COS-1(H) Page 1 of 2 Filing Date: 6/16/2015 Filing Entity: NECA Transmittal Number: 1455 - Amended 5/26/16

280

290

Amortized ITC

Federal Income Taxes

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

----- COMMON LINE ------PAY INSIDE TOTAL PHONE WIRE BFP COMMON LINE HISTORICAL DATA PERIOD 2014 (J) (K) (L) (I) **REVENUES** 100 Network Access N/A 446,787 N/A N/A Uncollectibles N/A N/A N/A 0 110 N/A 0 120 Common Line Support N/A N/A 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 908,300 140 N/A Transitional 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 EXP<u>ENSES</u> 170 Plant Specific 0 185,503 185,503 0 171 Network Support 0 0 4,756 4,756 **General Support** 172 0 0 46,787 46,787 41,792 173 **Central Office** 41,792 0 0 174 Operator Systems 0 0 0 0 175 **COE** Switching 0 0 1 1 176 COE Transmission 0 0 41,791 41,791 177 IOT 0 0 3 3 178 Cable & Wire Facilities 0 0 92,165 92,165 Plant Non Specific excl Depr & Amort 180 0 0 70,555 70,555 190 Depreciation/Amortization 0 0 238,512 238,512 200 Customer Operations 0 0 48,836 48,836 201 Marketing 0 0 16,214 16,214 202 Local Business Office 0 0 27,138 27,138 203 0 0 2,740 2,740 **Revenue Accounting** 204 2,662 2,662 Other Billing and Collections 0 0 210 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 AFUDC 230 0 0 2,326 2,326 240 Other Expenses and Adjustments 0 0 (620) (620) Taxes Other than FIT 33,700 250 0 33,700 0 260 Total Expenses and Other Taxes 0 0 833,383 715,674 **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 **FIT ADJUSTMENTS** 270 Adjustments for FIT 0 0 26,359 26,359

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	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	797,445	797,445
331	Subscriber Line	0	0	797,445	797,445
332	Exchange Circuit	0	0	0	0
333	Interexchange Circuit	0	0	0	0
334	Host Remote	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	Amortizable Assets	0	0	12,024	12,024
370	Total Plant in Service	0	0	5,119,918	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
	RETURN DATA				
410	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%

0

0

0

0

7

38,718

7

38,718

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.

COS-1(H) Page 2 of 2	IATIONAL EXCHANGE CARRIER ASSOCIATION, INC.
Filing Date: 6/16/2015	RATE OF RETURN
Filing Entity: NECA	HISTORICAL COST ANALYSIS SUMMARY (\$000)
Transmittal Number: 1455 - Amended 5/26/16	

	HISTORICAL DATA PERIOD 2014	TOTAL SWTCH TRFFC SNSTV *	SPECIAL ACCESS
		(M)	(N)
100	<u>REVENUES</u>		704 000
100 110	Network Access Uncollectibles		704,280 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
175 176	COE Switching COE Transmission		0 86,243
170	IOT		00,243
178	Cable & Wire Facilities		27,016
180	Plant Non Spec excl Depr & Amort		39,511
190	Depreciation/Amortization		165,240
200	Customer Operations		21,770
201	Marketing		6,824
202	Local Business Office		2,952
203 204	Revenue Accounting Other Billing and Collections		10,866 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
310	<u>TELEPHONE PLANT IN SERVICE</u> General Support		323,254
320	Central Office Equipment - Switch		020,204
321	Operator Systems		0
322	Tandem Switching		0
323	Local Switching Cat 3		0
324	Equal Access		0
330 331	Central Office Equipment - Trans Subscriber Lines		1,387,471 450,666
332	Exchange Circuit		450,666 927,868
333	Interexchange Circuit		8,936
334	Host Remote		0,000
340	Cable and Wire		1,123,520
341	Subscriber Lines		37,095
342	Exchange		755,432
343 344	Interexchange Circuit		330,993
344 350	Host Remote Info Orig/Term Equipment		0 105
360 360	Amortizable Assets		7,659
370	Total Plant in Service		2,842,008
000	ADJUSTMENTS TO TPIS		4 057 747
380 390	Depreciation/Amortization Reserve Accum. Deferred Income Tax		1,857,717 55.960

