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 4/15/16

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

		COMI	VION LINE		
	HISTORICAL DATA PERIOD 2014	PAY PHONE (I)	INSIDE WIRE (J)	BFP (K)	TOTAL COMMON LINE (L)
		(•)	(0)	(1.1)	(=)
	<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	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
200 201	Customer Operations	0	0	48,836 16.214	48,836 16,214
201	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	0	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	7	7
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
320 321	Central Office Equipment - Switch	0	0 0	0	0
322	Operator Systems 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	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	0	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 4/15/16

	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	Cable & Wire Facilities		27,016
180 190	Plant Non Spec excl Depr & Amort		39,511
200	Depreciation/Amortization Customer Operations		165,240 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
			, , , , , ,
	<u>FIT ADJUSTMENTS</u>		
270	Adjustments for FIT		18,113
280	Amortized ITC		4
290	Federal Income Taxes		20,774
300	TOTAL EXPENSES AND TAXES		591,607
000	TOTAL EXILENCES THE TABLE		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		0,950
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
350	Info Orig/Term Equipment		105
360	Amortizable Assets		7,659
370	Total Plant in Service		2,842,008
	ADJUSTMENTS TO TPIS		
380	Depreciation/Amortization Reserve		1,857,717
390	Accum. Deferred Income Tax		55,960
400	Other Rate Base Adjustments		73,210
	DETURN DATA		
440	RETURN DATA		4.004.511
410	Average Rate Base		1,001,541
420 430	Return Rate of Return		112,673 11.25%
750	Nate of Netarii		11.45/0

^{*} 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 4/15/16

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** (K) (l) (J) (L) **REVENUES** N/A 100 Network Access N/A N/A 435,289 N/A 110 Uncollectibles 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 135 Interstate Common Line Support (NOTE 1) N/A N/A N/A 952,735 140 Transitional N/A N/A N/A 150 Miscellaneous N/A N/A N/A 0 160 N/A N/A N/A 1,388,024 Net Revenues **EXPENSES** 170 Plant Specific 0 0 190,306 190,306 171 Network Support 0 0 5,105 5,105 172 0 48,662 48,662 General Support 173 Central Office 0 42,928 0 42,928 174 0 **Operator Systems** 0 175 COE Switching 0 0 0 0 176 **COE Transmission** 42,928 42,928 177 0 IOT 178 Cable & Wire Facilities 0 93,607 93,607 0 180 Plant Non Specific excl Depr & Amort 72,285 72,285 Depreciation/Amortization 0 243,811 190 0 243,811 200 0 **Customer Operations** 50,648 50,648 0 201 16,932 16,932 Marketing 202 0 **Local Business Office** 28,113 28,113 203 0 0 2,807 2,807 Revenue Accounting Other Billing and Collections 204 0 0 2,709 2,709 210 Access N/A N/A N/A 0 215 Universal Service Contributions (NOTE 2) N/A N/A N/A 119,863 220 **Corporate Operations** 0 0 142,094 142,094 230 **AFUDC** 0 2,100 0 2,100 240 0 (1,033)(1,033)Other Expenses and Adjustments 0 250 Taxes Other than FIT 0 0 34,135 34,135 260 0 Total Expenses and Other Taxes 730,145 850,009 **NECA ADJUSTMENTS NECA Administrative Expenses** 261 0 0 29,453 29,453 0 Average Schedule Settlements 262 0 150,464 150,464 0 263 Adjustment for Line Port/TIC 0 114,871 114,871 Total NECA Adjustments 0 264 0 294,789 294,789 **FIT ADJUSTMENTS** 270 Adjustments for FIT 0 0 25,797 25,797 280 Amortized ITC 0 0 5 290 Federal Income Taxes 0 38,003 38,003 0 300 TOTAL EXPENSES AND TAXES 0 1,062,937 1,182,800 TELEPHONE PLANT IN SERVICE General Support 572,797 310 0 572,797 320 Central Office Equipment - Switch 0 321 **Operator Systems** 0 0 0 0 322 **Tandem Switching** 0 0 323 Local Switching Cat 3 0 0 0 324 **Equal Access** 0 0 330 Central Office Equipment - Trans 0 0 846,975 846,975 331 Subscriber Line 0 846,975 846,975 **Exchange Circuit** 332 0 0 0 333 Interexchange Circuit 0 0 0 0 334 Host Remote 0 Cable and Wire 340 0 3,995,181 3,995,181 0 341 Subscriber Line 3,995,181 3,995,181 0 342 Exchange 0 343 Interexchange Circuit 0 0 0 344 Host Remote 0 0 350 Info Orig/Term Equipment 0 662 662 360 Amortizable Assets 0 12,144 12,144 370 Total Plant in Service 0 5,427,758 5,427,758 **ADJUSTMENTS TO TPIS** 380 Depreciation/Amortization Reserve 0 0 3,602,996 3,602,996 97,224 390 Accum. Deferred Income Tax 0 0 97,224 400 Other Rate Base Adjustments 0 96,675 0 96,675 RETURN DATA 410 Average Rate Base 0 0 1,824,213 1,824,213 420 0 205,224 205,224 Return 0

