

**DRAFT****PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**Communications Division  
Carrier Oversight & Programs Branch**

**RESOLUTION T- 17247  
January 21, 2010**

**RESOLUTION**

**Resolution T-17247 Fourteen Small Local Exchange Carriers and the California High Cost Fund-A Administrative Committee Fund.**

**This Resolution Sets Forth The California High Cost Fund-A Support For Each of the 14 Small Local Exchange Carriers For Calendar Year 2010.**

**BY ADVICE**

LETTER	FILED BY:	DATE
NO.		FILED:
312	Calaveras Telephone Company (Calaveras)	9/29/09
328	California-Oregon Telephone Company (Cal-Ore)	9/29/09
329	Ducor Telephone Company (Ducor)	9/30/09
293	Foresthill Telephone Company (Foresthill)	9/29/09
313	Happy Valley Telephone Company (Happy Valley)	9/25/09
286	Hornitos Telephone Company (Hornitos)	9/25/09
372	Kerman Telephone Company (Kerman)	9/29/09
237	Pinnacles Telephone Company (Pinnacles)	9/29/09
392	The Ponderosa Telephone Company (Ponderosa)	10/1/09
377	Sierra Telephone Company (Sierra)	9/30/09
357	Siskiyou Telephone Company (Siskiyou)	9/28/09
697	Verizon West Coast Incorporated (Verizon-WC)	10/1/09
352	Volcano Telephone Company (Volcano)	9/29/09
206	Winterhaven Telephone Company (Winterhaven)	9/25/09

**Summary**

This resolution adopts a total Calendar Year (CY) 2010 California High Cost Fund-A (CHCF-A) support of \$35,535,158.38 for Calaveras, Cal-Ore, Ducor, Foresthill, Happy

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Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, Verizon-WC, Volcano, and Winterhaven. The development of the CHCF-A support for each small Local Exchange Carrier (LEC) is shown in Appendix A and explained in the Discussion section. The table below summarizes the monthly and yearly CHCF-A support authorized by this resolution for each of the 14 small LECs:

<u>Small Local Exchange Carrier</u>	<u>Monthly Support 2010</u>	<u>Yearly Support 2010</u>
Calaveras	\$179,087.02	\$2,149,044.26
Cal-Ore	\$57,611.54	\$691,338.49
Ducor	\$207,523.40	\$2,490,280.80
Foresthill	\$168,580.64	\$2,022,967.66
Happy Valley	\$0.00	\$0.00
Hornitos	\$0.00	\$0.00
Kerman	\$306,132.15	\$3,673,585.76
Pinnacles	\$18,511.14	\$222,133.68
Ponderosa	\$325,474.46	\$3,905,693.50
Sierra	\$1,094,158.45	\$13,129,901.39
Siskiyou	\$281,312.88	\$3,375,754.51
Verizon West Coast	\$0.00	\$0.00
Volcano	\$322,871.53	\$3,874,458.33
Winterhaven	\$0.00	\$0.00
<b>Total</b>	<b>\$2,961,263.21</b>	<b>\$35,535,158.38</b>

This resolution directs the Communications Division (CD) in concert with the Information and Management Services Division (IMSD) to pay the respective small LECs monthly support as indicated above within 30 days after the close of each calendar month. The prompt payment of monthly support to the small LECs is contingent on the availability of funds and the California Public Utilities Commission (Commission) and State adoption of the budgets covering the payment of the 2010 CHCF-A support. Should the monthly support payments due the small LECs not be 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.<sup>1</sup>

**Background**

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<sup>1</sup> This is consistent with directives set forth in D.01-02-018 and D.01-09-064.

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The California High Cost Fund (HCF) was implemented by Decision (D.) 88-07-022, as 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 LECs 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 simply adjust straightforward and non-controversial program adjustments. Pacific Bell was appointed as the administrator of the fund and established a separate trust.

D.96-10-066 changed the name of HCF to CHCF-A and created the California High Cost Fund-B (CHCF-B). This decision included Pacific Bell (now SBC), GTE California Incorporated (now Verizon)<sup>2</sup>, 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 maintained the CHCF-A for the 17 small LECs. This decision also directed the Commission to take over the administration of the CHCF-A from Pacific Bell.

Resolution T-16092 approved the transfer of administrative control of the CHCF-A from Pacific Bell to the Commission effective January 1, 1998. This resolution appointed three Commission staff members as committee members of the CHCF-A Trust Administrative Committee (AC) charged with the responsibility of administering the CHCF-A on behalf of the Commission. D.98-06-065 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) Code § 270-281 were codified as a result of 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 in the State's Annual Budget Act.

D.01-09-064 revised the charter of CHCF-AC to conform to SB 669, and D.02-04-059 established a three-member board for the CHCF-AC.

PU Code § 739.3 requires the Commission to implement a program for universal service support to reduce rate disparity in rural and small metropolitan areas. PU Code § 739.3 was scheduled to sunset on January 1, 2009, but was extended by the Legislature to January 1, 2013.

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<sup>2</sup> Verizon Telephone Company resulted from the merger of GTE of CA and GTE Contel.

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D.08-10-010 authorized the consolidation of three small LECs: Citizens Telecommunications Company of Tuolumne, Citizens Telecommunications Company of the Golden State and Global Valley Networks, Inc., with the midsize LEC of, Citizens Telecommunications Company of California Inc. The consolidation authorized by D.08-10-010 became effective on January 1, 2009, and therefore, reduced the total number of small LECs eligible for CHCF-A support from 17 to 14 small LECs for the proposed support for Calendar Year 2010.

On or about October 1, 2009, the 14 small LECs made their annual CHCF-A advice letter filings in accordance with D.91-09-042. These 14 small LECs requested a total CY 2010 CHCF-A support of approximately \$38.886 million.

