COS-1(H) Page 1 of 2 Filing Date: 6/16/2015 Filing Entity: NECA NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
RATE OF RETURN
HISTORICAL COST ANALYSIS SUMMARY (\$000)

Transmittal Number: 1455 - Amended 9/16/15

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

		COMI	WON LINE		
	HISTORICAL DATA PERIOD 2014	PAY PHONE (I)	INSIDE WIRE (J)	BFP (K)	TOTAL COMMON LINE (L)
		(.)	(0)	()	(-)
	<u>REVENUES</u>				
100	Network Access	N/A	N/A	N/A	446,787
110 120	Uncollectibles Common Line Support	N/A N/A	N/A N/A	N/A N/A	0
130	Long Term Support (NOTE 1)	N/A N/A	N/A N/A	N/A N/A	0
135	Interstate Common Line Support (NOTE 1)	N/A	N/A	N/A	908,300
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	1,355,087
170	EXPENSES Plant Specific	0	0	185,503	185,503
171	Network Support	0	0	4,756	4,756
172	General Support	0	0	46,787	46,787
173	Central Office	0	0	41,792	41,792
174 175	Operator Systems COE Switching	0 0	0 0	0	0
175	COE Switching COE Transmission	0	0	41,791	41,791
177	IOT	0	0	3	3
178	Cable & Wire Facilities	0	0	92,165	92,165
180	Plant Non Specific excl Depr & Amort	0	0	70,555	70,555
190	Depreciation/Amortization	0	0	238,512	238,512
200	Customer Operations	0	0	48,836 16.214	48,836 16,214
201 202	Marketing Local Business Office	0 0	0 0	16,214 27,138	16,214 27,138
203	Revenue Accounting	0	0	2,740	2,740
204	Other Billing and Collections	0	0	2,662	2,662
210	Access	N/A	N/A	N/A	0
215	Universal Service Contributions (NOTE 2)	N/A	N/A	N/A	117,709
220	Corporate Operations	0	0	141,513	141,513
230 240	AFUDC Other Expenses and Adjustments	0 0	0 0	2,326 (620)	2,326
250	Taxes Other than FIT	0	0	33,700	(620) 33,700
260	Total Expenses and Other Taxes	0	Ö	715,674	833,383
	NECA ADJUSTMENTS				
261	NECA Administrative Expenses	0	0	27,514	27,514
262	Average Schedule Settlements	0	0	135,299	135,299
263	Adjustment for Line Port/TIC	0	0	114,871	114,871
264	Total NECA Adjustments	0	0	277,684	277,684
270	<u>FIT ADJUSTMENTS</u> Adjustments for FIT	0	0	26,359	26,359
280	Amortized ITC	0	0	20,339	20,339
290	Federal Income Taxes	0	0	38,718	38,718
300	TOTAL EXPENSES AND TAXES	0	0	1,032,077	1,149,786
	TELEPHONE PLANT IN SERVICE				
310	General Support	0	0	546,676	546,676
320	Central Office Equipment - Switch	0	0	0	0
321 322	Operator Systems Tandem Switching	0	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	797,445	797,445
331	Subscriber Line	0	0	797,445	797,445
332	Exchange Circuit	0	0	0	0
333 334	Interexchange Circuit Host Remote	0	0 0	0	0
340	Cable and Wire	0	0	3,763,147	3,763,147
341	Subscriber Line	0	0	3,763,147	3,763,147
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	626	626
360 370	Amortizable Assets Total Plant in Service	0 0	0 0	12,024 5,119,918	12,024 5,119,918
	ADJUSTMENTS TO TPIS				
380	Depreciation/Amortization Reserve	0	0	3,322,780	3,322,780
390	Accum. Deferred Income Tax	0	0	97,348	97,348
400	Other Rate Base Adjustments	0	0	125,110	125,110
410	<u>RETURN DATA</u> Average Rate Base	0	0	1,824,900	1,824,900
420	Return	0	Ö	205,301	205,301
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. ICLS excludes excess of \$2.4M attributable to price cap affiliates.

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

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. RATE OF RETURN

HISTORICAL COST ANALYSIS SUMMARY (\$000)

