70,024	70,024
201	Marketing	158,272	0	0	25,191	25,191
202	Local Business Office	360,437	0	0	38,734	38,734
203	Revenue Accounting	187,358	0	0	5,221	5,221
204	Other Billing and Collections	91,779	0	0	4,493	4,493
210	Access	N/A	N/A	N/A	N/A	0
215	Universal Service Contributions* (NOTE 2)	N/A	N/A	N/A	N/A	118,999
220	Corporate Operations	1,309,063	0	0	198,982	198,982
230	AFUDC	14,411	0	0	2,447	2,447
240	Other Expenses and Adjustments	(50,718)	0	0	(9,320)	(9,320)
250	Taxes Other than FIT	350,566	0	0	75,893	75,893
260	Total Expenses and Other Taxes	7,072,996	0	0	1,044,445	1,163,444
	NECA ADJUSTMENTS					
261	NECA Administrative Expenses	N/A	0	0	26,293	26,293
262	Average Schedule Settlements	N/A	0	0	292,715	292,715
263	Adjustment for Line Port/TIC	0	0	0	234,408	234,408
264	Total NECA Adjustments	0	0	0	553,415	553,415
	FIT ADJUSTMENTS					
270	Adjustments for FIT	214,016	0	0	36,625	36,625
280	Amortized ITC	2,624	0	0	213	213
290	Federal Income Taxes	446,255	0	0	80,204	80,204
300	TOTAL EXPENSES AND TAXES	7,519,251	0	0	1,678,065	1,797,064
	TELEPHONE PLANT IN SERVICE					
310	General Support	4,044,731	0	0	653,907	653,907
320	Central Office Equipment - Switch	5,288,855	0	0	0	0
321	Operator Systems	53,249	0	0	0	0
322	Tandem Switching	286,459	0	0	0	0
323	Local Switching Cat 3	4,949,147	0	0	0	0
324	Equal Access	11,164	0	0	0	0
330	Central Office Equipment - Trans	6,838,240	0	0	979,420	979,420
331	Subscriber Line	5,947,714	0	0	979,420	979,420
332	Exchange Circuit	890,525	0	0	0	0
333	Interexchange Circuit	4,076,909	0	0	0	0
334	Host Remote	334,051	0	0	0	0
340	Cable and Wire	20,004,080	0	0	4,477,280	4,477,280
341	Subscriber Line	18,522,552	0	0	4,477,280	4,477,280
342	Exchange	453,049	0	0	0	0
343	Interexchange Circuit	694,429	0	0	0	0
344	Host Remote	334,051	0	0	0	0
350	Info Orig/Term Equipment	20,459	0	0	5,098	5,098
360	Amortizable Assets	204,832	0	0	26,631	26,631
370	Total Plant in Service	36,401,197	0	0	6,142,336	6,142,336
	ADJUSTMENTS TO TPIS					
380	Depreciation/Amortization Reserve	23,691,548	0	0	3,864,960	3,864,960
390	Accum. Deferred Income Tax	1,056,364	0	0	170,608	170,608
400	Other Rate Base Adjustments	579,425	0	0	103,435	103,435
	RETURN DATA					
410	Average Rate Base	12,232,709	0	0	2,210,204	2,210,204
420	Return	1,376,180	0	0	248,648	248,648
430	Rate of Return	11.25%	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: 6/16/2005
Filing Entity: NECA
Transmittal Number : 1077

RATE OF RETURN
PROSPECTIVE COST ANALYSIS SUMMARY ($000)

