

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**Communications Division
Carrier Oversight & Programs Branch**

**RESOLUTION T- 17427
December 19, 2013**

R E S O L U T I O N

Resolution T-17427. This Resolution Adopts \$34.259 Million in California High Cost Fund-A Support for Calendar Year 2014.

Summary

This Resolution adopts a total of \$34.259 million in California High Cost Fund-A (CHCF-A) support for Calendar Year (CY) 2014 to be disbursed to the following Small Incumbent Local Exchange Carriers (Small ILECs): 1) Calaveras; 2) Cal-Ore; 3) Ducor; 4) Foresthill; 5) Kerman; 6) Pinnacles; 7) Ponderosa; 8) Sierra; 9) Siskiyou; and 10) Volcano. Happy Valley, Hornitos, and Winterhaven did not request CHCF-A support.

The table below provides monthly and yearly CHCF-A support amounts that are authorized by this Resolution for the ten Small ILECs that requested CHCF-A support for CY 2014:

<u>Small Incumbent Local Exchange Carrier</u>	<u>Monthly Support</u>	<u>Yearly Support</u>
	<u>2014</u>	<u>2014</u>
Calaveras Telephone Company	\$203,200.00	\$2,438,399.95
Cal-Ore Telephone Company	\$100,617.81	\$1,207,413.71
Ducor Telephone Company	\$205,537.66	\$2,466,451.88
Foresthill Telephone Company	\$211,419.65	\$2,537,035.79
Kerman Telephone Company	\$305,174.25	\$3,662,090.97
Pinnacles Telephone Company	\$22,714.38	\$272,572.58
Ponderosa Telephone Company	\$381,186.68	\$4,574,240.14
Sierra Telephone Company	\$975,247.64	\$11,702,971.71
Siskiyou Telephone Company	\$193,549.00	\$2,322,587.99
Volcano Telephone Company	\$256,290.29	\$3,075,483.46
	\$2,854,937.36	\$34,259,248.18

This Resolution directs the Communications Division (CD) in concert with the Administrative Services Division (ASD) to issue the authorized support payments to each of Small ILECs on a monthly basis within 30 days after the close of each calendar month. The CY 2014 support payments are contingent on the availability of funds from the California Public Utilities Commission (Commission) and State adoption of the budgets covering the payments authorized for 2014 CHCF-A support.

Background

The California High Cost Fund (HCF) was implemented by Decision (D.) 88-07-022, and modified by D.91-05-016 and D.91-09-042, to provide a source of supplemental revenues to three mid-size and seventeen Small ILECs whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service. These decisions provided program guidelines, referred to as Implementation Rules, as well as an annual filing process to adjust straightforward and non-controversial program adjustments. Pacific Bell was appointed as the administrator of the fund and established a separate trust.

In D.96-10-066, the Commission changed the name of HCF to CHCF-A, and also created the California High Cost Fund-B (CHCF-B). This decision included Pacific Bell (now AT&T), GTE California Incorporated (now Verizon),¹ Roseville Telephone Company (now SureWest), and Citizens Telecommunications Company of California (now Frontier) in the CHCF-B for the purpose of determining universal service subsidy support and continued to maintain the CHCF-A for the 17 Small ILECs. This decision also directed the Commission to take over the administration of the CHCF-A from Pacific Bell.

In Resolution T-16092, the Commission approved the transfer of administrative control of the CHCF-A from Pacific Bell to the Commission effective January 1, 1998. In D.98-06-065, the Commission renamed the committee as California High Cost Fund-A AC and revised the governance of the CHCF-A consistent with State rules and procedures.

In October 1999, Public Utilities (PU) Codes §§ 270-281 were codified pursuant to the enactment of Senate Bill (SB) 669 (Stats. 1999, Chapter 677). Section 270(b) requires that the monies in the CHCF-A and five other funds be expended pursuant to §§ 270-281 and upon appropriation in the annual Budget Act. Since Fiscal Year (FY) 2001-02, the CHCF-A Fund expenditures have been authorized through the State's Annual Budget Act. PU Code § 275.6 requires the Commission to implement a program for universal service support to reduce any rate disparity in rural areas charged by Small telephone corporations that are subject to rate-of-return regulation by the Commission. PU Code § 275.6 has a sunset date that was extended by the Legislature to January 1, 2015.

¹ Verizon Telephone Company resulted from the merger of GTE of CA and GTE Contel.

In D.01-09-064, the Commission revised the charter of CHCFA-AC to conform to SB 669, and in D.02-04-059, the Commission established a three-member board for the CHCFA-AC. In D.08-10-010, the Commission authorized the consolidation of three Small ILECs: Citizens Telecommunications Company of Tuolumne, Citizens Telecommunications Company of the Golden State and Global Valley Networks, Inc. with the midsize ILEC of Citizens Telecommunications Company of California Inc., which is now known as Frontier and subject to the CHCF-B. The consolidation authorized by D.08-10-010 became effective on January 1, 2009, and therefore, reduced the total number of Small ILECs eligible for CHCF-A support from 17 to 14 Small ILECs.

Additionally, D.13-05-028 authorized the consolidation of Frontier Communications West Coast Inc. into the larger ILEC, Citizens Telecommunications Company of California Inc. doing business as Frontier Communications of California, reducing the number of Small ILECs from 14 to 13. Accordingly, 13 small ILECs now provide service in rural areas of California and are eligible for CHCF-A funding.

In D.10-02-016, the Commission reaffirmed that the 150% differential between Small ILECs rates and California urban rates is a threshold that must be met in order to qualify for CHCF-A funding. The Commission also held that the Small ILECs rates shall be fixed at the current level of \$20.25 per month, and that the rate shall remain in effect until the Commission issues a decision in the ongoing CHCF-A Order Instituting Rulemaking.

Between September and November, 2013, the 13 Small ILECs made their annual CHCF-A advice letter filings and adjusted filings in accordance with D.91-09-042. Ten of the 13 Small ILECs requested a total CY 2014 CHCF-A support of approximately \$36.868 million.

The following provides a summary of the advice letter filings of the 13 Small ILECs:

BY ADVICE LETTER NO.	FILED BY:	DATE FILED:
338	Calaveras Telephone Company (Calaveras)	9/30/13
355	California-Oregon Telephone Company (Cal-Ore)	9/30/13
353	Ducor Telephone Company (Ducor)	9/30/13
320	Foresthill Telephone Company (Foresthill)	9/30/13
342	Happy Valley Telephone Company (Happy Valley)	9/30/13
313	Hornitos Telephone Company (Hornitos)	9/30/13
396A	Kerman Telephone Company (Kerman)	11/1/13
260	Pinnacles Telephone Company (Pinnacles)	9/30/13
432	The Ponderosa Telephone Company (Ponderosa)	9/30/13

421A	Sierra Telephone Company	(Sierra)	10/1/13
391	Siskiyou Telephone Company	(Siskiyou)	9/25/13
380	Volcano Telephone Company	(Volcano)	9/30/13
236	Winterhaven Telephone Company	(Winterhaven)	9/30/13

Notice/Protests

The 13 Small ILECs' 2014 CHCF-A advice letter filings appeared in the Commission's Daily Calendar in October and November 2013.

