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**Communications Division
Licensing, Tariffs, Rural Carriers & Cost
Support Branch**

**RESOLUTION T- 17122
January 10, 2008**

R E S O L U T I O N

Resolution T-17122 Seventeen Small Local Exchange Carriers (LECs) and the California High Cost Fund-A (CHCF-A) Administrative Committee Fund.

This Resolution Sets Forth The CHCF-A Support For Each of the 17 Small LECs For Calendar Year (CY) 2008.

| BY ADVICE LETTER NO. | FILED BY: | DATE FILED: |
|----------------------------|--|----------------|
| 300 | Calaveras Telephone Company (Calaveras) | 9/28/07 |
| 318 | California-Oregon Telephone Company (Cal-Ore) | 9/28/07 |
| 202 | Citizens Telecommunications Company (Citizens-GS) of the Golden State | 9/19/07 |
| 189 | Citizens Telecommunications Company (Citizens-Tu) of Tuolumne | 9/19/07 |
| 316 | Ducor Telephone Company (Ducor) | 9/28/07 |
| 399 | Global Valley Networks, Inc. (Global Valley) | 9/14/07 |
| 278 | Foresthill Telephone Company (Foresthill) | 10/1/07 |
| 298 | Happy Valley Telephone Company (Happy Valley) | 10/1/07 |
| 266 | Hornitos Telephone Company (Hornitos) | 10/1/07 |
| 357 | Kerman Telephone Company (Kerman) | 10/1/07 |
| 229 | Pinnacles Telephone Company (Pinnacles) | 9/28/07 |
| 370 | The Ponderosa Telephone Company (Ponderosa) | 10/1/07 |
| 360 | Sierra Telephone Company (Sierra) | 9/28/07 |
| 347 | Siskiyou Telephone Company (Siskiyou) | 9/26/07 |
| 675 | Verizon West Coast Incorporated (Verizon-WC) | 10/19/07 |
| 340 | Volcano Telephone Company (Volcano) | 9/28/07 |
| 195 | Winterhaven Telephone Company (Winterhaven) | 10/1/07 |

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Summary

This resolution adopts a total CY 2008 California High Cost Fund-A (CHCF-A) support of \$29,992,397.76 for Calaveras, Cal-Ore, Citizens-GS, Citizens-Tu, Ducor, Global Valley Networks, Inc., Foresthill, Happy Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, Verizon-WC, Volcano, and Winterhaven. The development of the CHCF-A support for each small LEC is shown in Appendix A and explained in the Discussion section. The table below summarizes the monthly and yearly CHCF-A support for each of the 17 small LECs:

| <u>Small LEC</u> | <u>Monthly Support 2008</u> | <u>Yearly Support 2008</u> |
|------------------------------|-----------------------------|----------------------------|
| Calaveras | \$54,093.53 | \$649,122.30 |
| Cal-Ore | \$102,575.44 | \$1,230,905.30 |
| Citizens- Golden State | \$0.00 | \$0.00 |
| Citizens-Tuolumne | \$0.00 | \$0.00 |
| Ducor | \$148,504.86 | \$1,782,058.33 |
| Global Valley Networks, Inc. | \$0.00 | \$0.00 |
| Foresthill | \$202,214.52 | \$2,426,574.22 |
| Happy Valley | \$0.00 | \$0.00 |
| Hornitos | \$0.00 | \$0.00 |
| Kerman | \$304,762.25 | \$3,657,147.00 |
| Pinnacles | \$9,921.37 | \$119,056.43 |
| Ponderosa | \$187,892.50 | \$2,254,710.03 |
| Sierra | \$1,001,230.58 | \$12,014,767.00 |
| Siskiyou | \$322,722.68 | \$3,872,672.15 |
| Verizon West Coast | \$0.00 | \$0.00 |
| Volcano | \$165,448.75 | \$1,985,385.00 |
| Winterhaven | \$0.00 | \$0.00 |
| Total | \$2,499,366.48 | \$29,992,397.76 |

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 Commission and State adoption of the budgets covering the payment of the 2008 CHCF-A support. Should the monthly support payments due the small LECs not be paid within 30 days after the close of each

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calendar month, CD shall include in those payments interest equal to the 3-month commercial paper rate.¹

Background

The California High Cost Fund (HCF) was implemented by 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 Local Exchange Carriers (LECs) whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service. Pacific Bell was appointed as the administrator of the fund. Recognizing the public nature of the fund, Pacific set up a separate trust for the CHCF-A.

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)², Roseville Telephone Company (now SureWest), and Citizens Telecommunications Company of California, Incorporated 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.

Resolution T-16092 approved the transfer of the administrative control of the CHCF-A from Pacific to the Commission effective January 1, 1998. This resolution appointed three Commission staff members as committee members of the CHCF-A Trust Administrative Committee charged with the responsibility of administering the CHCF-A on behalf of the Commission. D.98-06-065 renamed the committee as CHCF-A AC and revised the governance of the CHCF-A consistent with State rules and procedures.

In October 1999, PU Code § 270-281 were codified as a result of the enactment of Senate Bill (SB) 669 (Stats. 1999, Chapter 677). § 270(b) requires that the monies in the CHCF-A and five other funds may only be expended pursuant to § 270-281 and upon appropriation in the annual Budget Act. Since 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.

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

² Verizon Telephone Company resulted from the merger of GTE of CA and GTE Contel.

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On or about October 1, 2007, 17 small LECs made their annual CHCF-A advice letter filings in accordance with D.91-09-042. These 17 small LECs requested a total CY 2008 CHCF-A support of nearly \$30.47 million.

