

The FairPoint Operating Companies
Summary of FCC Waiver FUSC Line Rates For FairPoint FCC No. 1
2nd Quarter 2014 Contribution Factor

Exhibit - 1

TR 45

<u>Service Type</u>	<u>Calculated</u>
<u>FCC No. 1</u>	<u>FUSC Rate (a)</u>
Res	\$ 1.14
Non-Primary Res	\$ 1.14
Single Line Bus	\$ 1.14
Multi Line Payphone	\$ 1.26
BRI - ISDN	\$ 2.05
PRI - ISDN	\$ 19.56
Multi Line Bus - Other	\$ 1.77
PBX Trunk w/o End User Port Charge	\$ 1.77
PBX Trunk with End User Port Charge	\$ 2.05
Centrex (>= 9 Lines)	\$ 0.20
Centrex (8 Lines)	\$ 0.22
Centrex (7 Lines)	\$ 0.25
Centrex (6 Lines)	\$ 0.29
Centrex (5 Lines)	\$ 0.35
Centrex (4 Lines)	\$ 0.45
Centrex (3 Lines)	\$ 0.59
Centrex (2 Lines)	\$ 0.88
Centrex (1 Line)	\$ 1.77

a) Proposed multi-line rates include the impact of the FCC Waiver Order as modified by the Payphone Modification Order.

The FairPoint Operating Companies Calculation of FUSC Rates 2nd Quarter 2014 Contribution Factor

Service Type	(SLC)	(ARC)	(LNP)	(Port Chg)	Sum	2nd Quarter 2014 Contribution Factor	Max USF RatePrior to Waiver
	(a)	(b)	(c)	(d)	(e = a+b+c+d)	(f = .166)	(g = e x f)
Res, SL Bus	6.16	0.73	0	0	6.89		1.14
Non-Primary Res	6.16	0.73	0	0	6.89		1.14
Multi Line Bus - Payphone	6.16	1.44	0	0	7.60		1.26
BRI - ISDN	6.16	0.73	0	1.90	8.79		1.46
PRI - ISDN	30.80	7.20	0	46.01	84.01		13.95
Multi Line Bus - Other Except PBX & Flexpath & PSP	6.16	1.44	0	0	7.60		1.26
PBX Trunks & Flexpath w/o Line Port Charges	6.16	1.44	0	0	7.60		1.26
PBX Trunks with End User Port Charge (DID / Flexpath)	6.16	1.44	0	1.21	8.81		1.46
Centrex (>= 9 Lines)	6.16	1.44	0	0	7.60		1.26
Centrex (8 Lines)	6.16	1.44	0	0	7.60		1.26
Centrex (7 Lines)	6.16	1.44	0	0	7.60		1.26
Centrex (6 Lines)	6.16	1.44	0	0	7.60		1.26
Centrex (5 Lines)	6.16	1.44	0	0	7.60		1.26
Centrex (4 Lines)	6.16	1.44	0	0	7.60		1.26
Centrex (3 Lines)	6.16	1.44	0	0	7.60		1.26
Centrex (2 Lines)	6.16	1.44	0	0	7.60		1.26
Centrex (1 Line)	6.16	1.44	0	0	7.60		1.26

The FairPoint Operating Companies
Ratemaking for FUSC Per-line using Centrex Equivalency
2nd Quarter 2014 Contribution Factor

Exhibit - 3

TR 45

Service Type	FCC Order - Separate Rates			Monthly FUSF Req.			FCC Waiver	Accuracy Validation	
	Billing Lines (a)	Max USF Rate Prior to Waiver (b)	Full Rate Requirement (c = a x b)	CTX Rates PICC Structure (d = b / 9, 8, 7, etc.)	Monthly CTX Loss (e = [b - d] x a)	Adjusted Revenue Base (f = c - e)	Adjusted ML Rates (g = rate x factor)	Total Recovery (h = g x a)	Variance (i = h - c)
New England Combined									
Multi-line Rates									
BRI - ISDN	2,739	\$ 1.46	\$ 3,998.94			\$ 3,998.94	\$ 2.05	\$ 5,607	\$ 1,608
PRI - ISDN	2,008	\$ 13.95	\$ 28,011.60			\$ 28,011.60	\$ 19.56	\$ 39,274	\$ 11,263
Multi Line Bus - Other	82,261	\$ 1.26	\$ 103,648.86			\$ 103,648.86	\$ 1.77	\$ 145,324	\$ 41,675
PBX Trunk w/o End User Port Charge	3,845	\$ 1.26	\$ 4,844.70			\$ 4,844.70	\$ 1.77	\$ 6,793	\$ 1,948
PBX Trunk w/ End User Port Charge	2,508	\$ 1.46	\$ 3,661.68			\$ 3,661.68	\$ 2.05	\$ 5,134	\$ 1,472
Centrex (>= 9 Lines)	40,093	\$ 1.26	\$ 50,517.18	0.1400000	\$ 44,904.16	\$ 5,613.02	\$ 0.20	\$ 7,870	\$ (42,647)
Centrex (8 Lines)	1,488	\$ 1.26	\$ 1,874.88	0.1600000	\$ 1,636.80	\$ 238.08	\$ 0.22	\$ 334	\$ (1,541)
Centrex (7 Lines)	1,988	\$ 1.26	\$ 2,504.88	0.1800000	\$ 2,147.04	\$ 357.84	\$ 0.25	\$ 502	\$ (2,003)
Centrex (6 Lines)	3,576	\$ 1.26	\$ 4,505.76	0.2100000	\$ 3,754.80	\$ 750.96	\$ 0.29	\$ 1,053	\$ (3,453)
Centrex (5 Lines)	2,190	\$ 1.26	\$ 2,759.40	0.2500000	\$ 2,211.90	\$ 547.50	\$ 0.35	\$ 768	\$ (1,992)
Centrex (4 Lines)	2,884	\$ 1.26	\$ 3,633.84	0.3200000	\$ 2,710.96	\$ 922.88	\$ 0.45	\$ 1,294	\$ (2,340)
Centrex (3 Lines)	3,645	\$ 1.26	\$ 4,592.70	0.4200000	\$ 3,061.80	\$ 1,530.90	\$ 0.59	\$ 2,146	\$ (2,446)
Centrex (2 Lines)	4,608	\$ 1.26	\$ 5,806.08	0.6300000	\$ 2,903.04	\$ 2,903.04	\$ 0.88	\$ 4,070	\$ (1,736)
Centrex (1 Line)	379	\$ 1.26	\$ 477.54	1.2600000	\$ -	\$ 477.54	\$ 1.77	\$ 670	\$ 192
	<u>154,212</u>		<u>\$ 220,838</u>		<u>\$ 63,331</u>	<u>\$ 157,508</u>		<u>\$ 220,838</u>	<u>\$ (0)</u>
Multi-line Adjustment Factor					([Revenue Loss / adjusted base] +1) =		\$ 1.40		