On October 30, 2013, Office of Ratepayer Advocates (ORA) filed late protests to Calaveras' AL 338, Cal-Ore's AL 355, Ducor's AL 353, Kerman's AL 396, Pinnacles' AL 260, Ponderosa's AL 432, Sierra's AL 421A and Siskiyou's AL 391. ORA asserts that these carriers did not provide sufficient details or explanations regarding how they calculated their support adjustments and that the respective carriers did not provide citations to the authorizing decisions or resolutions. Additionally, ORA asserts that general rate case (GRC) expenses should be handled through a venue other than the annual CHCF-A advice letter process.

On November 8, 2013, the Small ILECs filed a reply to ORA's late protests. The Small ILECs assert that ORA's protests were unjustifiably filed late with no excuse or explanation offered. The Small ILECs also assert that ORA's protest did not present valid grounds for protesting as required in Rule 7.4.2 of G.O. 96. CD has evaluated ORA's protests and the Small ILECs' concern about late protest filings. CD accepts the late-filed protests in order to have a more complete record, but reminds ORA that it should file protests on a timely basis in the future.

We have reviewed ORA's protest and find its arguments unpersuasive. ORA could have requested a detailed copy of CHCF-A support adjustments when the Small ILECs filed their annual October 1 advice letters. CD made such a request and received the information and we are not persuaded that fault should be placed with the Small ILECs. We will, however, recommend that each Small ILEC provide a copy of the detailed adjustment and support calculations to CD and ORA concurrently with the annual AL filing on a going forward basis. The Small ILECs should also provide the source numbers from the National Exchange Carrier Association (NECA) and the Federal Communications Commission (FCC) to ORA and CD.

With respect to ORA's concerns regarding the Small ILECs' compliance with calculating Lifeline and GRC reimbursements and justifying requests that meet regulatory changes, we address these concerns below in Section A. Accordingly, as the Small ILECs provided CD with detailed calculations regarding their respective CHCF-A fund support requests, CD addresses these adjustments in Section A.

Discussion

Ten of the Small ILECs requested a total of \$36.868 million in CHCF-A support for Calendar Year 2014. CD approves and recommends a total of \$34.259 million for reasons discussed below in Section A. The specific authorized amounts and the calculations for each of the Small ILECs are provided in Section B below (CHCF-A Support Summary by Carrier) of this Resolution.

A. 2014 CHCF-A Rules and Orders Considered

CD reviewed the advice letter filings made by the Small ILECs in connection with the CY 2014 CHCF-A revenue requirements and revised their requests. The \$2.609 million differential between the cumulative request of \$36.868 million and the recommended CHCF-A support of \$34.259 million is attributed to the final Net Interstate Expense Adjustment data that was provided by NECA and other adjustments due to FCC and Commission Decisions and rulings.

CD's recommended amount is also based on the following FCC and Commission rulings and decisions:

GRCs

On December 28, 2011 Kerman submitted a GRC application in A.11-12-011. The Commission's D.12-12-003 in this proceeding rejected a Joint Motion for Adoption of All-Party Settlement Agreement between Kerman and ORA. Subsequently, D.13-10-051 adopted a one-year freeze of A.11-12-011, retroactive to January 1 through December 31, 2013, and also adopted a one-year freeze of Kerman's "waterfall" (associated with CHCF-A funding levels between a small ILEC's GRC filing dates as described later this section) to December 31, 2013.

At the same time, the Commission separately reviewed the CHCF-A program in R.11-11-007. In D.13-02-005, the Commission stayed the waterfall mechanism (and associated pending GRC applications) subject to a one-year freeze for all of the Small ILECs except for Kerman. The stay is retroactive to January 1, 2013 and extends to December 31, 2013. The decision states that parties may seek a six-month freeze extension to June 30, 2014 if it appears that the CHCF-A review will not be concluded by December 31, 2013 and may seek another six-month freeze extension to December 31, 2014 if necessary.

Means Test

Section B of the Implementation Rules in D.91-09-042 requires that each CHCF-A support request be subject to a means test, i.e. the Small ILECs CHCF-A support is limited to forecasted intrastate results of operations not to exceed the Small ILECs authorized rate of return. The forecasted earnings must be based on at least seven months of recorded financial data, annualized for the year that the advice letter is filed. D. 91-09-042 also provides that the means test is not required in determining a Small ILEC’s CHCF-A funding 12 months after a decision or resolution is rendered by the Commission in a GRC proceeding.

Waterfall

Pursuant to the Implementation Rules in D.91-09-042, the phase-down of the CHCF-A funding level is reinitiated effective January 1 following the year after the completion of a Small ILEC’s GRC, and follows a six-year course. A Small ILEC’s CHCF-A funding level remains at 100% for the first 3 years after GRC completion; the funding level is then reduced to 80% during the fourth year if no subsequent GRC application is submitted. The funding level then drops to 50% during the fifth year if no GRC application is submitted, and the funding level is further reduced to 0% during the sixth year. This 6-year phase down of funding level is known as the Waterfall.

The funding levels for the 13 Small ILECs for 2014 are summarized below:

	<u>Small ILEC</u>	<u>GRC Test Year</u>	<u>2014</u>	
Sierra and	Calaveras	2009	100%	Volcano did not December 31, accordingly, remains at 80%. Hornitos and are not entitled because the pursuant to the waterfall criteria 0%. They also requested any the A fund. <u>Interstate</u> <u>Adjustment</u> the Implementation 09-042 authorizes
file a GRC by	Cal-Ore	2009	100%	
2011, and	Ducor	2009	100%	
their waterfall	Foresthill	2012	100%	
Happy Valley,	Happy Valley	1997	0%	
Winterhaven	Hornitos	1997	0%	
to any support	Kerman	2008	100%	
funding level	Pinnacles	2009	100%	
CHCF-A	Ponderosa	2009	100%	
has reached	Sierra	2008	80%	
have not	Siskiyou	2011	100%	
support from	Volcano	2008	80%	
	Winterhaven	1997	0%	
<u>Net</u>				
<u>Expense</u>				
Section B of				
Rules in D.91-				

the Small ILECs to include the changes of their federal Universal Service Fund (USF) funding in the annual CHCF-A filings. Under Resolution T-16117, the change of USF funding level must be determined for each carrier by the difference between the forecasted USF support for the current year and the forecasted USF support for the coming year. The current year's forecasted USF support is the amount adopted by the Commission for the current year CHCF-A revenue requirement. The coming year's forecasted USF is the amount projected by NECA, the administrator of USF.²

In response to the NECA funding changes, each carrier's CHCF-A calendar year 2014 support has been adjusted by incorporating final NECA adjustment data in the means test, as described in Section B, titled "CHCF-A Support Summary by Carrier."

Revenue Effect Associated with Connect America Fund - Intercarrier Compensation

The FCC's Connect America Fund appeared in the Federal Register, Vol. 76, No. 229, page 73830 on Tuesday, November 29, 2011. In part 39, "For rate-of-return carriers, recovery will be calculated initially based on rate-of-return carriers' fiscal year 2011 interstate switched access revenue requirement, intrastate access revenues that are being reformed as part of this Order, and net reciprocal compensation revenues. This baseline will decline at five percent annually..."

Revenue Effect Associated with Connect America Fund - High Cost Loop Support for Capital Expenditures and Operating Expenses

The FCC's Sixth Order on Reconsideration and Memorandum Opinion and Order appeared in the Federal Register, Vol.78, No.53, page 16808 on Tuesday, March 19, 2013. The FCC, for 2013, will use two regressions to determine caps on capital expenditures and operations expense. Those two caps will be added together to establish a new limit on total unseparated loop costs for purposes of determining High Cost Loop Support.