Notice/Protests

The 17 small LECs' 2008 CHCF-A advice letter filings appeared in the Commission's Daily Calendar in September and October 2007. No protests to the advice letter filings have been received.

Discussion

In this Resolution, the Commission adopts a CHCF-A support of \$29,992,397.76 for CY 2008. This total support is broken down for each of the 17 small LECs as noted in the summary section of this Resolution.

CD in concert with the IMSD 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 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.

A. 2008 CHCF-A Revenue Requirements and Supports

CD reviewed the advice letter filings made by the 17 small LECs in connection with the 2008 CHCF-A revenue requirements and revised their requests for the following reasons and discussed below:

1. pursuant to guidelines adopted in D.88-07-022⁴; and
2. incorrect determination of the Net Interstate Expense Adjustment.

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

³ The January 2008 monthly support will be paid in February 2008; the December 2008 monthly support will be paid in January 2009.

⁴ 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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General Rate Cases (GRCs)

Calaveras, Cal-Ore, Ducor, Pinnacles and Ponderosa informed the Commission in their AL filings of their intent to file a GRC before the end of 2007. Kerman's and Sierra's latest GRC filing was in 2006 for test year 2008. Volcano's latest GRC filing was in 2006 and 2007 for test year 2008. Foresthill filed a GRC in 2005 for test year 2007. Siskiyou's latest GRC filing was in 2005 for test year 2006. Global Valley filed its GRC for test year 2003. Citizens - Golden State, Citizens- Tuolumne, Happy Valley, Hornitos, Verizon - West Coast and Winterhaven's last GRC filing was for test year 1997.

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

Means Test

§ B of the Implementation Rules requires that each CHCF-A support request be subject to a means test, i.e. a small LEC's CHCF-A support is limited to forecasted intrastate results of operations not to exceed the small LEC's authorized rate of return. The forecasted earnings shall 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 an LEC's CHCF-A funding 12 months after a decision or resolution is rendered by the Commission in a General Rate Case 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 17 small LECs for 2008 are summarized below:

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| <u>Small ILEC</u> | <u>GRC Test Year</u> | <u>2008</u> |
|-------------------|----------------------|-------------|
| Calaveras | 2009 | 100% |
| Cal-Ore | 2009 | 100% |
| Citizens-GS | 1997 | 0% |
| Citizens-Tu | 1997 | 0% |
| Ducor | 2009 | 100% |
| Global Valley | 2003 | 50% |
| 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

§ 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. Pursuant to Resolution T-16117, the change of USF funding level shall be determined 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 the National Exchange Carrier Association (NECA), the administrator of USF.⁵

⁵ Data used is the NECA projected 2008 USF Payments provided by NECA on November 27, 2007.

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Revenue Effect Associated with Virtual NXX Calls

Paragraph B of Appendix A of Decision 91-05-016 allows the inclusion of regulatory changes of industry-wide effects that have an impact on revenues issued by the Commission and FCC.

In Decision 07-02-031, Opinion Regarding Treatment of Virtual NXX Calls to small Local Exchange Carriers (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. Some of the small LECs filing for the 2008 CHCF-A funding requests included recovery of revenues attributable to the Virtual NXX proceeding and a settlement agreement between Pac-West Telecomm, Inc. and each of the affected small LECs.

Revenue Effect Associated with Wireless Intercarrier Compensation

Paragraph B of Appendix A of Decision 91-05-016 allows the inclusion of regulatory changes of industry-wide effects that have an impact on revenues issued by the Commission and FCC. In the small LECs filing for the 2006 CHCF-A funding, the small LECs' funding request included recovery of revenues attributable to a decision issued by the Federal Communications Commission (FCC). On February 24, 2005, the Federal Communications Commission (FCC) released its Declaratory Ruling and Report and Order in its Intercarrier Compensation Docket (CC Docket No. 01-92) (the T-Mobile Decision). The T-Mobile Decision established new rules prohibiting LECs from imposing compensation arrangements on commercial mobile radio service providers through tariffs. Instead, the LECs must negotiate compensation arrangements with CMRS providers.

In the 2007 CHCF-A filing, Siskiyou included recovery of revenues that would have been billed to the wireless carriers if not for the T-Mobile Decision. Since Siskiyou had a compensation agreement with Nextel and UbiqTel at the time of filing of their Advice Letter, recovery of this revenue item was allowed in 2007 and this was approved in Commission Resolution T-17064. In the 2008 CHCF-A filing, Siskiyou again included a funding request to reflect a reduction in revenues directly attributable to a settlement

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agreement with Nextel and UbiquiTel in accordance with the CPUC directive issued in Resolution T-16985. Since recovery of revenue was already settled in Siskiyou's 2007 filing, the amount requested in their 2008 filing is disallowed.

The CHCF-A support and the rate designs for each of the 17 small LECs for CY 2008 are summarized below. The detailed tables showing the CHCF-A support for the 17 small LECs are shown in Appendix A.

Calaveras, Page 1 of Appendix A

In Advice Letter 300, Calaveras notified the Commission that it intended to file a rate case before the end of 2007, and thus, the waterfall is set at 100%. Calaveras has a 2008 CHCF-A revenue requirement of \$649,122.30 (at Line 6, Page 1 of Appendix A). Calaveras will receive a monthly support of \$54,093.53 for January through December 2008, i.e., one-twelfth of \$649,122.30.