Filing Entity: NECA
Transmittal Number: 1455 - Amended 9/16/15

	HISTORICAL DATA PERIOD 2014	TOTAL SWTCH TRFFC SNSTV * (M)	SPECIAL ACCESS (N)
	REVENUES		
100	Network Access		704,280
110	Uncollectibles		0
120	Local Switching Support		N/A
130	N/A		N/A
135	N/A		N/A
140	N/A		N/A
150	Miscellaneous		N/A
160	Net Revenues		704,280
	EXPENSES		
170	Plant Specific		141,917
171	Network Support		2,919
172	General Support		25,740
173	Central Office		86,243
174	Operator Systems		0
175	COE Switching		0
176	COE Transmission		86,243
177	IOT		0
178 180	Cable & Wire Facilities		27,016 20,511
190	Plant Non Spec excl Depr & Amort Depreciation/Amortization		39,511 165,240
200	Customer Operations		21,770
201	Marketing		6,824
202	Local Business Office		2,952
203	Revenue Accounting		10,866
204	Other Billing and Collections		0
210	Access		N/A
220	Corporate Operations		81,574
230	AFUDC		1,462
240	Other Expenses and Adjustments		333
250	Taxes Other than FIT		18,835
260	Total Expenses and Other Taxes		467,718
	NECA ADJUSTMENTS		
261	NECA Administrative Expenses		16,996
262	Average Schedule Settlements		68,784
263	Adjustment for Line Port/TIC		17,334
264	Total NECA Adjustments		103,114
	FIT ADJUSTMENTS		
270	Adjustments for FIT		18,113
280	Amortized ITC		4
290	Federal Income Taxes		20,774
300	TOTAL EXPENSES AND TAXES		591,607
000	101712 2711 2110 20 7110 17 0120		001,007
	TELEPHONE PLANT IN SERVICE		
310	General Support		323,254
320	Central Office Equipment - Switch		0
321	Operator Systems		0
322	Tandem Switching		0
323	Local Switching Cat 3		0
324 330	Equal Access Central Office Equipment - Trans		0 1,387,471
331	Subscriber Lines		450,666
332	Exchange Circuit		927,868
333	Interexchange Circuit		8,936
334	Host Remote		0
340	Cable and Wire		1,123,520
341	Subscriber Lines		37,095
342	Exchange		755,432
343	Interexchange Circuit		330,993
344	Host Remote		0 105
350 360	Info Orig/Term Equipment Amortizable Assets		105 7,659
360 370	Total Plant in Service		7,659 2,842,008
510	Total Flamt III Oct VICC		2,072,000
	ADJUSTMENTS TO TPIS		
380	Depreciation/Amortization Reserve		1,857,717
390	Accum. Deferred Income Tax		55,960
400	Other Rate Base Adjustments		73,210
	DETUDN DATA		
440	RETURN DATA		1 001 544
410 420	Average Rate Base Return		1,001,541 112,673
430	Rate of Return		11.25%
			5 /5

^{*} Switched Access detail is no longer relevant pursuant to the freezing of Switched Access revenue requirement at the Test Period 2011/2012 level consistent with the provisions of the USF/ICC Transformation Order.

COS-1(P) Page 1 of 2
Filing Date: 6/16/2015
Filing Entity: NECA
Transmittal Number: 1455 - Amended 9/16/15

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
RATE OF RETURN
PROSPECTIVE COST ANALYSIS SUMMARY (\$000)

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

	TEST YEAR FORECAST	PAY	INSIDE		
	7/1/15 THROUGH 6/30/16	PHONE_	WIRE _	BFP	TOTAL
		(I)	(J)	(K)	(L)
	REVENUES				
100	Network Access	N/A	N/A	N/A	435,289
110	Uncollectibles	N/A	N/A	N/A	0
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	952,735
140	Transitional	N/A	N/A	N/A	0
150 160	Miscellaneous Net Revenues	N/A N/A	N/A N/A	N/A N/A	0 1,388,024
100	Netrevenues	IN/A	19/73	IN/A	1,500,024
	<u>EXPENSES</u>				
170	Plant Specific	0	0	190,306	190,306
171	Network Support	0	0	5,105	5,105
172	General Support	0	0	48,662	48,662
173	Central Office	0	0	42,928	42,928
174 175	Operator Systems COE Switching	0	0	0	0
175	COE Switching COE Transmission	0	0	42,928	42,928
177	IOT	0	0	4	42,526
178	Cable & Wire Facilities	0	0	93,607	93,607
180	Plant Non Specific excl Depr & Amort	0	0	72,285	72,285
190	Depreciation/Amortization	0	0	243,811	243,811
200	Customer Operations	0	0	50,648	50,648
201	Marketing	0	0	16,932	16,932
202	Local Business Office	0	0	28,113	28,113
203	Revenue Accounting	0	0	2,807	2,807
204	Other Billing and Collections	0	0	2,709	2,709
210 215	Access Universal Service Contributions (NOTE 2)	N/A N/A	N/A N/A	N/A N/A	0 119,863
220	Corporate Operations	0	0	142,094	142,094
230	AFUDC	0	0	2,100	2,100
240	Other Expenses and Adjustments	0	0	(1,033)	(1,033)
250	Taxes Other than FIT	0	0	34,135	34,135
260	Total Expenses and Other Taxes	0	0	730,145	850,009
	NEO A AR III OTMENTO				
261	NECA Administrative Eventure	0	0	20.452	20.452
261 262	NECA Administrative Expenses Average Schedule Settlements	0	0 0	29,453 150,464	29,453 150,464
263	Adjustment for Line Port/TIC	0	0	114,871	114,871
264	Total NECA Adjustments	0	0	294,789	294,789
		-	-	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	<u>FIT ADJUSTMENTS</u>				
270	Adjustments for FIT	0	0	25,797	25,797
280	Amortized ITC	0	0	5	5
290	Federal Income Taxes	0	0	38,003	38,003
300	TOTAL EXPENSES AND TAXES	0	0	1,062,937	1,182,800
	TELEPHONE PLANT IN SERVICE				
310	General Support	0	0	572,797	572,797
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 0	846,975	846,975
331 332	Subscriber Line Exchange Circuit	0	0	846,975	846,975
333	Interexchange Circuit	0	0	0	0
334	Host Remote	0	Ö	0	0
340	Cable and Wire	0	0	3,995,181	3,995,181
341	Subscriber Line	0	0	3,995,181	3,995,181
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	662	662
360 370	Amortizable Assets Total Plant in Service	0	0 0	12,144 5,427,758	12,144 5,427,758
		-		. , -	. ,
380	ADJUSTMENTS TO TPIS Depreciation/Amortization Reserve	0	0	3,602,996	3,602,996
390	Accum. Deferred Income Tax	0	0	97,224	97,224
400	Other Rate Base Adjustments	0	0	96,675	96,675
	DETURN SATA				
440	RETURN DATA	^	•	1 004 040	4 004 040
410 420	Average Rate Base Return	0	0 0	1,824,213 205,224	1,824,213 205,224
420	notarii	44.050/	44.050/	44.050/	203,224