Additionally, the FCC upholds the rule that support in excess of \$250 per line per month will no longer be provided to any carrier. Support reductions are now phased-in over three years for carriers currently above the cap, effective July 1, 2012.

Revenue Effect Associated with California Lifeline Decision 10-11-003

D.10-11-003 modified the California *Lifeline* program. In relation to the Small ILECs, the decision limited the amount carriers can receive for administration and bad debt losses. The Small ILECs are reimbursed for their administrative expenses at up to \$0.50 per weighted average customer count as provided monthly by the California *Lifeline*

² Data used is the NECA projected 2014 USF Payments provided by NECA on October 1, 2013.

Administrator until their next GRC. CD staff has reviewed the detail of each ILEC's *Lifeline*-associated reimbursement request and finds these amounts reasonable.

Revenue Effect Associated with GRC Modification

As part of their 2014 annual CHCF-A advice letter filings, Calaveras and Ducor have included proposed modifications to their 2014 CHCF-A support. These carriers are requesting modification to their support for items that are currently pending in ongoing Applications for Rehearing filed in response to their GRCs for Test Year 2009. Since these items are currently being reviewed and considered by the Commission in the formal proceedings discussed above, we will not address them here in this Resolution. After the Commission issues a decision in these formal proceedings, CD will make the necessary adjustments to the carriers' CHCF-A support. These proceedings are expected to be completed in early 2014.

B. CHCF-A Support Summary by Carrier

CD reviewed the advice letter filings made by the 13 Small ILECs in connection with CY 2014 CHCF-A payment requirements. Program support and rate designs for each of the 13 Small ILECs are summarized below. The detailed tables showing the CHCF-A support for the 13 Small ILECs are itemized in Appendix A.

Calaveras, Page 1 of Appendix A

Calaveras has a CY 2014 CHCF-A revenue requirement of \$2,438,399.95 (at Line 6, Page A-1 of Appendix A). After the means test, Calaveras will receive \$2,438,399.95 (at Line 11, Page A-1 of Appendix A). Thus, Calaveras should receive monthly CHCF-A support in the amount of \$203,200, i.e. one-twelfth of \$2,438,399.95 for January through December 2014.

Cal-Ore, Page 2 of Appendix A

Cal-Ore has a CY 2014 CHCF-A revenue requirement of \$1,207,413.71 (at Line 6, Page A-2 of Appendix A). After the means test, Cal-Ore has a revenue requirement of \$1,207,413.71 (at Line 11, Page A-2 of Appendix A). Thus, Cal-Ore should receive monthly CHCF-A support in the amount of \$100,617.81, i.e. one-twelfth of \$1,207,413.71, for January through December 2014.

Ducor, Page 3 of Appendix A

Ducor has a CY 2014 CHCF-A revenue requirement of \$2,595,525.05 (at Line 6, Page A-3 of Appendix A). After the means test, Ducor has a revenue requirement of \$2,466,451.88 (at Line 11, Page A-3 of Appendix A). Thus, Ducor should receive monthly CHCF-A support in the amount of \$205,537.66, i.e. one-twelfth of \$2,466,451.88 for January through December 2014.

Foresthill, Page 4 of Appendix A

Foresthill has a CY 2014 CHCF-A revenue requirement of \$2,537,035.79 (at Line 6, Page A-4 of Appendix A). After the means test, Foresthill has a revenue requirement of \$2,537,035.79 (at Line 11, Page A-4 of Appendix A). Thus, Foresthill should receive monthly CHCF-A support in the amount of \$211,419.65, i.e. one-twelfth of \$2,537,035.79 for January through December 2014.

Happy Valley, Page 5 of Appendix A

Happy Valley has a CY 2014 CHCF-A revenue requirement of \$2,800,875.27 (at Line 6, Page A-5 of Appendix A). In its advice letter, Happy Valley stated that it not requesting a draw from the CHCF-A. Thus, Happy Valley will not receive any CHCF-A support for CY 2014.

Hornitos, Page 6 of Appendix A

Hornitos, has a CY 2014 CHCF-A revenue requirement of \$570,464 (at Line 6, Page A-6 of Appendix A). In its advice letter, Hornitos stated that it is not requesting a draw from the CHCF-A. Thus, Hornitos will not receive any CHCF-A support for CY 2014.

Kerman, Page 7 of Appendix A

Kerman has a CY 2014 CHCF-A revenue requirement of \$3,662,090.97 (at Line 6, Page A-7 of Appendix A). After the means test, Kerman has a CY 2014 revenue requirement of \$3,662,090.97 (at Line 11, Page A-7 of Appendix A). Thus, Kerman should receive monthly CHCF-A support in the amount of \$305,174.25, i.e. one-twelfth of \$3,662,090.97, for January through December 2014.

Pinnacles, Page 8 of Appendix A

Pinnacles has a CY 2014 CHCF-A revenue requirement of \$377,720.83 (at Line 6, Page A-8 of Appendix A). After the means test, Pinnacles has a CY 2014 revenue requirement of \$272,572.58 (at Line 11, Page A-8 of Appendix A). Thus, Pinnacles should receive monthly CHCF-A support in the amount of \$22,714.38, i.e. one-twelfth of \$272,572.58, for January through December 2014.

Ponderosa, Page 9 of Appendix A

Ponderosa has a CY 2014 CHCF-A revenue requirement of \$4,574,240.14 (at Line 6, Page A-9 of Appendix A). After the means test, Pinnacles has a CY 2014 revenue requirement of \$4,574,240.14 (at Line 11, Page A-9 of Appendix A). Thus, Pinnacles should receive monthly CHCF-A support in the amount of \$381,186.68, i.e. one-twelfth of \$4,574,240.14, for January through December 2014.

Sierra, Page 10 of Appendix A

Sierra has a CY 2014 CHCF-A revenue requirement of \$15,850,737.92 (at Line 6, Page A-10 of Appendix A). After the means test Sierra's revenue requirement is \$14,628,714.64 (at Line 11, Page A-10 of Appendix A). Sierra's waterfall will remain at 80% for CY 2014; therefore, its revenue requirement after incorporating the waterfall calculation is \$11,702,971.71 (at Line 13, Page A-10 of Appendix A). Thus, Sierra should receive monthly CHCF-A support in the amount of \$975,247.64, i.e. one-twelfth of \$11,702,971.71, for January through December 2014.

Siskiyou, Page 11 of Appendix A

Siskiyou has a CY 2014 CHCF-A revenue requirement of \$2,322,587.99 (at Line 6, Page A-11 of Appendix A). After the means test, Siskiyou has a CY 2014 revenue requirement of \$2,322,587.99 (at Line 11, Page A-11 of Appendix A). Thus, Siskiyou should receive monthly CHCF-A support in the amount of \$193,549, i.e. one-twelfth of \$2,322,587.99, for January through December 2014.

Volcano, Page 12 of Appendix A

Volcano has a CY 2014 CHCF-A revenue requirement of \$4,005,322.05 (at Line 6, Page A-12 of Appendix A). After the means test Volcano's revenue requirement is \$3,844,354.32 (at Line 11, Page A-12 of Appendix A). Volcano's waterfall will remain at 80% for CY 2014; therefore, its revenue requirement after incorporating the waterfall calculation is \$3,075,483.46 (at Line 13, Page A-12 of Appendix A). Thus, Volcano should receive monthly CHCF-A support in the amount of \$256,290.29, i.e. one-twelfth of \$3,075,483.46, for January through December 2014.