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

	TEST YEAR FORECAST 7/05 THRU 6/06	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	220,989	0	0	3,890	11,002	97,798	36,598	370,277	489,167
110	Uncollectibles	3	0	0	0	0	1	0	4	3
120	Local Switching Support * (NOTE 1)	305,722	N/A	N/A	N/A	N/A	N/A	N/A	305,722	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	526,709	0	0	3,890	11,002	97,797	36,597	675,995	489,164
	EXPENSES									
170	Plant Specific	107,679	0	0	0	1,248	20,724	5,996	135,648	56,749
171	Network Support	1,362	0	0	0	49	321	105	1,836	1,487
172	General Support	16,296	0	0	0	466	4,334	1,563	22,659	13,657
173	Central Office	89,722	0	0	0	734	10,759	2,169	103,384	25,026
174	Operator Systems	46	0	0	0	0	0	0	46	0
175	COE Switching	89,677	0	0	0	734	0	0	90,411	0
176	COE Transmission	0	0	0	0	0	10,759	2,169	12,928	25,026
177	IOT	0	0	0	0	0	0	0	0	0
178	Cable & Wire Facilities	0	0	0	0	0	5,310	2,160	7,470	16,171
180	Plant Non Spec excl Depr & Amort	21,667	0	0	0	606	5,962	2,063	30,298	20,203
190	Depreciation/Amortization	117,903	0	0	0	3,215	31,025	8,494	160,637	94,402
200	Customer Operations	23,841	0	0	2,537	453	5,502	1,744	34,077	19,456
201	Marketing	4,860	0	0	0	108	1,178	404	6,549	5,372
202	Local Business Office	5,518	0	0	18	104	1,442	404	7,486	3,783
203	Revenue Accounting	12,284	0	0	14	236	2,800	907	16,240	9,996
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	75,066	0	0	1,108	1,043	14,904	4,540	96,660	43,632
230	AFUDC	546	0	0	0	27	209	75	857	643
240	Other Expenses and Adjustments	(434)	0	0	(0)	(3)	(32)	34	(436)	63
250	Taxes Other than FIT	12,393	0	0	0	333	3,823	1,243	17,792	12,958
260	Total Expenses and Other Taxes	357,570	0	0	3,645	6,866	81,698	24,039	473,819	246,822
	NECA ADJUSTMENTS									
261	NECA Administrative Expenses	5,722	0	0	0	245	2,104	1,157	9,229	6,678
262	Average Schedule Settlements	179,099	0	0	0	7,142	76,130	19,798	282,168	137,650
263	Adjustment for Line Port/TIC	(72,844)	0	0	245	(5,258)	(86,134)	(16,714)	(180,705)	21,020
264	Total NECA Adjustments	111,977	0	0	245	2,129	(7,900)	4,241	110,692	165,348
							-108,106			
	FIT ADJUSTMENTS									
270	Adjustments for FIT	7,755	0	0	0	228	3,992	1,240	13,215	10,119
280	Amortized ITC	86	0	0	0	3	16	4	110	73
290	Federal Income Taxes	12,808	0	0	(0)	324	5,192	1,347	19,671	19,338
300	TOTAL EXPENSES AND TAXES	482,354	0	0	3,890	9,319	78,990	29,627	604,181	431,509
	TELEPHONE PLANT IN SERVICE									
310	General Support	186,808	0	0	0	5,512	50,957	19,988	263,265	161,240
320	Central Office Equipment - Switch	1,200,959	0	0	0	37,051	0	0	1,238,010	0
321	Operator Systems	82	0	0	0	0	0	0	82	0
322	Tandem Switching	0	0	0	0	37,051	0	0	37,051	0
323	Local Switching Cat 3	1,195,143	0	0	0	0	0	0	1,195,143	0
324	Equal Access	5,734	0	0	0	0	0	0	5,734	0
330	Central Office Equipment - Trans	0	0	0	0	0	198,351	62,497	260,848	657,058
331	Subscriber Lines	0	0	0	0	0	0	0	0	242,957
332	Exchange Circuit	0	0	0	0	0	0	0	0	382,916
333	Interexchange Circuit	0	0	0	0	0	198,351	0	198,351	31,185
334	Host Remote	0	0	0	0	0	0	62,497	62,497	0
340	Cable and Wire	0	0	0	0	0	152,984	67,723	220,707	485,553
341	Subscriber Lines	0	0	0	0	0	0	0	0	121,977
342	Exchange	0	0	0	0	0	996	0	996	179,690
343	Interexchange Circuit	0	0	0	0	0	151,988	0	151,988	183,886
344	Host Remote	0	0	0	0	0	0	67,723	67,723	0
350	Info Orig/Term Equipment	0	0	0	0	0	0	0	0	0
360	Amortizable Assets	4,439	0	0	0	133	12,798	4,117	21,486	17,919
370	Total Plant in Service	1,392,206	0	0	0	42,696	415,089	154,324	2,004,316	1,321,770
	ADJUSTMENTS TO TPIS									
380	Depreciation/Amortization Reserve	993,720	0	0	0	28,249	251,722	94,455	1,368,146	807,819
390	Accum. Deferred Income Tax	41,483	0	0	0	881	8,679	2,279	53,321	35,604
400	Other Rate Base Adjustments	37,256	0	0	0	1,388	12,483	4,368	55,495	34,138
	RETURN DATA									
410	Average Rate Base	394,259	0	0	0	14,954	167,171	61,958	638,343	512,486
420	Return	44,354	0	0	0	1,682	18,807	6,970	71,814	57,655
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: 6/16/2005
Filing Entity: NECA
Transmittal Number : 1077

RATE OF RETURN
HISTORICAL COST ANALYSIS SUMMARY ($000)

	HISTORICAL DATA PERIOD 1/04 THRU 12/04	SUBJECT TO SEPARATIONS (D)	PAY PHONE (I)	INSIDE WIRE (J)	BFP (K)	TOTAL (L)
		---------- COMMON LINE ----------				
	REVENUES					
100	Network Access	N/A	N/A	N/A	N/A	1,324,949
110	Uncollectibles	N/A	N/A	N/A	N/A	31
120	Common Line Support	N/A	N/A	N/A	N/A	0
130	Long Term Support * (NOTE 1)	N/A	N/A	N/A	N/A	651,448
135	Interstate Common Line Support * (NOTE 1)	N/A	N/A	N/A	N/A	243,832
140	Transitional	N/A	N/A	N/A	N/A	0
150	Miscellaneous	N/A	N/A	N/A	N/A	0
160	Net Revenues	N/A	N/A	N/A	N/A	1,976,366
	EXPENSES					
170	Plant Specific	1,589,597	0	0	243,670	243,670
171	Network Support	30,617	0	0	5,010	5,010
172	General Support	365,891	0	0	59,715	59,715
173	Central Office	705,622	0	0	26,434	26,434
174	Operator Systems	432	0	0	0	0
175	COE Switching	522,235	0	0	0	0
176	COE Transmission	182,955	0	0	26,434	26,434
177	IOT	3,306	0	0	732	732
178	Cable & Wire Facilities	667,117	0	0	151,451	151,451
180	Plant Non Specific excl Depr & Amort	486,954	0	0	81,291	81,291
190	Depreciation/Amortization	2,340,498	0	0	351,876	351,876
200	Customer Operations	766,195	0	0	66,799	66,799
201	Marketing	146,214	0	0	23,567	23,567
202	Local Business Office	346,132	0	0	37,755	37,755
203	Revenue Accounting	178,229	0	0	4,628	4,628
204	Other Billing and Collections	88,222	0	0	3,914	3,914
210	Access	N/A	N/A	N/A	N/A	0
215	Universal Service Contributions* (NOTE 2)	N/A	N/A	N/A	N/A	103,047
220	Corporate Operations	1,243,256	0	0	190,026	190,026
230	AFUDC	15,005	0	0	2,573	2,573
240	Other Expenses and Adjustments	(38,937)	0	0	(7,244)	(7,244)
250	Taxes Other than FIT	337,147	0	0	72,647	72,647
260	Total Expenses and Other Taxes	6,709,705	0	0	996,493	1,099,540
	NECA ADJUSTMENTS					
261	NECA Administrative Expenses	N/A	0	0	26,325	26,325
262	Average Schedule Settlements	N/A	0	0	288,564	288,564
263	Adjustment for Line Port/TIC	0	0	0	232,850	232,850
264	Total NECA Adjustments	0	0	0	547,739	547,739
	FIT ADJUSTMENTS					
270	Adjustments for FIT	221,429	0	0	38,141	38,141
280	Amortized ITC	2,863	0	0	261	261
290	Federal Income Taxes	451,584	0	0	79,688	79,688
300	TOTAL EXPENSES AND TAXES	7,161,289	0	0	1,623,920	1,726,967
	TELEPHONE PLANT IN SERVICE					
310	General Support	3,803,558	0	0	619,416	619,416
320	Central Office Equipment - Switch	5,150,877	0	0	0	0
321	Operator Systems	51,914	0	0	0	0
322	Tandem Switching	278,793	0	0	0	0
323	Local Switching Cat 3	4,809,203	0	0	0	0
324	Equal Access	10,966	0	0	0	0
330	Central Office Equipment - Trans	6,105,800	0	0	883,835	883,835
331	Subscriber Line	5,362,549	0	0	883,835	883,835
332	Exchange Circuit	743,251	0	0	0	0
333	Interexchange Circuit	3,660,020	0	0	0	0
334	Host Remote	326,709	0	0	0	0
340	Cable and Wire	18,647,066	0	0	4,200,617	4,200,617
341	Subscriber Line	17,311,899	0	0	4,200,617	4,200,617
342	Exchange	381,006	0	0	0	0
343	Interexchange Circuit	627,451	0	0	0	0
344	Host Remote	326,709	0	0	0	0
350	Info Orig/Term Equipment	20,678	0	0	5,146	5,146
360	Amortizable Assets	187,758	0	0	25,398	25,398
370	Total Plant in Service	33,915,737	0	0	5,734,412	5,734,412
	ADJUSTMENTS TO TPIS					
380	Depreciation/Amortization Reserve	20,862,384	0	0	3,441,350	3,441,350
390	Accum. Deferred Income Tax	1,015,315	0	0	165,569	165,569
400	Other Rate Base Adjustments	489,292	0	0	89,386	89,386
	RETURN DATA					
410	Average Rate Base	12,527,329	0	0	2,216,879	2,216,879
420	Return	1,409,325	0	0	249,399	249,399
430	Rate of Return	11.25%	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