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. ICLS excludes excess of \$3.4M attributable to price cap affiliates.

11.25%

11.25%

11.25%

11.25%

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

Rate of Return

430

COS-1(P) Page 2 of 2
Filing Date: 6/16/2015
Filing Entity: NECA
Transmittal Number: 1455 - Amended 9/16/15

NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. RATE OF RETURN PROSPECTIVE COST ANALYSIS SUMMARY (\$000)

	ST YEAR FORECAST 15 THROUGH 6/30/16	TOTAL SWTCH TRFFC SNSTV *	SPECIAL ACCESS
		(M)	(N)
חבי	/ENLIES		
	<u>/ENUES</u> etwork Access		755,916
	ncollectibles		700,010
	cal Switching Support		N/
N/	A		N/
N/			N/
N/			N/
	scellaneous et Revenues		N/ 755,91
EXF	PENSES		
	ant Specific		156,940
	Network Support		3,30
	General Support Central Office		29,324 94,493
•	Operator Systems		94,49 \ (
	COE Switching		(
	COE Transmission		94,493
	ОТ		(
	Cable & Wire Facilities		29,823
	ant Non Spec excl Depr & Amort		44,233
	epreciation/Amortization ustomer Operations		179,358 24,546
	Marketing		7,780
	Local Business Office		3,146
	Revenue Accounting		12,374
	Other Billing and Collections		(
	cess		N/
	prorate Operations		91,104
	UDC her Expenses and Adjustments		1,44 <u></u> 99
	xes Other than FIT		20,904
	tal Expenses and Other Taxes		515,739
<u>NE</u>	CA ADJUSTMENTS		
	ECA Administrative Expenses		17,83
	erage Schedule Settlements		66,500
	justment for Line Port/TIC tal NECA Adjustments		17,33 ² 101,669
FIT	ADJUSTMENTS		
	justments for FIT		18,858
	nortized ITC		4
Fe	deral Income Taxes		22,400
TO	TAL EXPENSES AND TAXES		639,809
	EPHONE PLANT IN SERVICE		200.000
	eneral Support entral Office Equipment - Switch		362,982 (
O.E	Operator Systems		(
	Tandem Switching		, (
	Local Switching Cat 3		(
	Equal Access		
Ce	entral Office Equipment - Trans		1,570,69
	Subscriber Lines		501,278
	Exchange Circuit Interexchange Circuit		1,059,356 10,06
	Host Remote		10,06
Ca	able and Wire		1,293,846
	Subscriber Lines		41,203
	Exchange		877,963
	Interexchange Circuit		374,680
	Host Remote		(
	o Orig/Term Equipment nortizable Assets		119 8,749
	tal Plant in Service		3,236,386
<u>A</u> D.	JUSTMENTS TO TPIS		
De	preciation/Amortization Reserve		2,204,682
_	cum. Deferred Income Tax her Rate Base Adjustments		61,424 61,789
	•		01,700
· ·	<u>FURN DATA</u> erage Rate Base		1,032,069
	eturn		116,108
D-	ite of Return		11.25°

^{*} Switched Access detail is no longer relevant pursuant to the freezing of Switched Access revenue requirement at the Test Period 2011/2012 level consistent with the provisions of the USF/ICC Transformation Order.

DMD-2 Page 1 of 1 Filing Date: 06/16/2015 Filing Entity: NECA

Transmittal Number: 1455 - /

Rate of Return Special Access Demand Comparison

		Historical 1/14 thru 12/14			Prospective 7/15 thru 6/16		
		Channel Termination	Circuits	Interoffice Miles	Channel Termination	Circuits	Interoffice Miles
100	Metallic	17,480	8,740	0	9,062	4,531	0
110	Telegraph	0	0	0	0	0	0
120	Voice Grade	22,125	17,019	247,301	19,043	14,649	214,120
130	Wats	N/A	N/A	N/A	N/A	N/A	N/A
140	Audio Program (Full time)	0	0	0	0	0	0
150	High Capacity	593,122	423,659	4,714,166	405,673	289,767	3,224,312

NOTE: This chart should be populated with annualized demand.

