

Attachment 1:

July 12, 2012 Email Content from Consolidated, Frontier and Windstream to WCB Staff

Q1. Should we/can we break out the SW and SP settlement?

A. Yes, we were able to breakout the switched access and special access settlement numbers based on the NECA AS3000L report. Please see revised schedule which incorporates these changes.

Special Access settlement % = AS3000L Line 48 Special Access Formula / AS3000L Line 53 Traffic Sensitive Basic Schedule

Switched Access settlement % = 1- Special Access settlement

Q2. Explain Uncollectibles in Column C

A. For Windstream and Frontier these are SW/SP revenues billed to carriers that have not been paid and are within the 24-month window and are therefore not written off at this point.

To come up with the Interstate past due balances for the past 24 months for Consolidated Communications, a spreadsheet was created using the interstate balances shown on CABS Balance Due report. The report is a system generated from the CABS billing system. Any balance listed on the report from the bill period July 2010 - June 2012 was entered on the spreadsheet. The final balance used for the access adjustments were all accounts that were more than 60 days past due. Most of these are in the 90 days or more category and have been past due for some time.

To make sure the balances were accurate the Remittance group was contacted to make sure all payments have been posted in the CABS billing system.

Q3. Does the TS Settlement @ 11.25% (prior column F) include Local Switching Support (LSS) revenues?

A. Yes, the NECA AS3060L Total Basic Schedule includes LSS revenues (new column E).

Q4. Should the Settlement (prior column G) exclude or include LSS support?

A. The SW Settlement @ 11.25% (new column G) now applies the SW percentage to the total SW/SP settlement and then excludes LSS.

Q5. How is the rate determined in the Proposed Avg Rate/Min (prior column L)

A. The total SW/SP Settlement is now split between Switched Access and Special Access settlements as reflected in the updated schedule.

Q6. Can we break out the information based on study area rather than total company?

A. Yes, the information is available, but would not be helpful given that there are no existing cost studies at the study area level due to the nature of average schedule computations, and therefore any figures would be entirely arbitrary. Given that uniform rates will be established for all study areas of a specific company, there is nothing to be gained from a breakout of these figures.

Sample Average Schedule to Price Cap Conversion Calculation
Based on 7/2011-4/2012 Period (Annualized)
(combined study area level)

Switched Access

Company	SW Billed	SW Adj	Total SW Billed	LSS Receipts	SW/SP Settlement @ 11.25%	% SW	SW Realized Revenue @ 11.25%	Net Recipient / (Contributor)
	A	B	C=A+B	D	E	F=1-S	G=E*F-D	H=G-C
Consolidated Comm.	3,881,382	(591,526)	3,289,856	744,624	9,732,389	31.3%	2,303,087	(986,769)
Frontier	16,909,075	(345,383)	16,563,692	1,450,896	31,496,020	42.3%	11,886,658	(4,677,034)
Windstream	4,047,968	(41,216)	4,006,752	1,885,404	12,411,444	40.4%	3,128,819	(877,933)
Source	NECA AS3060L sw_net_revenue	Uncollectibles that are not beyond the NECA 24-month window		NECA AS3060L local_switching_support	NECA AS3060L total_basic_schedule	1-(NECA AS3000L L48/L53)		

Company	SW Billed	Access Minutes	Current Average Rate/Min	Proposed Avg Rate/Min	Proposed SW Revenue	SW Percent Change
	I=A+B	J	K=I/J	L=M/J	M=G	N=M/I-1
Consolidated Comm.	3,289,856	159,637,815	0.0206	0.0144	2,303,087	-30.0%
Frontier	16,563,692	446,835,283	0.0371	0.0266	11,886,658	-28.2%
Windstream	4,006,752	188,694,478	0.0212	0.0166	3,128,819	-21.9%
Source	NECA AS3060L sw_net_revenue	NECA AS3060L sett_access_minutes				

Special Access

Company	SP Billed	SP Adj	Total SP Billed	SW/SP Settlement @ 11.25%	% SP	SP Realized Revenue @ 11.25%	Net Recipient / (Contributor)	SP Percent Change
	O	P	Q=O+P	R=E	S	T=R*S	U=T-Q	V=U/Q
Consolidated Comm.	9,523,001	(217,413)	9,305,588	9,732,389	68.7%	6,684,678	(2,620,910)	-28.2%
Frontier	25,554,558		25,554,558	31,496,020	57.7%	18,158,466	(7,396,092)	-28.9%
Windstream	10,613,900		10,613,900	12,411,444	59.6%	7,397,221	(3,216,680)	-30.3%
Source	NECA AS3060L sp_net_revenue	Uncollectibles that are not beyond the NECA 24-month window		NECA AS3060L total_basic_schedule	NECA AS3000L L48/L53			