380 Depreciation/Amortization Reserve 390 Accum. Deferred Income Tax 400 Other Rate Base Adjustments

<u>RETURN DATA</u>

410	Average Rate Base	1,001,541
420	Return	112,673
430	Rate of Return	11.25%

55,960

73,210

* 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 5/26/16

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

		COMI	MON LINE			
	TEST YEAR FORECAST 7/1/15 THROUGH 6/30/16	PAY PHONE	INSIDE WIRE	BFP	TOTAL	
		(I)	(J)	(K)	(L)	
400	REVENUES	N1/A	N1/A	N1/A	405 000	
100	Network Access	N/A	N/A	N/A	435,289	
110		N/A	N/A	N/A	0	
120 130	Common Line Support	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	052 725	
140	Interstate Common Line Support (NOTE 1) Transitional	N/A N/A	N/A N/A	N/A N/A	952,735 0	
140	Miscellaneous	N/A N/A	N/A	N/A	0	
160	Net Revenues	N/A	N/A	N/A	1,388,024	
100	Net Nevenues	1.077	11/7		1,000,024	
	<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	Operator Systems	0	0	0	0	
175	COE Switching	0	0	0	0	
176	COE Transmission	0	0	42,928	42,928	
177	IOT	0	0	4	4	
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	
215	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	0	34,135	34,135	
260	Total Expenses and Other Taxes	0	ů 0	730,145	850,009	
		C C	Ũ	,	000,000	
	NECA ADJUSTMENTS					
261	NECA Administrative Expenses	0	0	29,453	29,453	
262	Average Schedule Settlements	0	0	150,464	150,464	
263	Adjustment for Line Port/TIC	0	0	114,871	114,871	
264	Total NECA Adjustments	0	0	294,789	294,789	
070	FIT ADJUSTMENTS	•	^	05 707	05 303	
270	Adjustments for FIT	0	0	25,797	25,797	
280	Amortized ITC	0	0	5 28 002	28,002	
290	Federal Income Taxes	0	0	38,003	38,003	
300	TOTAL EXPENSES AND TAXES	0	0	1,062,937	1,182,800	
500		Ŭ	J J	1,002,007	1,102,000	

	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	846,975	846,975
331	Subscriber Line	0	0	846,975	846,975
332	Exchange Circuit	0	0	0	0
333	Interexchange Circuit	0	0	0	0
334	Host Remote	0	0	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	Amortizable Assets	0	0	12,144	12,144
370	Total Plant in Service	0	0	5,427,758	5,427,758
	ADJUSTMENTS TO TPIS				
380	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
	RETURN DATA				
410	Average Rate Base	0	0	1,824,213	1,824,213
420	Return	0	0	205,224	205,224
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 \$3.4M attributable to price cap affiliates.

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

COS-1(P) Page 2 of 2NATIONAL EXCHANGE CARRIER ASSOCIATION, INC.Filing Date: 6/16/2015RATE OF RETURNFiling Entity: NECAPROSPECTIVE COST ANALYSIS SUMMARY (\$000)Transmittal Number: 1455 - Amended 5/26/16PROSPECTIVE COST ANALYSIS SUMMARY (\$000)

TEST YEAR FORECAST TOTAL SWTCH SPECIAL TRFFC SNSTV * 7/1/15 THROUGH 6/30/16 ACCESS (M) (N) **REVENUES** Network Access 755,916 100 0 110 Uncollectibles 120 N/A Local Switching Support 130 N/A N/A 135 N/A N/A 140 N/A N/A N/A 150 Miscellaneous 160 Net Revenues 755,916 **EXPENSES** 170 Plant Specific 156,940 171 Network Support 3,301 172 General Support 29,324 Central Office 173 94,493 **Operator Systems** 174 0 175 COE Switching 0 176 COE Transmission 94,493 177 IOT 0 178 Cable & Wire Facilities 29,823 180 Plant Non Spec excl Depr & Amort 44,233 190 Depreciation/Amortization 179,358 200 Customer Operations 24,546 201 7,780 Marketing 202 Local Business Office 3,146 12,374 203 Revenue Accounting 204 Other Billing and Collections 0 210 Access N/A 220 Corporate Operations 91,104 230 AFUDC 1,445 Other Expenses and Adjustments 240 99 250 Taxes Other than FIT 20,904 260 Total Expenses and Other Taxes 515,739 NECA ADJUSTMENTS 261 NECA Administrative Expenses 17,835 262 Average Schedule Settlements 66,500 263 Adjustment for Line Port/TIC 17,334 264 Total NECA Adjustments 101,669 FIT ADJUSTMENTS 18,858 270 Adjustments for FIT 280 Amortized ITC 4 290 Federal Income Taxes 22,400 300 TOTAL EXPENSES AND TAXES 639,809