DMD-3 Page 1 of 1 Filing Date: 6/16/2015 Filing Entity: NECA

Transmittal Number: 1455 - Amended 9/16/15

COMMON LINE DEMAND AND REVENUE

		1/14-12/14 Historical Revenue (A)	1/14-12/14 Historical Lines (B)	TP '15/ '16 Test Year Revenue (C)	TP '15/ '16 Test Year Lines (D)
100	End User Common Line, Total (1)	\$332,645,646	3,909,493	\$316,004,550	3,712,204
110	Line Port Element (2)	\$1,965,530	6,967	\$1,962,709	6,957
120	Residential	\$228,688,902	2,931,909	\$216,967,842	2,781,639
130	Single Line Business	\$14,285,700	183,150	\$13,626,834	174,703
140	Multi-line Business	\$87,705,514	794,434	\$83,447,165	755,862
150	Special Access Surcharge	\$4,500	15	\$4,800	16
160	Carrier Common Line	N/A	N/A	N/A	N/A
170	Total Common Line Revenue	\$332,650,146	N/A	\$316,009,350	N/A

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

⁽²⁾ Only ISDN PRI and DS1 arrangements are used to compute Line Port Element historical and test year revenues.

RTE-1 Page 1 of 2 Filing Date: 06/16/2015

Filing Entity: NECA

Transmittal Number: 1455 - Amended 9/16/15

RATE OF RETURN ACCESS RATE ANALYSIS

		7/1/14 RATE	CURRENTLY EFFECTIVE RATE	PROPOSED 7/1/15 RATE	PROPOSED TO 7/1/14 % CHANGE	PROPOSED TO CURRENT % CHANGE
		(A)	(B)	(C)	D=((C-A)/A)*100	E=((C-B)/B)*100
	END USER COMMON LINE					
100	Line Port (Note 1)	\$23.51	\$23.51	\$23.51	0.00%	0.00%
160	USF Contribution	15.7%	17.4%	17.1%	8.92%	-1.72%
170	Special Access Surcharge	\$25.00	\$25.00	\$25.00	0.00%	0.00%
180	Multiline Business	\$9.20	\$9.20	\$9.20	0.00%	0.00%
190	Residence and Single Line Bus.	\$6.50	\$6.50	\$6.50	0.00%	0.00%

Note 1: In Line 100, for Line Port Element, rates for ISDN PRI and DS1 arrangements are reflected.

RATE OF RETURN ACCESS RATE ANALYSIS

RTE-1 Page 2 of 2
Filing Date: 06/16/2015
Filing Entity: NECA

Transmittal Number: 1455 - Amended 9/16/15

		7/1/14 RATE	CURRENTLY EFFECTIVE RATE	PROPOSED 7/1/15 RATE	PROPOSED TO 7/1/14 % CHANGE	PROPOSED TO CURRENT % CHANGE
	SPECIAL ACCESS RATES	(A)	(B)	(C)	D=((C-A)/A*100)	E = ((C-B)B*100)
290	2-Wire Voice Grade, \$ Per Circuit (Avg Mileage)	\$248.28	\$248.28	\$305.84	23.18%	23.18%
300	4-Wire Voice Grade, \$ Per Circuit (Avg Mileage)	\$320.18	\$320.18	\$394.38	23.17%	23.17%

RTE-2 Page 1 of 1 Filing Date: 06/16/2015

Filing Entity: NECA

Transmittal Number: 1455 - Amended 9/16/15

RATE OF RETURN ANNUALIZED ACCESS PRICEOUT COMPARISONS

		REVENUE AT	REVENUE AT CURRENTLY		REVENUE AT PROPOSED	
		7/1/14 RATE	EFFECTIVE RATE	CHANGE	7/1/15 RATE	CHANGE
		(A)	(B)	(C)=B-A	(D)	(E)=D-B
100	Line Port	\$1,962,709	\$1,962,709	\$0	\$1,962,709	\$0
110	Multi Line Business	\$83,447,165	\$83,447,165	\$0	\$83,447,165	\$0
120	Residence and Single Line Business	\$230,594,676	\$230,594,676	\$0	\$230,594,676	\$0
130	Carrier Common Line	N/A	N/A	N/A	N/A	N/A
140	Special Access	\$671,692,562	\$671,692,562	\$0	\$755,914,586	\$84,222,024
150	Special Access Surcharge	\$4,800	\$4,800	\$0	\$4,800	\$0
200	USF Contributions	\$110,049,886	\$121,966,115	\$11,916,230	\$119,863,251	(\$2,102,864)
	TOTAL	\$1,097,751,797	\$1,109,668,027	\$11,916,230	\$1,191,787,187	\$82,119,160

NOTE 1: Both NECA end user and non end user tariff participants are displayed on lines 100, 110 and 120. NOTE 2: In Line 100, for Line Port Element, both ISDN PRI and DS1 arrangements are reflected.