**Notice/Protests**

The 14 small LECs 2010 CHCF-A advice letter filings appeared in the Commission's Daily Calendar in September and October 2009. No protests to the advice letter filings have been received.

**Discussion**

In this Resolution, the Commission adopts a CHCF-A support of \$35,535,158.38 for CY 2010. This total support is broken down for each of the 14 small LECs as noted in the summary section of this Resolution.

**A. 2010 CHCF-A Revenue Requirements and Supports**

CD reviewed the advice letter filings made by the 14 small LECs in connection with the 2010 CHCF-A revenue requirements and revised their requests for the following reasons discussed below:

1. Pursuant to guidelines adopted in D.88-07-022<sup>3</sup>; and
2. Updated estimates of the Net Interstate Expense Adjustment as provided by the National Exchange Carrier Association (NECA).

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<sup>3</sup> D.88-07-022 was modified by D.91-05-016, D.91-09-042, Resolution T-16117, D.00-09-072, D.01-02-018, and D.01-05-031. These guidelines are summarized in the Appendix of D. 91-09-042, which are hereinafter referred to as the Implementation Rules.

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Specific implementation rules and Commission orders that guided CD's revisions include, but are not limited to, the following:

**General Rate Cases (GRCs)**

Siskiyou's last GRC filing was in 2005 for test year 2006. On October 1, 2009, Siskiyou filed a GRC Application for test year 2011. Calaveras, Cal-Ore, Ducor, Pinnacles and Ponderosa latest filing was in 2007 for test year 2009. Kerman's and Sierra's latest GRC filing was in 2006 for test year 2008. Volcano's latest GRC filing was in 2006 for test year 2008. Foresthill filed a GRC in 2005 for test year 2007. Happy Valley, Hornitos, Verizon - West Coast and Winterhaven's last GRC filing was for test year 1997.

In the 1997, 2003, 2004, 2006, 2007, 2008 and 2009 test year GRCs, the carriers were authorized a 10% rate of return.

**Means Test**

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

**Waterfall**

Pursuant to § D of the Implementation Rules, the phase down of the CHCF-A funding level is reinitiated effective January 1 following the year after the completion of a GRC. The funding levels are 100% for the first 3 years, 80% the fourth year, 50% the fifth year, and 0% thereafter. This 6-year phase down of funding level is known as the Waterfall.

The funding levels for the 14 small LECs for 2010 are summarized below:

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<u>Small LEC</u>	<u>GRC Test Year</u>	<u>2010</u>
Calaveras	2009	100%
Cal-Ore	2009	100%
Ducor	2009	100%
Foresthill	2007	100%
Happy Valley	1997	0%
Hornitos	1997	0%
Kerman	2008	100%
Pinnacles	2009	100%
Ponderosa	2009	100%
Sierra	2008	100%
Siskiyou	2006	100%
Verizon-WC	1997	0%
Volcano	2008	100%
Winterhaven	1997	0%

**Net Interstate Expense Adjustment**

Section B of the Implementation Rules authorizes the small LECs 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.<sup>4</sup>

In response to NECA funding changes, each carrier's CHCF-A 2009 support has been adjusted for 2010.

**Revenue Effect Associated with GRC Modification**

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<sup>4</sup> Data used is the NECA projected 2010 USF Payments provided by NECA on October 2, 2009.

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As part of their 2010 annual CHCF-A advice letter filings, Calaveras, Cal-Ore and Ducor have included proposed modifications to their 2009 and 2010 CHCF-A support. These carriers are requesting modification to their support for items which are currently pending in ongoing GRC Petitions for Modification and Applications for Rehearing filed in response to their 2008 GRCs. Since these items are currently being reviewed and considered by the Commission in the above formal proceedings, we will not address these modification requests in this Resolution. After the Commission issues a decision in the above formal proceedings, we will make the necessary adjustments, if any, to Calaveras, Cal-Ore and Ducor's CHCF-A support.

**Revenue Effect Associated with NECA Separations Methodology Changes**

In their annual advice letter filing, Calaveras, Pinnacles and Ponderosa included adjustments for the revenue effect associated with NECA separations methodology changes.

The carriers assert that in 2008, NECA notified member companies that they are no longer authorized to utilize a central office and cable and wire facility categorization procedure commonly referred to as Voice Grade Equivalency, beginning with the 2008 annual cost study. Calaveras, Pinnacles and Ponderosa assert that they have as of 2008, adopted the NECA approved methodology, "a circuit is a circuit". This change carriers contend, has resulted in an increase in their intrastate revenue requirement and they are therefore requesting an increase in their CHCF-A support.

The Commission envisioned the annual CHCF-A advice letter filing process to be relatively simple and non-controversial. D.91-09-042 states that, "Using annualized earnings based on at least seven months of recorded data for the year in which the CHCF advice letter is filed and adjusted for known Commission regulatory decisions as the baseline for determining eligibility for CHCF support would be relatively simple and non-controversial".

Due to the complexity of this regulatory change, the Commission will defer its decision on this item to another resolution in order to conduct further review and analysis.

**Revenue Effect Associated with Virtual NXX Calls**

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In their annual advice letter filing, Foresthill and Kerman included adjustments for revenue effects associated with virtual NXX calls.

In D.07-02-031, Opinion Regarding Treatment of Virtual NXX Calls. small LECs and Competitive LECs are each directed to interconnect, transport and terminate traffic, and to pay intercarrier compensation in a manner consistent with the Decision.

Foresthill and Kerman assert that they have entered into an agreement with O1 Communications as directed, and as a result of the newly agreed upon rates, have lost intrastate revenue. The carriers are therefore, requesting an increase to their CHCF-A draw for the difference in the rates.

This proposed regulatory change also raises issues that are not simple and non-controversial, accordingly the Commission will also need to do a further review and a decision on this item will also be deferred to another resolution.

