

| TABLE A1-2<br>SUMMARY OF MCI DISCOUNT PLANS |            |          |   |
|---|------------|----------|---|
| Plan Name                                   | Start Date | End Date | Plan Description  |
| Prime Time                                  | 05/08/89   | 12/31/99 | For a monthly fee of \$7.45, a customer receives one hour of calling during the Evening and Night/ Weekend time periods (Mon. - Fri. 5 p.m. to 8 a.m., all day Sat. and Sun. until 5 p.m. and from 11 p.m. Sun. to 8 a.m. Mon.). This monthly fee must be paid whether or not the customer uses the one hour of Evening and Night/Weekend calling time. The charge for calls made in addition to the initial one hour of calling time during these time periods is \$0.11 per minute. Any calls made outside this time period will be billed at the appropriate specified rate. However, for an additional monthly fee of \$1.25, all calls made outside of the Evening and Night/Weekend time period will receive a 10% discount. In addition, MCI also offers for an additional monthly fee of \$2.00 an 800 number with a 4-digit security code with which the customer can receive incoming calls during the Evening and Night/Weekend time period at an hourly rate of \$6.30. "Both inbound and outbound usage will apply to the customers first hour s charge." A customer may combine all of the above options, however the total monthly fee is not eligible for the Friends and Family discount. [08/19/94] |

| TABLE A1-2<br>SUMMARY OF MCI DISCOUNT PLANS (CTD.) |            |          |  |
|--|------------|----------|--|
| Plan Name  | Start Date | End Date | Plan Description   |
| Prime Time - Day<br>(DayTime Savings Option)       | 05/08/89   | 12/31/99 | For a monthly fee of \$12, a customer receives one hour of domestic long distance calling from 9 a.m. to 5 p.m. Mon. - Fri. This monthly fee must be paid whether or not the customer uses the one hour of specified calling time. The charge for any additional minutes in excess of the initial hour made during this time period will be \$0.20 per minute. All other calls will be billed at the appropriate specified rate. For an additional monthly fee of \$2, all calls made outside of the above specified time period will receive a 10% discount. [08/19/94]   |
| Sure Save ("Sure Save One-Hour Option")            | 02/18/92   | 12/31/99 | For a monthly fee of \$7.45, a customer receives one hour of domestic long distance calls placed between 12 a.m. to 8 a.m. and 5 p.m. to 12 a.m. Mon. - Fri., and all day Sat. and Sun. This monthly fee must be paid whether or not the customer uses the one hour of specified calling time. The charge for any calls made in excess of the initial one hour of calls during these time periods is \$6 per hour (which are pro-rated accordingly). All other calls will be billed at the appropriate specified rate. In addition, customers are eligible for a 5% discount on intrastate or international calls unless they are enrolled in the Friends Around the World plan (which is the only Premier plan that a customer may be concurrently enrolled in). [08/01/94] |

| TABLE A1-2<br>SUMMARY OF MCI DISCOUNT PLANS (CTD.) |            |          |  |
|--|------------|----------|--|
| Plan Name  | Start Date | End Date | Plan Description   |
| Sure Save - Evening & Day Option                   | 02/18/92   | 12/31/99 | For a monthly fee of \$8.65, a customer receives one hour of domestic long distance calls placed between 12 a.m. to 8 a.m. and 5 p.m. to 12 a.m. Mon. - Fri., all day Sat. and Sun. until 5 p.m. and 10 p.m. to 12 a.m. This monthly fee must be paid whether or not the customer uses the one hour of specified calling time. The charge for calls in excess of the initial hour during the above time period will be \$0.10 for each additional minute. In addition to the above discounts, a customer receives a 40% discount on calls made between 5 p.m. and 10 p.m. Sun. - Fri. and a 10% discount on calls made between 8 a.m. to 5 p.m. Mon. - Fri. [08/01/94]                     |
| Sure Save - Half Hour Plan                         | 02/18/92   | 12/31/99 | For a monthly fee of \$3.95, a customer receives 30 minutes of domestic long distance calls from 12 a.m. to 8 a.m. and 10 p.m. to 12 a.m. Mon. - Fri., all day Sat. and Sun. until 5 p.m. and 10 p.m. to 12 a.m. This monthly fee must be paid whether or not the customer uses the 30 minutes of specified calling time. The charge for calls made during the above time periods in excess of the initial 30 minutes will be \$0.12 per minute. In addition, the customer receives a 20% discount on calls made between 5 p.m. and 10 p.m. Sun. - Fri. as well as a 5% discount on intrastate or international calls under the same provisions as the Sure Save One-Hour Plan. [08/05/94] |
| EasyRate Option                                    | 01/01/93   | 12/31/99 | For a monthly fee of \$3, a customer pays \$0.23 for calls made Mon. - Fri. 8 a.m. to 5 p.m. and \$0.12 per minute for all other calls. This plan may be combined with MCI's Around the World or Friends Around the World AnyTime Plans. [08/01/94]  |