TELEPHONE PLANT IN SERVICE

	TELEPHONE PLANT IN SERVICE	
310	General Support	362,982
320	Central Office Equipment - Switch	0
321	Operator Systems	0
322	Tandem Switching	0
323	Local Switching Cat 3	0
324	Equal Access	0
330	Central Office Equipment - Trans	1,570,695
331	Subscriber Lines	501,278
332	Exchange Circuit	1,059,356
333	Interexchange Circuit	10,061
334	Host Remote	0
340	Cable and Wire	1,293,846
341	Subscriber Lines	41,203
342	Exchange	877,963
343	Interexchange Circuit	374,680
344	Host Remote	0
350	Info Orig/Term Equipment	119
360	Amortizable Assets	8,745
370	Total Plant in Service	3,236,386
	ADJUSTMENTS TO TPIS	
380	Depreciation/Amortization Reserve	2,204,682
390	Accum. Deferred Income Tax	61,424
400	Other Rate Base Adjustments	61,789
440	RETURN DATA	4 000 000
410	Average Rate Base	1,032,069
420	Return	116,108
430	Rate 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 - Amended 5/26/16

Rate of Return Special Access Demand Comparison

		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 5/26/16

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 5/26/16

RATE OF RETURN ACCESS RATE ANALYSIS

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

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

OPOSED TO ENT % CHANGE

((C-B)/B)*100

- 0.00%
- -1.72%
- 0.00%
- 0.00%
- 0.00%

RTE-1 Page 2 of 2 Filing Date: 06/16/2015 Filing Entity: NECA Transmittal Number: 1455 - Amended 5/26/16

RATE OF RETURN ACCESS RATE ANALYSIS

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

DSED TO CHANGE

B)B*100)

23.18%

23.17%

	ate: 06/16/2015		ANNUALIZED ACCESS PRICE			
-	ntity: NECA ttal Number: 1455 - Amended 5/26/16					
					REVENUE AT PROPOSED	
	-	7/1/14 RATE			7/1/15 RATE	
		(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

RATE OF RETURN

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.

RTE-2 Page 1 of 1

ERN-1 Page 1 of 1 Filing Date: 6/16/2015 Filing Entity: NECA Transmittal Number: 1455 - Amended 5/26/16

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.

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

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.

REV-1 Page 1 of 2 Filing Date: 6/16/2015 Filing Entity: NECA Transmittal Number: 1455 - Amended 5/26/16				PERIOD 7/15 TO 6/16 AC		IK EIVIEN 13	
		RATES		RA	TE MAKING DEMAND		
	MIN/MSG	MIN MILE	LINE OR TRUNK	MIN /MSG	MIN MILE	LINEOR TRUNK	ANTICIPA GROSSRE
	(A)	(B)	(C)	(D)	(E)	(F)	G=12*((A
							(B*E)+(C
COMMON LINE	_						
100 Line PortElement	N/A	N/A	\$23.51	N/A	N/A	6,957	\$1
110 Multi Line Business	N/A	N/A	\$9.20	N/A	N/A	755,862	\$83
120 Single Line Business	N/A	N/A	\$6.50	N/A	N/A	174,703	\$13
130 Residence	N/A	N/A	\$6.50	N/A	N/A	2,781,639	\$216
140 Special Access Surcharge	N/A	N/A	\$25.00	N/A	N/A	16	
150 Terminating CCL Premium	N/A	N/A	N/A	N/A	N/A	N/A	
160 Terminating CCL NonPremium	N/A	N/A	N/A	N/A	N/A	N/A	
170 Originating CCL Premium	N/A	N/A	N/A	N/A	N/A	N/A	
180 Originating CCL NonPremium	N/A	N/A	N/A	N/A	N/A	N/A	
190 USF Contribution	N/A	N/A	17.1%	N/A	N/A	N/A	\$119
200 Common Line - Total w/o ICLS							\$435