**Revenue Effect Associated with Wireless Intercarrier Compensation**

In their annual advice letter filing for 2010, CHCF-A funding Foresthill, Kerman, Ponderosa, Sierra, Siskiyou, and Volcano included recovery of revenues attributable to the Final Arbitrator's Report A.06-02-028 dated January 14, 2008 and the FCC Docket No. 01-92.

The "Small Entity Compliance Guide" dated July 14, 2005, DA 05-2002, CC Docket No. 01-92, from the FCC.gov website discusses compliance requirements for small entities. Section 3, "Prohibition on imposing termination charges pursuant to tariff on or after April 29, 2005, includes "Pursuant to new rules, LEC's are prohibited from imposing charges pursuant to tariff on other carriers for the termination of non-access traffic unless the charges accrued prior to April 29, 2005..."

Foresthill, Kerman, Ponderosa, Sierra, Siskiyou, and Volcano assert that due to the FCC's change in non-access traffic charges post April 29, 2005, they have lost intrastate revenue and as a result are requesting an increase in their respective CHCF-A draws.

Due to the complexity of this regulatory change and the need for further discovery and analysis, the Commission will also defer its decision on this item to another resolution.

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**B. CHCF-A Summary by Carrier**

The CHCF-A support and the rate designs for each of the 14 small LECs for CY 2010 are summarized below. The detailed tables showing the CHCF-A support for the 14 small LECs are shown in Appendix A.

**Calaveras, Page 1 of Appendix A**

Calaveras has a 2010 CHCF-A revenue requirement of \$2,149,044.26 (at Line 6, Page 1 of Appendix A). Thus, Calaveras shall receive monthly CHCF-A support in the amount of \$179,087.02, i.e. one-twelfth of \$2,149,044.26, for January through December 2010.

**Cal-Ore, Page 2 of Appendix A**

Cal-Ore has a 2010 CHCF-A revenue requirement of \$691,338.49 (at Line 6, Page 2 of Appendix A). Thus, Cal-Ore shall receive monthly CHCF-A support in the amount of \$57,611.54, i.e. one-twelfth of \$691,338.49, for January through December 2010.

**Ducor, Page 3 of Appendix A**

Ducor has a 2010 CHCF-A revenue requirement of \$2,490,280.80 (at Line 6, Page 3 of Appendix A). Thus, Ducor shall receive monthly CHCF-A support in the amount of \$207,523.40, i.e. one-twelfth of \$2,490,280.80, for January through December 2010.

**Foresthill, Page 4 of Appendix A**

Foresthill has a 2010 CHCF-A revenue requirement of \$2,022,967.66 (at Line 6, Page 4 of Appendix A). Thus, Foresthill shall receive monthly CHCF-A support in the amount of \$168,580.64, i.e. one-twelfth of \$2,022,967.66, for January through December 2010.

**Happy Valley, Page 5 of Appendix A**

Happy Valley has a 2010 CHCF-A revenue requirement of \$2,800,875.27 (at Line 6, Page 5 of Appendix A). In its advice letter, Happy Valley stated that they are not requesting a draw from the CHCF-A. Thus, Happy Valley will not receive any CHCF-A support for 2010.

**Hornitos, Page 6 of Appendix A**

Hornitos has a 2010 CHCF-A revenue requirement of \$448,336.35 (at Line 6, Page 6 of Appendix A). In its advice letter, Hornitos stated that they are not requesting a draw from the CHCF-A. Thus, Hornitos will not receive any CHCF-A support for 2010.

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**Kerman, Page 7 of Appendix A**

Kerman has a 2010 CHCF-A revenue requirement of \$3,673,585.76 (at Line 6, Page 7 of Appendix A). Thus, Kerman shall receive monthly CHCF-A support in the amount of \$306,132.15, i.e. one-twelfth of \$3,673,585.76, for January through December 2010.

**Pinnacles, Page 8 of Appendix A**

Pinnacles has a 2010 CHCF-A revenue requirement of \$222,133.68 (at Line 6, Page 8 of Appendix A). Thus, Pinnacles shall receive monthly CHCF-A support in the amount of \$18,511.14, i.e. one-twelfth of \$222,133.68, for January through December 2010.

**Ponderosa, Page 9 of Appendix A**

Ponderosa has a 2010 CHCF-A revenue requirement of \$3,905,693.50 (at Line 6, Page 9 of Appendix A). Thus, Ponderosa shall receive monthly CHCF-A support in the amount of \$325,474.46, i.e. one-twelfth of \$3,905,693.50, for January through December 2010.

**Sierra, Page 10 of Appendix A**

Sierra has a 2010 CHCF-A revenue requirement of \$13,760,707.27 (at Line 6, Page 10 of Appendix A). After calculation of the means test, Sierra shall receive CHCF-A support in the amount of \$13,129,901.39. Thus, Sierra shall receive monthly CHCF-A support in the amount of \$1,094,158.45, i.e. one-twelfth of \$13,129,901.39, for January through December 2010.

**Siskiyou, Page 11 of Appendix A**

Siskiyou has a 2010 CHCF-A revenue requirement of \$3,375,754.51 (at Line 6, Page 11 of Appendix A). Thus, Siskiyou shall receive monthly CHCF-A support in the amount of \$281,312.88, i.e. one-twelfth of \$3,375,754.51, for January through December 2010.

**Verizon-WC, Page 12 of Appendix A**

Verizon-WC has a 2010 CHCF-A revenue requirement of \$811,335 (at Line 6, Page 12 of Appendix A). In its advice letter, Verizon-WC stated that they are not requesting a draw from the CHCF-A. Thus, Verizon-WC will not receive any CHCF-A support for 2010.

**Volcano, Page 13 of Appendix A**

Volcano has a 2010 CHCF-A revenue requirement of \$3,874,458.33 (at Line 6, Page 13 of Appendix A). Thus, Volcano shall receive monthly CHCF-A support in the amount of \$322,871.53, i.e. one-twelfth of \$3,874,458.33, for January through December 2010.

