Filing Date: 6/16/2016
Filing Entity: NECA
Transmittal Number: 1489

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

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

	HISTORICAL DATA PERIOD 2015	PAY PHONE (I)	INSIDE WIRE (J)	BFP (K)	TOTAL COMMON LINE (L)
	REVENUES				
100	Network Access	N/A	N/A	N/A	441,758
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	951,308
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	1,393,066
	EXPENSES				
170	Plant Specific	0	0	189,270	189,270
171	Network Support	0	0	4,577	4,577
172	General Support	0	0	46,755	46,755
173	Central Office	0	0	43,838	43,838
174	Operator Systems	0	0	0	0
175	COE Switching	0	0	0	0
176	COE Transmission	0	0	43,838	43,838
177	IOT	0	0	1	1
178	Cable & Wire Facilities	0	0	94,099	94,099
180	Plant Non Specific excl Depr & Amort	0	0	71,393	71,393
190	Depreciation/Amortization	0	0	238,255	238,255
200	Customer Operations	0	0	50,099	50,099
201	Marketing	0	0	16,943	16,943
202	Local Business Office	0	0	27,304	27,304
203	Revenue Accounting	0	0	2,703	2,703
204	Other Billing and Collections	0	0	2,644	2,644
210	Access	N/A	N/A	N/A	0
215	Universal Service Contributions (NOTE 2)	N/A	N/A	N/A	131,147
220	Corporate Operations	0	0	147,850	147,850
230	AFUDC	0	0	2,061	2,061
240	Other Expenses and Adjustments	0	0	75	75
250	Taxes Other than FIT	0	0	33,638	33,638
260	Total Expenses and Other Taxes	0	0	728,519	859,666
	NECA ADJUSTMENTS				
261	NECA Administrative Expenses	0	0	27,514	27,514
262	Average Schedule Settlements	0	0	150,556	150,556
263	Adjustment for Line Port/TIC	0	0	114,383	114,383
264	Total NECA Adjustments	0	0	292,453	292,453
	FIT ADJUSTMENTS				
270	Adjustments for FIT	0	0	22,431	22,431
280	Amortized ITC	0	0	5	5
290	Federal Income Taxes	0	0	36,952	36,952
300	TOTAL EXPENSES AND TAXES	0	0	1,057,923	1,189,070
	TELEPHONE PLANT IN SERVICE				
310	General Support	0	0	562,515	562,515
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	816,273	816,273
331	Subscriber Line	0	0	816,273	816,273
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	3,915,813	3,915,813
341	Subscriber Line	0	0	3,915,813	3,915,813
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	524	524
360	Amortizable Assets	0	0	11,918	11,918
370	Total Plant in Service	0	0	5,307,044	5,307,044
	ADJUSTMENTS TO TPIS				
380	Depreciation/Amortization Reserve	0	0	3,468,469	3,468,469
390	Accum. Deferred Income Tax	0	0	99,792	99,792
400	Other Rate Base Adjustments	0	0	115,725	115,725
	RETURN DATA				
410	Average Rate Base	0	0	1,854,508	1,854,508
420	Return	0	0	203,996	203,996
430	Rate of Return	11.0%	11.0%	11.0%	11.0%

NOTE 1: Effective 7/1/04, Long-Term Support is folded into support formerly known as Interstate Common Line Support (ICLS). Going forward, ICLS is Connect America Fund Broadband Loop Support (CAF BLS) Voice. CAF BLS Voice is recovered from the universal service support program.