Cal-Ore, Page 2 of Appendix A

In Advice Letter 318, Cal-Ore notified the Commission that it intended to file a rate case before the end of 2007, and thus, the waterfall is set at 100%. Cal-Ore has a 2008 CHCF-A revenue requirement of \$1,359,158.96 (at Line 6, Page 2 of Appendix A). This amount is reduced after the means test to \$1,230,905.30. Cal-Ore will receive a monthly support of \$102,575.44 for January through December 2008, i.e., one-twelfth of \$1,230,905.30.

Citizens-GS, Page 3 of Appendix A

Citizens-GS has a 2008 CHCF-A revenue requirement of \$1,564,350.68 (at Line 6, Page 3 of Appendix A). However, the waterfall funding for Citizens-Golden State is 0%. Citizens-Golden State will not receive any CHCF-A funding for 2008.

Citizens-Tu, Page 4 of Appendix A

Citizens-Tu has a 2008 CHCF-A revenue requirement of \$1,517,352.64 (at Line 6, Page 4 of Appendix A). However, due to the waterfall, Citizens-Tu is eligible for 0% of the funding level. Citizens-Tu will not receive any CHCF-A funding for 2008.

Ducor, Page 5 of Appendix A

In Advice Letter 316, Ducor notified the Commission that it intended to file a rate case before the end of 2007, and thus, the waterfall is set at 100%. Ducor has a 2008 CHCF-A revenue requirement of \$1,782,058.33 (at Line 6, Page 5 of Appendix A). Ducor will receive a monthly support of \$148,504.86 for January through December 2008, i.e., one-twelfth of \$1,782,058.33.

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Global Valley Networks, Inc., Page 6 of Appendix A

Global Valley has a 2008 CHCF-A revenue requirement of \$2,446,334 (at Line 6, Page 6 of Appendix A). However, Global Valley, in Advice Letter #399 stated that they are not requesting a CHCF-A draw in 2008. Thus, Global Valley will not receive any CHCF-A support in 2008.

Foresthill, Page 7 of Appendix A

Foresthill has a 2008 CHCF-A revenue requirement of \$2,426,574.22 (at Line 6, Page 7 of Appendix A). Due to Foresthill's GRC Resolution T-17048 for test year 2007, Foresthill does not require a means test and their waterfall is set at 100%, Foresthill will receive a monthly support of \$202,214.52 for January through December 2008, i.e., one-twelfth of \$2,426,574.22.

Happy Valley, Page 8 of Appendix A

Happy Valley has a 2008 CHCF-A revenue requirement of \$2,786,897.29 (at Line 6, Page 8 of Appendix A). Happy Valley, in Advice Letter #298 stated that it is not seeking CHCF-A funding in 2008. Thus, Happy Valley will not receive any CHCF-A support in 2008.

Hornitos, Page 9 of Appendix A

Hornitos has a 2008 CHCF-A revenue requirement of \$433,450.19 (at Line 6, Page 9 of Appendix A). Hornitos, in Advice letter #266, stated that it is not requesting a draw from the CHCF-A at this time. Therefore, Hornitos will not receive any CHCF-A support in 2008.

Kerman, Page 10 of Appendix A

In GRC Resolution T-17081 for test year 2008, the Commission adopted a CHCF-A revenue requirement of \$3,657,147 for Kerman. Kerman will receive a monthly CHCF-A support of \$304,762.25 for January through December 2008, i.e. one-twelfth of \$3,657,147.

Pinnacles, Page 11 of Appendix A

In Advice Letter 229, Pinnacles notified the Commission that it intended to file a rate case before the end of 2007, and thus, the waterfall is set at 100%. Pinnacles has a 2008 CHCF-A revenue requirement of \$119,056.43 (at Line 6, Page 11 of Appendix A). Since Pinnacles waterfall is set at 100%, Pinnacles will receive a monthly support of \$9,921.37 for January through December 2008, i.e., one-twelfth of \$119,056.43.

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Ponderosa, Page 12 of Appendix A

In Advice Letter 370, Ponderosa notified the Commission that it intended to file a rate case before the end of 2007, and thus, the waterfall is set at 100%. Ponderosa has a 2008 CHCF-A revenue requirement of \$2,254,710.03 (at Line 6, Page 12 of Appendix A). Since Ponderosa projected a rate of return of less than 10% and its waterfall is set at 100%, Ponderosa shall receive a monthly CHCF-A support of \$187,892.50 for January through December 2008, i.e. one-twelfth of \$2,254,710.03.

Sierra, Page 13 of Appendix A

In GRC Resolution T-17082 for test year 2008, the Commission adopted a CHCF-A revenue requirement of \$12,014,767 for Sierra. Sierra will receive a monthly CHCF-A support of \$1,001,230.58 for January through December 2008, i.e. one-twelfth of \$12,014,767.

Siskiyou, Page 14 of Appendix A

Siskiyou has a 2008 CHCF-A revenue requirement of \$3,872,672.15 (at Line 6, Page 14 of Appendix A). Thus, Siskiyou shall receive a monthly CHCF-A support of \$322,722.68, i.e. one-twelfth of \$3,872,672.15 for January through December 2008.

Verizon-WC, Page 15 of Appendix A

Verizon-WC has a 2008 CHCF-A revenue requirement of \$811,335.00 (at Line 6, Page 15 of Appendix A). In their 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 2008.

Volcano, Page 16 of Appendix A

In GRC Resolution T-17108 for test year 2008, the Commission adopted a CHCF-A revenue requirement of \$1,985,385 for Volcano. Volcano will receive a monthly CHCF-A support of \$165,448.75 for January through December 2008, i.e. one-twelfth of \$1,985,385.