| TABLE A1-2<br>SUMMARY OF MCI DISCOUNT PLANS (CTD.) |            |          |  |
|--|------------|----------|--|
| Plan Name  | Start Date | End Date | Plan Description   |
| AnyTime  | 06/01/92   | 12/31/99 | For a monthly fee of \$9.90, a customer receives one hour of domestic long distance calls made at "AnyTime." This monthly fee must be paid whether or not the customer uses the one hour of calling time. "Additional minutes of business day calling are available for \$0.20 per minute. Additional Evening and Night/ Weekend calling are available for \$0.11 per minute." In addition the customer receives a 5% discount on intrastate and international calls. [08/01/94] |

| TABLE A1-2<br>SUMMARY OF MCI DISCOUNT PLANS (CTD.) |            |          |  |
|--|------------|----------|--|
| Plan Name  | Start Date | End Date | Plan Description   |
| Friends & Family I                                 | 04/01/91   | 12/31/99 | Under this plan a customer forms a "Calling Circle" and receives a 20% discount ("Friends & Family Discount") on all "qualified" domestic interstate and international calls. A "Calling Circle is a group of up to 21 U.S. telephone numbers, including the number of the Subscriber, which numbers are presubscribed to MCI, except those domestic telephone numbers nominated for inclusion in their Calling Circle which are not presubscribed to MCI, and three telephone numbers in international locations served by MCI." To be "qualified" calls need to meet one of the following criteria: "direct-dialed calls from the Subscriber to a Member of his or her Circle; or his or her designated international telephone number(s); operator-assisted calls from the Subscriber to a Member which are billed to the Subscriber's account; collect calls placed to the Subscriber by a Member; third party calls made to a Member and billed to Subscriber's account; direct-dialed calls placed to a Member by someone using a 7-digit access code and the Subscriber's 5-digit authorization code; calls placed to a Subscriber's Personal 800 number; and calls placed to a Subscriber's Private 800 number." "For Subscribers enrolled in a domestic Premier Calling Plan, if specific plan rates apply, the F&F Discount will be applied to the call usage and surcharge as determined by these plan rates. If plan discounts are applied, the F&F Discount will be applied against the call usage charges and surcharges prior to the application of any plan discount."<br>[05/04/94] |

| TABLE A1-2<br>SUMMARY OF MCI DISCOUNT PLANS (CTD.) |            |          |  |
|--|------------|----------|--|
| Plan Name  | Start Date | End Date | Plan Description   |
| Friends & Family II                                | 06/07/94   | 12/31/99 | For a monthly fee of \$3, a customer receives (in lieu of their F&F I discount) a 40% discount on "qualifying" domestic long distance calls to members of their Calling Circle who are also MCI customers and a 20% discount on "qualifying" calls to members of their Calling Circle who are not MCI customers. This monthly fee must be paid whether or not the customer takes advantage of the above discounts. See MCI F&F I for a description of the "qualifying calls" applicable under this plan (with the exception of the Subscribers Personal 800 or Private 800 numbers which are not included). However, under this plan (and included in the monthly fee) Subscribers will receive a new Personal 800 Plan R number (see details in tariff for further information). [01/06/95] |

| TABLE A1-3<br>SUMMARY OF SPRINT DISCOUNT PLANS |            |          |  |
|--|------------|----------|--|
| Plan Name                                      | Start Date | End Date | Plan Description   |
| Dial "1" Usage Discounts                       | 08/01/86   | 02/28/91 | Under this plan, a customer was charged for calls based on time of day and distance. Rates charged for calls were determined under the appropriate rate schedule. The time periods for this plan were divided into Day (Mon.-Fri. 8:00 a.m. to 5:00 p.m.), Evening (Sun.-Fri. 5:00 p.m. to 11:00 p.m.), and Night/ Weekend (all other times). The customer received a discount on U.S. domestic calls based on usage levels and time periods. The customer was given a 1% "usage discount" on monthly totals above \$25 for U.S. domestic calls placed in the D/E/N/W time periods. Note: the "usage discount" varied by time period, usage level, and percent discounted during the life of the plan. [09/01/90]  |
| Sprint Select - Evening/ Night/ Weekend Plan   | 09/01/90   | 12/31/99 | For a monthly fee of \$7.50, a customer receives one hour of domestic direct-dial calls placed during the Evening/Night/Weekend time period (all hours excluding Mon. - Fri., 8 a.m. to 5 p.m.). This monthly fee must be paid whether or not the customer uses the one hour of specified calling time. Any calls in excess of the initial hour will be charged at a set "additional hourly rate" of \$6.50 (or appropriate pro-rated amount). Any calls placed during the Day time period (Mon.-Fri. 8:00 a.m. to 5:00 p.m.) will be charged at rates set forth in the appropriate schedule. In addition, the customer receives a discount on their interstate bill equal to 5% of their intrastate direct dial charges on the same bill, excluding intrastate calls which may be discounted under another calling plan. [08/03/92] |