ERN-1 Page 1 of 1
Filing Date: 6/16/2015
Filing Entity: NECA

Transmittal Number: 1455 - Amended 9/16/15

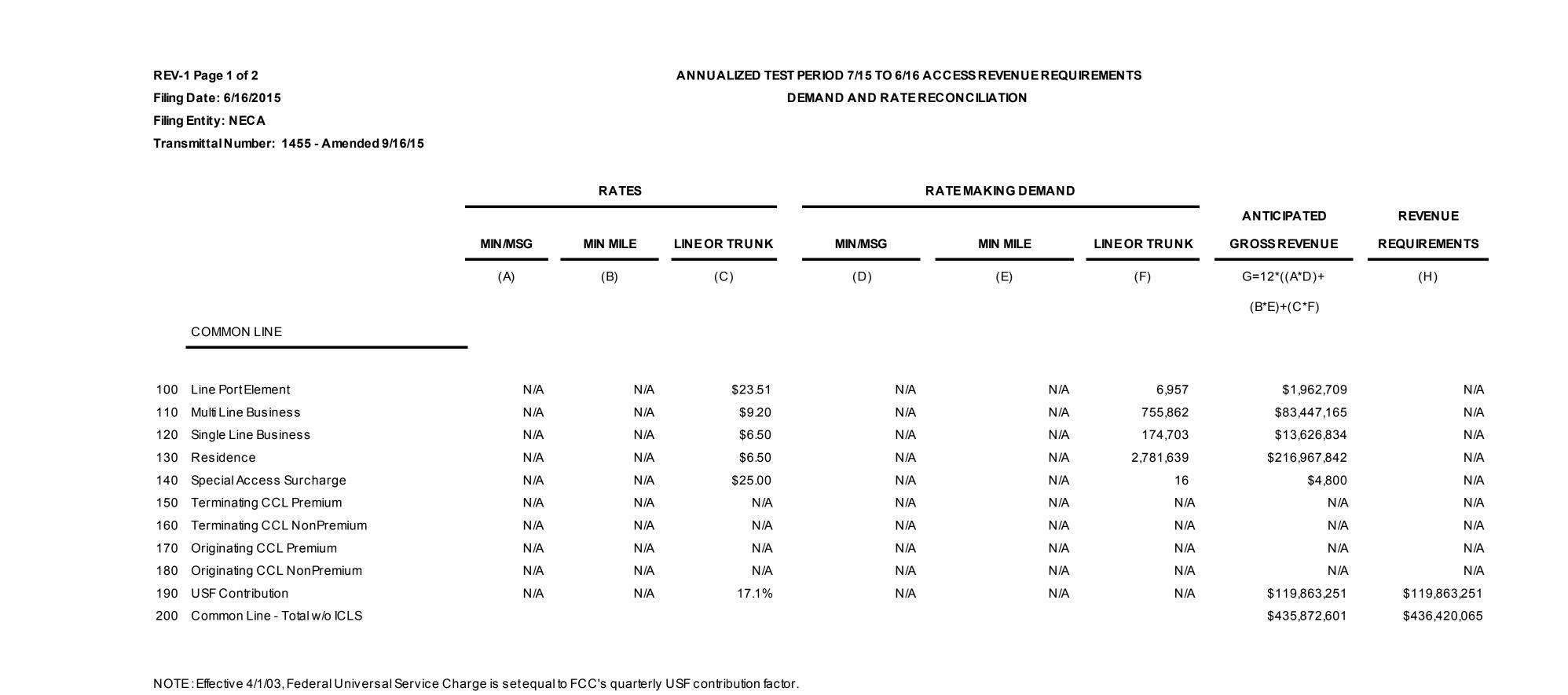
Annualized Rate of Return Comparison

	Preliminary 2013/2014 FCC Monitoring Period*	Preliminary 2014 Period**	Prospective 7/14 - 6/15
100 Total Interstate Access	9.80%	10.15%	11.25%
110 Carrier Common Line	11.32%	11.19%	11.25%
120 Special Access	7.92%	9.61%	11.25%
130 Local Switching			
140 Information			
150 Local Transport			
160 Total TS - Switched	8.61%	7.29%	N/A

^{*} Preliminary 2013/2014 Monitoring Period ROR is taken directly from the FCC492, filed March, 2015.

NOTE: Calendar year 2014 data is subject to true-up through December 2016. 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.

^{**} Preliminary 2014 Period ROR is taken directly from the March, 2015 Assessment.



NOTE: For Line Port Element category, ISDN PRI and DS1 arrangements are included in line 100.

 Common Line
 435,872,601
 436,420,065

 Long Term Sup
 472,329,984
 472,329,984

 CCL Total
 908,202,585
 908,750,049

 Common Line
 435,872,601
 436,420,065

 All Other
 #REF!
 #REF!

 Sub Total
 #REF!
 #REF!

 Long Term Sup
 472,329,984
 472,329,984

 Grand Total
 #REF!
 #REF!