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

Filing Date: 6/16/2016
Filing Entity: NECA
Transmittal Number: 1489

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

	HISTORICAL DATA PERIOD 2015	TOTAL SWTCH TRFFC SNSTV * (M)	SPECIAL ACCESS (N)
	REVENUES		
100	Network Access		607,374
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		607,374
	EXPENSES		
170	Plant Specific		125,225
171	Network Support		2,450
172	General Support		20,801
173	Central Office		79,545
174	Operator Systems		0
175	COE Switching		0
176	COE Transmission		79,545
177	IOT		0
178	Cable & Wire Facilities		22,430
180	Plant Non Spec excl Depr & Amort		32,029
190	Depreciation/Amortization		137,992
200	Customer Operations		19,711
201	Marketing		5,499
202	Local Business Office		3,204
203	Revenue Accounting		9,818
204	Other Billing and Collections		0
210	Access		N/A
220	Corporate Operations		72,345
230	AFUDC		1,116
240	Other Expenses and Adjustments		266
250	Taxes Other than FIT		15,754
260	Total Expenses and Other Taxes		402,206
	NECA ADJUSTMENTS		
261	NECA Administrative Expenses		16888
262	Average Schedule Settlements		64,746
263	Adjustment for Line Port/TIC		15,510
264	Total NECA Adjustments		97,145
	FIT ADJUSTMENTS		
270	Adjustments for FIT		12,240
280	Amortized ITC		6
290	Federal Income Taxes		17,724
300	TOTAL EXPENSES AND TAXES		517074
	TELEPHONE PLANT IN SERVICE		
310	General Support		272,247
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		1,176,036
331	Subscriber Lines		334,023
332	Exchange Circuit		833,902
333	Interexchange Circuit		8,111
334	Host Remote		0
340	Cable and Wire		936,708
341	Subscriber Lines		33,414
342	Exchange		571,559
343	Interexchange Circuit		331,734
344	Host Remote		0
350	Info Orig/Term Equipment		98
360	Amortizable Assets		6,726
370	Total Plant in Service		2,391,816
	ADJUSTMENTS TO TPIS		
380	Depreciation/Amortization Reserve		1,579,322
390	Accum. Deferred Income Tax		51,780
400	Other Rate Base Adjustments		60,193
	RETURN DATA		
410	Average Rate Base		820,907
420	Return		90,300
430	Rate of Return		11.0%

* 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*.

Filing Date: 6/16/2016
Filing Entity: NECA
Transmittal Number: 1489

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

	TEST YEAR FORECAST 7/1/16 THROUGH 6/30/17	---------- COMMON LINE ---------- PAY PHONE (I)	INSIDE WIRE (J)	BFP (K)	TOTAL (L)
	REVENUES				
100	Network Access	N/A	N/A	N/A	426,668
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	967,570
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	1,394,238
	EXPENSES				
170	Plant Specific	0	0	193,829	193,829
171	Network Support	0	0	4,873	4,873
172	General Support	0	0	48,003	48,003
173	Central Office	0	0	44,846	44,846
174	Operator Systems	0	0	0	0
175	COE Switching	0	0	0	0
176	COE Transmission	0	0	44,846	44,846
177	IOT	0	0	1	1
178	Cable & Wire Facilities	0	0	96,105	96,105
180	Plant Non Specific excl Depr & Amort	0	0	74,264	74,264
190	Depreciation/Amortization	0	0	240,314	240,314
200	Customer Operations	0	0	51,689	51,689
201	Marketing	0	0	17,295	17,295
202	Local Business Office	0	0	28,411	28,411
203	Revenue Accounting	0	0	2,816	2,816
204	Other Billing and Collections	0	0	2,730	2,730
210	Access	N/A	N/A	N/A	0
215	Universal Service Contributions (NOTE 2)	N/A	N/A	N/A	120,208
220	Corporate Operations	0	0	148,178	148,178
230	AFUDC	0	0	1,967	1,967
240	Other Expenses and Adjustments	0	0	93	93
250	Taxes Other than FIT	0	0	34,174	34,174
260	Total Expenses and Other Taxes	0	0	740,573	860,782
	NECA ADJUSTMENTS				
261	NECA Administrative Expenses	0	0	32,238	32,238
262	Average Schedule Settlements	0	0	143,600	143,600
263	Adjustment for Line Port/TIC	0	0	114,383	114,383
264	Total NECA Adjustments	0	0	290,221	290,221
	FIT ADJUSTMENTS				
270	Adjustments for FIT	0	0	22,308	22,308
280	Amortized ITC	0	0	6	6
290	Federal Income Taxes	0	0	36,474	36,474
300	TOTAL EXPENSES AND TAXES	0	0	1,067,268	1,187,476
	TELEPHONE PLANT IN SERVICE				
310	General Support	0	0	588,620	588,620
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	855,675	855,675
331	Subscriber Line	0	0	855,675	855,675
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	4,143,464	4,143,464
341	Subscriber Line	0	0	4,143,464	4,143,464
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	534	534
360	Amortizable Assets	0	0	12,458	12,458
370	Total Plant in Service	0	0	5,600,750	5,600,750
	ADJUSTMENTS TO TPIS				
380	Depreciation/Amortization Reserve	0	0	3,723,287	3,723,287
390	Accum. Deferred Income Tax	0	0	95,495	95,495
400	Other Rate Base Adjustments	0	0	97,684	97,684
	RETURN DATA				
410	Average Rate Base	0	0	1,879,652	1,879,652
420	Return	0	0	206,762	206,762
430	Rate of Return	11.0%	11.0%	11.0%	11.0%