| TABLE A1-3<br>SUMMARY OF SPRINT DISCOUNT PLANS (CTD.) |            |          |  |
|---|------------|----------|--|
| Plan Name   | Start Date | End Date | Plan Description   |
| Sprint Select - Day Option                            | 09/01/90   | 12/31/99 | For a monthly fee of \$8.10, a customer receives all of the discounts under the Sprint Select plan and in addition receives a 10% discount on direct dial calls placed during the Day time period. This monthly fee must be paid whether or not the customer uses the one hour of specified calling time [08/03/92]  |
| Sprint Select - Day Plan                              | 02/01/91   | 12/31/99 | For a monthly fee of \$11.95, a customer receives one hour of domestic direct-dial calls placed during the Day time period (Mon.-Fri. 8 a.m. to 5 p.m.). This monthly fee must be paid whether or not the customer uses the one hour of Day calling time. The charges for calls made in excess of the initial hour of specified calling time will be \$11.80 per hour (or appropriate pro-rated amount). Any calls placed in other time periods will be charged at rates set forth in the appropriate schedule. In addition, the customer receives a discount on their interstate bill equal to 5% of their intrastate direct dial charges on the same bill, excluding intrastate calls which may be discounted under another calling plan. [06/01/91] |
| Sprint Select - Day Plan - EN Option                  | 02/01/91   | 12/31/99 | For a monthly fee of \$12.00, a customer receives all of the discounts under the Sprint Select - Day Plan and in addition receives a 10% discount on direct dial calls placed during the Evening/Night/Weekend time periods. [06/01/91]  |

| TABLE A1-3<br>SUMMARY OF SPRINT DISCOUNT PLANS (CTD.) |            |          |   |
|---|------------|----------|---|
| Plan Name   | Start Date | End Date | Plan Description  |
| Residential Promo                                     | 06/28/94   | 01/06/96 | Under this plan a customer receives a discount based on his total monthly usage of "domestic, 'FONCARD, and/or operator service" calls. To be eligible for this plan, the customer cannot be enrolled in any other Sprint calling plans. A customer receives: a 20% discount if his monthly calls total \$30 - \$74.99; a 30% discount for calls totaling \$75 - \$149.99; and 35% discount if the monthly total is \$150 or more. International calls can contribute towards the monthly total but are exempt from the discount. [02/14/95]  |
| Sprint Plus Usage Discounts                           | 05/01/89   | 12/31/99 | Under this plan a customer receives a discount on his monthly bill based on the volume of calls and the time period during which calls are made. The time periods are divided into Day (Mon. - Fri. 8 a.m. to 5 p.m.) and Evening/Night/Weekend (all other times). The customer receives a 10% discount on calls made during the Day when the total of Day calls is \$20 or more. The customer receives the following discounts based on the monthly total of Evening/Night/ Weekend calls: a 20% discount for totals between \$20 and \$99.99; a 25% for totals between \$100 - \$199.99; and a 30% if the total is greater than \$200. Charges for calls are determined under appropriate rate schedule based on time period and distance. [08/03/92] |

## Appendix Two

### Sensitivity Analysis of Prices and Price-Cost Margins of Discount Calling Plans

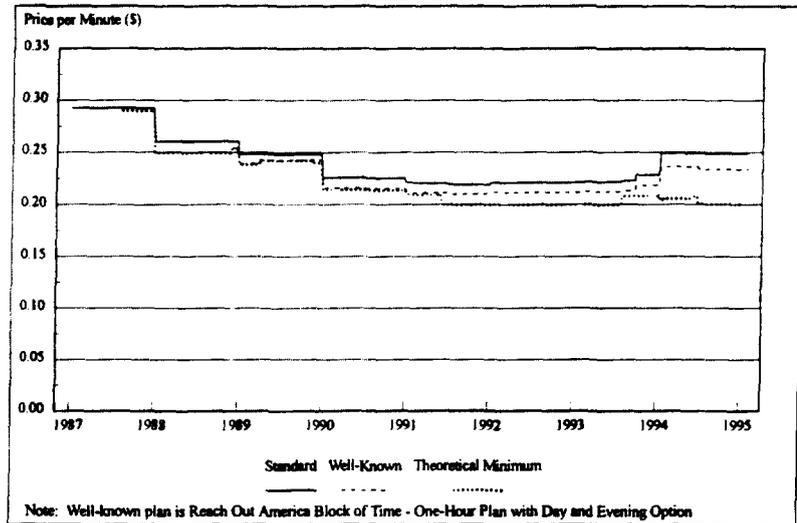
The index prices as presented in the text depend on assumptions regarding the types of calls customers make. This appendix reports prices and price-cost margins based on alternative assumptions regarding customers' calls. There are two sets of sensitivity estimations. The first uses the distribution of types of calls as assumed in the text but reports a different index price calculated using the extreme assumption that a customer changes plans immediately whenever a carrier offers a plan with a lower price. That assumption implies a price index that would be a minimum for each carrier.

The second set of estimations does not use the eleven classifications in the text but rather replaces them with different assumptions regarding (1) monthly usage levels; (2) the time of day calls are made; and (3) the distance calls travel. A total of sixty different types of calls are considered for residential customers, and an additional forty-eight different types are considered for small-business customers.

