

GTE ATTACHMENT 1

GTE's February 25, 1999 Tariff Transmittal No. 1196

Filed on a streamlined basis under Section 204(a)(3) of the
Communications Act on 7 days' notice.

Helen M. Hall
Director-Tariffs



**GTE Service
Corporation**

600 Hidden Ridge, HQE02E20
Irving, TX 75038
972 718-1842
Fax: 972 718-4401
helen.hall@telops.gte.com

February 25, 1999

GTOC Transmittal No. 1196

Ms. Magalie R. Salas, Secretary
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Attention: Common Carrier Bureau

Dear Ms. Salas:

The accompanying tariff material, issued on behalf of the GTE Telephone Operating Companies (GTOCs) and bearing GTOC Tariff FCC No. 1, is sent to you for filing in compliance with the requirements of the Communications Act of 1934, as amended. This filing, to become effective March 4, 1999, consists of tariff pages as indicated on the following check sheet:

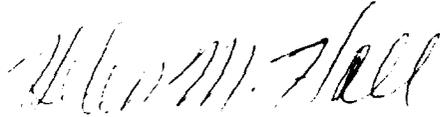
GTOC Tariff FCC No. 1 - 1172nd Revised Page 1

This filing is being made to adjust the monthly rate for the Service Provider Number Portability Fee. The monthly rate is being reduced based on revisions to the cost support originally filed under Transmittal No. 1190.

The filing fee for this transmittal was made to Mellon Bank electronically today. The electronic audit code is 167552290551450. Supporting information discussed under Section 61.49 of the Commission's Rules is attached.

Acknowledgement and date of receipt of this filing are requested. A duplicate letter is provided for this purpose. All correspondence and inquiries concerning this filing may be hand delivered to F. Gordon Maxson, GTE Service Corporation, 1850 M Street NW, Suite 1200, Washington, DC 20036, telephone (202) 463-5291, facsimile numbers (202) 463-5239 or 463-5298.

Very truly yours,



Helen Hall
Director-Tariffs

HH/RR:ga

Attachments

Tariff Pages (2 sets)

Cost Support

Copy of Letter With Attachments Concurrently Sent To:

Chief, Tariff Review Branch (Public Reference Copy)

Commercial Contractor - International Transcription Service (ITS)

Issued: February 25, 1999

FACILITIES FOR INTERSTATE ACCESS

CHECK SHEET

Pages 1 to 509 inclusive of this tariff are all effective as of the dates shown. Original and revised pages as named below, and Supplement Nos. 193, 194, 195 and 196 contain all changes from the original tariff that are in effect on the date hereof.