Filing Date: 6/16/2005
Filing Entity: NECA
Transmittal Number : 1077

RATE OF RETURN
HISTORICAL COST ANALYSIS SUMMARY ($000)

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

	HISTORICAL DATA PERIOD 1/04 THRU 12/04	LOCAL SWITCHING (M)	EQUAL ACCESS (N)	SS7 (O)	INFORMATION (P)	TANDEM SWITCHING (Q)	LOCAL TRANSPORT (R)	HOST REMOTE (S)	TOTAL SWTCH TRFFC SNSTV (T)	SPECIAL ACCESS (U)
	REVENUES									
100	Network Access	239,145	0	0	3,674	7,445	99,526	27,925	377,715	389,963
110	Uncollectibles * (NOTE 1)	3	0	0	0	0	1	0	4	3
120	Local Switching Support * (NOTE 2)	301,600	N/A	N/A	N/A	N/A	N/A	N/A	301,600	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	540,742	0	0	3,674	7,445	99,525	27,925	679,311	389,960
	EXPENSES									
170	Plant Specific	104,576	0	0	0	1,153	21,223	6,331	133,283	45,962
171	Network Support	1,347	0	0	0	45	343	108	1,842	1,146
172	General Support	16,052	0	0	0	430	4,451	1,596	22,530	10,936
173	Central Office	86,869	0	0	0	678	11,091	2,339	100,977	20,444
174	Operator Systems	39	0	0	0	0	0	0	39	0
175	COE Switching	86,830	0	0	0	678	0	0	87,508	0
176	COE Transmission	0	0	0	0	0	11,091	2,339	13,430	20,444
177	IOT	0	0	0	0	0	0	0	0	0
178	Cable & Wire Facilities	0	0	0	0	0	5,338	2,287	7,625	13,057
180	Plant Non Spec excl Depr & Amort	21,404	0	0	0	567	6,083	2,137	30,191	15,983
190	Depreciation/Amortization	117,138	0	0	0	2,987	28,968	10,466	159,560	74,948
200	Customer Operations	23,230	0	0	2,386	426	5,463	1,831	33,336	15,189
201	Marketing	4,668	0	0	0	97	1,171	416	6,351	3,983
202	Local Business Office	5,434	0	0	25	96	1,408	427	7,391	2,980
203	Revenue Accounting	12,209	0	0	24	228	2,802	956	16,220	7,982
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	72,663	0	0	979	971	15,316	4,719	94,648	34,649
230	AFUDC	653	0	0	0	21	280	95	1,048	629
240	Other Expenses and Adjustments	(380)	0	0	(0)	(3)	(27)	59	(351)	130
250	Taxes Other than FIT	12,699	0	0	0	299	4,005	1,275	18,278	10,025
260	Total Expenses and Other Taxes	350,678	0	0	3,365	6,379	80,750	26,723	467,896	196,255
	NECA ADJUSTMENTS									
261	NECA Administrative Expenses	7,801	0	0	0	137	1,170	644	9,751	5,976
262	Average Schedule Settlements	188,448	0	0	0	3,901	76,424	6,838	275,610	102,733
263	Adjustment for Line Port/TIC	(73,201)	0	0	309	(4,869)	(85,736)	(15,242)	(178,739)	21,060
264	Total NECA Adjustments	123,048	0	0	309	(831)	(8,142)	(7,761)	106,622	129,769
	FIT ADJUSTMENTS									
270	Adjustments for FIT	9,025	0	0	0	247	4,747	1,277	15,296	8,726
280	Amortized ITC	103	0	0	0	3	22	6	133	65
290	Federal Income Taxes	15,073	0	0	(0)	266	5,934	1,505	22,778	14,828
300	TOTAL EXPENSES AND TAXES	488,798	0	0	3,674	5,814	78,542	20,468	597,296	340,852
	TELEPHONE PLANT IN SERVICE									
310	General Support	182,251	0	0	0	5,153	51,481	20,706	259,592	128,892
320	Central Office Equipment - Switch	1,152,513	0	0	0	33,848	0	0	1,186,362	0
321	Operator Systems	81	0	0	0	0	0	0	81	0
322	Tandem Switching	0	0	0	0	33,848	0	0	33,848	0
323	Local Switching Cat 3	1,146,860	0	0	0	0	0	0	1,146,860	0
324	Equal Access	5,572	0	0	0	0	0	0	5,572	0
330	Central Office Equipment - Trans	0	0	0	0	0	192,887	63,562	256,449	503,506
331	Subscriber Lines	0	0	0	0	0	0	0	0	193,571
332	Exchange Circuit	0	0	0	0	0	0	0	0	287,031
333	Interexchange Circuit	0	0	0	0	0	192,887	0	192,887	22,904
334	Host Remote	0	0	0	0	0	0	63,562	63,562	0
340	Cable and Wire	0	0	0	0	0	155,584	68,909	224,493	383,034
341	Subscriber Lines	0	0	0	0	0	0	0	0	96,248
342	Exchange	0	0	0	0	0	1,010	0	1,010	143,299
343	Interexchange Circuit	0	0	0	0	0	154,574	0	154,574	143,487
344	Host Remote	0	0	0	0	0	0	68,909	68,909	0
350	Info Orig/Term Equipment	0	0	0	0	0	0	0	0	0
360	Amortizable Assets	4,176	0	0	0	121	14,988	2,343	21,629	13,060
370	Total Plant in Service	1,338,941	0	0	0	39,123	414,940	155,520	1,948,524	1,028,491
	ADJUSTMENTS TO TPIS									
380	Depreciation/Amortization Reserve	876,165	0	0	0	24,984	235,806	92,076	1,229,031	597,025
390	Accum. Deferred Income Tax	41,770	0	0	0	820	9,068	2,565	54,223	27,481
400	Other Rate Base Adjustments	40,713	0	0	0	1,178	16,450	5,406	63,748	32,526
	RETURN DATA									
410	Average Rate Base	461,719	0	0	0	14,498	186,517	66,285	729,018	436,511
420	Return	51,943	0	0	0	1,631	20,983	7,457	82,015	49,107
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.