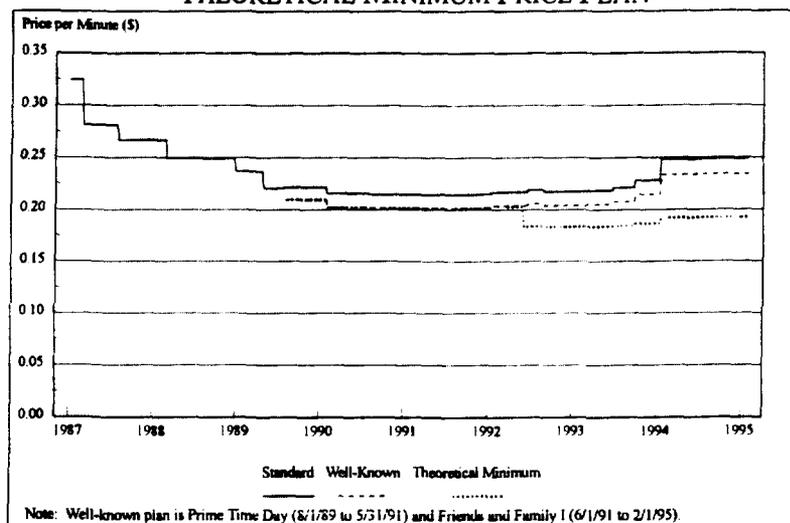
*Theoretical Minimum Index Prices and Margins Using Eleven Types of Calls*

The minimum index prices for AT&T, MCI, and Sprint are based on the same eleven types of calls as in chapter 5. These prices are shown in figures A2-1 to A2-3. The theoretical minimum prices for AT&T and MCI are approximately \$0.03 to \$0.04 per minute lower for 1994 than those estimated for the MTS discount plans, and \$0.05 to \$0.06 less than standard MTS prices. These minimum prices remained approximately the same since 1991. Sprint's minimum prices were identical to the prices of its well-known discount plans until mid-1994 (approximately \$0.06 less than its standard MTS service), and its theoretical minimum prices also remained approximately constant over the period 1991 to 1994.

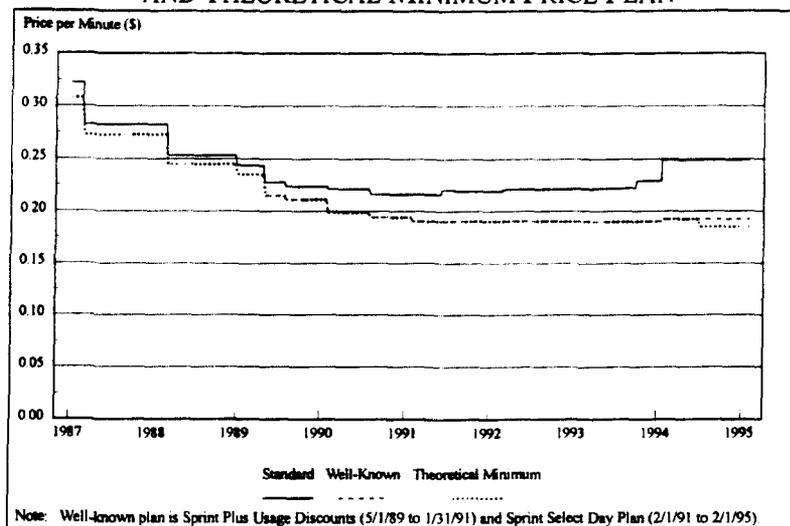
FIGURE A2-1  
RESIDENTIAL INDEX PRICES FOR AT&T STANDARD SERVICE, REACH OUT AMERICA DISCOUNT CALLING PLAN, AND THEORETICAL MINIMUM PRICE PLAN



**FIGURE A2-2**  
**RESIDENTIAL INDEX PRICES FOR MCI STANDARD SERVICE, PRIME TIME DAY AND FRIENDS & FAMILY I DISCOUNT CALLING PLANS, AND THEORETICAL MINIMUM PRICE PLAN**

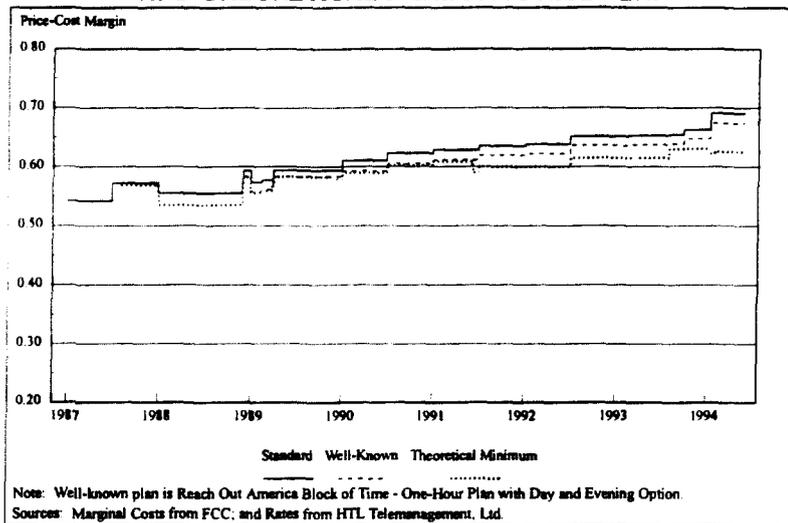


**FIGURE A2-3**  
**RESIDENTIAL INDEX PRICES FOR SPRINT STANDARD SERVICE, SPRINT PLUS USAGE AND SPRINT SELECT DAY DISCOUNT CALLING PLANS, AND THEORETICAL MINIMUM PRICE PLAN**