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ANNUALIZED TEST PERIOD 7/15 TO 6/16 ACCESS REVENUE REQUIREMENTS DEMAND AND RATE RECONCILIATION

REV-1 Page 2 of 2 Filing Date: 6/16/2015 Filing Entity: NECA

Transmittal Number: 1455 - Amended 9/16/15

		RATES		RATE MAKING DEMAND					
		TERMINATIONS	CIRCUITS	MILES	TERMINATIONS	CIRCUITS	MILES	ANTICIPATED GROSS REVENUE	REVENUE REQUIREMENTS
		(A)	(B)	(C)	(D)	(E)	(F)	G=(A*D)+ (B*E)+(C*F)	(H)
	SPECIAL - VOICE GRADE								
510 520		N/A N/A	73.80 118.07	N/A N/A	N/A N/A	4,312	N/A N/A	\$318,193 \$1,730,303	N/A N/A
520 530		52.82	116.07 N/A	N/A N/A	13,994	14,732 N/A	N/A N/A	\$1,739,393 \$739,158	N/A N/A
540	=	N/A	N/A	5.26	15,99 4 N/A	N/A	214,120	\$1,126,272	N/A
550		N/A	450.00	N/A	N/A	67	N/A	\$30,150	N/A
	SPECIAL - HIGH CAPACITY								
560	Hi-Cap Channel Term	N/A	343.77	N/A	N/A	400,756	N/A	\$137,767,890	N/A
570	Channel Mileage Term	110.35	N/A	N/A	381,224	N/A	N/A	\$42,068,068	N/A
580	g ,	N/A	N/A	21.26	N/A	N/A	3,198,642	\$68,003,129	N/A
590	Non-Recurring (Note 1)	N/A	387.50	N/A	N/A	0	N/A	\$0	N/A
600	Special Access Total							\$755,914,586	\$755,915,709

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

RATE OF RETURN TEST PERIOD REVENUES

REV-2 Page 1 of 1 Filing Date: 6/16/2015 Filing Entity: NECA

Transmittal Number: 1455 - Amended 9/16/15

		TOTAL	RECURRING	NON-RECURRING	100	
		NETWORK ACCESS	w/o ICB	w/o ICB	ICB	
		(A)=B+C+D	(B)	(C)	(D)	
100	Common Line (Note 1)	\$1,268,161,168	\$1,268,161,168	\$0	\$0	
	,					
110	Special Access	\$755,914,586	\$755,528,600	\$385,986	\$0	

Note 1: Includes ICLS.

MAG-1 Historical Filing Date: 6/16/2015 Filing Entity: NECA

Transmittal Number: 1455 - Amended 9/16/15

Rate-of Return TRP
MAG Adjustments *
Historical (Calendar Year 2014)
(\$000)

Access Category	Interstate Revenue Requirement Prior to Adjustments	Frozen Line Port Transfer	Universal Service Fund Contribution	Interstate Revenue Requirement Used as Base for TIC Reallocation	Frozen TIC Reallocation	Frozen Line Port Transfer NonTS Companies	Frozen TIC Reallocation NonTS Companies	Interstate Revenue Requirement Subject to Rate Making
	(A) Note 1	(B) Note 2	(C) Note 3	(E) Cols. (A)+(B)-(C)	(F) Note 4	(G)	(H)	(I) Note 5
Common Line	\$1,165,950	\$55,765	\$117,709	\$1,104,007	\$43,444	\$9,907	\$5,755	\$1,355,087
Special Access	\$686,946			\$686,946	\$17,334			\$704,280

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: Amount based on Test Period 2011/2012 per USF/ICC Transformation Order.

Note 3: Based on projected USF Contributions.

Note 4: Amount based on Test Period 2011/2012 per USF/ICC Transformation Order.

Note 5: Includes NECA expenses

^{*} Reflects the impact of the corporate operations expense limitation provision of the USF/ICC Transformation Order.

MAG-1 Projected
Filing Date: 6/16/2015
Filing Entity: NECA

Rate of Return TRP MAG Adjustments * Test Year, 7/1/15-6/30/16

(\$000)

Transmittal Number: 1455 - Amended 9/16/15

Access Category	Interstate Revenue Requirement Prior to Adjustments	Frozen Line Port Transfer	Universal Service Fund Contribution	Interstate Revenue Requirement Used as Base for TIC Reallocation	Frozen TIC Reallocation Frozen Line Port Transfer NonTS Companies		Frozen TIC Reallocation NonTS Companies	Interstate Revenue Requirement Subject to Rate Making
	(A) Note 1	(B) Note 2	(C) Note 3	(E) Cols. (A)+(B)-(C)	(F) Note 4	(G)	(H)	(I) Note 5
Common Line	\$1,124,968	\$55,765	\$119,863	\$1,060,870	\$43,444	\$9,907	\$5,755	\$1,389,156
Special Access	\$720,746			\$720,746	\$17,334			\$755,916

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: Amount based on Test Period 2011/2012 per USF/ICC Transformation Order.

Note 3: Based on projected USF Contributions.

Note 4: Amount based on Test Period 2011/2012 per USF/ICC Transformation Order.

Note 5: Includes NECA expenses

^{*} Reflects the impact of the corporate operations expense limitation provision of the USF/ICC Transformation Order.