(0)
712207.192

29,153

61.38 ACR-1 Historical
Filing Date: 6/16/2005
Filing Entity: NECA
Transmittal Number : 1077

Rate-of Return TRP
ACR Adjustments
Historical (Calendar Year 2004)
($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	$1,717,222		$1,717,222		$89,799	$103,047			$1,703,974	$67,865	$39,472	$35,714
Local Switching	$606,145	$301,600	$304,545	29.49%	($89,799)				$214,746	$16,598		
Information	$3,365		$3,365						$3,365	$309		
Transport	$230,135		$230,135				$131,450	$103,119	$103,119	($97,189)		
Special Access	$362,926		$362,926						$362,926	$21,060		

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)
$1,976,397
$540,745
$3,674
$134,896
$389,962

61.38 ACR-1 Projected
Filing Date: 6/16/2005
Filing Entity: NECA
Transmittal Number: 1077

Rate of Return TRP
ACR Adjustments
Test Year, 7/05-6/06
($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	$1,785,043		$1,785,043		$86,212	$118,999			$1,752,256	$73,390	$38,728	$36,078	$2,045,744
Local Switching	$593,833	$305,722	$288,111	29.92%	($86,212)				$201,899	$13,368			$526,711
Information	$3,645		$3,645						$3,645	$245			$3,890
Transport	$249,996		$249,996				$131,450	$114,691	$114,691	($108,106)			$145,397
Special Access	$461,468		$461,468						$461,468	$21,020			$489,167

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: 6/16/2005
Filing Entity: NECA
Transmittal Number: 1077