<u>Page</u>	<u>Revision</u>	<u>Page</u>	<u>Revision</u>	<u>Page</u>	<u>Revision</u>	<u>Page</u>	<u>Revision</u>
Title Page 1	8th	23	9th	74	22nd	96.5	1st
Title Page 2	16th	24	5th	75	17th	96.6	1st
Title Page 3	11th	25	13th	76	38th	96.7	Original
1	1172nd*	25.1	9th	77	25th	96.8	Original
1.1	621st	26	28th	78	34th	96.9	1st
1.2	442nd	26.1	20th	78.1	16th	96.10	Original
1.3	228th*	26.2	Original	78.2	7th	96.11	2nd
1.3.1	19th	27	19th	79	14th	96.12	1st
1.4	152nd	28	21st	79.1	11th	96.13	Original
1.5	20th	29	7th	79.1.1	13th	96.14	2nd
1.6	Original	30-57	4th	79.2	11th	96.15	2nd
2	16th	58	18th	80	16th	96.16	1st
3	9th	58.1	5th	81	23rd	96.17	1st
4	17th	59	12th	82	5th	96.18	2nd
5	19th	59.1	6th	83-87	2nd	96.19	1st
5.1	21st	60	12th	88	10th	96.20	Original
5.1.1	1st	60.1	4th	89	18th	97	23rd
5.2	30th	61	21st	89.1	22nd	97.1	19th
5.2.1	6th	61.1	10th	89.2	25th	97.1.1	2nd
6	14th	62	11th	89.3	38th	97.1.1.1	Original
6.1	9th	63	21st	89.3.1	4th	97.2	15th
6.1.1	2nd	63.1	Original	89.4	15th	97.3	11th
6.2	25th	64	15th	90	31st	97.4	9th
6.3	20th	64.1	5th	90.1	24th	97.5	10th
6.3.1	8th	65	12th	90.2	Original	97.6	10th
7	32nd	66	15th	90.3	Original	97.7	12th
7.1	11th	67	16th	90.4	1st	98	16th
7.2	20th	68	21st	90.5	Original	98.1	27th
8	12th	68.1	19th	90.6	Original	98.2	Original
8.1	1st	68.2	2nd	90.7	Original	99	18th
9	5th	69	26th	90.8	1st	99.1	1st
9.1	7th	69.1	4th	90.9	Original	100	12th
10	12th	70	32nd	90.10	Original	101	11th
10.1	5th	70.1	22nd	90.11	Original	101.1	4th
10.2	3rd	70.1.1	13th	91	28th	102	16th
10.2.1	3rd	70.1.2	6th	91.1	1st	103	14th
10.2.2	4th	70.1.3	3rd	91.2	2nd	104	10th
10.2.3	1st	70.1.4	7th	91.3	Original	104.1	3rd
10.3	5th	70.2	14th	91.4	1st	105	13th
10.4	16th	70.2.1	8th	91.5	Original	106	10th
10.4.1	9th	70.2.2	7th	91.6	Original	107	10th
11	13th	70.2.3	6th	91.7	1st	108	13th
12	16th	70.2.4	3rd	91.8	Original	108.1	4th
13	3rd	70.2.5	3rd	91.9	1st	109	7th
14	42nd	70.2.6	4th	91.10	Original	110	14th
14.1	1st	70.2.7	4th	92	12th	111	16th
15	8th	70.2.8	4th	93	8th	112	12th
15.1	3rd	70.3	9th	94	6th	112.1	10th
15.2	18th	71	33rd	95	5th	113	16th
16	7th	71.1	17th	96	11th	114	13th
17	4th	71.1.1	1st	96.1	2nd	115	19th
18	10th	71.2	12th	96.1.1	Original	116	12th
19	8th	71.3	15th	96.2	1st	117	18th
20	7th	71.4	11th	96.3	Original	117.1	2nd
21	5th	72	15th	96.4	Original	118	15th
22	8th	73	6th			118.1	11th

* New or revised page

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Helen Hall, Director - Tariffs
600 Hidden Ridge, Irving, Texas 75038
P. O. Box 152092, HQE02G72, Irving, Texas 75015-2092