NUEREQU ON	JIREMENTS		
GDEMAND)		
1ILE	LINEOR TRUNK	ANTICIPATED GROSS REVENUE	REVENUE REQUIREMENTS
)	(F)	G=12*((A*D)+	(H)
		(B*E)+(C*F)	
N/A	6,957	\$1,962,709	N/A
N/A	755,862	\$83,447,165	N/A
N/A	174,703	\$13,626,834	N/A
N/A	2,781,639	\$216,967,842	N/A
N/A	16	\$4,800	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A
N/A	N/A	\$119,863,251	\$119,863,251
		\$435,872,601	\$436,420,065

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	<u>#REF!</u>	<u>#REF!</u>
Sub Total	#REF!	#REF!
Long Term Sup	472,329,984	472,329,984
Grand Total	#REF!	#REF!

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REV-1 Page 2 of 2 Filing Date: 6/16/2015 Filing Entity: NECA Transmittal Number: 1455 - Amended 5/26/16

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

		R	RATES RA			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		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		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.

REV-2 Page 1 of 1 Filing Date: 6/16/2015 Filing Entity: NECA Transmittal Number: 1455 - Amended 5/26/16

RATE OF RETURN TEST PERIOD REVENUES

		TOTAL	RECURRING	NON-RECURRING	
		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 5/26/16 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
Transmittal Number: 1455 - Amended 5/26/16

Rate of Return TRP MAG Adjustments * Test Year, 7/1/15-6/30/16 (\$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	\$1,124,968	\$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.

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 <u>TYPE</u>	SECTION 61.38 OR 61.39	FROZEN LINE PORT <u>TRANSFER</u>	FROZEN TRANSPORT (TIC) <u>REALLOCATION</u>
100022	SACO RIVER TEL LLC	A	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		A	61.39	\$22,632	\$0
240541		A	61.39	\$58,788	\$24,264
250283		A	61.38	\$115,128	\$186,228
250312	OTELCO TELEPHONE LLC	A	61.38	\$80,292	\$71,244 \$120,576
260408	GEARHEART-COALFIELDS HAGER TELECOM INC.	A	61.39	\$103,956	\$129,576 \$11,688
330889 351212	JEFFERSON TEL CO -IA	A A	61.39 61.39	\$44,292 \$24,476	\$11,688 \$14,544
351212	JORDAN SOLDIERVALLEY	A	61.38	\$34,476 \$31,128	\$14,544 \$168
351213	READLYN TEL CO	A	61.39	\$41,832	\$13,788
361440	CANNON VLY TELECOM	A	61.39	\$34,476	\$40,032
391650	CITY OF BROOKINGS	A	61.39	\$154,752	\$0 \$0
442107	LIVINGSTON TEL CO	A	61.39	\$66,804	\$41,268
482252	RONAN TEL CO	A	61.39	\$47,952	\$0
100024	SOMERSET TEL CO	C	61.38	\$41,618	₄₀ \$78,328
120045	KEARSARGE TEL CO	C	61.38	\$48,421	\$88,909
120043	MERRIMACK COUNTY TEL	C	61.38	\$103,124	\$44,807
120049	UNION TEL CO	C	61.38	\$95,653	\$59,731
120050	WILTON TEL CO - NH	C	61.38	\$36,985	\$4,711
123321	MCTA, INC.	C	61.38	\$92,285	\$102,374
190217	AMELIA TEL CORP	C	61.38	\$27,613	\$2,326
190253	VIRGINIA TEL CO	C	61.38	\$45,581	\$27,021
210330	SMART CITY TEL LLC	C	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	С	61.38	\$3,352	\$7,430
220346	BLUE RIDGE TEL CO	С	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	\$12,154
240528	HORRY TEL COOP	С	61.38	\$1,510,835	\$80,537
240531	LANCASTER TEL CO	С	61.38	\$228,607	\$7,108
240542	COMPORIUM, INC.	С	61.38	\$250,149	\$8,969
240551	WILLISTON TEL CO	С	61.38	\$12,452	\$24,678
250284	BUTLER TEL CO	С	61.38	\$15,884	\$17,959
250314	PEOPLES TEL CO	С	61.38	\$40,589	\$18,241

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

\$9,906,792

\$5,754,918

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

DATA USED IN NECA TARIFF FILIN

				FROZEN	
				LINE	FROZEN
	COMPANY	SETTLEMENT	SECTION	PORT	TRANSPORT (TIC)
<u>SAC</u>	NAME	<u>TYPE</u>	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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