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	58,092	48,276	67,083
170175	IRONTON TEL CO	A	103,920	73,248	115,223
170191	NORTH EASTERN PA TEL	A	205,704	126,876	385,787
170196	PALMERTON TEL CO	A	190,476	115,956	182,566
190226	NTELOS, INC.	A	472,092	14,448	40,484
310675	BARAGA TEL CO	A	85,428	74,652	146,031
320818	SMITHVILLE TEL CO	A	344,796	0	0
341016	GENESEO TEL CO	A	278,532	80,844	80,844
351150	DIXON TEL CO	A	20,784	10,512	17,183
351166	FARMERS & MERCHANTS	A	21,060	7,804	7,804
351177	FARMERS TEL CO -RICE	A	50,340	46,848	51,981
351209	INTERSTATE 35 TEL CO	A	37,236	12,648	34,226
351212	JEFFERSON TEL CO -IA	A	47,460	42,684	276,565
351260	NORTHWEST IOWA TEL	A	132,504	1,262,820	8,147,885
351278	READLYN TEL CO	A	30,816	3,072	14,006
351292	SEARSBORO TEL CO	A	33,504	3,732	10,412
361375	MID-COMM-HICKORYTECH	A	385,512	119,124	912,051
361427	MANKATO-HICKORYTECH	A	385,512	119,124	960,613
391657	ALLIANCE-SPLITROCK	A	137,820	0	0
391664	JAMES VALLEY COOP	A	99,504	0	0
391684	UNION TEL CO.	A	39,540	51,288	51,296
482252	RONAN TEL CO	A	78,780	0	108,763
150106	ALLTEL NY-FULTON	C	160,202	33,548	55,864
150109	ALLTEL NY-JAMESTOWN	C	310,598	88,042	185,770
150113	ALLTEL NY-RED JACKET	C	31,198	4,488	8,845
170176	ALLTEL PENNSYLVANIA	C	1,106,270	258,623	467,485
210330	SMART CITY TEL LLC	C	302,815	32,518	56,551
210336	ALLTEL FLORIDA INC.	C	513,147	0	0
220356	COASTAL UTILITIES	C	408,816	8,222	14,907
220357	ALLTEL GEORGIA INC.	C	387,596	21,550	33,101
220377	PINELAND TEL COOP	C	89,438	1,449	1,879
230468	ATLANTIC MEMBERSHIP	C	308,947	2,214	3,299
230476	ALLTEL CAROLINA-NO	C	1,417,257	19,057	37,142
230483	LEXCOM TELEPHONE CO.	C	174,173	388,598	832,945
230485	MEBTEL, INC.	C	78,619	0	0
230502	STAR MEMBERSHIP CORP	C	175,403	311,052	507,870
240512	BLUFFTON TEL. CO.	C	147,580	104,180	159,381
240517	ALLTEL SO CAROLINA	C	384,172	95,495	156,196
240520	FARMERS TEL COOP	C	266,095	15,879	22,780
240521	FORT MILL TEL CO	C	150,429	19,874	28,045
240523	HARGRAY TEL CO	C	711,576	97,742	213,561
240527	HOME TEL CO	C	177,776	12,855	20,853
240528	HORRY TEL COOP	C	1,721,745	86,637	139,084
240531	LANCASTER TEL CO	C	160,029	8,750	12,547
240542	ROCK HILL TEL CO	C	236,370	11,379	18,495
250298	GULF TEL CO - AL	C	787,716	824,466	1,511,101
250302	ALLTEL ALABAMA	C	227,183	0	0
260402	ALLTEL KENTUCKY	C	235,138	1,347	2,930
260418	SOUTH CENTRAL RURAL	C	38,649	45,453	791,237
270429	EAST ASCENSION TEL	C	131,210	334,031	380,375
280453	ALLTEL MISSISSIPPI	C	81,866	0	0
290571	MILLINGTON TEL CO	C	143,610	15,302	22,873
300597	THE CHILLICOTHE TEL	C	137,840	68,442	84,211
300630	CENTURYTEL OF OHIO	C	763,267	467,857	1,147,224
300666	WESTERN RESERVE TEL	C	1,474,207	194,598	415,652
310671	CENTURY TEL. MIDWEST	C	208,802	88,310	110,505
310702	CENTURY OF MICHIGAN	C	470,825	165,412	215,406
320742	BLOOMINGDALE HOME	C	45,450	19,925	30,725
330841	CENTURYTEL-MW-WI(CENCOM)	C	161,149	396,264	490,974
330857	CENTURYTEL-MW-WI(CASCO)	C	7,428	12,654	14,779

NECA ARC-1
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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
330895	CENTURYTEL-WISCONSIN	C	387,540	5,712	15,670
330913	CenturyTel-Monroe	C	67,374	129,312	186,213
330916	MOUNT HOREB TEL CO	C	44,746	83	127
330922	CENTURYTEL-MW-WI/NW	C	713,262	1,109,404	1,649,638
330924	CENTURYTEL-MW-KENDAL	C	398,442	756,137	1,801,417
330934	CENTURYTEL-MW-WI(PLATTEVILLE)	C	45,785	96,772	212,728
330959	CENTURYTEL-MW-WI(THORP)	C	4,270	16,940	38,225
340978	ALHAMBRA-GRANTFORK	C	19,225	22,665	33,925
340984	CASS TEL CO	C	34,262	17,979	30,907
341003	EGYPTIAN COOP ASSN	C	117,500	52,733	88,452
341004	EL PASO TEL CO	C	20,537	3,143	5,988
341012	FLAT ROCK TEL CO-OP	C	13,648	6,550	9,704
341020	GRAFTON TEL CO	C	44,072	4,811	24,999
341023	GRIDLEY TEL CO	C	68,067	8,757	61,613
341025	SHAWNEE TELEPHONE CO	C	137,105	90,411	186,734
341026	HARRISONVILLE TEL CO	C	123,398	69,933	114,062
341032	HOME TEL CO-ST JACOB	C	43,156	0	0
341037	IL CONSOLIDATED TEL	C	635,195	937,916	1,857,733
341043	LA HARPE TEL CO	C	36,356	38,288	51,934
341047	MCDONOUGH TEL COOP	C	54,483	62,947	90,837
341057	GALLATIN RIVER COMM.	C	700,933	0	0
341060	MOULTRIE INDEPENDENT	C	25,502	0	0
341088	WABASH TEL COOP, INC	C	61,582	193,176	259,998
341093	YATES CITY TEL CO	C	4,503	0	0
351096	HEARTLND-HICKORYTECH	C	140,683	228,797	529,111
361445	CENTURYTEL-MINNESOTA	C	335,140	419,732	538,118
371517	ARLINGTON TEL CO	C	16,089	9,530	11,576
371524	BLAIR TEL CO	C	53,242	80,512	123,990
371537	DALTON TEL CO, INC	C	84,996	33,530	56,356
371553	GLENWOOD TEL MEMBER	C	20,500	28,086	41,320
381637	W. RIVER TELECOM.	C	133,873	310,150	440,637
401691	ALLTEL ARKANSAS INC	C	852,498	127,887	243,979
411831	S. CENTRAL TEL - KS	C	60,119	0	0
411841	UNITED TEL ASSN	C	51,003	67,609	235,886
411847	WHEAT STATE TEL, INC	C	41,041	43,896	64,485
421864	CHARITON VALLEY TEL	C	84,024	0	0
421865	CITIZENS TEL CO - MO	C	100,223	35,859	55,567
421885	ALLTEL MISSOURI	C	437,413	0	0
431965	ALLTEL OKLAHOMA INC	C	174,193	0	0
432011	OKLAHOMA ALLTEL, INC	C	171,750	0	0
442070	ETEX TEL COOP INC	C	121,674	0	0
442072	CONSOLIDATED FT BEND	C	245,845	325,437	386,408
442109	CONSOLIDATED COMM-TX	C	459,420	194,003	273,109
442140	CENTURYTEL-SAN MARCO	C	198,696	140,915	197,764
442147	SUGAR LAND TEL CO	C	451,912	122,932	288,090
442153	TEXAS-ALLTEL, INC.	C	195,100	0	0
462185	CENTURYTEL OF EAGLE	C	783,778	1,473,277	2,050,179
472223	CENTURY-GEM STATE-ID	C	29,009	21,384	38,748
482249	CENTURYTEL-MONTANA	C	373,494	604,952	1,886,569
502284	BEEHIVE TEL CO - UT	C	371,645	125,411	380,851
512296	TRI COUNTY TEL ASSN	C	103,310	25,575	200,842
512297	UNION TELEPHONE CO	C	450,727	1,097,298	2,011,438
512299	CENTURYTEL OF WY.	C	6,127	108,120	152,772
522408	CENTURYTEL-WASHINGTO	C	1,572,622	2,820,793	4,040,484
522410	CENTURYTEL-COWICHE	C	14,554	23,412	49,276
532359	BEAVER CREEK COOP	C	92,821	67,114	119,932
532361	CENTURYTEL-EA OREGON	C	753,029	1,111,780	1,655,164
542334	SUREWEST TEL.	C	380,963	89,071	183,173
552223	CENTURY-GEM STATE-NV	C	6,056	6,802	18,049
552284	BEEHIVE TEL CO - NV	C	12,475	28,210	125,574