Issued: February 25, 1999

FACILITIES FOR INTERSTATE ACCESS

CHECK SHEET

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226	14th	233.30	1st	260	4th	300.1	20th
227	14th	233.31	1st	261	4th	300.1.1	14th
228	6th	233.32	1st	262	4th	300.1.2	7th
229	15th	233.33	1st	263	4th	300.1.3	8th
229.1	Original	233.34	1st	264	3rd	300.1.4	12th
229.2	Original	233.35	1st	265	9th	300.1.5	7th
229.3	Original	233.36	1st	265.1	6th	300.1.6	3rd
229.4	9th	233.37	1st	265.2	4th	300.1.7	6th
229.5	9th	233.38	1st	265.3	3rd	300.1.8	4th
230	20th	233.39	1st	266	8th	300.1.9	8th
230.1	9th	233.40	1st	267	4th	300.1.10	1st
230.1.1	3rd	233.41	1st	267.1	4th	300.1.11	Original
231	18th	233.42	1st	267.2	2nd	300.1.12	Original
231.1	22nd	233.43	1st	267.3	1st	300.1.13	Original
231.2	11th	233.44	1st	267.4	2nd	300.1.14	Original
232	26th	234	5th	267.5	1st	300.1.15	4th
232.1	8th	235	3rd	267.6	1st	300.1.16	Original
232.1.1	2nd	236	3rd	268	3rd	300.1.17	Original
233	5th	237	2nd	269	3rd	300.1.18	2nd
233.1	10th	238	2nd	270	3rd	300.1.19	Original
233.2	8th	239	7th	270.1	3rd	300.1.20	1st
233.3	9th	240	2nd	271	5th	300.1.21	Original
233.4	3rd	241	11th	271.1	3rd	300.1.22	3rd
233.5	5th	241.1	2nd	272	4th	300.1.23	Original
233.6	Original	242	2nd	273	4th	300.1.24	Original
233.7	9th	242.1	Original	274	4th	300.1.25	Original
233.8	11th	242.2	8th	275	10th	300.1.26	Original
233.9	11th	243	23rd	276	6th	300.1.27	Original
233.10	11th	244	9th	277	8th	300.1.28	1st
233.11	11th	244.1	8th	277.1	2nd	300.1.29	1st
233.12	7th	245	15th	278	14th	300.1.30	1st
233.12.1	2nd	246	9th	279	11th	300.1.31	3rd
233.12.2	3rd	246.1	34th	279.1	5th	300.1.32	1st
233.13	13th	246.2	9th	279.2	1st	300.1.33	Original
233.13.1	16th	247	15th	280	6th	300.1.34	Original
233.14	19th	247.1	11th	280.1	Original	300.1.35	1st
233.14.1	15th	248	14th	280.2	Original	300.1.36	Original
233.14.2	1st	248.1	9th	281	3rd	300.1.37	1st
233.15	16th	249	13th	282	5th	300.1.38	4th
233.15.1	4th	249.1	10th	282.1	1st	300.1.39	10th
233.16	31st	249.1.1	4th	283	11th		
233.16.1	4th	250	20th	284	6th		
233.16.2	2nd	251	8th	285	2nd		
233.17	14th	251.1	6th	286	4th		
233.18	1st	252	10th	287	5th		
233.19	3rd	252.1	4th	288	6th		
233.20	Original	253	10th	289	5th		
233.20.1	1st	254	9th	290	2nd		
233.20.2	1st	254.1	6th	291	2nd		
233.21	Original	254.2	4th	292	4th		
233.22	1st	254.3	4th	293	4th		
233.23	1st	255	7th	294	3rd		
233.24	4th*	256	13th	295	4th		
233.25	1st	256.1	8th	296	11th		
233.26	1st	256.2	3rd	297	10th		
233.27	1st	257	7th	298	11th		
233.28	1st	258	3rd	299	15th		
233.29	1st	259	3rd	300	18th		

* New or revised page

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Helen Hall, Director - Tariffs
600 Hidden Ridge, Irving, Texas 75038
P. O. Box 152092, HQE02G72, Irving, Texas 75015-2092

Issued: February 25, 1999

FACILITIES FOR INTERSTATE ACCESS

6. MISCELLANEOUS SERVICES

6.16 Service Provider Number Portability Fee

The Service Provider Number Portability (SPNP) Fee recovers the costs of implementing long-term number portability. The SPNP Fee shall be assessed to each end user in the 100 largest Metropolitan Statistical Areas (MSAs) and each end user served from a number-portability-capable wire center outside the 100 largest MSAs with the following exceptions:

- Each PBX Trunk shall be assessed nine (9) monthly SPNP Fees
- Each ISDN PRI arrangement shall be assessed five (5) monthly SPNP Fees
- Lifeline customers shall not be assessed the SPNP Fee

The SPNP Fee shall also be assessed to carriers that purchase Telephone Company unbundled switching ports and resellers of the Telephone Company's local service.

The Telephone Company shall recover the SPNP Fee for a five-year period from the initial billing implementation date of March 10, 1999 with the following exception.

- Not applicable in Texas until July, 1999.

