

**NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
REVISIONS TO ACCESS TARIFF F.C.C. NO. 5
LOCAL NUMBER PORTABILITY CHARGES
TRANSMITTAL NO. 1101
December 16, 2005**

DESCRIPTION AND JUSTIFICATION

1. INTRODUCTION

The National Exchange Carrier Association, Inc. proposes to modify its Access Tariff F.C.C. No. 5 to reflect the addition of Local Number Portability (LNP) charges for State Long Distance Telephone Company (State Long Distance), which has received a bonafide request for number portability. The services provided by State Long Distance are consistent with Section 13.14, Local Number Portability Services, of NECA's Tariff F.C.C. No. 5.

2. LNP DEMAND, COST AND RATE DEVELOPMENT

The demand for LNP capable access lines and queried calls were projected over five years. State Long Distance does not currently have PBX or ISDN-PRI lines; however, a PBX End User Charge and a ISDN-PRI End User Charge have been calculated for it, at nine times and five times the End User Charge, respectively.

Costs provided by the company include switch upgrade investment required to support wireline and wireless LNP capability, and projected ongoing expenses over five years. LNP End User Charges were set to equate the present value of revenues to the present value of cost outlays. Present values of total costs were obtained using a discount factor of 15.21%, which is the after-tax cost of money (11.25%) grossed up for the tax rate (35%). This gross-up is only applied to the equity portion of the cost of money, because the debt portion is already tax-deductible, but the equity portion is taxable.

The circuit switching costs used in the development of the LNP End User Charges are only those direct costs required to implement LNP. In identifying which of these LNP costs could be included in the rate, the company used two criteria to isolate LNP costs, based on the FCC guidelines: (1) the costs would not have been incurred by the Telephone Company if number portability was not implemented, and (2) the costs were incurred "for the provision of" number portability. Using these criteria yielded an investment amount of \$46,444. This amount includes switch manufacturer LNP switch upgrade and translation costs.

Beginning year one, expenses recovered by the End User Charge range from \$19,621 to \$22,697 per year, and fall into the following categories: a) projected charges to be paid to the query provider for queries that the Telephone Company initiates in its

capacity as an N-1 carrier, b) regional database administrator charges, c) operating support system expenses for service order administration, d) internal administration charges, and e) intercarrier testing. Query expenses are only for queries necessary to complete local and Extended Area Service (EAS) calls originated from the company's end users. End user query expenses were obtained by multiplying query projections by the per query rate, paid by the Telephone Company to its query provider.

The demand and costs used to develop LNP End User Charges for the company are detailed in Exhibit 1A. (See Exhibit 1A attached.)

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DESCRIPTION AND JUSTIFICATION

1. INTRODUCTION

The National Exchange Carrier Association, Inc. proposes to modify its Access Tariff F.C.C. No. 5 to reflect the addition of Local Number Portability (LNP) charges for Monon Telephone Company, Inc. (Monon), which has received a bonafide request for number portability. The services provided by Monon are consistent with Section 13.14, Local Number Portability Services, of NECA's Tariff F.C.C. No. 5.

2. LNP DEMAND, COST AND RATE DEVELOPMENT

The demand for LNP capable access lines and queried calls were projected over five years. Monon does not currently have PBX or ISDN-PRI lines; however, a PBX End User Charge and a ISDN-PRI End User Charge have been calculated for it, at nine times and five times the End User Charge, respectively.

Costs provided by the company include switch upgrade investment required to support wireline and wireless LNP capability, and projected ongoing expenses over five years. LNP End User Charges were set to equate the present value of revenues to the present value of cost outlays. Present values of total costs were obtained using a discount factor of 15.21%, which is the after-tax cost of money (11.25%) grossed up for the tax rate (35%). This gross-up is only applied to the equity portion of the cost of money, because the debt portion is already tax-deductible, but the equity portion is taxable.

The circuit switching costs used in the development of the LNP End User Charges are only those direct costs required to implement LNP. In identifying which of these LNP costs could be included in the rate, the company used two criteria to isolate LNP costs, based on the FCC guidelines: (1) the costs would not have been incurred by the telephone company if number portability was not implemented, and (2) the costs were incurred "for the provision of" number portability. Using these criteria yielded an investment amount of \$12,804. This amount includes switch manufacturer LNP switch upgrade and translation costs.