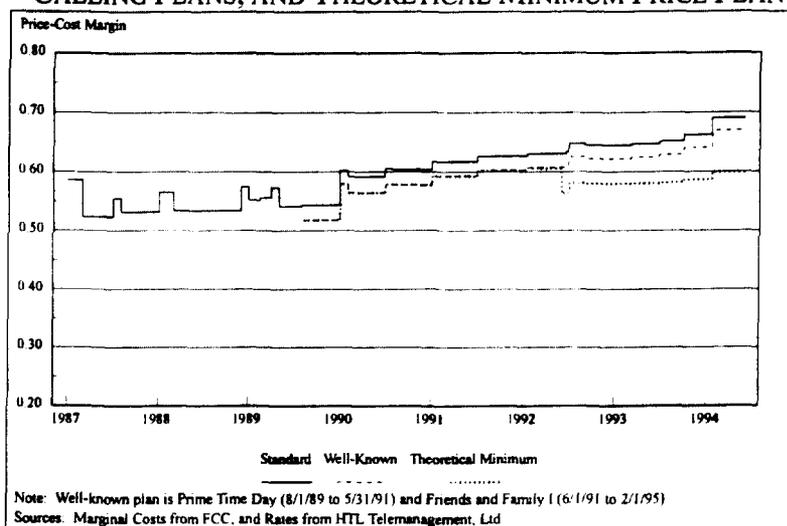


Using those theoretical minimum prices, price-cost margins for AT&T, MCI, and Sprint were calculated (see figures A2-4 to A2-6). Margins for the theoretical minimum prices generally followed the same pattern as those for the well-known plans. AT&T's margin on its theoretical minimum price plan increased gradually from 1987 to 1994, to a level of 0.63 or 91 percent of the margin on standard MTS. MCI and Sprint's margins on their theoretical minimum price services also increased from 1987 to 1994; they rose to a level of 0.60 or 87 percent of their standard MTS margins. Thus, margins calculated on the basis of the carriers' theoretical minimum prices did not decline in the 1990s.

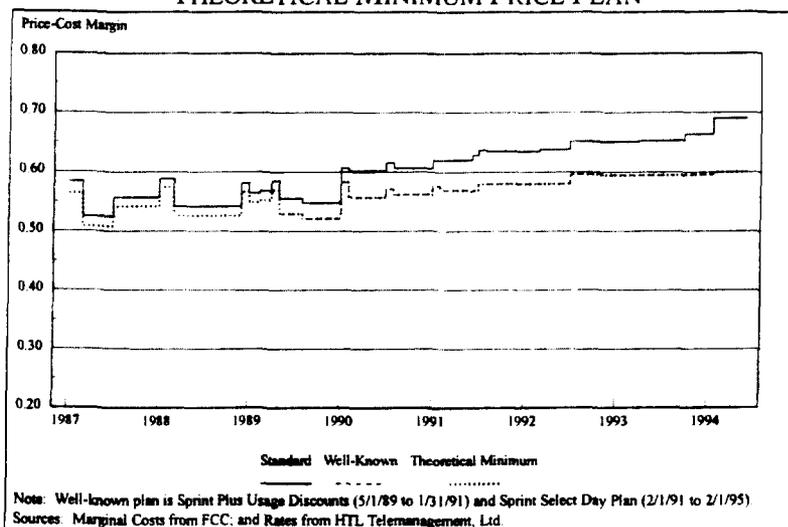
FIGURE A2-4  
RESIDENTIAL PRICE-COST MARGINS FOR AT&T STANDARD SERVICE, REACH OUT AMERICA DISCOUNT CALLING PLAN, AND THEORETICAL MINIMUM PRICE PLAN



**FIGURE A2-5**  
**RESIDENTIAL PRICE-COST MARGINS FOR MCI STANDARD SERVICE, PRIME TIME DAY AND FRIENDS & FAMILY I DISCOUNT CALLING PLANS, AND THEORETICAL MINIMUM PRICE PLAN**



**FIGURE A2-6**  
**RESIDENTIAL PRICE-COST MARGINS FOR SPRINT STANDARD SERVICE, SPRINT PLUS USAGE AND SPRINT SELECT DAY DISCOUNT CALLING PLANS, AND THEORETICAL MINIMUM PRICE PLAN**



*Prices and Margins Based on  
Alternative Types of Calls*

This section of the appendix reports prices and margins based on types of calls that differ from the eleven types used previously. Those alternative types are based on different assumptions regarding monthly usage levels, time-of-day calling, and mileage distributions. A total of sixty different types of calls are considered for residential customers, with forty-eight different types for small-business customers.