<u>SPNP Monthly Rate</u> <u>Per Line</u>	<u>SPNP Monthly Rate</u> <u>Per PBX Trunk</u>	<u>SPNP Monthly Rate</u> <u>Per ISDN PRI Arrangement</u>	(R)
\$.38	\$3.42	\$1.90	

(This page filed under Transmittal No. 1196.)

Director - Tariffs
 600 Hidden Ridge, Irving, Texas 75038

**GTE TELEPHONE OPERATING COMPANIES
SERVICE PROVIDER NUMBER PORTABILITY RECOVERY FEE
TRANSMITTAL No. 1196**

DESCRIPTION AND JUSTIFICATION

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- II. Service Provider Number Portability (SPNP) Cost Support
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 - 2. LNP Conversion Sites by Year
 - 3. LNP Line Demand Forecast
 - 4. GTE FCC Chart 2a
 - 5. GTE FCC Chart 2b
 - 6. GTE Total LNP End User Investment (EUI_1 - EUI_6)
 - 7. Work papers (WP_1 - WP_9)
 - 8. Supplemental Detail (SUPP_1 – SUPP_40)

- III. Allocation and Apportionment of Costs

- IV. Attachments
 - 1. GTE FCC Chart 1
 - 2. LNP Conversion Sites by Year
 - 3. LNP Line Demand Forecast
 - 4. GTE FCC Chart 2a
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**GTE TELEPHONE OPERATING COMPANIES
SERVICE PROVIDER NUMBER PORTABILITY RECOVERY FEE
TRANSMITTAL No. 1196**

DESCRIPTION AND JUSTIFICATION

SECTION I. - INTRODUCTION

The GTE Telephone Operating Companies' (GTOCs') Service Provider Number Portability Fee was developed to attempt to recover the appropriate costs incurred by GTE to redesign network components and associated systems to provide long-term service provider number portability. The cost study developed by GTE is in compliance with the Federal Communications Commission's (Commission) rules established in FCC Docket 95-116 and FCC 98-92 which requires carriers to include only carrier-specific costs directly related to providing number portability. GTE has estimated the cost of Service Provider Number Portability (SPNP) to be fully recovered at a uniform monthly charge of \$.38, to be assessed over a 60 month period.

GTE's initial filing on January 15, 1998 contained cost studies to support a monthly rate of \$.43. Based on adjustments made to correct a mathematical error used in the calculation of annualized capital costs, modification to the inflation factor development, and expense reclassifications, the monthly rate was adjusted.

The attached cost study was revised to include these changes. The provided documentation will highlight the impact of these changed cost study provided to support the SPNP fee.

SECTION II. - SERVICE PROVIDER NUMBER PORTABILITY COST SUPPORT

1) GTE FCC CHART 1

Chart 1 shows the five years of investment, installation costs and recurring incremental expenses for all LNP services combined. In addition, this chart includes the total number of LNP lines. As detailed in paragraph 52 of FCC DA 98-2534, no entries were made for depreciation, amortization, return or taxes.

Change from 1/15/99 submission:

The expense changes noted from WP_1 through WP_9 are reflected in this expense summary.

2) LNP CONVERSION SITES BY YEAR

This chart shows the forecasted conversion sites by year in accordance with paragraph 52 of the order mentioned above.

3) GTE LNP LINE DEMAND FORECAST

This chart shows the development of the forecasted lines into an annual levelized demand number used in the calculation of the end user fee per the requirements in paragraph 48 of FCC DA 98-2534. GTE did not include any demand adjustments for uncollectibles.

Change from 1/15/99 submission:

The P/F factor change is consistent with the changes in Chart 2b.

4) GTE FCC CHART 2a

This chart shows the costs from Chart 1 that are allocated to end-user service. The basis for the allocation of services, (i.e., direct assignment/attribution based on cost-causative factors/allocated based on relative capacity requirements), as required in paragraph 53, is shown on WP_1 and summarized on this chart.

Change from 1/15/99 submission:

The expense changes from WP_1 through WP_9 are reflected in this chart.