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**Winterhaven, Page 14 of Appendix A**

Winterhaven has a 2010 CHCF-A revenue requirement of \$149,362.55 (at Line 6, Page 14 of Appendix A). In its advice letter, Winterhaven stated that they are not requesting a draw from the CHCF-A. Thus, Winterhaven will not receive any CHCF-A support for 2010.

The Commission finds CD's recommended CHCF-A support amounts for the 14 small LECs for 2010 reasonable and consistent after review of the Advice Letter filings, adjustments based on CD and FCC orders and calculation of a means test, if applicable, and are therefore adopted.

**C. CHCF-A Budget for Fiscal Year (FY) 2009-10 and FY 2010-11**

In Resolution T- 17177, the Commission adopted a CHCF-A program budget of \$64.713 million for FY 2009-10. For FY 2010-11, in Resolution T-17213, the Commission adopted a CHCF-A program budget of \$57.591 million. Of the budgeted amounts, \$48.822 million and \$41.685 million have been allocated as program payments to the small LECs for FY 2009-10 and FY 2010-11, respectively.

There are enough funds in both the FY 2009-10 and FY 2010-11 budgets to cover the \$35.535 million in 2010 CHCF-A support to the small LECs.

CD, in concert with the IMSD, shall make the monthly support payments within 30 days after the close of each calendar month.<sup>5</sup> In the event that the monthly support payments due to the small LECs 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.

**Comments on Draft Resolution**

In compliance with PU Code § 311(g), a notice letter was emailed on December 22, 2009, informing the 14 small LECs, 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 the draft of this Resolution for public comments at the Commission's web site <http://www.cpuc.ca.gov>. This letter also informed parties that the final Resolution adopted by the Commission will be posted and will be available at the same web site.

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<sup>5</sup> The January 2010 monthly support will be paid in February 2010; the December 2010 monthly support will be paid in January 2011.

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**Findings**

1. The California High Cost Fund (HCF) was implemented by Decision (D.) 88-07-022, as modified by D.91-05-016 and D.91-09-042. The Implementation Rules governing the California High Cost Fund (CHCF)-A can be found in their entirety in the Appendix of D.91-09-042. The purpose of the HCF was to provide a source of supplemental revenues to three mid-size Local Exchange Carriers (LECs) and seventeen small LECs whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service.
2. D.96-10-066 changed the name of HCF to California High Cost Fund-A and created the California High Cost Fund-B (CHCF-B). This decision included the three mid-size LECs in the CHCF-B for the purpose of determining universal service subsidy support and maintained the CHCF-A for 17 small LECs. D.98-06-065 renamed the CHCF-A Trust Administrative Committee to CHCF-A Administrative Committee (CHCFA-AC) and revised the governance of CHCF-A to be consistent with State rules and procedures.
3. In October 1999, Public Utilities (PU) Code § 270-281 were codified as a result of the enactment of Senate Bill 669.
4. D.08-10-010, effective January 1, 2009, authorized the consolidation of three small LECs: Citizens Telecommunications Company of Tuolumne, Citizens Telecommunications Company of the Golden State and Global Valley Networks, Inc., with the midsize LEC of, Citizens Telecommunications Company of California Inc. and reduced the number of small LECs from 17 to 14.
5. PU Code § 270(b) requires that the monies in CHCF-A may only be expended pursuant to § 270-281 and upon appropriation in the annual Budget Act.
6. The Communications Division (CD) reviewed the filings made by the 14 small LECs in connection with the 2010 CHCF-A payment requirements.
7. CD revised the 2010 CHCF-A support requests submitted by the 14 small LECs in accordance with the Implementation Rules and Guidelines set forth in D.88-07-022 as modified by D.91-05-016, D.91-09-042, Resolution T-16117, D.00-09-072 and D.01-02-018.
8. In response to NECA funding changes, each carrier's CHCF-A 2009 support has been adjusted for 2010 as provided by NECA, in their report named "Study Area Detail for All Exchange Carriers" provided to CD on October 2, 2009.

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9. CD reviewed the Advice Letter filings by the 14 small LECs and net settlement effects based on regulatory changes ordered by the Commission and the Federal Communications Commission.
10. D.91-09-042 states that "Using annualized earnings based on at least seven months of recorded data for the year in which the CHCF advice letter is filed and adjusted for known Commission regulatory decisions as the baseline for determining eligibility for CHCF support would be relatively simple and non-controversial".
11. As part of their 2010 annual CHCF-A advice letter filing Calaveras, Cal-Ore and Ducor included modification to their test year 2009 General Rate Cases (GRC). As these GRCs are now in the Application process, these modification requests are not addressed in the Resolution because they are being addressed in their respective proceedings.
12. In their annual advice letter filing, Calaveras, Pinnacles and Ponderosa included adjustments for the revenue effect associated with NECA separations methodology changes.
13. In their annual advice letter filing, Foresthill and Kerman included adjustments for revenue effects associated with virtual NXX calls.
14. In their annual advice letter filing, Foresthill, Kerman, Ponderosa, Sierra, Siskiyou, and Volcano included recovery of revenues attributable to the Final Arbitrator's Report A.06-02-028 dated January 14, 2008, and the FCC Docket No. 01-92.
15. Due to the complexity of the regulatory changes, and the need for further discovery and analysis, the Commission will defer its decision to another resolution for the following adjustments: (1) Revenue Effect Associated with NECA Separations Methodology Changes; (2) Revenue Effect Associated with Virtual NXX Calls; and (3) Revenue Effect Associated with Wireless Intercarrier Compensation.
16. The total approved 2010 CHCF-A draw for Calaveras, Cal-Ore, Ducor, Foresthill, Happy Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, Verizon-WC, Volcano, and Winterhaven should be \$35,535,158.38.
17. The monthly support payments for January 2010 through December 2010 are to be paid by the CD in concert with the Information and Management Services Division within 30 days after the close of each calendar month subject to the availability of funds and the Commission and State adoption of the budgets covering the payment of the 2010 CHCF-A support. In the event that the monthly support payments due the small LECs 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.