NOTE 1: Effective 7/1/04, Long-Term Support is folded into support formerly known as Interstate Common Line Support (ICLS). Going forward, ICLS is Connect America Fund Broadband Loop Support (CAF BLS) Voice. CAF BLS Voice is recovered from the universal service support program.

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

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

	TEST YEAR FORECAST 7/1/16 THROUGH 6/30/17	TOTAL SWTCH TRFFC SNSTV * (M)	SPECIAL ACCESS (N)
	REVENUES		
100	Network Access		622,051
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		622,051
	EXPENSES		
170	Plant Specific		128,536
171	Network Support		2,591
172	General Support		21,247
173	Central Office		82,754
174	Operator Systems		0
175	COE Switching		0
176	COE Transmission		82,754
177	IOT		0
178	Cable & Wire Facilities		21,944
180	Plant Non Spec excl Depr & Amort		33,138
190	Depreciation/Amortization		141,507
200	Customer Operations		20,599
201	Marketing		5,646
202	Local Business Office		3,376
203	Revenue Accounting		10,350
204	Other Billing and Collections		0
210	Access		N/A
220	Corporate Operations		74,479
230	AFUDC		1,075
240	Other Expenses and Adjustments		207
250	Taxes Other than FIT		15,972
260	Total Expenses and Other Taxes		413,362
	NECA ADJUSTMENTS		
261	NECA Administrative Expenses		15,818
262	Average Schedule Settlements		74,956
263	Adjustment for Line Port/TIC		15,510
264	Total NECA Adjustments		106,284
	FIT ADJUSTMENTS		
270	Adjustments for FIT		11,757
280	Amortized ITC		7
290	Federal Income Taxes		17,020
300	TOTAL EXPENSES AND TAXES		536,666
	TELEPHONE PLANT IN SERVICE		
310	General Support		281,239
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		1,254,278
331	Subscriber Lines		350,041
332	Exchange Circuit		895,627
333	Interexchange Circuit		8,610
334	Host Remote		0
340	Cable and Wire		958,664
341	Subscriber Lines		35,112
342	Exchange		577,501
343	Interexchange Circuit		346,052
344	Host Remote		0
350	Info Orig/Term Equipment		100
360	Amortizable Assets		7,001
370	Total Plant in Service		2,501,282
	ADJUSTMENTS TO TPIS		
380	Depreciation/Amortization Reserve		1,727,256
390	Accum. Deferred Income Tax		49,106
400	Other Rate Base Adjustments		51,305
	RETURN DATA		
410	Average Rate Base		776,225
420	Return		85,385
430	Rate of Return		11.0%

* 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*.

Filing Date: 06/16/2016
Filing Entity: NECA
Transmittal Number: 1489

Rate of Return
Special Access Demand Comparison

		Historical 1/15 thru 12/15			Prospective 7/16 thru 6/17		
		Channel Termination	Circuits	Interoffice Miles	Channel Termination	Circuits	Interoffice Miles
100	Metallic	14,394	7,197	0	9,129	4,564	0
110	Telegraph	0	0	0	0	0	0
120	Voice Grade	18,218	14,014	203,695	13,593	10,456	151,982
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	486,499	347,499	3,868,688	407,043	290,745	3,236,847

NOTE: This chart should be populated with annualized demand.