5) GTE FCC CHART 2b

This chart shows how the revenue requirement is developed from the costs shown in Chart 2a. This chart also includes the amortization over five years of the allocated investment, and the return and tax calculation. Also included are the service demand estimates and the calculation used to derive the proposed rate for the service. Per paragraph 53, specific years are represented in columns and the cost items are in rows.

Changes from 1/15/99 submission:

The calculation of the "Present Worth Factors" is based on year-end rather than a mid-year point methodology and is reflected with the smaller factors included.

The cost of capital and the amortization amounts were recalculated based on the discovery of a formula error.

The monthly levelized surcharge was reduced from the January 15th rate

of \$.43 to \$.38.

6) GTE TOTAL LNP END USER INVESTMENT – (EUI_1 through 6)

These pages show the development of specific investment and expense calculations that support the costs summarized on Chart 1 and Chart 2a.

Changes from 1/15/99 submission:

The reclassification of 1997 and 1998 switch and system expenses reduces total 1997 expenses by \$33,758. The 1998 impact was an expense reduction of \$1,335,024.

GTE also modified the calculation of the F/P factor for the years 1999 through 2003. The revised factors are consistent with forecasts of overall inflation (CPI) for the years 1999 through 2003.

7) WORK PAPERS – (WP_1 through 9)

In accordance with paragraph 49, "LECs must provide a worksheet for dedicated and joint costs, as defined in this Order". The development of dedicated costs is shown in WP_1 through WP_4, joint costs on WP_5 and WP_6, and WP_7 through WP_9 is provided for overheads. LNP function, FCC Part 32 account, totals or gross investment, and the percent assigned to LNP service are included.

Changes from 1/15/99 submission:

WP_1 Dedicated Costs – 1997 - \$32,698,000 originally assigned to Operational Support Systems expense was reassigned to LRN software expense.

WP_1 Dedicated Costs – 1998 – a minor mathematical error was corrected in column (b) – Total Investment column.

WP_5 & WP_6 Joint Costs – 1997 & 1998 – cosmetic changes were made in column (b) that did not impact the allocation of expenses to LNP. The "Percent Allocated to End User Surcharge" column (h) was corrected and changed due to a rounding error from 93.73% to 93.74%.

WP_7 through WP_9 Overhead Costs – 1997 & 1998 – Expenses were reclassified between accounts and years. The net impact of the changes for the seven years to the overheads assigned to end-users (column I, WP_9) is an increase of \$126,275.

8) SUPP_1 through SUPP_9

These pages have been added to provide additional detail for the Operating Support System Type A and Type B dedicated expenses. (WP_1 through WP_4)

ALLOCATION AND APPORTIONMENT OF COSTS

The allocation of costs to LNP Services, as referenced in paragraph 38 is in compliance with the directives in paragraph 41, based on "busy hour" demand.

The eligible LNP costs were allocated to the LNP services by the relative busy hour capacity used. The total busy query capacity of all the LNP SCP's was calculated. Then the busy hour queries for each query service was divided by the busy hour capacity to determine the percent of busy hour capacity used. The total LNP costs was multiplied by this percentage for each service to determine the amount to apply for that service.

The methodology used by GTE consisted of nine steps as follows.

Step 1. Calculate the average BH attempts per line for each state.

$$\frac{\text{BH Call Attempts}}{\text{Working Lines}}$$

Step 2. Calculate a weighting factor for each state.

$$\frac{\text{Working Lines}}{\text{Total GTE Lines}}$$

Step 3. Calculate the weighted attempts per line.

$$\text{Average attempts per line} * \text{weighting factor}$$

Step 4. Calculate the weighted percent InterLATA calls for each state.

$$\text{Percent InterLATA calls} * \text{weighting factor}$$

Step 5. Calculate the GTE average attempts per line by summing all the weighted attempts per line.

Step 6. Calculate the GTE percent InterLATA calls by summing the weighted percent InterLATA.