Winterhaven, Page 13 of Appendix A

Winterhaven has a CY 2014 CHCF-A revenue requirement of \$179,442.17 (at Line 6, Page A-13 of Appendix A). In its advice letter, Winterhaven stated that it is not requesting a draw from the CHCF-A. Thus, Winterhaven will not receive any CHCF-A support for CY 2014.

Appendix A Summation

As shown in Appendix A, the total approved CY 2014 CHCF-A draw for Calaveras, Cal-Ore, Ducor, Foresthill, Happy Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, Volcano, and Winterhaven is \$34,259,248.18. The Commission finds CD's recommended CHCF-A support amounts for the 13 Small ILECs for CY 2014 to be reasonable.

CD, in concert with the Administrative Services Division, shall make the monthly support payments within 30 days after the close of each calendar month.³ In the event that the monthly support payments due to the Small ILECs are not paid within 30 days after the close of each calendar month, CD shall include in those payments interest equal to the 3-month commercial paper rate.

C. CHCF-A Budget for Fiscal Year (FY) 2013-14 and FY 2014-15

The Commission adopted \$43.803 million for FY 2013-14 (Resolution T-17373) and \$39.312 million for FY 2014-15 (Resolution T-17400) for program budgets. Of the budgeted amounts, \$42.704 million and \$37.838 million have been allocated as program payments to the Small ILECs for FY 2013-14 and FY 2014-15, respectively. There are sufficient funds in both the FY2013-14 and FY 2014-15 budgets to cover CY 2014 CHCF-A support payments to the Small ILECs.

Safety Considerations

It is the carrier's responsibility to adhere to all Commission rules, decisions, General Orders and statutes including Public Utilities Code § 451 to take all actions "...necessary to promote the safety, health, comfort and convenience of its patrons, employees, and the public." The CHCF-A program helps to promote universal service in remote rural areas by subsidizing telephone rates, which enhances the safety of customers in those areas by providing access to 911 and other emergency services.

Comments on Draft Resolution

In compliance with PU Code § 311(g), the Commission e-mailed on November 19, 2013, a notice letter informing the 13 Small ILECs, CHCFA-AC, parties of record in Rulemaking 01-08-002 and parties on the service list of Application 99-09-044 of the availability of this draft Resolution for comments, as well as the availability of the conformed resolution, if adopted by the Commission, on the Commission's website www.cpuc.ca.gov.

On December 4, 2013, ORA filed comments on the draft Resolution. ORA asserts their support for the draft Resolution but requests the Resolution specify that the CHCF-A support for CY 2014 is conditional pending the outcome of the CHCF-A review, Order Instituting Rulemaking (R.) 11-11-007. In addition, ORA supports the requirement in Findings and Conclusions 14 and Ordering Paragraph 5 that the Small ILECs shall provide documentation for all adjustments to ORA concurrently with the annual CHCF-A advice letter process. ORA also supports CD's recommendation to not

³ The January 2014 monthly support will be paid in February 2014 the December 2014 monthly support will be paid in January 2015.

address the pending Applications for Rehearing for Calaveras and Ducor in this draft Resolution.

On December 4, 2013, the Small ILECs commented on the draft Resolution. The Small ILECs assert their support for the rejection of ORA's protest filed on October 30, 2013, by stating that ORA never made an attempt to obtain backup data from the Small ILECs. The Small ILECs state that CD has since provided the adjustment support to ORA, and ORA now has this documentation to follow each of the proposed adjustments. The Small ILECs also pointed to an error in footnote two on page seven where 2013 should be changed to 2014.

The Small ILECs also noted in comments that a missing component of the means test calculation may overstate the amount of CHCF-A support to be distributed to certain companies. The Net Income After Tax amount utilized in the means test formula omitted the impact of "fixed charges" on the income tax calculation. Separately, the Small ILECs stated that the means test for Sierra should have included a number that was updated in its revised AL 421-A.

On December 9, 2013, the Small ILECs filed reply comments addressing ORA's opening comments. The Small ILECs assert ORA's grounds for protest of the CHCF-A AL's has been resolved. In addition, the Small ILECs understand and agree with ORA that the Calaveras and Ducor Application for Rehearing items cannot be addressed in the draft Resolution as these matters remain pending before the Commission. The Small ILECs also assert that ORA's request to make the draft Resolution conditional pending the outcome of R.11-11-007 is misplaced and should be rejected. Additionally, the Small ILECs state that it could be an unlawful attempt to create a retroactive ratemaking mechanism as to CHCF-A funding.

After reviewing the comments on the draft resolution, CD incorporated the correction to footnote two on page seven and changed 2013 to 2014. Additionally, CD has updated the draft Resolution to include the effect of fixed charges on the income tax calculation in the means test for Ducor, Sierra and Volcano in their CY 2014 support. Also, CD has updated the Sierra means test to include the most current number from their AL 421-A. This reduced total CY 2014 CHCF-A support by an additional \$1.164 million. CD recommends that the Small ILECs include a calculation of the impact of fixed charges on the income tax calculation in future annual October 1 advice letter filings.

CD also concurs with the Small ILECs that the draft Resolution should not contain language making the CY 2014 CHCF-A funding conditional pending the outcome of R.11-11-007. Hence, the draft resolution was not altered to make funding conditional to the outcome of R.11-11-007.

Findings and Conclusions

1. The California High Cost Fund (HCF) was adopted in (D.) 88-07-022, and modified by D.91-05-016 and D.91-09-042.
2. The purpose of the HCF was to provide a source of supplemental revenues to three mid-size Incumbent Local Exchange Carriers (ILECs) and seventeen Small ILECs whose basic exchange access line service rates would otherwise be increased to levels that would threaten federal universal service.
3. In October 1999, Public Utilities (PU) Codes §§ 270-281 were codified by the enactment of Senate Bill 669.
4. Public Utilities Code § 270(b) requires that the money appropriated from the CHCF-A fund be used only for the purpose of the program and upon appropriation in the annual Budget Act.
5. Public Utilities Code § 275.6 was amended to extend the CHCF-A program to January 1, 2015.
6. In D.08-10-010, the California Public Utilities Commission (Commission) authorized the consolidation of three Small ILECs: Citizens Telecommunications Company of Tuolumne, Citizens Telecommunications Company of the Golden State and Global Valley Networks, Inc. with the midsize ILEC of Citizens Telecommunications Company of California Inc., which is now known as Frontier. This consolidation became effective on January 1, 2009 and reduced the total number of Small ILECs eligible for CHCF-A support from 17 to 14.
7. In D.13-05-028, the Commission authorized the consolidation of Frontier Communications West Coast Inc., into the larger ILEC, Citizens Telecommunications Company of California Inc. doing business as Frontier Communications of California, reducing the total number of Small ILECs from 14 to 13.
8. In D.10-02-016, the Commission reaffirmed that the 150% differential between Small ILEC rates and California urban rates is a threshold that must be met to qualify for CHCF-A funding.
9. In D.10-02-016, the Commission held that the Small ILECs rates shall be fixed at the maximum \$20.25 per month and remain in effect until the Commission issues a decision in the CHCF-A Order Instituting Rulemaking.
10. The 13 Small ILECs 2013 CHCF-A advice letter filings appeared in the Commission's Daily Calendar in October and November 2013.