Winterhaven, Page 17 of Appendix A

Winterhaven has a 2008 CHCF-A revenue requirement of \$50,141.79 (at Line 6, Page 17 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 2008.

The Commission finds CD's recommended CHCF-A support payments for the 17 small LECs for 2008 reasonable and consistent with our orders and are therefore adopted.

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B. CHCF-A Budget for FY 2007-08 and FY 2008-09

In Resolution T- 17043, the Commission adopted a CHCF-A program budget of \$66.662 million for FY 2007-08. For FY 2008-09, in Resolution T-17121, the Commission adopted budget for the CHCF-A program is \$64.866 million. Of the budgeted amounts, \$55.713 million and \$54.024 million have been allocated as program payments to the small LECs for FY 2007-08 and FY 2008-09, respectively.

There are enough funds in both the FY 2007-08 and FY 2008-09 budgets to cover the 2008 CHCF-A support to the small LECs.

Comments on Draft Resolution

In compliance with PU Code § 311(g), a notice letter was emailed on December 11, 2007, informing the 17 small LECs, the CHCFA-AC, the parties of record in R01-08-002 and the parties on the service list of A99-09-044 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.

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 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 (CHCF-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 the 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.

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4. 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.
5. The Communications Division (CD) reviewed the filings made by the 17 small Local Exchange Carriers (LECs) in connection with the 2008 CHCF-A payment requirements.
6. CD revised the 2008 CHCF-A support requests submitted by the 17 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.
7. The total approved 2008 CHCF-A draw for Calaveras, Cal-Ore, Citizens-GS, Citizens-Tu, Ducor, Global Valley Networks, Inc., Foresthill, Happy Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, Verizon-WC, Volcano, and Winterhaven should be \$29,992,397.76.
8. The monthly support payments for January 2008 through December 2008 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 2008 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.
9. In Resolution T- 17043, the Commission adopted a CHCF-A program budget of \$66.662 million for FY 2007-08. For FY 2008-09, in Resolution T-17121, the Commission adopted budget for the CHCF-A program is \$64.866 million. There are enough funds in both the FY 2007-08 and FY 2008-09 budgets to cover the 2008 CHCF-A support to the small LECs.
10. A notice letter was emailed on December 11, 2007, informing the 17 small LECs, the CHCFA-AC, the parties of record in R01-08-002 and the parties on the service list of A99-09-044 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.
11. The Commission finds CD's recommended CHCF-A support for each of the 17 small LECs as summarized in Appendix A of this Resolution reasonable and consistent with Commission orders and should be adopted.

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THEREFORE, IT IS ORDERED that:

1. The respective California High Cost Fund A (CHCF-A) support for each of the 17 small Local Exchange Carriers (LECs), as described in the body and summarized in Appendix A of this Resolution, is adopted.
2. The total approved CHCF-A support of \$29,992,397.76 for the 17 small LECs for 2008 is as listed below:

| <u>Small LEC</u> | <u>Monthly Support 2008</u> | <u>Yearly Support 2008</u> |
|------------------------------|-----------------------------|----------------------------|
| Calaveras | \$54,093.53 | \$649,122.30 |
| Cal-Ore | \$102,575.44 | \$1,230,905.30 |
| Citizens- Golden State | \$0.00 | \$0.00 |
| Citizens-Tuolumne | \$0.00 | \$0.00 |
| Ducor | \$148,504.86 | \$1,782,058.33 |
| Global Valley Networks, Inc. | \$0.00 | \$0.00 |
| Foresthill | \$202,214.52 | \$2,426,574.22 |
| Happy Valley | \$0.00 | \$0.00 |
| Hornitos | \$0.00 | \$0.00 |
| Kerman | \$304,762.25 | \$3,657,147.00 |
| Pinnacles | \$9,921.37 | \$119,056.43 |
| Ponderosa | \$187,892.50 | \$2,254,710.03 |
| Sierra | \$1,001,230.58 | \$12,014,767.00 |
| Siskiyou | \$322,722.68 | \$3,872,672.15 |
| Verizon West Coast | \$0.00 | \$0.00 |
| Volcano | \$165,448.75 | \$1,985,385.00 |
| Winterhaven | \$0.00 | \$0.00 |
| Total | \$2,499,366.48 | \$29,992,397.76 |

The monthly support payments for January 2008 through December 2008 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 LECs is contingent on the availability of funds and the Commission and State adoption of the budgets covering the payment for the 2008 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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3. The program support payment of \$29,992,397.76 for the 17 small LECs shall be paid out of the CHCF-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 10, 2008. The following Commissioners approved it:

Paul Clanon
Executive Director

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APPENDIX A
Resolution T- 17122

| | Calaveras AL 300 | Staff Proposed | Commission Adopted |
|---|-----------------------------|---------------------------|-------------------------------|
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$746,455.73 | \$746,455.73 | \$746,455.73 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | (\$23,978.00) | (\$23,978.00) | (\$23,978.00) |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$38,922.74 | \$38,922.74 | \$38,922.74 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$2,421.02 | \$2,421.02 | \$2,421.02 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$1,915,474.00 | \$1,915,474.00 | \$1,915,474.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>(\$2,030,173.19)</u> | <u>(\$2,030,173.19)</u> | <u>(\$2,030,173.19)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | (\$114,699.19) | (\$114,699.19) | (\$114,699.19) |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$649,122.30 | \$649,122.30 | \$649,122.30 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$649,122.30 | \$649,122.30 | \$649,122.30 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$649,122.30 | \$649,122.30 | \$649,122.30 |
| 11 2008 Revenue Requirement after Means Test | \$649,122.30 | \$649,122.30 | \$649,122.30 |
| 12 Waterfall effect | 100.00% | 100.00% | 100.00% |
| 13 2008 Revenue Requirement after Waterfall | \$649,122.30 | \$649,122.30 | \$649,122.30 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$649,122.30 | \$649,122.30 | \$649,122.30 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$54,093.53 | \$54,093.53 | \$54,093.53 |