NECA ARC-1
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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
613000	ACS OF ANCHORAGE	C	1,139,842	323,769	704,269
633200	P R T C - CENTRAL	C	524,039	1,864,263	2,594,641

NECA ARC-1
Filing Date: 6/16/2005
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Transmittal Number: 1077

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**
633201	PUERTO RICO TEL CO	C	5,782,124	13,466,393	18,704,957
643300	VITELCO-INNOVATIVE	C	527,332	557,327	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: 6/16/2005
Filing Entity: NECA
Transmittal Number: 1077

ANNUALIZED TEST PERIOD 7/05 TO 6/06 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	18,061	5,095,369	N/A
110	Multi Line Business	N/A	N/A	8.92	N/A	N/A	2,080,373	222,602,473	N/A
120	Single Line Business	N/A	N/A	6.49	N/A	N/A	729,200	56,766,962	N/A
130	Residence	N/A	N/A	6.49	N/A	N/A	8,914,100	694,464,049	N/A
140	Special Access Surcharge	N/A	N/A	25.00	N/A	N/A	3,519	1,055,700	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	10.2%	N/A	N/A	N/A	118,996,224	118,998,894
200	Common Line - Total w/o ICLS							1,098,980,778	1,094,263,592
	INFORMATION								
210	Directory Assistance	1.01	N/A	N/A	0	N/A	N/A	0	N/A
220	White Page Srcng Prem	0.000192	N/A	N/A	20,123,188,969	N/A	N/A	3,863,652	N/A
230	White Page Srcng NPrem	0.000086	N/A	N/A	259,218	N/A	N/A	22	N/A
240	Other Information	N/A	N/A	N/A	N/A	N/A	N/A	0	N/A
250	Information - Total							3,863,675	3,873,082
	LOCAL SWITCHING								
260	Premium	0.010409	N/A	N/A	20,123,188,969	N/A	N/A	209,462,274	N/A
270	Non-Premium	0.004684	N/A	N/A	259,218	N/A	N/A	1,214	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							209,463,488	209,464,128
	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	0.002787	N/A	N/A	3,929,612,191	N/A	N/A	10,951,829	N/A
350	TST Termination	0.000807	N/A	N/A	29,284,248,380	N/A	N/A	23,632,388	N/A
360	TST Facility	N/A	0.000164	N/A	N/A	308,184,265,101	N/A	50,542,219	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	93	37,572	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 and DS1 arrangements are included in line 100.

Filing Date: 6/16/2005
Filing Entity: NECA
Transmittal Number: 1077

ANNUALIZED TEST PERIOD 7/05 TO 6/06 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	1845.01	N/A	N/A	4,050	N/A	7,472,291	N/A
410	DS3 Direct Termination	472.81	N/A	N/A	1,903	N/A	N/A	899,757	N/A
420	DS3 Direct Facility	N/A	N/A	118.53	N/A	N/A	11,661	1,382,178	N/A
430	DS1 Entrance Facility	N/A	159.05	N/A	N/A	16,444	N/A	2,615,418	N/A
440	DS1 Direct Termination	84.89	N/A	N/A	153,979	N/A	N/A	13,071,277	N/A
450	DS1 Direct Facility	N/A	N/A	17.22	N/A	N/A	1,755,458	30,228,987	N/A
460	VG Entrance Facility Two Wire	N/A	37.14	N/A	N/A	140	N/A	5,200	N/A
	VG Entrance Facility Four Wire	N/A	59.43	N/A	N/A	2,234	N/A	132,767	
470	VG Direct Termination	26.58	N/A	N/A	8,449	N/A	N/A	224,574	N/A
480	VG Direct Facility - Mileage	N/A	N/A	2.65	N/A	N/A	102,152	270,703	N/A
490	Other Transport	N/A	N/A	N/A	N/A	N/A	N/A	3,350,369	N/A
500	Local Transport - Total							144,817,530	144,752,391
	SPECIAL - VOICE GRADE								
510	2-Wire Channel Term	N/A	37.14	N/A	N/A	8,723	N/A	323,971	N/A
520	4-Wire Channel Term	N/A	59.43	N/A	N/A	61,838	N/A	3,675,011	N/A
530	Channel Mileage Term	26.58	N/A	N/A	46,810	N/A	N/A	1,244,213	N/A
540	Channel Mileage Facility	N/A	N/A	2.65	N/A	N/A	686,222	1,818,490	N/A
550	Non-Recurring (Note 1)	N/A	289.00	N/A	N/A	13	N/A	3,825	N/A
	SPECIAL - HIGH CAPACITY								
560	Hi-Cap Channel Term	N/A	159.05	N/A	N/A	704,042	N/A	111,977,880	N/A
570	Channel Mileage Term	84.89	N/A	N/A	586,755	N/A	N/A	49,809,632	N/A
580	Channel Mileage Facility	N/A	N/A	17.22	N/A	N/A	6,430,390	110,731,316	N/A
590	Non-Recurring (Note 1)	N/A	281.00	N/A	N/A	10,210	N/A	2,868,911	N/A
600	Special Access Total							489,169,909	489,166,864