Step 7. Calculate the GTE average BH-Full Day ratio from the BH-Full Day ratio for all the states.

Step 8. Determine the base busy hour call attempts by year.

LNP Deployed Lines Year X * Avg. Att. Per Line from Step 3

Step 9. Calculate GTE Internal Queries.

BH Call Attempts from Step 8 * (100% - %Intraoffice - %InterLATA)

Apportionment of Costs between Services

The amount of joint costs to assign to LNP services were determined by applying the incremental percent increase in processor real time due to LNP as an allocation factor. This determination was done as the only joint costs identified by GTE were the processor and memory upgrades in the switches.

**GTE TELEPHONE OPERATING COMPANIES
SERVICE PROVIDER NUMBER PORTABILITY RECOVERY FEE
TRANSMITTAL No. 1196**

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Step 3. Calculate the weighted attempts per line.

$$\text{Average attempts per line} * \text{weighting factor}$$

Step 4. Calculate the weighted percent InterLATA calls for each state.

$$\text{Percent InterLATA calls} * \text{weighting factor}$$

Step 5. Calculate the GTE average attempts per line by summing all the weighted attempts per line.

Step 6. Calculate the GTE percent InterLATA calls by summing the weighted percent InterLATA.

Step 7. Calculate the GTE average BH-Full Day ratio from the BH-Full Day ratio for all the states.

Step 8. Determine the base busy hour call attempts by year.

LNP Deployed Lines Year X * Avg. Att. Per Line from Step 3

Step 9. Calculate GTE Internal Queries.

BH Call Attempts from Step 8 * (100% - %Intraoffice - %InterLATA)

Apportionment of Costs between Services

The amount of joint costs to assign to LNP services were determined by applying the incremental percent increase in processor real time due to LNP as an allocation factor. This determination was done as the only joint costs identified by GTE were the processor and memory upgrades in the switches.

GTE
FCC CHART 1
TOTAL LNP INVESTMENTS, EXPENSES, AND ACCESS LINES

<u>INVESTMENTS & EXPENSES</u>	<u>YEAR</u>				
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
SWITCH INVESTMENT	\$13,587,586.10	\$7,823,732.07	\$4,204,627.81	\$0.00	\$0.00
SWITCH EXPENSES	\$154,804,319.40	\$43,590,541.50	\$12,951,487.08	\$0.00	\$0.00
SS7 INVESTMENT	\$30,304,589.36	\$584,337.60	\$80,059.47	\$81,980.90	\$84,030.42
SS7 EXPENSES	\$25,281,059.11	\$11,198,830.10	\$9,504,019.62	\$5,619,298.52	\$5,759,780.98
SYSTEM INVESTMENT	\$8,168,901.81	\$0	\$0	\$0	\$0
SYSTEM EXPENSES	\$41,062,928.42	\$5,859,316.94	\$6,331,745.38	\$1,846,209.77	\$1,961,830.16
NPAC ALLOCATED SHARE - EXPENSE	\$7,532,452.63	\$5,217,300.00	\$5,337,297.90	\$5,465,393.05	\$5,602,027.88
INCREMENTAL OVERHEAD EXPENSE	\$24,543,088.21	\$11,644,703.69	\$8,940,036.96	\$0.00	\$0.00
TOTAL INVESTMENT	\$52,061,077.28	\$8,408,069.67	\$4,284,687.28	\$81,980.90	\$84,030.42
TOTAL EXPENSES	\$253,223,847.77	\$77,510,692.23	\$43,064,586.95	\$12,930,901.34	\$13,323,639.02
 <u>ACCESS LINES</u>					
LNP TOTAL	16,169,387	22,966,496	24,657,127	25,295,429	25,908,542