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.

430

Rate of Return

COS-1(P) Page 2 of 2
Filing Date: 6/16/2015
Filing Entity: NECA
Transmittal Number: 1455 - Amended 4/15/16

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

TEST YEAR FORECAST 7/1/15 THROUGH 6/30/16	TOTAL SWTCH TRFFC SNSTV *	SPECIAL ACCESS
	(M)	(N)
DEVENUE		
REVENUES Network Access		755,916
Uncollectibles		0
Local Switching Support		N/A
N/A		N/A
N/A		N/A
N/A		N/A
Miscellaneous Net Revenues		N/A 755,916
<u>EXPENSES</u>		
Plant Specific		156,940
Network Support General Support		3,301 29,324
Central Office		94,493
Operator Systems		0
COE Switching		0
COE Transmission		94,493
IOT		0
Cable & Wire Facilities		29,823
Plant Non Spec excl Depr & Amort Depreciation/Amortization		44,233 179,358
Customer Operations		24,546
Marketing		7,780
Local Business Office		3,146
Revenue Accounting		12,374
Other Billing and Collections		0
Access		N/A
Corporate Operations AFUDC		91,104 1,445
Other Expenses and Adjustments		99
Taxes Other than FIT		20,904
Total Expenses and Other Taxes		515,739
NECA ADJUSTMENTS		4-00-
NECA Administrative Expenses		17,835
Average Schedule Settlements Adjustment for Line Port/TIC		66,500 17,334
Total NECA Adjustments		101,669
FIT ADJUSTMENTS		
Adjustments for FIT		18,858
Amortized ITC		4
Federal Income Taxes		22,400
TOTAL EXPENSES AND TAXES		639,809
TELEPHONE PLANT IN SERVICE		200,000
General Support Central Office Equipment - Switch		362,982
Operator Systems		0
Tandem Switching		0
Local Switching Cat 3		0
Equal Access		0
Central Office Equipment - Trans		1,570,695
Subscriber Lines		501,278
Exchange Circuit Interexchange Circuit		1,059,356 10,061
Host Remote		0,001
Cable and Wire		1,293,846
Subscriber Lines		41,203
Exchange		877,963
Interexchange Circuit		374,680
Host Remote		0
Info Orig/Term Equipment Amortizable Assets		119 8,745
Total Plant in Service		3,236,386
ADJUSTMENTS TO TPIS		
Depreciation/Amortization Reserve		2,204,682
Accum. Deferred Income Tax		61,424
Other Rate Base Adjustments		61,789
RETURN DATA		4.000.55
Average Rate Base		1,032,069
Return Rate of Return		116,108 11.25%
. Glo of Rotain		11.20/(

^{*} 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 - Amended 4/15/16

Rate of Return <u>Special Access Demand Comparison</u>

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

NOTE: This chart should be populated with annualized demand.