The alternative monthly usage levels for residential and small-business customers appear in table A2-1. Residential usage levels range from 50 to 1,000 minutes per month, while small-business usage levels range from 250 to 1,500 minutes per month. The different usage levels were selected to span the likely usage levels of residential and small-business customers using MTS discount plans.

TABLE A2-1  
MONTHLY MINUTES OF USE FOR  
RESIDENTIAL AND SMALL-BUSINESS CUSTOMERS

| Usage Levels | Residential | Small Business |
|--------------|-------------|----------------|
| One          | 50          | 250            |
| Two          | 125         | 500            |
| Three        | 250         | 1,000          |
| Four         | 500         | 1,500          |
| Five         | 1,000       | N.A.           |

The distributions of the number of calls made by residential customers appear in table A2-2. In distribution 1, for example, residential customers make 21 percent of their calls during the day, 31 percent during the evening, and approximately one-half during the night-weekend period.

**TABLE A2-2**  
**TIME-OF-DAY CALLING DISTRIBUTION FOR**  
**RESIDENTIAL CUSTOMERS**  
**(PERCENTAGE OF NUMBER OF MESSAGES)**

| Time-of-Day Distribution | Day | Evening | Night-Week-end |
|--------------------------|-----|---------|----------------|
| Distribution 1           | 21  | 31      | 49             |
| Distribution 2           | 40  | 32      | 28             |
| Distribution 3           | 62  | 31      | 7              |

The distributions of the number of calls made by small-business customers appear in table A2-3. As reflected in the table, small-business customers make a higher percentage of their calls during the day than do residential customers.

**TABLE A2-3**  
**TIME-OF-DAY CALLING DISTRIBUTION FOR**  
**SMALL-BUSINESS CUSTOMERS**  
**(PERCENTAGE OF NUMBER OF MESSAGES)**

| Time-of-Day    | Day | Evening | Night-Week-end |
|----------------|-----|---------|----------------|
| Distribution 1 | 75  | 10      | 5              |
| Distribution 2 | 85  | 10      | 5              |
| Distribution 3 | 95  | 5       | 0              |

Mileage distributions for residential and small-business customers appear in table A2-4. Distributions 1 and 3 are

distributed according to a normal curve with average calling distances of approximately 350 and 600 miles, respectively. Distribution 2 is the one used in the text, while the fourth distribution is the mirror image of the second. The mileage distributions are selected to span the likely range of calls made by residential and small-business customers.

TABLE A2-4  
MILEAGE DISTRIBUTIONS OF CALLS FOR  
RESIDENTIAL AND SMALL-BUSINESS CUSTOMERS  
(PERCENTAGES OF CALLS MADE  
WITHIN SPECIFIED DISTANCES)

| Mileage   | Distribution |    |    |    |
|-----------|--------------|----|----|----|
|           | 1            | 2  | 3  | 4  |
| 0-55      | 17           | 6  | 14 | 17 |
| 56-292    | 19           | 8  | 14 | 33 |
| 293-430   | 29           | 6  | 22 | 30 |
| 431-925   | 15           | 30 | 22 | 6  |
| 926-1910  | 13           | 33 | 19 | 8  |
| 1911-3000 | 7            | 17 | 8  | 6  |

In sum, residential customer calls have five different classes of monthly usage levels, three different classes of time-of-day distributions, and four different classes of mileage distributions that result in a distribution of sixty calls (that is, five times three times four). Small-business customers have four different classes of monthly usage levels, three different classes of time-of-day distributions, and four different classes of mileage distributions that result in forty-eight calls (four times three times

four). Table A2-5 summarizes those distributions.

**TABLE A2-5**  
**NUMBER OF TYPES OF CALLS FOR**  
**RESIDENTIAL AND SMALL-BUSINESS CUSTOMERS**

|                                 | Number of<br>Different<br>Monthly<br>Usage<br>Levels | Number of<br>Different<br>Time-of-Day<br>Distributions | Number of<br>Different<br>Mileage<br>Distributions | Total<br>Number of<br>Calling<br>Profiles |
|---------------------------------|--|--|--|---|
| Residential<br>Customers        | 5  | 3  | 4  | 60  |
| Small-<br>Business<br>Customers | 4  | 3  | 4  | 48  |

An example of how to calculate the index price of a calling plan follows from considering profile 1 in table A2-6, which shows a customer making 250 minutes of calls per month.<sup>1</sup> The minutes and number of different calls are distributed as shown for the day, evening, and night-weekend periods. Calls are made according to mileage distribution 1. Given those parameters, then the carrier's FCC tariff specifies the rate charged for each type of call. By summing up the charges for all types, we obtain the customer's monthly bill according to that plan, as well as the price per minute (obtained by dividing the monthly bill by 250 minutes). Repeating that process for all sixty calling profiles yields sixty monthly bills and sixty prices per minute. The simple average of those sixty prices per minute equals the index price

1. Tables A2-6 and A2-7 provide detailed information on the sixty types of residential calls and the forty-eight types of small-business calls.