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	489,169,909	483,758,988	5,250,601	160,320
120	Local Switching	209,461,545	209,461,545	0	0
130	Equal Access	N/A	0	0	0
140	Information	3,863,675	3,863,675	0	0
150	Local Transport	144,817,530	144,005,603	811,927	0
160	Total TS - Switched	675,984,137	675,984,137	0	0

NOTE: Total Common Line is: $1,926,928,332
NOTE: Total Local Switching (including LSS) is: $515,086,627

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RATE OF RETURN
ACCESS RATE ANALYSIS

		7/1/04 RATE	CURRENTLY EFFECTIVE RATE	PROPOSED 7/1/05 RATE	PROPOSED TO 7/1/04 % 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	$0.0121	$0.0121	$0.0104	-13.75%
140	Non-Premium Switching Rate $ Per Minute	$0.0054	$0.0054	$0.0047	-13.75%
150	Equal Access	N/A	N/A	N/A	N/A
160	USF Contribution	8.9%	11.1%	10.2%	14.61%
170	Special Access Surcharge	$25	$25	$25	0.00%
	B. END USER CHARGES				
180	Multiline Business	$8.91	$8.91	$8.92	0.16%
190	Residence and Single Line Bus.	$6.49	$6.49	$6.49	0.00%

NOTE : In Line 100, for Line Port Element, rates for ISDN PRI and DS1 arrangements are reflected.

PROPOSED TO CURRENT % CHANGE
E=((C-B)/B)*100
0.00%
N/A
N/A
-13.75%
-13.75%
N/A
-8.11%
0.00%
0.16%
0.00%

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RATE OF RETURN
ACCESS RATE ANALYSIS

		7/1/04 RATE	CURRENTLY EFFECTIVE RATE	PROPOSED 7/1/05 RATE	PROPOSED TO 7/1/04 % 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)	$0.004464	$0.004464	$0.004369	-2.13%	-2.13%
210	Non-Premium Local Transport Rate, $ Per Minute (Avg Mileage)	$0.002009	$0.002009	$0.001966	-2.13%	-2.13%
220	DS1 Entrance Facility Rate, $ Per Circuit	$185.41	$185.41	$159.05	-14.22%	-14.22%
230	DS1 Direct Trunk Rate, $ Per Circuit (Avg Mileage)	$398.62	$398.62	$341.98	-14.21%	-14.21%
240	Tandem Switched Transport, $ Per Minute (Avg Mileage)	$0.003282	$0.003282	$0.003254	-0.85%	-0.85%
250	Tandem Switching Rate, $ Per TND Minute	$0.002956	$0.002956	$0.002787	-5.72%	-5.72%
260	Premium Interconnection Charge, $ Per Minute (Uniform Rate)	NA	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	$404.00	$404.00	$404.00	0.00%	0.00%
	D. SPECIAL ACCESS RATES					
290	2-Wire Voice Grade, $ Per Circuit (Avg Mileage)	$179.48	$179.48	$153.94	-14.23%	-14.23%
300	4-Wire Voice Grade, $ Per Circuit (Avg Mileage)	$231.44	$231.44	$198.52	-14.22%	-14.22%

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RATE OF RETURN
ANNUALIZED ACCESS PRICEOUT COMPARISONS

		REVENUE AT 7/1/04 RATE (A)	REVENUE AT CURRENTLY EFFECTIVE RATE (B)	CHANGE (C)=B-A	REVENUE AT PROPOSED 7/1/05 RATE (D)
100	Line Port	5,095,369	5,095,369	0	5,095,369
110	Multi Line Business	222,334,577	222,334,577	0	222,602,473
120	Residence and Single Line Business	751,044,672	750,924,672	(120,000)	751,231,011
130	Carrier Common Line	N/A	N/A	N/A	N/A
140	Special Access	554,483,053	554,483,053	0	489,169,909
150	Special Access Surcharge	1,055,700	1,055,700	0	1,055,700
160	Local Switching	236,209,291	236,209,291	0	209,461,545
170	Equal Access	N/A	N/A	N/A	N/A
180	Information	4,246,017	4,246,017	0	3,863,675
190	Local Transport	155,836,387	155,836,387	0	144,817,530
200	USF Contributions	103,938,066	129,638,712	25,700,646	118,996,224
	TOTAL	2,034,243,133	2,059,823,779	25,580,646	1,946,293,436

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
267,896
306,339
N/A
(65,313,144)
0
(26,747,746)
N/A
(382,343)
(11,018,857)
(10,642,488)
(113,530,343)