11. On October 30, 2013, Office of Ratepayer Advocates (ORA) filed late protests to Calaveras' Advice Letter (AL) 338, Cal-Ore's AL 355, Ducor's AL 353, Kerman's AL 396, Pinnacles AL 260, Ponderosa's AL 432, Sierra's AL 421A and Siskiyou's AL 391.
12. On November 8, 2013, the Small ILECs filed a reply to the ORA protests.
13. Communications Division (CD) accepted ORA's late-filed protests in order to have a more complete record.
14. The Small ILECs should provide a copy of detailed adjustments and support calculations, and source numbers from National Exchange Carrier Association (NECA) and Federal Communications Commission (FCC) to CD and ORA concurrently with their annual October 1 advice letter filings.
15. Communications Division reviewed the filings made by the 13 Small ILECs in connection with the 2014 CHCF-A payment requirements.
16. The differential between the cumulative request of \$36.868 million and recommended CHCF-A support of \$34.259 million is attributed to updated estimates of the Net Interstate Expense Adjustment as provided by the NECA and other adjustments by the FCC or the Commission.
17. As part of their calendar year 2014 annual CHCF-A advice letter filings, Calaveras Telephone Company (Calaveras) and Ducor Telephone Company (Ducor) included modifications to their test year 2009 General Rate Cases (GRC). These modification requests are not addressed in the Resolution because they are being addressed in their respective proceedings and are expected to be resolved in early 2014.
18. The total approved calendar year 2014 CHCF-A draw for Calaveras, Cal-Ore Telephone Company, Ducor, Foresthill Telephone Company, Happy Valley Telephone Company, Hornitos Telephone Company, Kerman Telephone Company, Pinnacles Telephone Company, Ponderosa Telephone Company, Sierra Telephone Company, Siskiyou Telephone Company, Volcano Telephone Company, and Winterhaven Telephone Company is \$34,259,248.18.
19. The monthly support payments for January 2014 through December 2014 are to be paid by the CD in concert with the Administrative Services Division within 30 days after the close of each calendar month subject to the availability of CHCF-A funds and State adoption of the budgets covering the payment of the calendar year 2014 CHCF-A support.
20. In the event that the monthly support payments due the Small ILECs are not paid within 30 days after the close of each calendar month, CD should include in those payments interest equal to the 3-month commercial paper rate.
21. In Resolution T- 17373, the Commission adopted CHCF-A program budget of \$43.803 million for Fiscal Year (FY) 2013-14.
22. In Resolution T-17400, the Commission adopted CHCF-A program of budget \$39.312 million FY 2014-2015.

23. There are adequate funds from the FY 2013-14 and FY 2014-15 budgets to cover calendar year 2014 CHCF-A support payments to the Small ILECs.
24. CD's recommended CHCF-A support for each of the 13 Small ILECs as summarized in Appendix A of this Resolution is reasonable and should be adopted.
25. The CHCF-A program helps to promote universal service in remote rural areas by subsidizing telephone rates, which enhances the safety of customers in those areas by providing access to 911 and other emergency services.
26. In compliance with PU Code § 311(g), the Commission e-mailed on November 19, 2013, a notice letter informing the 13 Small ILECs, CHCFA-AC, parties of record in Rulemaking 01-08-002 and parties on the service list of Application 99-09-044 of the availability of this draft Resolution for comments, as well as the availability of the conformed resolution, if adopted by the Commission, on the Commission's website at www.cpuc.ca.gov.
27. On December 4, 2013, Office of Ratepayer Advocates and the Small ILECs filed comments on the draft Resolution.
28. On December 9, 2013, the Small ILECs filed reply comments addressing Office of Ratepayer Advocates comments filed December 4, 2013.
29. CD recommends that each Small ILECs include a calculation of the impact of fixed charges on the income tax calculation as part of the means test calculation in the future annual October 1 advice letter filings.

THEREFORE, IT IS ORDERED that:

1. The respective California High Cost Fund-A support for each of the 13 Small Incumbent Local Exchange Carriers, as described in this Resolution and summarized in Appendix A of this Resolution, is adopted.
2. The total approved California High Cost Fund-A support of \$34.259 million for the Small Incumbent Local Exchange Carriers for Calendar Year 2014 is itemized below:

<u>Small Incumbent Local Exchange Carrier</u>	<u>Monthly Support</u>	<u>Yearly Support</u>
	<u>2014</u>	<u>2014</u>
Calaveras Telephone Company	\$203,200.00	\$2,438,399.95
Cal-Ore Telephone Company	\$100,617.81	\$1,207,413.71
Ducor Telephone Company	\$205,537.66	\$2,466,451.88
Foresthill Telephone Company	\$211,419.65	\$2,537,035.79
Kerman Telephone Company	\$305,174.25	\$3,662,090.97
Pinnacles Telephone Company	\$22,714.38	\$272,572.58
Ponderosa Telephone Company	\$381,186.68	\$4,574,240.14
Sierra Telephone Company	\$975,247.64	\$11,702,971.71
Siskiyou Telephone Company	\$193,549.00	\$2,322,587.99
Volcano Telephone Company	\$256,290.29	\$3,075,483.46
	\$2,854,937.36	\$34,259,248.18

3. Communications Division, in concert with the Administrative Services Division, shall pay the monthly support payments for January 2014 through December 2014 within 30 days after the close of each calendar month. Late payments shall accrue interest at 3-month commercial paper rate.
4. The program support payments totaling \$34,259,248.18 for the 13 Small Incumbent Local Exchange Carriers shall be paid out of the California High Cost Fund-A.
5. The Small Incumbent Local Exchange Carriers shall provide a copy of detailed adjustments and support calculations, and source numbers from National Exchange Carrier Association and Federal Communications Commission to Communications Division and Office of Ratepayer Advocates concurrently in the annual October 1 advice letter filings.
6. The Small Incumbent Local Exchange Carriers shall provide a calculation of fixed charges, to be included as part of the means test calculation, in the annual October 1 advice letter filings.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on December 19, 2013. The following Commissioners approved it:

PAUL CLANON
Executive Director

APPENDIX A
Resolution T- 17427

Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Calaveras	Staff	Commission
	AL 338	Proposed	Adopted
1 2013 CHCF-A Requirement	\$2,144,433.94	\$2,144,433.94	\$2,144,433.94
(Resolution T-17385, Appendix A line 8)			
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	(\$24,037.37)	(\$24,037.37)	(\$24,037.37)
a FCC National Broadband Plan	(\$3,077.30)	(\$3,077.30)	(\$3,077.30)
b Lifeline Reimbursement	(\$20,960.07)	(\$20,960.07)	(\$20,960.07)
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$696,975.93	\$40,905.93	\$40,905.93
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$40,905.93	\$40,905.93	\$40,905.93
c GRC Rehearing	\$656,070.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$136,914.70	\$5,700.70	\$5,700.70
a FCC National Broadband Plan	\$5,700.70	\$5,700.70	\$5,700.70
b GRC Rehearing	\$131,214.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$2,257,523.47	\$2,257,523.47	\$2,257,523.47
b Projected Year 2014 USF (Per NECA.)	(\$1,986,126.72)	(\$1,986,126.72)	(\$1,986,126.72)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$271,396.75	\$271,396.75	\$271,396.75
6 2014 CHCF-A Revenue Requirement	\$3,225,683.95	\$2,438,399.95	\$2,438,399.95
(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2014 Revenue Requirement	\$3,225,683.95	\$2,438,399.95	\$2,438,399.95
(Beginning CHCF-A Revenue Requirement for 2013)			
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$3,225,683.95	\$2,438,399.95	\$2,438,399.95
11 2014 Revenue Requirement after Means Test	\$3,225,683.95	\$2,438,399.95	\$2,438,399.95
12 Waterfall effect	100.00%	100.00%	100.00%
13 2014 Revenue Requirement after Waterfall	\$3,225,683.95	\$2,438,399.95	\$2,438,399.95
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$3,225,683.95	\$2,438,399.95	\$2,438,399.95
16 Monthly Payment for Periods Jan - Dec 2014	\$268,807.00	\$203,200.00	\$203,200.00
(Line 16/12)			