NECA MAG-1

Filing Date: 6/16/2015
Filing Entity: NECA

Transmittal Number: 1455 - Amended 9/16/15

COST TO BE MOVED TO COMMON LINE TEST PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016

DATA USED IN NECA TARIFF FILIN

<u>SAC</u>	COMPANY <u>NAME</u>	SETTLEMENT TYPE	SECTION 61.38 OR 61.39	FROZEN LINE PORT TRANSFER	FROZEN TRANSPORT (TIC) REALLOCATION
100022	SACO RIVER TEL LLC	Α	61.39	\$67,824	\$76,920
170175	IRONTON TEL CO	A	61.39	\$52,068	\$86,592
190226	LUMOS TEL.	A	61.39	\$188,724	\$20,028
230501	SKYLINE MEMBERSHIP	A	61.38	\$173,436	\$313,272
230511	YADKIN VALLEY TEL	A	61.38	\$129,300	\$176,748
240515	CHESNEE TEL CO	A	61.38	\$61,380	\$43,164
240516	CHESTER TEL CO - SC	A	61.38	\$164,268	\$198,396
240532	LOCKHART TEL CO INC	A	61.39	\$22,632	\$0
240541	RIDGEWAY TEL CO	A	61.39	\$58,788	\$24,264
250283	BRINDLEE MOUNTAIN	A	61.38	\$115,128	\$186,228
250312	OTELCO TELEPHONE LLC	A	61.38	\$80,292	\$71,244
260408	GEARHEART-COALFIELDS	Α	61.39	\$103,956	\$129,576
330889	HAGER TELECOM INC.	Α	61.39	\$44,292	\$11,688
351212	JEFFERSON TEL CO -IA	Α	61.39	\$34,476	\$14,544
351213	JORDAN SOLDIERVALLEY	Α	61.38	\$31,128	\$168
351278	READLYN TEL CO	Α	61.39	\$41,832	\$13,788
361440	CANNON VLY TELECOM	Α	61.39	\$34,476	\$40,032
391650	CITY OF BROOKINGS	Α	61.39	\$154,752	\$0
442107	LIVINGSTON TEL CO	Α	61.39	\$66,804	\$41,268
482252	RONAN TEL CO	Α	61.39	\$47,952	\$0
100024	SOMERSET TEL CO	С	61.38	\$41,618	\$78,328
120045	KEARSARGE TEL CO	С	61.38	\$48,421	\$88,909
120047	MERRIMACK COUNTY TEL	С	61.38	\$103,124	\$44,807
120049	UNION TEL CO	С	61.38	\$95,653	\$59,731
120050	WILTON TEL CO - NH	С	61.38	\$36,985	\$4,711
123321	MCTA, INC.	С	61.38	\$92,285	\$102,374
190217	AMELIA TEL CORP	С	61.38	\$27,613	\$2,326
190253	VIRGINIA TEL CO	С	61.38	\$45,581	\$27,021
210330	SMART CITY TEL LLC	С	61.38	\$209,453	\$28,328
210338	QUINCY TEL CO-FL DIV	С	61.38	\$55,398	\$20,130
220338	QUINCY TEL CO-GA DIV	C	61.38	\$3,352	\$7,430
220346	BLUE RIDGE TEL CO	C	61.38	\$33,911	\$116,291
220351	CAMDEN TEL & TEL CO	С	61.38	\$144,127	\$55,184
220360	ELLIJAY TEL CO	С	61.38	\$62,487	\$69,399
220375	NELSON-BALL GROUND	С	61.38	\$20,797	\$46,171
230468	ATLANTIC MEMBERSHIP	С	61.38	\$419,459	\$1,764
230473	CITIZENS TEL CO	С	61.39	\$53,072	\$7,466
240512	BLUFFTON TEL. CO.	С	61.38	\$130,839	\$2,632
240520	FARMERS TEL COOP	С	61.38	\$243,186	\$11,948
240521	FORT MILL TEL CO	С	61.38	\$185,413	\$16,323
240523	HARGRAY TEL CO	С	61.38	\$399,076	\$104,248
240527	HOME TELECOM	С	61.38	\$168,306	· · · ·
240528	HORRY TEL COOP	C	61.38	\$1,510,835	· · · ·
240531	LANCASTER TEL CO	C	61.38 61.38	\$228,607	\$7,108 \$8,060
240542 240551	COMPORIUM, INC. WILLISTON TEL CO	C C	61.38 61.38	\$250,149 \$12,452	\$8,969 \$24,678
240551 250284	BUTLER TEL CO	C	61.38	\$12,452 \$15,884	\$24,678 \$17,959
250264 250314	PEOPLES TEL CO	C	61.38	\$40,589	\$17,959 \$18,241
230314	I LOFLLO ILL OO	C	01.30	φ40,569	φ 10, ∠4 1

NECA MAG-1

Filing Date: 6/16/2015
Filing Entity: NECA

Transmittal Number: 1455 - Amended 9/16/15

COST TO BE MOVED TO COMMON LINE TEST PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016