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APPENDIX A
Resolution T- 17122

| | Cal-Ore | Staff | Commission |
|--|-------------------------|-------------------------|-------------------------|
| | <u>AL 318</u> | <u>Proposed</u> | <u>Adopted</u> |
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$1,194,771.96 | \$1,194,771.96 | \$1,194,771.96 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | (\$4,775.00) | (\$4,775.00) | (\$4,775.00) |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$1,288,337.00 | \$1,288,337.00 | \$1,288,337.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>(\$1,119,175.00)</u> | <u>(\$1,119,175.00)</u> | <u>(\$1,119,175.00)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | \$169,162.00 | \$169,162.00 | \$169,162.00 |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$1,359,158.96 | \$1,359,158.96 | \$1,359,158.96 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$1,359,158.96 | \$1,359,158.96 | \$1,359,158.96 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$1,359,158.96 | \$1,359,158.96 | \$1,359,158.96 |
| 11 2008 Revenue Requirement after Means Test | \$1,230,913.33 | \$1,230,905.30 | \$1,230,905.30 |
| 12 Waterfall effect | 100.00% | 100.00% | 100.00% |
| 13 2008 Revenue Requirement after Waterfall | \$1,230,913.33 | \$1,230,905.30 | \$1,230,905.30 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$1,230,913.33 | \$1,230,905.30 | \$1,230,905.30 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$102,576.11 | \$102,575.44 | \$102,575.44 |

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APPENDIX A
Resolution T- 17122

| | Citizens-GS | Staff | Commission |
|--|-----------------------|-----------------------|-----------------------|
| | <u>AL 202</u> | <u>Proposed</u> | <u>Adopted</u> |
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$989,241.00 | \$989,241.43 | \$989,241.43 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | \$0.00 | \$0.00 | \$0.00 |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$689,004.00 | \$689,004.00 | \$689,004.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>(\$236,168.00)</u> | <u>(\$113,894.75)</u> | <u>(\$113,894.75)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | \$452,836.00 | \$575,109.25 | \$575,109.25 |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$1,442,077.00 | \$1,564,350.68 | \$1,564,350.68 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$1,442,077.00 | \$1,564,350.68 | \$1,564,350.68 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$1,442,077.00 | \$1,564,350.68 | \$1,564,350.68 |
| 11 2008 Revenue Requirement after Means Test | \$0.00 | \$0.00 | \$0.00 |
| 12 Waterfall effect | 0.00% | 0.00% | 0.00% |
| 13 2008 Revenue Requirement after Waterfall | \$0.00 | \$0.00 | \$0.00 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$0.00 | \$0.00 | \$0.00 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$0.00 | \$0.00 | \$0.00 |

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APPENDIX A
Resolution T- 17122

| | Citizens-Tu <u>AL 189</u> | Staff <u>Proposed</u> | Commission <u>Adopted</u> |
|---|--------------------------------------|----------------------------------|--------------------------------------|
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$1,469,165.00 | \$1,469,165.26 | \$1,469,165.26 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | \$0.00 | \$0.00 | \$0.00 |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$404,060.00 | \$404,060.00 | \$404,060.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>(\$409,818.00)</u> | <u>(\$355,872.62)</u> | <u>(\$355,872.62)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | (\$5,758.00) | \$48,187.38 | \$48,187.38 |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$1,463,407.00 | \$1,517,352.64 | \$1,517,352.64 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$1,463,407.00 | \$1,517,352.64 | \$1,517,352.64 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$1,463,407.00 | \$1,517,352.64 | \$1,517,352.64 |
| 11 2008 Revenue Requirement after Means Test | \$0.00 | \$0.00 | \$0.00 |
| 12 Waterfall effect | 0.00% | 0.00% | 0.00% |
| 13 2008 Revenue Requirement after Waterfall | \$0.00 | \$0.00 | \$0.00 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$0.00 | \$0.00 | \$0.00 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$0.00 | \$0.00 | \$0.00 |

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APPENDIX A
Resolution T- 17122

| | Ducor | Staff | Commission |
|--|-----------------------|------------------------|-----------------------|
| | <u>AL 316</u> | <u>Proposed</u> | <u>Adopted</u> |
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$1,746,281.35 | \$1,746,281.35 | \$1,746,281.35 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | (\$8,191.00) | (\$8,191.00) | (\$8,191.00) |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$14,578.00 | \$14,578.00 | \$14,578.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$1,952.00 | \$1,952.00 | \$1,952.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$969,452.00 | \$969,452.00 | \$969,452.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>(\$942,014.00)</u> | <u>(\$942,014.02)</u> | <u>(\$942,014.02)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | \$27,438.00 | \$27,437.98 | \$27,437.98 |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$1,782,058.35 | \$1,782,058.33 | \$1,782,058.33 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$1,782,058.35 | \$1,782,058.33 | \$1,782,058.33 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$1,782,058.35 | \$1,782,058.33 | \$1,782,058.33 |
| 11 2008 Revenue Requirement after Means Test | \$1,782,058.35 | \$1,782,058.33 | \$1,782,058.33 |
| 12 Waterfall effect | 100.00% | 100.00% | 100.00% |
| 13 2008 Revenue Requirement after Waterfall | \$1,782,058.35 | \$1,782,058.33 | \$1,782,058.33 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$1,782,058.35 | \$1,782,058.33 | \$1,782,058.33 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$148,504.86 | \$148,504.86 | \$148,504.86 |