Filing Date: 6/16/2016
Filing Entity: NECA
Transmittal Number: 1489

COMMON LINE DEMAND AND REVENUE

		1/15-12/15 Historical Revenue (A)	1/15-12/15 Historical Lines (B)	TP '16/ '17 Test Year Revenue (C)	TP '16/ '17 Test Year Lines (D)
100	End User Common Line, Total [1]	$320,094,092	3,761,614	$306,959,424	3,606,268
110	Line Port Element [2]	$2,009,541	7,123	$1,992,049	7,061
120	Residential	$220,241,970	2,823,615	$211,128,606	2,706,777
130	Single Line Business	$13,752,336	176,312	$13,156,572	168,674
140	Multi-line Business	$84,090,245	761,687	$80,682,197	730,817
150	Special Access Surcharge	$3,900	13	$4,500	15
160	Carrier Common Line	N/A	N/A	N/A	N/A
170	Total Common Line Revenue	$320,097,992	N/A	$306,963,924	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.

Filing Date: 06/16/2016
Filing Entity: NECA
Transmittal Number: 1489

RATE OF RETURN
ACCESS RATE ANALYSIS

		7/1/15 RATE	CURRENTLY EFFECTIVE RATE	PROPOSED 7/1/16 RATE	PROPOSED TO 7/1/15 % 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	17.1%	17.9%	17.9%	4.68%	0.00%
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.

Filing Date: 06/16/2016
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RATE OF RETURN
ACCESS RATE ANALYSIS

		7/1/15 RATE	CURRENTLY EFFECTIVE RATE	PROPOSED 7/1/16 RATE	PROPOSED TO 7/1/15 % CHANGE	PROPOSED TO CURRENT % CHANGE
		(A)	(B)	(C)	D=((C-A)/A*100)	E = ((C-B)B*100)
	SPECIAL ACCESS RATES					
290	2-Wire Voice Grade, $ Per Circuit (Avg Mileage)	$305.84	$305.84	$274.98	-10.09%	-10.09%
300	4-Wire Voice Grade, $ Per Circuit (Avg Mileage)	$394.38	$394.38	$354.60	-10.09%	-10.09%

Filing Date: 06/16/2016
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RATE OF RETURN
ANNUALIZED ACCESS PRICEOUT COMPARISONS

		REVENUE AT 7/1/15 RATE	REVENUE AT CURRENTLY EFFECTIVE RATE	CHANGE	REVENUE AT PROPOSED 7/1/16 RATE	CHANGE
		(A)	(B)	(C)=B-A	(D)	(E)=D-B
100	Line Port	$1,992,049	$1,992,049	$0	$1,992,049	$0
110	Multi Line Business	$80,682,197	$80,682,197	$0	$80,682,197	$0
120	Residence and Single Line Business	$224,285,178	$224,285,178	$0	$224,285,178	$0
130	Carrier Common Line	N/A	N/A	N/A	N/A	N/A
140	Special Access	$667,470,671	$667,470,671	$0	$622,057,117	($45,413,554)
150	Special Access Surcharge	$4,500	$4,500	$0	$4,500	$0
200	USF Contributions	$114,835,840	$120,208,277	$5,372,437	$120,208,277	$0
	TOTAL	$1,089,270,435	$1,094,642,872	$5,372,437	$1,049,229,318	($45,413,554)

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.

Filing Date: 6/16/2016
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Annualized Rate of Return Comparison

		Preliminary 2015/2016 FCC Monitoring Period*	Preliminary 2015 Period**	Prospective 7/16 - 6/17
100	Total Interstate Access	11.42%	11.36%	11.00%
110	Carrier Common Line	10.94%	10.91%	11.00%
120	Special Access	13.35%	13.36%	11.00%
130	Local Switching	N/A	N/A	N/A
140	Information	N/A	N/A	N/A
150	Local Transport	N/A	N/A	N/A
160	Total TS - Switched	8.03%	8.01%	N/A

* Preliminary 2015/2016 Monitoring Period RoR is taken directly from the FCC492, filed March, 2016.
** Preliminary 2015 Period RoR is taken directly from the March, 2016 Assessment.

NOTE: Calendar year 2015 data is subject to true-up through December 2017. 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.