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18. In Resolution T- 17177, the Commission adopted a CHCF-A program budget of \$64.713 million for Fiscal Year (FY) 2009-10. For FY 2010-11, in Resolution T-17213, the Commission adopted budget for the CHCF-A program is \$57.591 million. Therefore, there are funds for the FY 2009-10 and FY 2010-11 budgets to cover the 2010 CHCF-A support to the small LECs.
19. A notice letter was emailed on December 22, 2009, informing the 14 small LECs, the CHCFA-AC, the parties of record in Rulemaking 01-08-002 and the parties on the service list of Application 99-09-044 of the availability of the draft resolution for public comments at the Commission's web site <http://www.cpuc.ca.gov>. In addition they were informed of the availability of the conformed resolution, when adopted by the Commission, at the same web site.
20. The Commission finds CD's recommended CHCF-A support for each of the 14 small LECs as summarized in Appendix A of this Resolution reasonable and consistent with Commission orders and should be adopted.

**THEREFORE, IT IS ORDERED that:**

1. The respective California High Cost Fund-A support for each of the 14 small Local Exchange Carriers, as described in the body and summarized in Appendix A of this Resolution, is adopted.
2. The total approved California High Cost Fund-A support of \$35,535,158.38 for the small Local Exchange Carriers for 2010 is listed below:

<u>Small Local Exchange Carrier</u>	<u>Monthly Support 2010</u>	<u>Yearly Support 2010</u>
Calaveras	\$179,087.02	\$2,149,044.26
Cal-Ore	\$57,611.54	\$691,338.49
Ducor	\$207,523.40	\$2,490,280.80
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Kerman	\$306,132.15	\$3,673,585.76
Pinnacles	\$18,511.14	\$222,133.68
Ponderosa	\$325,474.46	\$3,905,693.50
Sierra	\$1,094,158.45	\$13,129,901.39
Siskiyou	\$281,312.88	\$3,375,754.51
Volcano	\$322,871.53	\$3,874,458.33
	<b>\$2,961,263.21</b>	<b>\$35,535,158.38</b>

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The monthly support payments for January 2010 through December 2010 are to be paid by the Communications Division in concert with the Information and Management Services Division within 30 days after the close of each calendar month. The prompt payment of monthly support to the Local Exchange Carriers is contingent on the availability of funds and the Commission and State adoption of the budgets covering the payment for the 2010 California High Cost Fund-A support. In the event that the monthly support payments due the small Local Exchange Carriers are not paid within 30 days after the close of each calendar month, Communications Division shall include in those payments interest equal to the 3-month commercial paper rate.

3. The program support payment of \$35,535,158.38 for the 14 small Local Exchange Carriers shall be paid out of the California High Cost Fund-A fund.

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on January 21, 2010. The following Commissioners approved it:

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Paul Clanon  
Executive Director

APPENDIX A  
Resolution T- 17247

	Calaveras <u>AL312</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
<b>1 2009 CHCF-A Requirement</b> Resolution T-17184, Appendix D, line 17	\$2,071,163.00	\$2,071,163.00	\$2,071,163.00
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	\$0.00	\$0.00	\$0.00
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$716,089.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$553,570.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$162,519.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$661,916.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$553,570.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$108,346.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17184, App C, line 4, col. E)	\$2,111,529.00	\$2,111,529.00	\$2,111,529.00
b Projected Year 2010 USF (Per NECA.)	<u>(\$2,118,233.00)</u>	<u>(\$2,033,647.74)</u>	<u>(\$2,033,647.74)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$6,704.00)	\$77,881.26	\$77,881.26
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$3,442,464.00	\$2,149,044.26	\$2,149,044.26
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$3,442,464.00	\$2,149,044.26	\$2,149,044.26
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$3,442,464.00	\$2,149,044.26	\$2,149,044.26
<b>11 2010 Revenue Requirement after Means Test</b>	\$3,442,464.00	\$2,149,044.26	\$2,149,044.26
<b>12 Waterfall effect</b>	100.00%	100.00%	\$1.00
<b>13 2010 Revenue Requirement after Waterfall</b>	\$3,442,464.00	\$2,149,044.26	\$2,149,044.26
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$3,442,464.00	\$2,149,044.26	\$2,149,044.26
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b>\$286,872.00</b>	<b>\$179,087.02</b>	<b>\$179,087.02</b>

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	<b>Cal-Ore AL 328</b>	<b>Staff Proposed</b>	<b>Commission Adopted</b>
<b>1 2009 CHCF-A Requirement</b> Resolution T-17133, Appendix D, line 17	\$471,499.00	\$471,499.00	\$471,499.00
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	\$0.00	\$0.00	\$0.00
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$169,177.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$169,177.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$169,177.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$169,177.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17133, App C, line 3, col. E)	\$1,489,197.00	\$1,489,197.00	\$1,489,197.00
b Projected Year 2010 USF (Per NECA.)	<u>(\$1,319,548.00)</u>	<u>(\$1,269,357.51)</u>	<u>(\$1,269,357.51)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$169,649.00	\$219,839.49	\$219,839.49
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$979,502.00	\$691,338.49	\$691,338.49
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$979,502.00	\$691,338.49	\$691,338.49
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$979,502.00	\$691,338.49	\$691,338.49
<b>11 2010 Revenue Requirement after Means Test</b>	\$979,502.00	\$691,338.49	\$691,338.49
<b>12 Waterfall effect</b>	100.00%	100.00%	\$1.00
<b>13 2010 Revenue Requirement after Waterfall</b>	\$979,502.00	\$691,338.49	\$691,338.49
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$979,502.00	\$691,338.49	\$691,338.49
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b>\$81,625.17</b>	<b>\$57,611.54</b>	\$57,611.54