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APPENDIX A
Resolution T- 17122

| | Global Valley | Staff | Commission |
|--|----------------------|------------------------|-----------------------|
| | <u>AL 399</u> | <u>Proposed</u> | <u>Adopted</u> |
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$4,326,741.00 | \$4,326,741.00 | \$4,326,741.00 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | (\$2,037,633.00) | (\$2,037,633.00) | (\$2,037,633.00) |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$141,772.00 | \$141,772.00 | \$141,772.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$15,454.00 | \$15,454.00 | \$15,454.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$0.00 | \$0.00 | \$0.00 |
| b Projected Year 2008 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 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$2,446,334.00 | \$2,446,334.00 | \$2,446,334.00 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$2,446,334.00 | \$2,446,334.00 | \$2,446,334.00 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$2,446,334.00 | \$2,446,334.00 | \$2,446,334.00 |
| 11 2008 Revenue Requirement after Means Test | \$0.00 | \$0.00 | \$0.00 |
| 12 Waterfall effect | 50.00% | 50.00% | 50.00% |
| 13 2008 Revenue Requirement after Waterfall | \$0.00 | \$0.00 | \$0.00 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$0.00 | \$0.00 | \$0.00 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$0.00 | \$0.00 | \$0.00 |

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APPENDIX A
Resolution T- 17122

| | Foresthill <u>AL 278</u> | Staff <u>Proposed</u> | Commission <u>Adopted</u> |
|---|-------------------------------------|----------------------------------|--------------------------------------|
| 1 2007 CHCF-A Requirement (Resolution T-17048, Appendix E line 15) * | \$3,022,819.00 | \$3,022,819.00 | \$3,022,819.00 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | (\$41,700.00) | (\$41,700.00) | (\$41,700.00) |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$46,273.00 | \$46,273.00 | \$46,273.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$441.00 | \$441.00 | \$441.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$303,773.00 | \$303,773.00 | \$303,773.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>(\$303,773.00)</u> | <u>(\$905,031.78)</u> | <u>(\$905,031.78)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | \$0.00 | (\$601,258.78) | (\$601,258.78) |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$3,027,833.00 | \$2,426,574.22 | \$2,426,574.22 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$3,027,833.00 | \$2,426,574.22 | \$2,426,574.22 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$3,027,833.00 | \$2,426,574.22 | \$2,426,574.22 |
| 11 2008 Revenue Requirement after Means Test | \$3,027,833.00 | \$2,426,574.22 | \$2,426,574.22 |
| 12 Waterfall effect | 100.00% | 100.00% | 100.00% |
| 13 2008 Revenue Requirement after Waterfall | \$3,027,833.00 | \$2,426,574.22 | \$2,426,574.22 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$3,027,833.00 | \$2,426,574.22 | \$2,426,574.22 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$252,319.42 | \$202,214.52 | \$202,214.52 |

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APPENDIX A
Resolution T- 17122

| | Happy Valley <u>AL 298</u> | Staff <u>Proposed</u> | Commission <u>Adopted</u> |
|---|-------------------------------|--------------------------|------------------------------|
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$2,701,671.27 | \$2,701,671.27 | \$2,701,671.27 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | \$0.00 | \$0.00 | \$0.00 |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$99,204.00 | \$99,204.00 | \$99,204.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>\$0.00</u> | <u>(\$13,977.98)</u> | <u>(\$13,977.98)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | \$99,204.00 | \$85,226.02 | \$85,226.02 |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$2,800,875.27 | \$2,786,897.29 | \$2,786,897.29 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$2,800,875.27 | \$2,786,897.29 | \$2,786,897.29 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$2,800,875.27 | \$2,786,897.29 | \$2,786,897.29 |
| 11 2008 Revenue Requirement after Means Test | \$0.00 | \$0.00 | \$0.00 |
| 12 Waterfall effect | 0.00% | 0.00% | 0.00% |
| 13 2008 Revenue Requirement after Waterfall | \$0.00 | \$0.00 | \$0.00 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$0.00 | \$0.00 | \$0.00 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$0.00 | \$0.00 | \$0.00 |

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APPENDIX A
Resolution T- 17122

| | Hornitos | Staff | Commission |
|--|-----------------------|------------------------|-----------------------|
| | <u>AL 266</u> | <u>Proposed</u> | <u>Adopted</u> |
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$444,116.00 | \$444,116.00 | \$444,116.00 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | \$0.00 | \$0.00 | \$0.00 |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$126,348.00 | \$126,348.00 | \$126,348.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>(\$131,230.00)</u> | <u>(\$137,013.81)</u> | <u>(\$137,013.81)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | (\$4,882.00) | (\$10,665.81) | (\$10,665.81) |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$439,234.00 | \$433,450.19 | \$433,450.19 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$439,234.00 | \$433,450.19 | \$433,450.19 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$439,234.00 | \$433,450.19 | \$433,450.19 |
| 11 2008 Revenue Requirement after Means Test | \$0.00 | \$0.00 | \$0.00 |
| 12 Waterfall effect | 0.00% | 0.00% | 0.00% |
| 13 2008 Revenue Requirement after Waterfall | \$0.00 | \$0.00 | \$0.00 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$0.00 | \$0.00 | \$0.00 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$0.00 | \$0.00 | \$0.00 |

