

15. Why is ACC's share of the non-USF revenues in 2014 not greater than 23 percent when ACC provides and maintains the underlying facilities and services used by AMM?

Response:

Allband can't verify that ACC's share of the non-USF revenue in 2014 was not greater than 23 percent. The non-USF revenue for ACC calculated by Allband is approximately \$239,317 and represents 32 percent of the total non-USF revenue. Allband is providing its response based on this revised amount.

ACC does not realize revenue from the majority of the facilities and services it provides to Allband Multimedia. The only charge assessed to AMM is that related to the NECA access line charge for broadband transmission in the regulated service areas. This represented \$34,830 for 2014. In the other areas served by AMM, or those outside ACC's regulated footprint, the costs of facilities and services are directly assessed and recorded in expense accounts of AMM. In compliance with Part 64, Allband directly and indirectly attributes and assigns costs to non-regulated operations. The table below shows the expenses associated with facilities and services directly and indirectly attributed to AMM and non-regulated operations for 2014. For the amount shown on line 9, there was no offsetting revenue recorded for these costs in ACC's accounts. If revenues were recorded in ACC accounts, the hypothetical percentage of revenue attributable to ACC customers would be 62%.

Calculation of Hypothetical Percentage of Customer Revenue - ACC

	<u>AMM</u>
1 Facility Installation - Grant	173,095
2 Plant Specific Operations	104,565
3 Network Operations	118,050
4 Plant Non-specific Operations	218
5 Customer Operations	74,720
6 Corporate Operations	8,133
7 Total Cost Directly Accounted For (L1...L7)	<u>478,781</u>
8 Indirect Expense	105,968
9 Approximate Cost Assigned AMM (L7+L8)	<u>584,749</u>
10 ACC Revenue Excluding USF- 2014 TB	<u>239,317</u>
11 ACC Customer Revenue Plus AMM Cost (L9+L10)	824,066
12 AMM Revenue	<u>509,387</u>
13 Total Non_USF Revenue If AMM Cost = Rev (L11+L12)	<u>1,333,453</u>
14 % ACC Customer Rev Incl AMM Cost (L11/L13)	<u>62%</u>