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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. 2001	N/A	N/A	N/A	N/A	N/A
110	2nd Qtr. 2001	N/A	N/A	N/A	N/A	N/A
120	3rd Qtr. 2001	N/A	N/A	N/A	N/A	N/A
130	4th Qtr. 2001	N/A	N/A	N/A	N/A	N/A
140	1st Qtr. 2002	N/A	N/A	N/A	N/A	N/A
150	2nd Qtr. 2002	N/A	N/A	N/A	N/A	N/A
160	3rd Qtr. 2002	N/A	N/A	N/A	N/A	N/A
170	4th Qtr. 2002	N/A	N/A	N/A	N/A	N/A
180	1st Qtr. 2003	N/A	N/A	N/A	N/A	N/A
190	2nd Qtr. 2003	N/A	N/A	N/A	N/A	N/A
200	3rd Qtr. 2003	N/A	N/A	N/A	N/A	N/A
210	4th Qtr. 2003	N/A	N/A	N/A	N/A	N/A
220	PYCOS PERIOD (1/04 THRU 12/04)	N/A	N/A	N/A	N/A	N/A
230	PROSPECTIVE PERIOD (7/05 THRU 6/06)	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. 2001	N/A	N/A	N/A	N/A	N/A
210	2nd Qtr. 2001	N/A	N/A	N/A	N/A	N/A
220	3rd Qtr. 2001	N/A	N/A	N/A	N/A	N/A
230	4th Qtr. 2001	N/A	N/A	N/A	N/A	N/A
240	1st Qtr. 2002	N/A	N/A	N/A	N/A	N/A
250	2nd Qtr. 2002	N/A	N/A	N/A	N/A	N/A
260	3rd Qtr. 2002	N/A	N/A	N/A	N/A	N/A
270	4th Qtr. 2002	N/A	N/A	N/A	N/A	N/A
280	1st Qtr. 2003	N/A	N/A	N/A	N/A	N/A
290	2nd Qtr. 2003	N/A	N/A	N/A	N/A	N/A
300	3rd Qtr. 2003	N/A	N/A	N/A	N/A	N/A
310	4th Qtr. 2003	N/A	N/A	N/A	N/A	N/A
320	PYCOS PERIOD (1/04 THRU 12/04)	N/A	N/A	N/A	N/A	N/A
330	PROSPECTIVE PERIOD (7/05 THRU 6/06)	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. 2001	N/A	N/A	N/A	N/A	N/A	N/A
310	2nd Qtr. 2001	N/A	N/A	N/A	N/A	N/A	N/A
320	3rd Qtr. 2001	N/A	N/A	N/A	N/A	N/A	N/A
330	4th Qtr. 2001	N/A	N/A	N/A	N/A	N/A	N/A
340	1st Qtr. 2002	N/A	N/A	N/A	N/A	N/A	N/A
350	2nd Qtr. 2002	N/A	N/A	N/A	N/A	N/A	N/A
360	3rd Qtr. 2002	N/A	N/A	N/A	N/A	N/A	N/A
370	4th Qtr. 2002	N/A	N/A	N/A	N/A	N/A	N/A
380	1st Qtr. 2003	N/A	N/A	N/A	N/A	N/A	N/A
390	2nd Qtr. 2003	N/A	N/A	N/A	N/A	N/A	N/A
400	3rd Qtr. 2003	N/A	N/A	N/A	N/A	N/A	N/A
410	4th Qtr. 2003	N/A	N/A	N/A	N/A	N/A	N/A
420	PYCOS PERIOD (1/04 THRU 12/04)	19,528,747,480	651,705	19,529,399,185	19,529,040,747	3,820,181,899	28,468,752,170
430	PROSPECTIVE PERIOD (7/05 THRU 6/06)	20,123,188,969	259,218	20,123,448,187	20,123,305,617	3,929,612,191	29,284,248,380

* 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 1/04 thru 12/04			Prospective 7/05 thru 6/06		
		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	92,285	70,988	901,946	70,561	54,277	686,222
130	Wats	N/A	N/A	N/A	N/A	N/A	N/A
140	Audio Program (Full time)	1,259	1,259	2,012	1,244	1,244	1,987
150	High Capacity	516,011	368,579	4,681,423	679,294	506,583	6,468,925

NOTE: This chart should be populated with annualized demand.

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COMMON LINE DEMAND AND REVENUE

		1/04-12/04 Historical Revenue (A)	1/04-12/04 Historical MOU or Lines (B)	7/05 - 6/06 Test Year Revenue (C)	7/05 - 6/06 Test Year MOU or Lines (D)
100	End User Common Line, Total (1)	995,563,733	11,967,138	978,928,853	11,723,673
110	Line Port Element (2)	4,709,711	16,694	5,095,369	18,061
120	Residential	707,963,270	9,105,013	694,464,049	8,914,100
130	Single Line Business	57,363,668	739,070	56,766,962	729,200
140	Multi-line Business	225,527,084	2,123,055	222,602,473	2,080,373
150	Special Access Surcharge	1,056,600	3,522	1,055,700	3,519
160	Carrier Common Line	N/A	N/A	N/A	N/A
170	Total Common Line Revenue	996,620,333	N/A	979,984,553	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 and DS1 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 1/04 thru 12/04			Prospective 7/05 thru 6/06		
		VG	**DS1**	**DS3**	**VG**	**DS1**	**DS3**
		(A)	(B)	(C)	(A)	(B)	(C)
100	Entrance Facility	2,308	15,986	3,937	2,374	16,444	4,050
110	Direct Trunked Transport	99,308	1,706,573	11,336	102,152	1,755,458	11,661

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Annualized Rate of Return Comparison

		Preliminary 2003/2004 FCC Monitoring Period*	Preliminary 2004 Period**	Prospective 7/05 - 6/06
100	Total Interstate Access	12.95%	12.71%	11.25%
110	Carrier Common Line	11.62%	11.56%	11.25%
120	Special Access	14.10%	17.06%	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	14.86%	14.05%	11.25%

* Preliminary 2003/2004 Monitoring Period ROR is taken directly from the FCC492, filed March, 2005.
** Preliminary 2004 Period ROR is taken directly from the April, 2005 Assessment.

NOTE: Calendar year 2004 data is subject to true-up through December 2006. 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.