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APPENDIX A
Resolution T- 17122

| | <u>Kerman</u> <u>AL 357</u> | <u>Adopted</u> <u>Res. T-17081</u> | <u>Commission</u> <u>Adopted</u> |
|---|--|---|---|
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | | | |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | | | |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | | | |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | | | |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | | | |
| b Projected Year 2008 USF (Per NECA.) | | | |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | | | |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | | | |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | | | |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | | | |
| 9 Temporary Surcredit | | | |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | | | |
| 11 2008 Revenue Requirement after Means Test | | | |
| 12 Waterfall effect | | | |
| 13 2008 Revenue Requirement after Waterfall | | | |
| 14 Adjustments | | | |
| 15 2008 CHCF-A Support | \$3,657,147.00 | \$3,657,147.00 | \$3,657,147.00 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$304,762.25 | \$304,762.25 | \$304,762.25 |

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APPENDIX A
Resolution T- 17122

| | Pinnacles | Staff | Commission |
|--|-----------------------|------------------------|-----------------------|
| | <u>AL 229</u> | <u>Proposed</u> | <u>Adopted</u> |
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$137,914.12 | \$137,914.12 | \$137,914.12 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | (\$446.00) | (\$446.00) | (\$446.00) |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$332.00 | \$332.00 | \$332.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$273.00 | \$273.00 | \$273.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$433,324.00 | \$433,324.00 | \$433,324.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>(\$452,341.00)</u> | <u>(\$452,340.69)</u> | <u>(\$452,340.69)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | (\$19,017.00) | (\$19,016.69) | (\$19,016.69) |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$119,056.12 | \$119,056.43 | \$119,056.43 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$119,056.12 | \$119,056.43 | \$119,056.43 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$119,056.12 | \$119,056.43 | \$119,056.43 |
| 11 2008 Revenue Requirement after Means Test | \$119,056.12 | \$119,056.43 | \$119,056.43 |
| 12 Waterfall effect | 100.00% | 100.00% | 100.00% |
| 13 2008 Revenue Requirement after Waterfall | \$119,056.12 | \$119,056.43 | \$119,056.43 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$119,056.12 | \$119,056.43 | \$119,056.43 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$9,921.34 | \$9,921.37 | \$9,921.37 |

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APPENDIX A
Resolution T- 17122

| | Ponderosa | Staff | Commission |
|--|-------------------------|-------------------------|-------------------------|
| | <u>AL 370</u> | <u>Proposed</u> | <u>Adopted</u> |
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$2,802,055.00 | \$2,802,055.25 | \$2,802,055.25 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | (\$72,700.00) | (\$72,700.00) | (\$72,700.00) |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$10,537.00 | \$10,537.00 | \$10,537.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$549.00 | \$549.00 | \$549.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$6,070,880.00 | \$6,070,880.00 | \$6,070,880.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>(\$6,643,258.00)</u> | <u>(\$6,556,611.22)</u> | <u>(\$6,556,611.22)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | (\$572,378.00) | (\$485,731.22) | (\$485,731.22) |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$2,168,063.00 | \$2,254,710.03 | \$2,254,710.03 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$2,168,063.00 | \$2,254,710.03 | \$2,254,710.03 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$2,168,063.00 | \$2,254,710.03 | \$2,254,710.03 |
| 11 2008 Revenue Requirement after Means Test | \$2,168,063.00 | \$2,254,710.03 | \$2,254,710.03 |
| 12 Waterfall effect | 100.00% | 100.00% | 100.00% |
| 13 2008 Revenue Requirement after Waterfall | \$2,168,063.00 | \$2,254,710.03 | \$2,254,710.03 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$2,168,063.00 | \$2,254,710.03 | \$2,254,710.03 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$180,671.92 | \$187,892.50 | \$187,892.50 |

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APPENDIX A
Resolution T- 17122

| | Sierra <u>AL 360</u> | Adopted <u>Res. T-17082</u> | Commission <u>Adopted</u> |
|---|---------------------------------|--|--------------------------------------|
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | | | |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | | | |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | | | |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | | | |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | | | |
| b Projected Year 2008 USF (Per NECA.) | | | |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | | | |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | | | |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | | | |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | | | |
| 9 Temporary Surcredit | | | |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | | | |
| 11 2008 Revenue Requirement after Means Test | | | |
| 12 Waterfall effect | | | |
| 13 2008 Revenue Requirement after Waterfall | | | |
| 14 Adjustments | | | |
| 15 2008 CHCF-A Support | \$12,014,767.00 | \$12,014,767.00 | \$12,014,767.00 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$1,001,230.58 | \$1,001,230.58 | \$1,001,230.58 |