LNP CONVERSION SITES BY YEAR

SWITCH TECHNOLOGY

	<u>1997 SITES</u>	<u>1998 SITES</u>	<u>1999 SITES</u>	<u>2000 SITES</u>	<u>2001 SITES</u>	<u>TOTAL</u>
GTD5	152	91	100	226	38	607
5ESS	63	22	19	31	2	137
DMS100	53	33	17	74	4	181
DMS10	4	23	19	103	357	506
DCO	2	9	5	48	105	169
VIDAR	0	2	0	10	19	31
	274	180	160	492	525	1631

**GTE
LNP LINE DEMAND FORECAST
DEMAND LEVELIZATION**

Cost of Money = 11.25%

	YEAR	LINES (A)	P/F FACTOR (B)	P/F DEMAND (C=A*B)	A/P FACTOR (D)	ANNUAL LEVELIZED DEMAND (E=C*D)
1	1999	16,169,387	0.89407	14,456,496		
2	2000	22,966,496	0.79935	18,358,352		
3	2001	24,657,127	0.71467	17,621,825		
4	2002	25,295,429	0.63897	16,162,924		
5	2003	25,908,542	0.57128	14,800,975		
TOTALS		114,996,981		81,400,572	0.26241	21,360,136

GTE
FCC CHART 2a
END USER SURCHARGE INVESTMENT ALLOCATIONS

<u>INVESTMENTS & EXPENSES</u>	YEAR				
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
SWITCH INVESTMENT	\$13,587,586.10	\$7,823,732.07	\$4,204,627.81	\$0.00	\$0.00
SWITCH EXPENSES	\$154,804,319.40	\$43,590,541.50	\$12,951,487.08	\$0.00	\$0.00
SS7 INVESTMENT	\$30,304,589.36	\$584,337.60	\$80,059.47	\$81,980.90	\$84,030.42
SS7 EXPENSES	\$25,281,059.11	\$11,198,830.10	\$9,504,019.62	\$5,619,298.52	\$5,759,780.98
SYSTEM INVESTMENT	\$8,168,901.81	\$0	\$0	\$0	\$0
SYSTEM EXPENSES	\$41,062,928.42	\$5,859,316.94	\$6,331,745.38	\$1,846,209.77	\$1,961,830.16
NPAC ALLOCATED SHARE - EXPENSE	\$7,532,452.63	\$5,217,300.00	\$5,337,297.90	\$5,465,393.05	\$5,602,027.88
INCREMENTAL OVERHEAD EXPENSE	\$24,543,088.21	\$11,644,703.69	\$8,940,036.96	\$0.00	\$0.00
TOTAL INVESTMENT	\$52,061,077.28	\$8,408,069.67	\$4,284,687.28	\$81,980.90	\$84,030.42
TOTAL EXPENSES	\$253,223,847.77	\$77,510,692.23	\$43,064,586.95	\$12,930,901.34	\$13,323,639.02
 <u>QUERY INVESTMENTS</u>					
<u>WHOLESALE QUERY</u>					
SWITCH INVESTMENT	\$815,255.17	\$469,423.92	\$168,041.90	\$0.00	\$0.00
SWITCH EXPENSES	\$9,288,259.16	\$2,615,432.49	\$777,089.23	\$0.00	\$0.00
SS7 INVESTMENT	\$1,818,275.36	\$35,060.26	\$4,803.57	\$4,918.85	\$5,041.83
SS7 EXPENSES	\$1,516,863.55	\$671,929.81	\$570,241.18	\$337,157.91	\$345,586.86
SYSTEM INVESTMENT	\$365,700.97	\$0.00	\$0.00	\$0.00	\$0.00
SYSTEM EXPENSES	\$1,440,827.45	\$326,515.04	\$347,507.43	\$110,772.59	\$117,709.81
NPAC ALLOCATED SHARE - EXPENSE	\$451,947.16	\$313,038.00	\$320,237.87	\$327,923.58	\$336,121.67
INCREMENTAL OVERHEAD EXPENSE	\$1,148,165.49	\$698,682.22	\$536,402.22	\$0.00	\$0.00
<u>DEFAULT QUERY</u>					
SWITCH INVESTMENT	\$36,405.35	\$21,124.08	\$11,352.50	\$0.00	\$0.00
SWITCH EXPENSES	\$417,971.66	\$117,694.46	\$34,969.02	\$0.00	\$0.00
SS7 INVESTMENT	\$81,822.39	\$1,577.71	\$216.16	\$221.35	\$226.88
SS7 EXPENSES	\$68,258.86	\$30,236.84	\$25,660.85	\$15,172.11	\$15,551.41
SYSTEM INVESTMENT	\$16,306.63	\$0.00	\$0.00	\$0.00	\$0.00
SYSTEM EXPENSES	\$63,374.36	\$14,693.18	\$15,722.90	\$4,984.77	\$5,296.94
NPAC ALLOCATED SHARE - EXPENSE	\$20,337.62	\$14,086.71	\$14,410.70	\$14,756.56	\$15,125.48
INCREMENTAL OVERHEAD EXPENSE	\$66,266.34	\$31,440.70	\$24,138.10	\$0.00	\$0.00
LNP QUERY TOTAL INVESTMENT	\$3,133,765.86	\$527,185.97	\$184,414.13	\$5,140.20	\$5,268.71
LNP QUERY TOTAL EXPENSE	\$14,482,271.65	\$4,833,749.45	\$2,666,379.49	\$810,767.51	\$835,392.17
 <u>NET END-USER INVESTMENTS & EXPENSES</u>					
LNP END-USER NET TOTAL INVESTMENTS	\$48,927,311.42	\$7,880,883.70	\$4,100,273.16	\$76,840.69	\$78,761.71
LNP END-USER NET TOTAL EXPENSES	\$238,741,576.12	\$72,676,942.79	\$40,398,207.46	\$12,120,133.83	\$12,488,246.85