ANNUALIZED TEST PERIOD 7/16 TO 6/17 ACCESS REVENUE REQUIREMENTS
DEMAND AND RATE RECONCILIATION

	RATES			RATEMAKING DEMAND			ANTICIPATED	REVENUE
	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)+ (B*E)+(C*F)	(H)
COMMON LINE								
100 Line Port Element	N/A	N/A	$23.51	N/A	N/A	7,081	$1,992,049	N/A
110 Multi Line Business	N/A	N/A	$9.20	N/A	N/A	730,617	$80,682,187	N/A
120 Single Line Business	N/A	N/A	$6.50	N/A	N/A	168,674	$13,156,572	N/A
130 Residence	N/A	N/A	$6.50	N/A	N/A	2,708,777	$211,128,606	N/A
140 Special Access Surcharge	N/A	N/A	$25.00	N/A	N/A	15	$4,500	N/A
150 Terminating CCL Premium	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
160 Terminating CCL Non Premium	N/A	N/A	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	N/A	N/A
180 Originating CCL Non Premium	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
190 USF Contribution	N/A	N/A	17.9%	N/A	N/A	N/A	$120,208,277	$120,208,277
200 Common Line - Total with ICLS*							$427,172,201	$428,949,074

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.
* Going forward, ICLS is Connect America Fund Broadband Loop Support (CAF BLS) Voice. CAF BLS Voice is recovered from the universal service support program.

Common Line	427,172,201	428,949,074
Long Term Sup	472,320,994	472,320,994
CCL Total	899,493,195	899,270,068
Common Line	427,172,201	428,949,074
All Other	#REF!	#REF!
Sub Total	#REF!	#REF!
Long Term Sup	472,320,994	472,320,994
Grand Total	#REF!	#REF!

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ANNUALIZED TEST PERIOD 7/16 TO 6/17 ACCESS REVENUE REQUIREMENTS
DEMAND AND RATE RECONCILIATION

		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	66.35	N/A	N/A	3,039	N/A	$201,635	N/A
520	4-Wire Channel Term	N/A	106.16	N/A	N/A	10,554	N/A	$1,120,416	N/A
530	Channel Mileage Term	47.49	N/A	N/A	9,955	N/A	N/A	$472,770	N/A
540	Channel Mileage Facility	N/A	N/A	4.73	N/A	N/A	151,982	$718,875	N/A
550	Non-Recurring (Note 1)	N/A	450.00	N/A	N/A	58	N/A	$26,100	N/A
	SPECIAL - HIGH CAPACITY								
560	Hi-Cap Channel Term	N/A	303.21	N/A	N/A	403,667	N/A	$122,395,871	N/A
570	Channel Mileage Term	97.33	N/A	N/A	384,010	N/A	N/A	$37,375,693	N/A
580	Channel Mileage Facility	N/A	N/A	18.75	N/A	N/A	3,221,517	$60,403,444	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							$622,057,117	$622,050,631

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

Filing Date: 6/16/2016
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RATE OF RETURN TEST PERIOD REVENUES

		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)	$1,274,030,067	$1,274,030,067	$0	$0
110	Special Access	$622,057,117	$621,588,595	$468,522	$0

Note 1: Includes ICLS. Going forward, ICLS is Connect America Fund Broadband Loop Support (CAF BLS) Voice. CAF BLS Voice is recovered from the universal service support program.

MAG-1 Historical
Filing Date: 6/16/2016
Filing Entity: NECA
Transmittal Number: 1489

Rate-of Return TRP
MAG Adjustments *
Historical (Calendar Year 2015)
($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	$1,188,691	$53,805	$131,147	$1,111,349	$41,154	$11,602	$7,821	$1,393,066
Special Access	$591,864			$591,864	$15,510			$607,374

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: 6/16/2016
Filing Entity: NECA
Transmittal Number: 1489

Rate of Return TRP
MAG Adjustments *
Test Year, 7/1/16-6/30/17
($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	$1,127,409	$53,805	$120,208	$1,061,006	$41,154	$11,602	$7,821	$1,394,238
Special Access	$590,722			$590,722	$15,510			$622,051

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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COST TO BE MOVED TO COMMON LINE
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DATA USED IN NECA TARIFF FILIN