Beginning year one, expenses recovered by the End User Charge range from \$1,200 to \$1,849 per year, and fall into the following categories: a) projected charges to be paid to the query provider for queries that the Telephone Company initiates in its capacity as an N-1 carrier, b) regional database administrator charges, c) intercarrier planning and implementation costs, d) training costs, and e) LERG update. Query expenses are only for queries necessary to complete local and Extended Area Service (EAS) calls originated from the company's end users. End user query expenses were obtained by multiplying query projections by the per query rate, paid by the Telephone Company to its query provider.

The demand and costs used to develop LNP End User Charges for the company are detailed in Exhibit 2A. (See Exhibit 2A attached.)

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
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DESCRIPTION AND JUSTIFICATION

1. INTRODUCTION

The National Exchange Carrier Association, Inc. proposes to modify its Access Tariff F.C.C. No. 5 to reflect the addition of Local Number Portability (LNP) charges for Mid-Missouri Telephone Company (Mid-Missouri), which has received bonafide request for number portability. The services provided by Mid-Missouri are consistent with Section 13.14, Local Number Portability Services, of NECA's Tariff F.C.C. No. 5.

2. LNP DEMAND, COST AND RATE DEVELOPMENT

The demand for LNP capable access lines for Mid-Missouri, including ISDN-PRI lines, and queried calls were projected over five years. Mid-Missouri does not currently have PBX lines; however, a PBX End User Charge has been calculated for it at nine times the End User Charge. The ISDN-PRI End User Charge was calculated at five times the End User Charge.

Costs provided by the company include switch upgrade investment required to support wireline and wireless LNP capability, and projected ongoing expenses over five years. LNP End User Charges were set to equate the present value of revenues to the present value of cost outlays. Present values of total costs were obtained using a discount factor of 15.21%, which is the after-tax cost of money (11.25%) grossed up for the tax rate (35%). This gross-up is only applied to the equity portion of the cost of money, because the debt portion is already tax-deductible, but the equity portion is taxable.

The circuit switching costs used in the development of the LNP End User Charges are only those direct costs required to implement LNP. In identifying which of these LNP costs could be included in the rate, the companies used two criteria to isolate LNP costs, based on the FCC guidelines: (1) the costs would not have been incurred by the telephone company if number portability was not implemented, and (2) the costs were incurred "for the provision of" number portability. Using these criteria yielded an investment amount of \$28,590. This amount includes switch manufacturer LNP switch upgrade costs.

Beginning year one, expenses recovered by the End User Charge range from \$2,800 to \$4,069 per year, and fall into the following categories: a) projected charges to be paid to the query provider for queries that the Telephone Company initiates in its capacity

as an N-1 carrier, b) regional database administrator charges, c) operating support system expenses for service order administration, d) consulting fees, e) training costs, f) expenses for data collection and analysis, g) expenses related to troubleshooting and performing translation updates, and h) expenses related to preparing bill inserts and customer notification. Query expenses are only for queries necessary to complete local calls originated from the company's end users. End user query expenses were obtained by multiplying query projections by the per query rate, paid by the Telephone Company to its query provider.

The demand and costs used to develop LNP End User Charges for the company are detailed in Exhibit 3A. (See Exhibit 3A attached.)

Local Number Portability - State Long Distance Telephone Company (330955)