APPENDIX A
Resolution T- 17427

Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Cal-Ore	Staff	Commission
	AL 355	Proposed	Adopted
1 2013 CHCF-A Requirement	\$1,442,926.09	\$1,442,926.09	\$1,442,926.09
(Resolution T-17385, Appendix A line 8)			
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	(\$720.70)	(\$720.70)	(\$720.70)
a FCC National Broadband Plan	(\$720.70)	(\$720.70)	(\$720.70)
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$31,145.88	\$31,047.87	\$31,047.87
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$1,250.23	\$1,250.23	\$1,250.23
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$29,895.65	\$29,797.64	\$29,797.64
c GRC Rehearing	\$0.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$7,387.91	\$7,387.91	\$7,387.91
a FCC National Broadband Plan	\$7,387.91	\$7,387.91	\$7,387.91
b GRC Rehearing	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$538,799.68	\$538,799.68	\$538,799.68
b Projected Year 2014 USF (Per NECA.)	(\$812,027.14)	(\$812,027.14)	(\$812,027.14)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$273,227.46)	(\$273,227.46)	(\$273,227.46)
6 2014 CHCF-A Revenue Requirement	\$1,207,511.72	\$1,207,413.71	\$1,207,413.71
(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2014 Revenue Requirement	\$1,207,511.72	\$1,207,413.71	\$1,207,413.71
(Beginning CHCF-A Revenue Requirement for 2013)			
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$1,207,511.72	\$1,207,413.71	\$1,207,413.71
11 2014 Revenue Requirement after Means Test	\$1,207,511.72	\$1,207,413.71	\$1,207,413.71
12 Waterfall effect	100.00%	100.00%	100.00%
13 2014 Revenue Requirement after Waterfall	\$1,207,511.72	\$1,207,413.71	\$1,207,413.71
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$1,207,511.72	\$1,207,413.71	\$1,207,413.71
16 Monthly Payment for Periods Jan - Dec 2014	\$100,625.98	\$100,617.81	\$100,617.81
(Line 16/12)			

APPENDIX A
Resolution T- 17427

Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Ducor AL 353	Staff Proposed	Commission Adopted
1 2013 CHCF-A Requirement (Resolution T-17385, Appendix A line 8)	\$2,602,769.90	\$2,602,769.90	\$2,602,769.90
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	(\$5,035.33)	(\$5,305.33)	(\$5,305.33)
a FCC National Broadband Plan	(\$3,390.60)	(\$3,390.60)	(\$3,390.60)
b Lifeline Reimbursement	(\$1,644.73)	(\$1,914.73)	(\$1,914.73)
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$893,942.93	\$24,460.64	\$24,460.64
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$24,460.64	\$24,460.64	\$24,460.64
c GRC Rehearing	\$869,482.29	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$169,444.09	\$6,281.09	\$6,281.09
a FCC National Broadband Plan	\$6,281.09	\$6,281.09	\$6,281.09
b GRC Rehearing	\$163,163.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$841,732.50	\$841,732.50	\$841,732.50
b Projected Year 2014 USF (Per NECA.)	(\$874,413.75)	(\$874,413.75)	(\$874,413.75)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$32,681.25)	(\$32,681.25)	(\$32,681.25)
6 2014 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$3,628,440.34	\$2,595,525.05	\$2,595,525.05
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2014 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2013)	\$3,628,440.34	\$2,595,525.05	\$2,595,525.05
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$3,628,440.34	\$2,595,525.05	\$2,595,525.05
11 2014 Revenue Requirement after Means Test	\$3,387,909.60	\$2,466,451.88	\$2,466,451.88
12 Waterfall effect	100.00%	100.00%	100.00%
13 2014 Revenue Requirement after Waterfall	\$3,387,909.60	\$2,466,451.88	\$2,466,451.88
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$3,387,909.60	\$2,466,451.88	\$2,466,451.88
16 Monthly Payment for Periods Jan - Dec 2014 (Line 16/12)	\$282,325.80	\$205,537.66	\$205,537.66

APPENDIX A
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Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Foresthill AL 320	Staff Proposed	Commission Adopted
1 2013 CHCF-A Requirement	\$2,550,909.41	\$2,550,909.41	\$2,550,909.41
(Resolution T-17385, Appendix A line 8)			
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	(\$3,528.00)	(\$3,528.00)	(\$3,528.00)
a FCC National Broadband Plan	(\$3,528.00)	(\$3,528.00)	(\$3,528.00)
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$0.00	\$0.00	\$0.00
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$6,535.00	\$6,535.00	\$6,535.00
a FCC National Broadband Plan	\$6,535.00	\$6,535.00	\$6,535.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$1,867,435.59	\$1,867,435.59	\$1,867,435.59
b Projected Year 2014 USF (Per NECA.)	(\$1,884,316.00)	(\$1,884,316.21)	(\$1,884,316.21)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$16,880.41)	(\$16,880.62)	(\$16,880.62)
6 2014 CHCF-A Revenue Requirement	\$2,537,036.00	\$2,537,035.79	\$2,537,035.79
(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2014 Revenue Requirement	\$2,537,036.00	\$2,537,035.79	\$2,537,035.79
(Beginning CHCF-A Revenue Requirement for 2013)			
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$2,537,036.00	\$2,537,035.79	\$2,537,035.79
11 2014 Revenue Requirement after Means Test	\$2,537,036.00	\$2,537,035.79	\$2,537,035.79
12 Waterfall effect	100.00%	100.00%	100.00%
13 2014 Revenue Requirement after Waterfall	\$2,537,036.00	\$2,537,035.79	\$2,537,035.79
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$2,537,036.00	\$2,537,035.79	\$2,537,035.79
16 Monthly Payment for Periods Jan - Dec 2014	\$211,419.67	\$211,419.65	\$211,419.65
(Line 16/12)			

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Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Happy Valley AL 342	Staff Proposed	Commission Adopted
1 2013 CHCF-A Requirement (Resolution T-17385, Appendix A line 8)	\$2,800,875.27	\$2,800,875.27	\$2,800,875.27
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$0.00	\$0.00	\$0.00
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$0.00	\$0.00	\$0.00
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$0.00	\$0.00	\$0.00
b Projected Year 2014 USF (Per NECA.)	\$0.00	\$0.00	\$0.00
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00	\$0.00	\$0.00
6 2014 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$2,800,875.27	\$2,800,875.27	\$2,800,875.27
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2014 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2013)	\$2,800,875.27	\$2,800,875.27	\$2,800,875.27
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$2,800,875.27	\$2,800,875.27	\$2,800,875.27
11 2014 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00
12 Waterfall effect	0.00%	0.00%	0.00%
13 2014 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$0.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2014 (Line 16/12)	\$0.00	\$0.00	\$0.00