SAC	COMPANY NAME	SETTLEMENT TYPE	SECTION 61.38 OR 61.39	FROZEN LINE PORT TRANSFER	FROZEN TRANSPORT (TIC) REALLOCATION
100022	SACO RIVER TEL LLC	A	61.39	$67,740	$76,836
170175	IRONTON TEL CO	A	61.39	$52,008	$86,496
190226	LUMOS TEL.	A	61.39	$188,508	$20,004
230501	SKYLINE MEMBERSHIP	A	61.38	$173,232	$312,900
230511	YADKIN VALLEY TEL	A	61.38	$129,144	$176,532
240515	CHESNEE TEL CO	A	61.38	$61,308	$43,116
240516	CHESTER TEL CO - SC	A	61.38	$164,076	$198,168
240532	LOCKHART TEL CO INC	A	61.39	$22,608	$0
240541	RIDGEWAY TEL CO	A	61.39	$58,728	$24,240
250283	BRINDLEE MOUNTAIN	A	61.38	$114,996	$186,000
250312	OTELCO TELEPHONE LLC	A	61.38	$80,196	$71,160
260408	GEARHEART-COALFIELDS	A	61.39	$103,836	$129,420
330889	HAGER TELECOM INC.	A	61.39	$44,232	$11,676
351212	JEFFERSON TEL CO -IA	A	61.39	$34,440	$14,520
351278	READLYN TEL CO	A	61.39	$41,784	$13,776
361440	CANNON VLY TELECOM	A	61.39	$34,440	$39,984
391650	CITY OF BROOKINGS	A	61.39	$154,560	$0
442107	LIVINGSTON TEL CO	A	61.39	$66,732	$41,220
482252	RONAN TEL CO	A	61.39	$47,892	$0
100024	SOMERSET TEL CO	C	61.38	$41,618	$78,328
120045	KEARSARGE TEL CO	C	61.38	$48,421	$88,909
120047	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	C	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	C	61.38	$144,127	$55,184
220360	ELLIJAY TEL CO	C	61.38	$62,487	$69,399
220375	NELSON-BALL GROUND	C	61.38	$20,797	$46,171
220382	RINGGOLD TEL CO	C	61.39	$93,778	$57,524
230468	ATLANTIC MEMBERSHIP	C	61.38	$419,459	$1,764
230473	CITIZENS TEL CO	C	61.39	$53,072	$7,466
230502	STAR MEMBERSHIP CORP	C	61.39	$108,423	$124,841
240512	BLUFFTON TEL. CO.	C	61.38	$130,839	$2,632
240520	FARMERS TEL COOP	C	61.38	$243,186	$11,948
240521	FORT MILL TEL CO	C	61.38	$185,413	$16,323
240523	HARGRAY TEL CO	C	61.38	$399,076	$104,248
240527	HOME TELECOM	C	61.38	$168,306	$12,154
240528	HORRY TEL COOP	C	61.38	$1,510,835	$80,537
240531	LANCASTER TEL CO	C	61.38	$228,607	$7,108
240538	PIEDMONT RURAL COOP	C	61.39	$107,697	$157,356
240542	COMPORIUM, INC.	C	61.38	$250,149	$8,969
240551	WILLISTON TEL CO	C	61.38	$12,452	$24,678

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COST TO BE MOVED TO COMMON LINE
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DATA USED IN NECA TARIFF FILIN