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	<u>Ducor AL329</u>	<u>Staff Proposed</u>	<u>Commission Adopted</u>
<b>1 2009 CHCF-A Requirement</b> Resolution T-17157, Appendix D, line 17	\$2,514,450.00	\$2,514,450.00	\$2,514,450.00
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	\$0.00	\$0.00	\$0.00
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$202,909.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$202,909.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$202,909.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$202,909.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17157, App C, line 3, col. E)	\$922,918.00	\$922,918.00	\$922,918.00
b Projected Year 2010 USF (Per NECA.)	<u>(\$971,855.00)</u>	<u>(\$947,087.20)</u>	<u>(\$947,087.20)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	<u>(\$48,937.00)</u>	<u>(\$24,169.20)</u>	<u>(\$24,169.20)</u>
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$2,871,331.00	\$2,490,280.80	\$2,490,280.80
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$2,871,331.00	\$2,490,280.80	\$2,490,280.80
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$2,871,331.00	\$2,490,280.80	\$2,490,280.80
<b>11 2010 Revenue Requirement after Means Test</b>	\$2,871,331.00	\$2,490,280.80	\$2,490,280.80
<b>12 Waterfall effect</b>	100.00%	100.00%	\$1.00
<b>13 2010 Revenue Requirement after Waterfall</b>	\$2,871,331.00	\$2,490,280.80	\$2,490,280.80
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$2,871,331.00	\$2,490,280.80	\$2,490,280.80
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b>\$239,277.58</b>	<b>\$207,523.40</b>	<b>\$207,523.40</b>

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	Foresthill <u>AL 293</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
<b>1 2009 CHCF-A Requirement</b> (Resolution T-17181, Appendix A line 8)	\$1,902,161.00	\$1,902,161.09	\$1,902,161.09
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	(\$171,037.00)	(\$171,037.00)	(\$171,037.00)
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$374,635.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$33,179.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$341,456.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$48,372.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$2,082.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$46,290.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17181, Appendix A line 5b)	\$1,855,020.00	\$1,855,019.91	\$1,855,019.91
b Projected Year 2010 USF (Per NECA.)	<u>(\$1,600,000.00)</u>	<u>(\$1,563,176.34)</u>	<u>(\$1,563,176.34)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$255,020.00	\$291,843.57	\$291,843.57
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$2,409,151.00	\$2,022,967.66	\$2,022,967.66
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$2,409,151.00	\$2,022,967.66	\$2,022,967.66
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$2,409,151.00	\$2,022,967.66	\$2,022,967.66
<b>11 2010 Revenue Requirement after Means Test</b>	\$2,409,151.00	\$2,022,967.66	\$2,022,967.66
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2010 Revenue Requirement after Waterfall</b>	\$2,409,151.00	\$2,022,967.66	\$2,022,967.66
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$2,409,151.00	\$2,022,967.66	\$2,022,967.66
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b>\$200,762.58</b>	<b>\$168,580.64</b>	<b>\$168,580.64</b>

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	Happy Valley AL 313	Staff Proposed	Commission Adopted
<b>1 2009 CHCF-A Requirement</b> (Resolution T-17181, Appendix A line 8)	\$2,800,875.27	\$2,800,875.27	\$2,800,875.27
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	\$0.00	\$0.00	\$0.00
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17181, Appendix A line 5b)	\$0.00	\$0.00	\$0.00
b Projected Year 2010 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
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$2,800,875.27	\$2,800,875.27	\$2,800,875.27
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$2,800,875.27	\$2,800,875.27	\$2,800,875.27
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$2,800,875.27	\$2,800,875.27	\$2,800,875.27
<b>11 2010 Revenue Requirement after Means Test</b>	\$0.00	\$0.00	\$0.00
<b>12 Waterfall effect</b>	0.00%	0.00%	0.00%
<b>13 2010 Revenue Requirement after Waterfall</b>	\$0.00	\$0.00	\$0.00
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$0.00	\$0.00	\$0.00
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>

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	<b>Hornitos</b>	<b>Staff</b>	<b>Commission</b>
	<b><u>AL 286</u></b>	<b><u>Proposed</u></b>	<b><u>Adopted</u></b>
<b>1 2009 CHCF-A Requirement</b> (Resolution T-17181, Appendix A line 8)	\$503,846.15	\$503,846.15	\$503,846.15
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	\$0.00	\$0.00	\$0.00
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17181, Appendix A line 5b)	\$66,617.85	\$66,617.85	\$66,617.85
b Projected Year 2010 USF (Per NECA.)	<u>(\$117,997.00)</u>	<u>(\$122,127.65)</u>	<u>(\$122,127.65)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	<u>(\$51,379.15)</u>	<u>(\$55,509.80)</u>	<u>(\$55,509.80)</u>
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$452,467.00	\$448,336.35	\$448,336.35
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$452,467.00	\$448,336.35	\$448,336.35
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$452,467.00	\$448,336.35	\$448,336.35
<b>11 2010 Revenue Requirement after Means Test</b>	\$0.00	\$0.00	\$0.00
<b>12 Waterfall effect</b>	0.00%	0.00%	0.00%
<b>13 2010 Revenue Requirement after Waterfall</b>	\$0.00	\$0.00	\$0.00
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$0.00	\$0.00	\$0.00
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>