DATA USED IN NECA TARIFF FILIN

<u>SAC</u>	COMPANY <u>NAME</u>	SETTLEMENT TYPE	SECTION 61.38 OR 61.39	FROZEN LINE PORT TRANSFER	FROZEN TRANSPORT (TIC) REALLOCATION
260411	LESLIE COUNTY TEL CO	С	61.38	\$36,637	\$30,440
260418	SOUTH CENTRAL RURAL	Č	61.39	\$57,387	\$11,877
270429	EAST ASCENSION TEL	Č	61.39	\$69,229	\$339,644
290559	CONCORD TEL EXCHANGE	Č	61.38	\$82,474	\$31,450
290571	MILLINGTON RITTER	Č	61.38	\$104,497	\$14,117
290575	TENNESSEE TEL CO	Č	61.39	\$187,234	\$50,830
290578	TELLICO TEL CO	Č	61.38	\$30,224	\$19,048
300597	THE CHILLICOTHE TEL	Č	61.38	\$185,743	\$61,389
320776	COMM CORP OF INDIANA	Č	61.38	\$69,814	\$27,264
320818	SMITHVILLE COMM.	Č	61.38	\$139,428	\$0
320829	TIPTON TEL CO	Č	61.38	\$37,116	\$42,982
320830	TRI-COUNTY TEL CO	Č	61.38	\$41,522	\$47,805
330844	BADGER TELECOM, INC.	Č	61.38	\$20,813	\$10,293
330859	CENTRAL STATE TEL CO	Č	61.38	\$35,840	\$13,967
330881	MID-PLAINS TEL CO	Č	61.38	\$235,216	\$356,362
330909	MIDWAY TEL CO	Č	61.38	\$16,402	\$14,611
330916	MOUNT HOREB TEL CO	Č	61.38	\$27,470	\$54
330917	MT VERNON TEL CO	Č	61.38	\$121,656	\$505
330943	RIVERSIDE TELECOM	C	61.38	\$29,681	\$22,241
330954	STOCKBRIDGE & SHERWD	C	61.38	\$11,915	\$16,767
330963	UTELCO, INC	C	61.38	\$62,352	\$74,985
330968	WAUNAKEE TEL CO	Č	61.38	\$80,446	\$0
341003	EGYPTIAN COOP ASSN	C	61.39	\$56,866	\$39,992
341026	HARRISONVILLE TEL CO	C	61.38	\$76,980	\$60,623
361350	ARVIG TEL CO	C	61.38	\$41,457	\$26,074
361358	BLUE EARTH VALLEY	Č	61.39	\$68,908	\$0
361362	BRIDGEWATER TEL CO	Č	61.38	\$5,564	\$9,010
361384	EASTON TEL CO	Č	61.39	\$38,384	φο,ο το \$0
361399	GRANADA TEL CO	Č	61.39	\$7,760	\$1,610
361433	MID STATE TEL CO	Č	61.38	\$25,715	\$17,237
361454	PINE ISLAND TEL CO	Č	61.39	\$21,827	\$11,697
411817	PIONEER TEL ASSN INC	Č	61.39	\$335,625	\$236,141
421866	Ozark Tel. Co.	C	61.38	\$22,237	\$3,554
421945	SENECA TEL CO	C	61.39	\$6,514	\$32,396
431969	BIXBY TEL CO	Č	61.38	\$123,588	\$58,612
431984	OKLAHOMA COMM SYSTEM	Č	61.38	\$47,774	\$18,378
432016	PANHANDLE TEL COOP	Č	61.39	\$253,902	\$457,150
442070	ETEX TEL COOP INC	Č	61.38	\$104,567	\$0
452171	ARIZONA TELEPHONE CO	Č	61.38	\$69,820	\$51,306
452174	SOUTHWESTERN TEL CO	Č	61.38	\$49,960	\$65,231
462184	DELTA COUNTY TEL CO	Č	61.38	\$29,685	\$33,619
462207	STRASBURG TEL CO	C	61.38	\$13,500	\$14,213
502278	EMRY dba EMRY TELCOM	C	61.39	\$165,123	\$14,213 \$123,538
512296	TRI COUNTY TEL ASSN	C	61.38	\$75,038	\$47,981
512297	UNION TELEPHONE CO	C	61.38	\$230,722	\$746,838
				\$9,906,792	\$5,754,918

NECA MAG-1

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DATA USED IN NECA TARIFF FILIN

FROZEN

LINE FROZEN
SETTLEMENT SECTION PORT TRANSPORT (TIC)

TYPE 61.38 OR 61.39 TRANSFER REALLOCATION

<u>SAC</u>

Notes:

- NECA calculated projected test period amounts for all companies in its Common Line pool (including 61.38 and 61.39 companies to own TS tariffs) in accrodance with the MAG Order and USF/ICC Transformation Order and are reflected as follows:
- 1. Shift of line port cost from traffic sensitive to common line: Shifts are based on the 2011/2012 base period amounts and reflect the USF/ICC Transformation Order provision limiting corporate operations expense.
- 2. Reallocation of Transport Interconnections Charge (TIC) cost to all other access elements:
 - a. Allocations are based on the 2011/2012 base period amounts

COMPANY

<u>NAME</u>

b. Shifts to CL reflect the corporate operations expense limitation

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