per minute for the calling plan that month.<sup>2</sup>

Prices for standard and theoretical minimum price plans offered by AT&T for residential and small-business customers appear in figures A2-7 and A2-8. The index of theoretical minimum prices for residential customers remained at approximately \$0.15 per minute for the period since 1991, while the price of standard MTS was \$0.02 to \$0.03 higher. AT&T theoretically offered increasing discounts off its standard MTS, but since that price increased over time, the theoretical minimum price remained approximately constant. AT&T's index prices calculated on the basis of the forty-eight small-business profiles show a similar pattern to those of residential prices, with the exception that index prices for the small-business profiles exceeded those of the residential profiles because the former assumed a higher percentage of calls were placed during the day. Similar behavior was observed for both MCI and Sprint, as evidenced by the data in figures A2-9, A2-10, A2-11, and A2-12. And further comparison of price-cost margins with theoretical minimum prices yields yet more evidence of this discrepancy, as figures A-2-13 through A2-18 indicate. Price-cost margins rose, as theoretical minimum prices plans for all three carriers stabilized over time.

2. The program used here calculates prices on the basis of monthly usage levels, with updates to tariff data made on a weekly basis. So, for example, if a tariff changes more than once in month, the prices are adjusted to take account of the changes.

**TABLE A2-6  
SUMMARY OF RESIDENTIAL CALLING PROFILES**

| Profile | Total Minutes | Average Monthly Bill | Call Distribution (based on minutes) (%) |       |      | Call Distribution (based on calls) (%) |       |      | Mileage Distribution |
|---------|---------------|----------------------|--|-------|------|--|-------|------|----------------------|
|         |               |                      | Day                                      | Even. | NWE  | Day                                    | Even. | NWE  |                      |
| 1       | 250           | \$50                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 1         |
| 2       | 500           | \$100                | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 1         |
| 3       | 1,000         | \$200                | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 1         |
| 4       | 125           | \$25                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 1         |
| 5       | 50            | \$10                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 1         |
| 6       | 250           | \$50                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 2         |
| 7       | 500           | \$100                | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 2         |
| 8       | 1,000         | \$200                | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 2         |
| 9       | 125           | \$25                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 2         |
| 10      | 50            | \$10                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 2         |
| 11      | 250           | \$50                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 3         |
| 12      | 500           | \$100                | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 3         |
| 13      | 1,000         | \$200                | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 3         |
| 14      | 125           | \$25                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 3         |
| 15      | 50            | \$10                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 3         |
| 16      | 250           | \$50                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 4         |
| 17      | 500           | \$100                | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 4         |
| 18      | 1,000         | \$200                | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 4         |
| 19      | 125           | \$25                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 4         |
| 20      | 50            | \$10                 | 31.6                                     | 38.4  | 30.0 | 40.3                                   | 31.9  | 27.7 | Assumption 4         |

**TABLE A2-6**  
**SUMMARY OF RESIDENTIAL CALLING PROFILES (CTD.)**

| Profile | Total Minutes | Average Monthly Bill | Call Distribution (based on minutes) (%) |       |      | Call Distribution (based on calls) (%) |       |     | Mileage Distribution |
|---------|---------------|----------------------|--|-------|------|--|-------|-----|----------------------|
|         |               |                      | Day                                      | Even. | NWE  | Day                                    | Even. | NWE |                      |
| 21      | 250           | \$50                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 1         |
| 22      | 500           | \$100                | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 1         |
| 23      | 1,000         | \$200                | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 1         |
| 24      | 125           | \$25                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 1         |
| 25      | 50            | \$10                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 1         |
| 26      | 250           | \$50                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 2         |
| 27      | 500           | \$100                | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 2         |
| 28      | 1,000         | \$200                | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 2         |
| 29      | 125           | \$25                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 2         |
| 30      | 50            | \$10                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 2         |
| 31      | 250           | \$50                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 3         |
| 32      | 500           | \$100                | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 3         |
| 33      | 1,000         | \$200                | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 3         |
| 34      | 125           | \$25                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 3         |
| 35      | 50            | \$10                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 3         |
| 36      | 250           | \$50                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 4         |
| 37      | 500           | \$100                | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 4         |
| 38      | 1,000         | \$200                | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 4         |
| 39      | 125           | \$25                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 4         |
| 40      | 50            | \$10                 | 51.6                                     | 38.4  | 10.0 | 61.6                                   | 31.5  | 6.8 | Assumption 4         |