SAC	COMPANY NAME	SETTLEMENT TYPE	SECTION 61.38 OR 61.39	FROZEN LINE PORT TRANSFER	FROZEN TRANSPORT (TIC) REALLOCATION
250284	BUTLER TEL CO	C	61.38	$15,884	$17,959
250314	PEOPLES TEL CO	C	61.38	$40,589	$18,241
260411	LESLIE COUNTY TEL CO	C	61.38	$36,637	$30,440
260418	SOUTH CENTRAL RURAL	C	61.39	$57,387	$11,877
270429	EAST ASCENSION TEL	C	61.39	$69,229	$339,644
290559	CONCORD TEL EXCHANGE	C	61.38	$82,474	$31,450
290571	MILLINGTON RITTER	C	61.38	$104,497	$14,117
290575	TENNESSEE TEL CO	C	61.39	$187,234	$50,830
290578	TELLICO TEL CO	C	61.38	$30,224	$19,048
300597	THE CHILLICOTHE TEL	C	61.38	$185,743	$61,389
310669	ACE-MI ALLENDALE	C	61.39	$47,165	$17,863
310692	ACE-MI DRENTHE	C	61.39	$1,512	$5,928
320775	HANCOCK DBA NINESTAR	C	61.39	$54,737	$97,988
320776	COMM CORP OF INDIANA	C	61.38	$69,814	$27,264
320818	SMITHVILLE COMM.	C	61.38	$154,421	$0
320829	TIPTON TEL CO	C	61.38	$37,116	$42,982
320830	TRI-COUNTY TEL CO	C	61.38	$41,522	$47,805
330844	BADGER TELECOM, INC.	C	61.38	$20,813	$10,293
330859	CENTRAL STATE TEL CO	C	61.38	$35,840	$13,967
330881	MID-PLAINS TEL CO	C	61.38	$235,216	$356,362
330909	MIDWAY TEL CO	C	61.38	$16,402	$14,611
330916	MOUNT HOREB TEL CO	C	61.38	$27,470	$54
330917	MT VERNON TEL CO	C	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	C	61.38	$80,446	$0
341026	HARRISONVILLE TEL CO	C	61.38	$76,980	$60,623
351337	WINNEBAGO COOP-IA	C	61.38	$80,194	$55,290
351346	ACE TEL ASSN-IA	C	61.39	$29,749	$13,532
361337	WINNEBAGO COOP-MN	C	61.38	$8,723	$3,089
361346	ACE TEL ASSN-MN	C	61.39	$152,191	$97,574
361350	ARVIG TEL CO	C	61.38	$41,457	$26,074
361358	BLUE EARTH VALLEY	C	61.39	$68,908	$0
361362	BRIDGEWATER TEL CO	C	61.38	$5,564	$9,010
361374	ARROWHEAD COMM CORP	C	61.38	$11,326	$1,656
361383	EAGLE VALLEY TEL CO	C	61.38	$6,692	$1,652
361384	EASTON TEL CO	C	61.39	$38,384	$0
361385	EAST OTTER TAIL TEL	C	61.38	$105,698	$203,944
361391	FELTON TEL CO. INC.	C	61.38	$10,520	$9,740
361399	GRANADA TEL CO	C	61.39	$7,760	$1,610
361433	MID STATE TEL CO	C	61.38	$25,715	$17,237
361448	OSAKIS TEL CO	C	61.38	$31,838	$5,581
361453	PEOPLES TEL CO - MN	C	61.38	$9,336	$7,154
361454	PINE ISLAND TEL CO	C	61.39	$21,827	$11,697
361491	TWIN VALLEY-ULEN TEL	C	61.38	$2,143	$45,012
411808	MOUNDRIDGE TEL CO	C	61.39	$121,478	$6,351
411817	PIONEER TEL ASSN INC	C	61.39	$335,625	$236,141

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COST TO BE MOVED TO COMMON LINE
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DATA USED IN NECA TARIFF FILIN

SAC	COMPANY NAME	SETTLEMENT TYPE	SECTION 61.38 OR 61.39	FROZEN LINE PORT TRANSFER	FROZEN TRANSPORT (TIC) REALLOCATION
412030	TOTAH COMMUNICATIONS	C	61.39	$17,138	$33,277
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	C	61.38	$123,588	$58,612
431984	OKLAHOMA COMM SYSTEM	C	61.38	$47,774	$18,378
432016	PANHANDLE TEL COOP	C	61.39	$253,902	$457,150
432017	PINE TELEPHONE CO	C	61.39	$327,305	$83,047
432030	TOTAH COMMUNICATIONS	C	61.39	$33,121	$28,191
442070	ETEX TEL COOP INC	C	61.38	$104,567	$0
442083	GUADALUPE VALLEY TEL	C	61.38	$236,190	$251,888
452171	ARIZONA TELEPHONE CO	C	61.38	$69,820	$51,306
452174	SOUTHWESTERN TEL CO	C	61.38	$49,960	$65,231
462184	DELTA COUNTY TEL CO	C	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	$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
613015	MATANUSKA TEL ASSOC	C	61.38	$173,236	$799,943
				11,602,061	7,821,475

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COST TO BE MOVED TO COMMON LINE
TEST PERIOD JULY 1, 2016 THROUGH JUNE 30, 2017

DATA USED IN NECA TARIFF FILIN

SAC	COMPANY NAME	SETTLEMENT TYPE	SECTION 61.38 OR 61.39	FROZEN LINE PORT TRANSFER	FROZEN TRANSPORT (TIC) 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 th 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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