APPENDIX A
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Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Hornitos	Staff	Commission
	AL 313	Proposed	Adopted
1 2013 CHCF-A Requirement	\$570,564.00	\$570,464.00	\$570,464.00
(Resolution T-17385, Appendix A line 8)			
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$0.00	\$0.00	\$0.00
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$0.00	\$0.00	\$0.00
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$0.00	\$0.00	\$0.00
b Projected Year 2014 USF (Per NECA.)	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00	\$0.00	\$0.00
6 2014 CHCF-A Revenue Requirement	\$570,564.00	\$570,464.00	\$570,464.00
(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2014 Revenue Requirement	\$570,564.00	\$570,464.00	\$570,464.00
(Beginning CHCF-A Revenue Requirement for 2013)			
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$570,564.00	\$570,464.00	\$570,464.00
11 2014 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00
12 Waterfall effect	0.00%	0.00%	0.00%
13 2014 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$0.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2014	\$0.00	\$0.00	\$0.00
(Line 16/12)			

APPENDIX A
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Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Kerman AL 396 A	Staff Proposed	Commission Adopted
1 2013 CHCF-A Requirement	\$3,499,094.00	\$3,499,094.19	\$3,499,094.19
(Resolution T-17385, Appendix A line 8)			
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	(\$48,164.00)	(\$48,164.00)	(\$48,164.00)
a FCC National Broadband Plan	(\$4,624.00)	(\$4,624.00)	(\$4,624.00)
b Lifeline Reimbursement	(\$43,540.00)	(\$43,540.00)	(\$43,540.00)
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$40,527.00	\$40,527.00	\$40,527.00
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$40,527.00	\$40,527.00	\$40,527.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$8,566.00	\$8,565.64	\$8,565.64
a FCC National Broadband Plan	\$8,566.00	\$8,565.64	\$8,565.64
b GRC Rehearing	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$2,080,770.00	\$2,080,769.61	\$2,080,769.61
b Projected Year 2014 USF (Per NECA.)	(\$1,918,701.00)	(\$1,918,701.47)	(\$1,918,701.47)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$162,069.00	\$162,068.14	\$162,068.14
6 2014 CHCF-A Revenue Requirement	\$3,662,092.00	\$3,662,090.97	\$3,662,090.97
(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2014 Revenue Requirement	\$3,662,092.00	\$3,662,090.97	\$3,662,090.97
(Beginning CHCF-A Revenue Requirement for 2013)			
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$3,662,092.00	\$3,662,090.97	\$3,662,090.97
11 2014 Revenue Requirement after Means Test	\$3,662,092.00	\$3,662,090.97	\$3,662,090.97
12 Waterfall effect	100.00%	100.00%	100.00%
13 2014 Revenue Requirement after Waterfall	\$3,662,092.00	\$3,662,090.97	\$3,662,090.97
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$3,662,092.00	\$3,662,090.97	\$3,662,090.97
16 Monthly Payment for Periods Jan - Dec 2014	\$305,174.33	\$305,174.25	\$305,174.25
(Line 16/12)			

APPENDIX A
Resolution T- 17427

Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Pinnacles	Staff	Commission
	AL 260	Proposed	Adopted
1 2013 CHCF-A Requirement	\$389,891.46	\$389,891.46	\$389,891.46
(Resolution T-17385, Appendix A line 8)			
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	(\$2,160.10)	(\$2,160.10)	(\$2,160.10)
a FCC National Broadband Plan	(\$191.40)	(\$191.40)	(\$191.40)
b Lifeline Reimbursement	(\$1,968.70)	(\$1,968.70)	(\$1,968.70)
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$9,757.08	\$9,757.08	\$9,757.08
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$9,757.08	\$9,757.08	\$9,757.08
c GRC Rehearing	\$0.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$354.57	\$354.57	\$354.57
a FCC National Broadband Plan	\$354.57	\$354.57	\$354.57
b GRC Rehearing	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$414,600.44	\$281,750.27	\$281,750.27
b Projected Year 2014 USF (Per NECA.)	(\$301,872.45)	(\$301,872.45)	(\$301,872.45)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$112,727.99	(\$20,122.18)	(\$20,122.18)
6 2014 CHCF-A Revenue Requirement	\$510,571.00	\$377,720.83	\$377,720.83
(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2014 Revenue Requirement	\$510,571.00	\$377,720.83	\$377,720.83
(Beginning CHCF-A Revenue Requirement for 2013)			
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$510,571.00	\$377,720.83	\$377,720.83
11 2014 Revenue Requirement after Means Test	\$270,413.59	\$272,572.58	\$272,572.58
12 Waterfall effect	100.00%	100.00%	100.00%
13 2014 Revenue Requirement after Waterfall	\$270,413.59	\$272,572.58	\$272,572.58
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$270,413.59	\$272,572.58	\$272,572.58
16 Monthly Payment for Periods Jan - Dec 2014	\$22,534.47	\$22,714.38	\$22,714.38
(Line 16/12)			

APPENDIX A
Resolution T- 17427

Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Ponderosa AL 432	Staff Proposed	Commission Adopted
1 2013 CHCF-A Requirement	\$4,311,961.59	\$4,311,961.59	\$4,311,961.59
(Resolution T-17385, Appendix A line 8)			
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	(\$20,275.01)	(\$20,275.01)	(\$20,275.01)
a FCC National Broadband Plan	(\$7,083.63)	(\$7,083.63)	(\$7,083.63)
b Lifeline Reimbursement	(\$13,191.38)	(\$13,191.38)	(\$13,191.38)
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$30,291.70	\$30,291.70	\$30,291.70
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$30,291.70	\$30,291.70	\$30,291.70
c GRC Rehearing	\$0.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$13,122.42	\$13,122.42	\$13,122.42
a FCC National Broadband Plan	\$13,122.42	\$13,122.42	\$13,122.42
b GRC Rehearing	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$6,576,774.12	\$6,576,774.12	\$6,576,774.12
b Projected Year 2014 USF (Per NECA.)	(\$6,337,634.68)	(\$6,337,634.68)	(\$6,337,634.68)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$239,139.44	\$239,139.44	\$239,139.44
6 2014 CHCF-A Revenue Requirement	\$4,574,240.14	\$4,574,240.14	\$4,574,240.14
(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2014 Revenue Requirement	\$4,574,240.14	\$4,574,240.14	\$4,574,240.14
(Beginning CHCF-A Revenue Requirement for 2013)			
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$4,574,240.14	\$4,574,240.14	\$4,574,240.14
11 2014 Revenue Requirement after Means Test	\$4,574,240.14	\$4,574,240.14	\$4,574,240.14
12 Waterfall effect	100.00%	100.00%	100.00%
13 2014 Revenue Requirement after Waterfall	\$4,574,240.14	\$4,574,240.14	\$4,574,240.14
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$4,574,240.14	\$4,574,240.14	\$4,574,240.14
16 Monthly Payment for Periods Jan - Dec 2014	\$381,186.68	\$381,186.68	\$381,186.68
(Line 16/12)			