Interoffice Miles

0

0

214,120

N/A

0

3,224,312

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

Filing Entity: NECA
Transmittal Number: 1455 - Amended 4/15/16

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 4/15/16

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
	END USER COMMON LINE	(A)	(B)	(C)	D=((C-A)/A)*100	E=((C-B)/B)*100
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

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		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 4/15/16

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

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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.

REV-1 Page 1 of 2 ANNUALIZED TEST PERIOD 7/15 TO 6/16 ACCESS REVENUE REQUIREMENTS Filing Date: 6/16/2015 DEMAND AND RATERECONCILIATION Filing Entity: NECA Transmittal Number: 1455 - Amended 4/15/16 RATES RATE MAKING DEMAND MIN/MSG MIN MILE LINE OR TRUNK MIN/MSG MIN MILE LINE OR TRUNK GROSS REVENUE REQUIREMENTS (A) (B) (C) (D) (E) (F) G=12*((A*D)+ (H) (B*E)+(C*F) 100 Line Port Element 110 Multi Line Business 120 Single Line Business 130 Residence 140 Special Access Surcharge 150 Terminating CCL Premium 160 Terminating CCL NonPremium 170 Originating CCL Premium 180 Originating CCL NonPremium N/A N/A 17.1% N/A N/A N/A \$119,863,251 \$119,863,251 190 USF Contribution \$435,872,601 \$436,420,065 200 Common Line - Total w/o ICLS

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.

 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 4/15/16

		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	2-Wire Channel Term	N/A	73.80	N/A	N/A	4,312	N/A	\$318,193	N/A
520	4-Wire Channel Term	N/A	118.07	N/A	N/A	14,732	N/A	\$1,739,393	N/A
530	Channel Mileage Term	52.82	N/A	N/A	13,994	N/A	N/A	\$739,158	N/A
540	Channel Mileage Facility	N/A	N/A	5.26	N/A	N/A	214,120	\$1,126,272	N/A
550	Non-Recurring (Note 1)	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	Channel Mileage Facility	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 4/15/16

		TOTAL NETWORK ACCESS	RECURRING w/o ICB	NON-RECURRING 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 Rate-of Return TRP
MAG Adjustments *
Historical (Calendar Year 2014)
(\$000)

Transmittal Number: 1455 - Amended 4/15/16

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.

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

(\$000)

Transmittal Number: 1455 - Amended 4/15/16

Access Category	Interstate Revenue Requirement Prior to Adjustments	Frozen Line Port Transfer	Universal Service Fund Contribution	Service Requirement Used as Frozen TIC Transfer NonTS Reallocation Resolution Reallocation 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.

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

Transmittal Number: 1455 - Amended 4/15/16

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	C	61.38	\$399,076	\$104,248
240527	HOME TELECOM	С	61.38	\$168,306	· · · ·
240528	HORRY TEL COOP	C C	61.38	\$1,510,835	· · · ·
240531 240542	LANCASTER TEL CO COMPORIUM, INC.	C	61.38 61.38	\$228,607 \$250,149	\$7,108 \$8,969
240542 240551	WILLISTON TEL CO	C	61.38	\$250,149 \$12,452	
250284	BUTLER TEL CO	C	61.38	\$12,452 \$15,884	\$24,676 \$17,959
250264	PEOPLES TEL CO	C	61.38	\$40,589	\$17,939 \$18,241
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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	Č	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	φ7+,555 \$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

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FROZEN

LINE **FROZEN PORT** TRANSPORT (TIC)

COMPANY <u>SAC</u> <u>NAME</u>

SETTLEMENT **TYPE**

SECTION

61.38 OR 61.39 TRANSFER REALLOCATION

Notes:

- NECA calculated projected test period amounts for all companies in its Common Line pool (including 61.38 and 61.39 companies t 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
 - b. Shifts to CL reflect the corporate operations expense limitation

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