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	<b>Kerman AL 372</b>	<b>Staff Proposed</b>	<b>Commission Adopted</b>
<b>1 2009 CHCF-A Requirement</b> (Resolution T-17181, Appendix A line 8)	\$4,639,001.00	\$4,639,000.96	\$4,639,000.96
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	(\$977,425.00)	(\$977,425.00)	(\$977,425.00)
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$633,581.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$35,950.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$597,631.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$6,761.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$6,761.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17181, Appendix A line 5b)	\$2,049,613.00	\$2,049,613.04	\$2,049,613.04
b Projected Year 2010 USF (Per NECA.)	<u>(\$2,007,000.00)</u>	<u>(\$2,037,603.24)</u>	<u>(\$2,037,603.24)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$42,613.00	\$12,009.80	\$12,009.80
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$4,344,531.00	\$3,673,585.76	\$3,673,585.76
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$4,344,531.00	\$3,673,585.76	\$3,673,585.76
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$4,344,531.00	\$3,673,585.76	\$3,673,585.76
<b>11 2010 Revenue Requirement after Means Test</b>	\$4,344,531.00	\$3,673,585.76	\$3,673,585.76
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2010 Revenue Requirement after Waterfall</b>	\$4,344,531.00	\$3,673,585.76	\$3,673,585.76
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$4,344,531.00	\$3,673,585.76	\$3,673,585.76
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b>\$362,044.25</b>	<b>\$306,132.15</b>	<b>\$306,132.15</b>

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	<b>Pinnacles</b>	<b>Staff</b>	<b>Commission</b>
	<b><u>AL 237</u></b>	<b><u>Proposed</u></b>	<b><u>Adopted</u></b>
<b>1 2009 CHCF-A Requirement</b> Resolution T-17158, Appendix D, line 17	\$234,490.00	\$234,490.00	\$234,490.00
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	\$0.00	\$0.00	\$0.00
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$27,877.50</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$27,877.50	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$18,585.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$18,585.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17158, App C, line 3, col. E)	\$415,842.00	\$415,842.00	\$415,842.00
b Projected Year 2010 USF (Per NECA.)	<u>(\$434,247.00)</u>	<u>(\$428,198.32)</u>	<u>(\$428,198.32)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	<u>(\$18,405.00)</u>	<u>(\$12,356.32)</u>	<u>(\$12,356.32)</u>
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$262,547.50	\$222,133.68	\$222,133.68
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$262,547.50	\$222,133.68	\$222,133.68
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$262,547.50	\$222,133.68	\$222,133.68
<b>11 2010 Revenue Requirement after Means Test</b>	\$262,547.50	\$222,133.68	\$222,133.68
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2010 Revenue Requirement after Waterfall</b>	\$262,547.50	\$222,133.68	\$222,133.68
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$262,547.50	\$222,133.68	\$222,133.68
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b><u>\$21,878.96</u></b>	<b><u>\$18,511.14</u></b>	<b><u>\$18,511.14</u></b>

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	<b>Ponderosa AL 392</b>	<b>Staff Proposed</b>	<b>Commission Adopted</b>
<b>1 2009 CHCF-A Requirement</b> R. T-17181, App. A, line 8 plus R. T-17132, App. D, line 17	\$4,648,518.00	\$4,648,518.00	\$4,648,518.00
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	(\$967,524.00)	(\$967,524.00)	(\$967,524.00)
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$705,599.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$87,006.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$618,593.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$58,004.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$58,004.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17132, App C, line 3, col. E)	\$6,997,308.00	\$6,997,308.00	\$6,997,308.00
b Projected Year 2010 USF (Per NECA.)	<u>(\$7,160,065.00)</u>	<u>(\$6,772,608.50)</u>	<u>(\$6,772,608.50)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	<u>(\$162,757.00)</u>	<u>\$224,699.50</u>	<u>\$224,699.50</u>
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$4,281,840.00	\$3,905,693.50	\$3,905,693.50
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$4,281,840.00	\$3,905,693.50	\$3,905,693.50
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$4,281,840.00	\$3,905,693.50	\$3,905,693.50
<b>11 2010 Revenue Requirement after Means Test</b>	\$4,281,840.00	\$3,905,693.50	\$3,905,693.50
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2010 Revenue Requirement after Waterfall</b>	\$4,281,840.00	\$3,905,693.50	\$3,905,693.50
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$4,281,840.00	\$3,905,693.50	\$3,905,693.50
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b><u>\$356,820.00</u></b>	<b><u>\$325,474.46</u></b>	<b><u>\$325,474.46</u></b>

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	Sierra <u>AL 377</u>	Staff <u>Proposed</u>	Commission <u>Adopted</u>
<b>1 2009 CHCF-A Requirement</b> (Resolution T-17181, Appendix A line 8)	\$12,104,196.00	\$13,086,249.81	\$13,086,249.81
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	(\$75,251.00)	(\$75,251.00)	(\$75,251.00)
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$88,391.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$88,391.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$29,414.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$29,414.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17181, Appendix A line 5b)	\$5,498,903.00	\$5,498,903.19	\$5,498,903.19
b Projected Year 2010 USF (Per NECA.)	<u>(\$4,752,022.00)</u>	<u>(\$4,749,194.73)</u>	<u>(\$4,749,194.73)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$746,881.00	\$749,708.46	\$749,708.46
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$12,893,631.00	\$13,760,707.27	\$13,760,707.27
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$12,893,631.00	\$13,760,707.27	\$13,760,707.27
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$12,893,631.00	\$13,760,707.27	\$13,760,707.27
<b>11 2010 Revenue Requirement after Means Test</b>	\$12,893,631.00	\$13,129,901.39	\$13,129,901.39
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2010 Revenue Requirement after Waterfall</b>	\$12,893,631.00	\$13,129,901.39	\$13,129,901.39
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$12,893,631.00	\$13,129,901.39	\$13,129,901.39
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b><u>\$1,074,469.25</u></b>	<b><u>\$1,094,158.45</u></b>	<b><u>\$1,094,158.45</u></b>