**TABLE A2-6  
SUMMARY OF RESIDENTIAL CALLING PROFILES (CTD.)**

| Profile | Total Minutes | Average Monthly Bill | Call Distribution (based on minutes) (%) |       |      | Call Distribution (based on calls) (%) |       |      | Mileage Distribution |
|---------|---------------|----------------------|--|-------|------|--|-------|------|----------------------|
|         |               |                      | Day                                      | Even. | NWE  | Day                                    | Even. | NWE  |                      |
| 41      | 250           | \$50                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 1         |
| 42      | 500           | \$100                | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 1         |
| 43      | 1,000         | \$200                | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 1         |
| 44      | 125           | \$25                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 1         |
| 45      | 50            | \$10                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 1         |
| 46      | 250           | \$50                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 2         |
| 47      | 500           | \$100                | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 2         |
| 48      | 1,000         | \$200                | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 2         |
| 49      | 125           | \$25                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 2         |
| 50      | 50            | \$10                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 2         |
| 51      | 250           | \$50                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 3         |
| 52      | 500           | \$100                | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 3         |
| 53      | 1,000         | \$200                | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 3         |
| 54      | 125           | \$25                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 3         |
| 55      | 50            | \$10                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 3         |
| 56      | 250           | \$50                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 4         |
| 57      | 500           | \$100                | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 4         |
| 58      | 1,000         | \$200                | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 4         |
| 59      | 125           | \$25                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 4         |
| 60      | 50            | \$10                 | 12.0                                     | 38.0  | 50.0 | 20.8                                   | 30.6  | 48.6 | Assumption 4         |

**TABLE A2-7**  
**SUMMARY OF SMALL BUSINESS CALLING PROFILES**

| Profile | Total Minutes | Average Monthly Bill | Call Distribution (based on minutes) (%) |       |     | Call Distribution (based on calls) (%) |       |     | Mileage Distribution |
|---------|---------------|----------------------|--|-------|-----|--|-------|-----|----------------------|
|         |               |                      | Day                                      | Even. | NWE | Day                                    | Even. | NWE |                      |
| 1       | 1,000         | \$200                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 1         |
| 2       | 500           | \$100                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 1         |
| 3       | 250           | \$50                 | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 1         |
| 4       | 1500          | \$300                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 1         |
| 5       | 1000          | \$200                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 1         |
| 6       | 500           | \$100                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 1         |
| 7       | 250           | \$50                 | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 1         |
| 8       | 1500          | \$300                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 1         |
| 9       | 1000          | \$200                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 1         |
| 10      | 500           | \$100                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 1         |
| 11      | 250           | \$50                 | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 1         |
| 12      | 1500          | \$300                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 1         |
| 13      | 1000          | \$200                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 2         |
| 14      | 500           | \$100                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 2         |
| 15      | 250           | \$50                 | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 2         |
| 16      | 1500          | \$300                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 2         |
| 17      | 1000          | \$200                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 2         |
| 18      | 500           | \$100                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 2         |
| 19      | 250           | \$50                 | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 2         |
| 20      | 1500          | \$300                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 2         |

**TABLE A2-7**  
**SUMMARY OF SMALL BUSINESS CALLING PROFILES (CTD.)**

| Profile | Total Minutes | Average Monthly Bill | Call Distribution (based on minutes) (%) |       |     | Call Distribution (based on calls) (%) |       |     | Mileage Distribution |
|---------|---------------|----------------------|--|-------|-----|--|-------|-----|----------------------|
|         |               |                      | Day                                      | Even. | NWE | Day                                    | Even. | NWE |                      |
| 21      | 1000          | \$200                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 2         |
| 22      | 500           | \$100                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 2         |
| 23      | 250           | \$50                 | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 2         |
| 24      | 1500          | \$300                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 2         |
| 25      | 1000          | \$200                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 3         |
| 26      | 500           | \$100                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 3         |
| 27      | 250           | \$50                 | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 3         |
| 28      | 1500          | \$300                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 3         |
| 29      | 1000          | \$200                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 3         |
| 30      | 500           | \$100                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 3         |
| 31      | 250           | \$50                 | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 3         |
| 32      | 1500          | \$300                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 3         |
| 33      | 1000          | \$200                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 3         |
| 34      | 500           | \$100                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 3         |
| 35      | 250           | \$50                 | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 3         |
| 36      | 1500          | \$300                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 3         |
| 37      | 1000          | \$200                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 4         |
| 38      | 500           | \$100                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 4         |
| 39      | 250           | \$50                 | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 4         |
| 40      | 1500          | \$300                | 85                                       | 10    | 5   | 90                                     | 8     | 2   | Assumption 4         |

| TABLE A2-7<br>SUMMARY OF SMALL BUSINESS CALLING PROFILES (CTD.) |               |                      |  |       |     |  |       |     |                      |
|---|---------------|----------------------|--|-------|-----|--|-------|-----|----------------------|
| Profile   | Total Minutes | Average Monthly Bill | Call Distribution (based on minutes) (%) |       |     | Call Distribution (based on calls) (%) |       |     | Mileage Distribution |
|   |               |                      | Day                                      | Even. | NWE | Day                                    | Even. | NWE |                      |
| 41  | 1000          | \$200                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 4         |
| 42  | 500           | \$100                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 4         |
| 43  | 250           | \$50                 | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 4         |
| 44  | 1500          | \$300                | 75                                       | 10    | 15  | 86                                     | 8     | 6   | Assumption 4         |
| 45  | 1000          | \$200                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 4         |
| 46  | 500           | \$100                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 4         |
| 47  | 250           | \$50                 | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 4         |
| 48  | 1500          | \$300                | 95                                       | 5     | 0   | 96                                     | 4     | 0   | Assumption 4         |