APPENDIX A
Resolution T- 17427

Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Sierra AL 421A	Staff Proposed	Commission Adopted
1 2013 CHCF-A Requirement	\$14,610,531.00	\$14,610,531.21	\$14,610,531.21
(Resolution T-17385, Appendix A line 8)			
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	(\$48,341.00)	(\$48,341.00)	(\$48,341.00)
a FCC National Broadband Plan	(\$14,706.00)	(\$14,706.00)	(\$14,706.00)
b Lifeline Reimbursement	(\$33,635.00)	(\$33,635.00)	(\$33,635.00)
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$701,704.00	\$701,704.00	\$701,704.00
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$640,499.00	\$640,499.00	\$640,499.00
c Lifeline Reimbursement	\$61,205.00	\$61,205.00	\$61,205.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$26,921.00	\$26,920.85	\$26,920.85
a FCC National Broadband Plan	\$26,921.00	\$26,920.85	\$26,920.85
b GRC Rehearing	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$3,583,566.00	\$3,583,566.11	\$3,583,566.11
b Projected Year 2014 USF (Per NECA.)	(\$3,023,643.00)	(\$3,023,643.25)	(\$3,023,643.25)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$559,923.00	\$559,922.86	\$559,922.86
6 2014 CHCF-A Revenue Requirement	\$15,850,738.00	\$15,850,737.92	\$15,850,737.92
(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2014 Revenue Requirement	\$15,850,738.00	\$15,850,737.92	\$15,850,737.92
(Beginning CHCF-A Revenue Requirement for 2013)			
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$15,850,738.00	\$15,850,737.92	\$15,850,737.92
11 2014 Revenue Requirement after Means Test	\$15,850,738.00	\$14,628,714.64	\$14,628,714.64
12 Waterfall effect	80.00%	80.00%	80.00%
13 2014 Revenue Requirement after Waterfall	\$12,680,590.40	\$11,702,971.71	\$11,702,971.71
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$12,680,590.40	\$11,702,971.71	\$11,702,971.71
16 Monthly Payment for Periods Jan - Dec 2014	\$1,056,715.87	\$975,247.64	\$975,247.64
(Line 16/12)			

APPENDIX A
Resolution T- 17427

Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Siskiyou AL 391	Staff Proposed	Commission Adopted
1 2013 CHCF-A Requirement	\$2,744,286.00	\$2,744,286.36	\$2,744,286.36
(Resolution T-17385, Appendix A line 8)			
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	(\$30,721.00)	(\$30,721.00)	(\$30,721.00)
a FCC National Broadband Plan	(\$8,575.00)	(\$8,575.00)	(\$8,575.00)
b Lifeline Reimbursement	(\$22,146.00)	(\$22,146.00)	(\$22,146.00)
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$40,716.00	\$40,715.65	\$40,715.65
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$40,716.00	\$40,715.65	\$40,715.65
c GRC Rehearing	\$0.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$14,971.00	\$14,971.00	\$14,971.00
a FCC National Broadband Plan	\$14,971.00	\$14,971.00	\$14,971.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$5,646,823.00	\$5,646,822.64	\$5,646,822.64
b Projected Year 2014 USF (Per NECA.)	(\$6,134,057.00)	(\$6,093,486.66)	(\$6,093,486.66)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$487,234.00)	(\$446,664.02)	(\$446,664.02)
6 2014 CHCF-A Revenue Requirement	\$2,282,018.00	\$2,322,587.99	\$2,322,587.99
(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2014 Revenue Requirement	\$2,282,018.00	\$2,322,587.99	\$2,322,587.99
(Beginning CHCF-A Revenue Requirement for 2013)			
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$2,282,018.00	\$2,322,587.99	\$2,322,587.99
11 2014 Revenue Requirement after Means Test	\$2,282,018.00	\$2,322,587.99	\$2,322,587.99
12 Waterfall effect	100.00%	100.00%	100.00%
13 2014 Revenue Requirement after Waterfall	\$2,282,018.00	\$2,322,587.99	\$2,322,587.99
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$2,282,018.00	\$2,322,587.99	\$2,322,587.99
16 Monthly Payment for Periods Jan - Dec 2014	\$190,168.17	\$193,549.00	\$193,549.00
(Line 16/12)			

APPENDIX A
Resolution T- 17427

Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Volcano	Staff	Commission
	AL 380	Proposed	Adopted
1 2013 CHCF-A Requirement	\$4,040,598.10	\$4,040,598.10	\$4,040,598.10
(Resolution T-17385, Appendix A line 8)			
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	(\$9,157.00)	(\$9,157.00)	(\$9,157.00)
a FCC National Broadband Plan	(\$9,157.00)	(\$9,157.00)	(\$9,157.00)
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$0.00	\$0.00	\$0.00
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$16,964.00	\$16,963.06	\$16,963.06
a FCC National Broadband Plan	\$16,964.00	\$16,963.06	\$16,963.06
b GRC Rehearing	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$1,200,604.70	\$1,200,604.70	\$1,200,604.70
b Projected Year 2014 USF (Per NECA.)	(\$1,243,686.81)	(\$1,243,686.81)	(\$1,243,686.81)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$43,082.11)	(\$43,082.11)	(\$43,082.11)
6 2014 CHCF-A Revenue Requirement	\$4,005,322.99	\$4,005,322.05	\$4,005,322.05
(sum of lines 1, 2, 3 and 4 and 5c)			
7 Rate Increase	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
8 Total 2014 Revenue Requirement	\$4,005,322.99	\$4,005,322.05	\$4,005,322.05
(Beginning CHCF-A Revenue Requirement for 2013)			
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$4,005,322.99	\$4,005,322.05	\$4,005,322.05
11 2014 Revenue Requirement after Means Test	\$3,800,901.00	\$3,844,354.32	\$3,844,354.32
12 Waterfall effect	80.00%	80.00%	80.00%
13 2014 Revenue Requirement after Waterfall	\$3,040,720.80	\$3,075,483.46	\$3,075,483.46
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$3,040,720.80	\$3,075,483.46	\$3,075,483.46
16 Monthly Payment for Periods Jan - Dec 2014	\$253,393.40	\$256,290.29	\$256,290.29
(Line 16/12)			

APPENDIX A
Resolution T- 17427

Year 2014 CHCF-A Requirement			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Winterhaven	Staff	Commission
	AL 236	Proposed	Adopted
1 2013 CHCF-A Requirement (Resolution T-17385, Appendix A line 8)	\$245,641.64	\$245,641.64	\$245,641.64
2 Adjustments to 2013 CHCF-A Requirement (Non-Recurring)	\$0.00	\$0.00	\$0.00
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
3 Year 2014 Impacts and Prior Year (Non-Recurring)	\$0.00	\$0.00	\$0.00
a FCC National Broadband Plan (5% reduction intercarrier Comp)	\$0.00	\$0.00	\$0.00
b FCC National Broadband Plan (Limits on Capex and OpEx exp)	\$0.00	\$0.00	\$0.00
c Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
4 Year 2014 Impacts (Recurring)	\$0.00	\$0.00	\$0.00
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
5 Net Interstate Expense Adjustment			
a Projected 2013 USF (Resolution T-17385, Appendix A line 5b)	\$110,322.86	\$110,322.86	\$110,322.86
b Projected Year 2014 USF (Per NECA.)	(\$184,007.00)	(\$176,522.33)	(\$176,522.33)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$73,684.14)	(\$66,199.47)	(\$66,199.47)
6 2014 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c)	\$171,957.50	\$179,442.17	\$179,442.17
7 Rate Increase (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
8 Total 2014 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2013)	\$171,957.50	\$179,442.17	\$179,442.17
9 Temporary Surcredit	0.00%	0.00%	0.00%
10 2014 Revenue Requirement eligible for CHCF-A Support	\$171,957.50	\$179,442.17	\$179,442.17
11 2014 Revenue Requirement after Means Test	\$0.00	\$0.00	\$0.00
12 Waterfall effect	0.00%	0.00%	0.00%
13 2014 Revenue Requirement after Waterfall	\$0.00	\$0.00	\$0.00
14 Adjustments	\$0.00	\$0.00	\$0.00
15 2014 CHCF-A Support	\$0.00	\$0.00	\$0.00
16 Monthly Payment for Periods Jan - Dec 2014 (Line 16/12)	\$0.00	\$0.00	\$0.00