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	<b>Siskiyou AL 357</b>	<b>Staff Proposed</b>	<b>Commission Adopted</b>
<b>1 2009 CHCF-A Requirement</b> (Resolution T-17181, Appendix A line 8)	\$3,617,063.00	\$3,617,062.93	\$3,617,062.93
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	(\$41,860.00)	(\$41,860.00)	(\$41,860.00)
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$167,773.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$167,773.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$38,885.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$38,885.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17181, Appendix A line 5b)	\$3,125,363.00	\$3,125,363.07	\$3,125,363.07
b Projected Year 2010 USF (Per NECA.)	<u>(\$3,325,399.00)</u>	<u>(\$3,324,811.49)</u>	<u>(\$3,324,811.49)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	<u>(\$200,036.00)</u>	<u>(\$199,448.42)</u>	<u>(\$199,448.42)</u>
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$3,581,825.00	\$3,375,754.51	\$3,375,754.51
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$3,581,825.00	\$3,375,754.51	\$3,375,754.51
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$3,581,825.00	\$3,375,754.51	\$3,375,754.51
<b>11 2010 Revenue Requirement after Means Test</b>	\$3,581,825.00	\$3,375,754.51	\$3,375,754.51
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2010 Revenue Requirement after Waterfall</b>	\$3,581,825.00	\$3,375,754.51	\$3,375,754.51
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$3,581,825.00	\$3,375,754.51	\$3,375,754.51
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b>\$298,485.42</b>	<b>\$281,312.88</b>	<b>\$281,312.88</b>

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	<b>Verizon-WC AL 697</b>	<b>Staff Proposed</b>	<b>Commission Adopted</b>
<b>1 2009 CHCF-A Requirement</b> (Resolution T-17181, Appendix A line 8)	\$811,335.00	\$811,335.00	\$811,335.00
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	\$0.00	\$0.00	\$0.00
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17181, Appendix A line 5b)	\$0.00	\$0.00	\$0.00
b Projected Year 2010 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
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$811,335.00	\$811,335.00	\$811,335.00
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$811,335.00	\$811,335.00	\$811,335.00
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$811,335.00	\$811,335.00	\$811,335.00
<b>11 2010 Revenue Requirement after Means Test</b>	\$0.00	\$0.00	\$0.00
<b>12 Waterfall effect</b>	0.00%	0.00%	0.00%
<b>13 2010 Revenue Requirement after Waterfall</b>	\$0.00	\$0.00	\$0.00
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$0.00	\$0.00	\$0.00
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>

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	<b>Volcano AL 352</b>	<b>Staff Proposed</b>	<b>Commission Adopted</b>
<b>1 2009 CHCF-A Requirement</b> (Resolution T-17181, Appendix A line 8)	\$4,467,413.45	\$4,467,413.45	\$4,467,413.45
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	(\$1,213,977.00)	(\$1,213,977.00)	(\$1,213,977.00)
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$164,020.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Inter-carrier Compensation (FCC Docket 01-92)	\$164,020.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$5,300.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Inter-carrier Compensation (FCC Docket 01-92)	\$5,300.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17181, Appendix A line 5b)	\$2,292,980.55	\$2,292,980.55	\$2,292,980.55
b Projected Year 2010 USF (Per NECA.)	<u>(\$1,896,165.00)</u>	<u>(\$1,671,958.67)</u>	<u>(\$1,671,958.67)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$396,815.55	\$621,021.88	\$621,021.88
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$3,819,572.00	\$3,874,458.33	\$3,874,458.33
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$3,819,572.00	\$3,874,458.33	\$3,874,458.33
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$3,819,572.00	\$3,874,458.33	\$3,874,458.33
<b>11 2010 Revenue Requirement after Means Test</b>	\$3,819,572.00	\$3,874,458.33	\$3,874,458.33
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2010 Revenue Requirement after Waterfall</b>	\$3,819,572.00	\$3,874,458.33	\$3,874,458.33
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$3,819,572.00	\$3,874,458.33	\$3,874,458.33
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b>\$318,297.67</b>	<b>\$322,871.53</b>	<b>\$322,871.53</b>

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	Winterhaven AL206	Staff Proposed	Commission Adopted
<b>1 2009 CHCF-A Requirement</b> (Resolution T-17181, Appendix A line 8)	\$113,947.57	\$113,947.57	\$113,947.57
<b>2 Adjustments to 2009 CHCF-A Requirement (Non-Recurring)</b>	\$0.00	\$0.00	\$0.00
<b>3 Year 2009 Impacts (Non-Recurring)</b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>4 Year 2010 Impacts (Recurring)</b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>
a GRC Modifications	\$0.00	\$0.00	\$0.00
b NECA Separations Methodology Changes	\$0.00	\$0.00	\$0.00
c VNXX Compensation (CPUC Decision 07-02-031)	\$0.00	\$0.00	\$0.00
d Wireless Intercarrier Compensation (FCC Docket 01-92)	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2009 USF (Resolution T-17181, Appendix A line 5b)	\$242,016.93	\$242,016.93	\$242,016.93
b Projected Year 2010 USF (Per NECA.)	<u>(\$199,163.00)</u>	<u>(\$206,601.95)</u>	<u>(\$206,601.95)</u>
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$42,853.93	\$35,414.98	\$35,414.98
<b>6 2010 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$156,801.50	\$149,362.55	\$149,362.55
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2010 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2011)	\$156,801.50	\$149,362.55	\$149,362.55
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2010 Revenue Requirement eligible for CHCF-A Support</b>	\$156,801.50	\$149,362.55	\$149,362.55
<b>11 2010 Revenue Requirement after Means Test</b>	\$0.00	\$0.00	\$0.00
<b>12 Waterfall effect</b>	0.00%	0.00%	0.00%
<b>13 2010 Revenue Requirement after Waterfall</b>	\$0.00	\$0.00	\$0.00
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2010 CHCF-A Support</b>	\$0.00	\$0.00	\$0.00
<b>16 Monthly Payment for Periods Jan - Dec 2010</b> (Line 16/12)	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>	<b><u>\$0.00</u></b>