EXHIBIT 1A

December 16, 2005

End User Charge Rate Development

LINE		0	1	2	3	4	5
	Investment						
1	LNP End User Investment	\$46,444	\$0	\$0	\$0	\$0	\$0
2	Present Value Factors	1.0000	0.8680	0.7534	0.6539	0.5676	0.4927
3	Present Value of Investment	\$46,444	\$0	\$0	\$0	\$0	\$0
4	Sum of Present Value of Investment	\$46,444					
	Expenses						
5	LNP End User Expenses	\$3,833	\$22,697	\$22,496	\$22,202	\$21,917	\$19,621
6	Present Value of Expenses	\$3,833	\$19,701	\$16,948	\$14,518	\$12,440	\$9,667
7	Sum of Present Value of Expenses	\$77,107					
	Access Lines						
8	PBX		0	0	0	0	0
9	ISDN-PRI		0	0	0	0	0
10	Other		11,400	11,292	11,130	10,918	10,659
11	Total Chargeable Lines ¹		11,400	11,292	11,130	10,918	10,659
12	Present Value of Chargeable Lines		9,895	8,507	7,278	6,197	5,251
13	Sum of Present Value of Chargeable Lines	37,129					
14	LNP End User Basic Charge ²	\$0.28					
15	LNP End User ISDN-PRI Charge ³	\$1.40					
16	LNP End User PBX Charge ⁴	\$2.52					

NOTES

1. Line 11 = (Line 8 * 9) + (Line 9 * 5) + Line 10
2. Line 14 = ((Line 4 + Line 7) / Line 13)/12
3. Line 15 = 5 * Line 14
4. Line 16 = 9 * Line 14

Local Number Portability - Monon Telephone Company, Inc. (320790)

EXHIBIT 2A

December 16, 2005

End User Charge Rate Development

LINE		Year					
		0	1	2	3	4	5
	Investment						
1	LNP End User Investment	\$12,804	\$0	\$0	\$0	\$0	\$0
2	Present Value Factors	1.0000	0.8680	0.7534	0.6539	0.5676	0.4927
3	Present Value of Investment	\$12,804	\$0	\$0	\$0	\$0	\$0
4	Sum of Present Value of Investment	\$12,804					
	Expenses						
5	LNP End User Expenses	\$1,329	\$1,830	\$1,837	\$1,843	\$1,849	\$1,200
6	Present Value of Expenses	\$1,329	\$1,588	\$1,384	\$1,205	\$1,049	\$591
7	Sum of Present Value of Expenses	\$7,147					
	Access Lines						
8	PBX		0	0	0	0	0
9	ISDN-PRI		0	0	0	0	0
10	Other		1,618	1,498	1,378	1,258	1,138
11	Total Chargeable Lines ¹		1,618	1,498	1,378	1,258	1,138
12	Present Value of Chargeable Lines		1,404	1,129	901	714	561
13	Sum of Present Value of Chargeable Lines	4,709					
14	LNP End User Basic Charge ²	\$0.35					
15	LNP End User ISDN-PRI Charge ³	\$1.75					
16	LNP End User PBX Charge ⁴	\$3.15					

NOTES

1. Line 11 = (Line 8 * 9) + (Line 9 * 5) + Line 10
2. Line 14 = ((Line 4 + Line 7) / Line 13)/12
3. Line 15 = 5 * Line 14
4. Line 16 = 9 * Line 14

Local Number Portability - Mid-Missouri Telephone Co. (421917)

EXHIBIT 3A

December 16, 2005

End User Charge Rate Development

LINE		0	1	2	3	4	5
		Year					
	Investment						
1	LNP End User Investment	\$28,590	\$0	\$0	\$0	\$0	\$0
2	Present Value Factors	1.0000	0.8680	0.7534	0.6539	0.5676	0.4927
3	Present Value of Investment	\$28,590	\$0	\$0	\$0	\$0	\$0
4	Sum of Present Value of Investment	\$28,590					
	Expenses						
5	LNP End User Expenses	\$11,136	\$3,961	\$3,996	\$4,032	\$4,069	\$2,800
6	Present Value of Expenses	\$11,136	\$3,438	\$3,011	\$2,637	\$2,310	\$1,379
7	Sum of Present Value of Expenses	\$23,910					
	Access Lines						
8	PBX		0	0	0	0	0
9	ISDN-PRI		4	4	3	3	3
10	Other		4,216	4,129	4,087	4,046	4,005
11	Total Chargeable Lines 1		4,236	4,149	4,102	4,061	4,020
12	Present Value of Chargeable Lines		3,677	3,126	2,682	2,305	1,981
13	Sum of Present Value of Chargeable Lines	13,770					
14	LNP End User Basic Charge 2	\$0.32					
15	LNP End User ISDN-PRI Charge 3	\$1.60					
16	LNP End User PBX Charge 4	\$2.88					