GTE
FCC CHART 2b
END-USER SURCHARGE REVENUE REQUIREMENT

	<u>1999</u>	<u>2000</u>	<u>YEAR</u> <u>2001</u>	<u>2002</u>	<u>2003</u>
<u>NET END-USER INVESTMENTS & EXPENSES</u>					
LNP END-USER NET TOTAL INVESTMENTS	\$48,927,311.42	\$7,880,883.70	\$4,100,273.16	\$76,840.69	\$78,761.71
LNP END-USER NET TOTAL EXPENSES	\$238,741,576.12	\$72,676,942.79	\$40,398,207.46	\$12,120,133.83	\$12,488,246.85
PRESENT WORTH FACTORS	0.89407	0.79935	0.71467	0.63897	0.57128
PRESENT WORTH INVESTMENTS	\$43,744,234.76	\$6,299,612.88	\$2,930,361.54	\$49,098.61	\$44,994.82
SUM OF PW INVESTMENTS	\$53,068,302.60				
<u>ANNUALIZED CAPITAL COSTS</u>					
AMORTIZATION	0.26241	\$13,925,530.93			
RETURN	0.00000	\$0.00			
TAXES					
Federal	0.02703	\$286,887.24			
State		\$0.00			
Property	0.00975	\$103,493.80			
Other		\$0.00			
TOTAL ANNUALIZED CAPITAL COSTS		\$14,315,911.98			
<u>ANNUALIZED EXPENSES</u>					
PRESENT WORTH EXPENSES		\$213,450,673.03	\$58,094,577.00	\$28,871,577.30	\$7,744,356
SUM OF PW EXPENSES		\$315,295,441.60			\$7,134,258
A/P FACTOR		0.26241			
TOTAL ANNUAL LEVELIZED EXPENSES		\$82,735,949.89			
SUM OF ANNUAL LEVELIZED COSTS		\$97,051,861.87			
<u>ACCESS LINES (From CHART 1)</u>					
ANNUAL LEVELIZED ACCESS LINES		21,360,136			
ANNUAL LEVELIZED SURCHARGE		\$4.5436			
(Annual Levelized Costs/Annual Levelized Lines)					
MONTHLY LEVELIZED SURCHARGE		\$0.3786			
(Annual Surcharge/12)					