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APPENDIX A
Resolution T- 17122

| | Siskiyou | Staff | Commission |
|--|-------------------------|-------------------------|-------------------------|
| | <u>AL 347</u> | <u>Proposed</u> | <u>Adopted</u> |
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$4,825,151.00 | \$4,825,151.00 | \$4,825,151.00 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | \$0.00 | (\$6,741.00) | (\$6,741.00) |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 4 Year 2008 Impacts (Recurring) Nextel and Ubiquitel R.T-16985 | \$3,239.00 | \$0.00 | \$0.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$1,635,069.00 | \$1,635,069.00 | \$1,635,069.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>(\$2,626,088.00)</u> | <u>(\$2,580,806.85)</u> | <u>(\$2,580,806.85)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | (\$991,019.00) | (\$945,737.85) | (\$945,737.85) |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$3,837,371.00 | \$3,872,672.15 | \$3,872,672.15 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$3,837,371.00 | \$3,872,672.15 | \$3,872,672.15 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$3,837,371.00 | \$3,872,672.15 | \$3,872,672.15 |
| 11 2008 Revenue Requirement after Means Test | \$3,837,371.00 | \$3,872,672.15 | \$3,872,672.15 |
| 12 Waterfall effect | 100.00% | 100.00% | 100.00% |
| 13 2008 Revenue Requirement after Waterfall | \$3,837,371.00 | \$3,872,672.15 | \$3,872,672.15 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$3,837,371.00 | \$3,872,672.15 | \$3,872,672.15 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$319,780.92 | \$322,722.68 | \$322,722.68 |

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APPENDIX A
Resolution T- 17122

| | Verizon-WC | Staff | Commission |
|--|----------------------|------------------------|-----------------------|
| | <u>AL 675</u> | <u>Proposed</u> | <u>Adopted</u> |
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$811,335.00 | \$811,335.00 | \$811,335.00 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | \$0.00 | \$0.00 | \$0.00 |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$0.00 | \$0.00 | \$0.00 |
| b Projected Year 2008 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 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$811,335.00 | \$811,335.00 | \$811,335.00 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$811,335.00 | \$811,335.00 | \$811,335.00 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$811,335.00 | \$811,335.00 | \$811,335.00 |
| 11 2008 Revenue Requirement after Means Test | \$0.00 | \$0.00 | \$0.00 |
| 12 Waterfall effect | 0.00% | 0.00% | 0.00% |
| 13 2008 Revenue Requirement after Waterfall | \$0.00 | \$0.00 | \$0.00 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$0.00 | \$0.00 | \$0.00 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$0.00 | \$0.00 | \$0.00 |

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APPENDIX A
Resolution T- 17122

| | Volcano <u>AL 340</u> | Adopted <u>Res. T-17108</u> | Commission <u>Adopted</u> |
|--|--|--|--|
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | | | |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | | | |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | | | |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | | | |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | | | |
| b Projected Year 2008 USF (Per NECA.) | | | |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | | | |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | | | |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | | | |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | | | |
| 9 Temporary Surcredit | | | |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | | | |
| 11 2008 Revenue Requirement after Means Test | | | |
| 12 Waterfall effect | | | |
| 13 2008 Revenue Requirement after Waterfall | | | |
| 14 Adjustments | | | |
| 15 2008 CHCF-A Support | \$1,985,385.00 | \$1,985,385.00 | \$1,985,385.00 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$165,448.75 | \$165,448.75 | \$165,448.75 |

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APPENDIX A
Resolution T- 17122

| | Winterhaven <u>AL195</u> | Staff <u>Proposed</u> | Commission <u>Adopted</u> |
|---|-----------------------------|--------------------------|------------------------------|
| 1 2007 CHCF-A Requirement (Resolution T-17064, Appendix A line 8) * | \$38,172.50 | \$38,172.50 | \$38,172.50 |
| 2 Adjustments to 2007 CHCF-A Requirement (Non-Recurring) | \$0.00 | \$0.00 | \$0.00 |
| 3 Year 2007 Impacts (Non-Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 4 Year 2008 Impacts (Recurring) VNXX Compensation (CPUC Decision No. 07-02-031 & Res.T-17095) | \$0.00 | \$0.00 | \$0.00 |
| 5 Net Interstate Expense Adjustment | | | |
| a Projected 2007 USF (Resolution T-17064, Appendix A line 5b) | \$317,792.00 | \$317,792.00 | \$317,792.00 |
| b Projected Year 2008 USF (Per NECA.) | <u>(\$315,958.00)</u> | <u>(\$305,822.71)</u> | <u>(\$305,822.71)</u> |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b) | \$1,834.00 | \$11,969.29 | \$11,969.29 |
| 6 2008 CHCF-A Revenue Requirement (sum of lines 1, 2, 3 and 4 and 5c) | \$40,006.50 | \$50,141.79 | \$50,141.79 |
| 7 Rate Increase (1-Party Residential Flat-Rate Service) | \$0.00 | \$0.00 | \$0.00 |
| 8 Total 2008 Revenue Requirement (Beginning CHCF-A Revenue Requirement for 2008) | \$40,006.50 | \$50,141.79 | \$50,141.79 |
| 9 Temporary Surcredit | 0.00% | 0.00% | 0.00% |
| 10 2008 Revenue Requirement eligible for CHCF-A Support | \$40,006.50 | \$50,141.79 | \$50,141.79 |
| 11 2008 Revenue Requirement after Means Test | \$0.00 | \$0.00 | \$0.00 |
| 12 Waterfall effect | 0.00% | 0.00% | 0.00% |
| 13 2008 Revenue Requirement after Waterfall | \$0.00 | \$0.00 | \$0.00 |
| 14 Adjustments | \$0.00 | \$0.00 | \$0.00 |
| 15 2008 CHCF-A Support | \$0.00 | \$0.00 | \$0.00 |
| 16 Monthly Payment for Periods Jan - Dec 2008 (Line 15/12) | \$0.00 | \$0.00 | \$0.00 |