

Home Telephone Company
 ATM Ethernet Port and Multi-Media Service

A. Summary and Tariff Rate Development

<u>Proposed Rate Elements and Projected Revenue</u>		Proposed Rate	12/31/2006 Projected Annual Demand	Projected 12 Month Revenue
1. ATM Gig E - NNI UNI Port Charge:		\$2,588	12	\$31,050
2. ATM Gig E - NNI UNI Port Charge Nonrecurring Charge		\$1,170	1	\$1,170
3. ATM DSL Access Connection Configuration NRC 1 Gig E		\$1,170	1	\$1,170
4. Subtotal - ATM				<u>\$33,390</u>
5. MultiMedia Charges -	Per 4 Meg Stream:	\$2.50	86,844	\$217,110
6.	Per Additional Mg	\$1.00	9,600	\$9,600
7.	Non Recurring Charge	\$4.00	7,222	\$28,888
8. Subtotal - MultiMedia				<u>\$255,598</u>
9. Combined - All Proposed Elements				<u><u>\$288,988</u></u>

B. Projected Revenue Requirement

	Investment	Carrying Charge Factor	Revenue Requirement	Connection Costs	Combined
1. ATM Transport Costs	\$122,714	25.30%	\$31,050	\$2,350	\$33,400
2. Multi-Media Transmission Costs	\$894,292	25.30%	\$226,280	\$29,400	\$255,680
3. Combined	<u>\$1,017,006</u>		<u>\$257,330</u>	<u>\$31,750</u>	<u>\$289,080</u>
4. Proposed Revenues Under Revenue Requirement					(\$92.00)
5. Percentage Difference					-0.03%

C. Carrying Charge Factor Developed Based on Cost Study for Year Ending 12/31/04.

1. Total Plant In Service - 12/31/04 Cost Study - Special Access:	(Rev Req - Ln 1)	\$4,628,685
2. TPUC - 12/31/04 Cost Study - Special Access:	(Rev Req - Ln 2)	\$141,835
3. Total Gross Plant - 12/31/04 Cost Study - Special Access:	Total (Ln 1 + Ln 2)	\$4,770,520
4. Total Revenue Requirement - 12/31/04 - Special Access:	(Rev Req - Ln 30)	\$1,207,068
5. Revenue Requirement to Plant Factor:	(Ln 4 / Ln 1)	25.30%