

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

**Communications Division  
Carrier Oversight & Programs Branch**

**RESOLUTION T- 17385  
February 28, 2013**

**R E S O L U T I O N**

**Resolution T-17385.** This Resolution Adopts \$32.628 Million in California High Cost Fund-A Support for Calendar Year 2013.

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**Summary**

This Resolution adopts a total of \$32.628 million in California High Cost Fund-A (CHCF-A) support for Calendar Year 2013 to be disbursed to the following Small Incumbent Local Exchange Carriers (Small ILECs): 1) Calaveras; 2) Cal-Ore; 3) Ducor; 4) Foresthill; 5) Kerman; 6) Pinnacles; 7) Ponderosa; 8) Sierra; 9) Siskiyou; and 10) Volcano. Frontier WC, Happy Valley, Hornitos, and Winterhaven, did not request any CHCF-A support.

The table below provides yearly CHCF-A support amounts that are authorized by this Resolution for the ten Small ILECs that requested CHCF-A support. The amounts reflected in the table below are in addition to any CHCF-A payments authorized in D.12-06-003, Interim Decision Restoring Prior Status, including the principal amounts listed in D.12-06-003 and interest calculated on those amounts:



<b><u>Small Incumbent Local Exchange Carrier</u></b>	<b><u>Monthly Support</u></b>	<b><u>Yearly Support</u></b>
	<b><u>2013</u></b>	<b><u>2013</u></b>
Calaveras Telephone Company	\$177,106.23	\$2,125,274.76
Cal-Ore Telephone Company	\$108,369.02	\$1,300,428.26
Ducor Telephone Company	\$199,281.59	\$2,391,379.03
Foresthill Telephone Company	\$212,575.78	\$2,550,909.41
Kerman Telephone Company	\$291,591.18	\$3,499,094.19
Pinnacles Telephone Company	\$24,317.88	\$291,814.54
Ponderosa Telephone Company	\$359,330.13	\$4,311,961.59
Sierra Telephone Company	\$848,384.46	\$10,180,613.49
Siskiyou Telephone Company	\$228,690.53	\$2,744,286.36
Volcano Telephone Company	\$269,373.21	\$3,232,478.48
	<b>\$2,719,020.01</b>	<b>\$32,628,240.11</b>

This Resolution directs the Communications Division (CD) in concert with the Administrative Services Division (ASD) to issue the support payments to each of Small ILECs on a monthly basis as authorized above within 30 days after the close of each calendar month. The support payments are contingent on the availability of funds from the California Public Utilities Commission (Commission) and State adoption of the budgets covering the payments authorized for 2013 CHCF-A support.

## **Background**

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

In D.96-10-066, the Commission changed the name of HCF to CHCF-A, and also created the California High Cost Fund-B (CHCF-B). This decision included Pacific Bell (now AT&T), GTE California Incorporated (now Verizon)<sup>1</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 continued to maintain the CHCF-A for the 17 Small ILECs. This decision also directed the Commission to take over the administration of the CHCF-A from Pacific Bell.

<sup>1</sup> Verizon Telephone Company resulted from the merger of GTE of CA and GTE Contel.

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

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

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

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

In September and October, 2012, the 14 Small ILECs made their annual CHCF-A advice letter filings in accordance with D.91-09-042. Ten of the 14 Small ILECs requested a total CY 2013 CHCF-A support of approximately \$35.041 million.

On September 25, 2012, Kerman filed Advice Letter (AL) 393 which stated, "Sebastian (KTC) filed a rate case with a 2013 test period in Application 11-12-011 which should be

effective January 1, 2013.” Kerman also included supporting workpapers for their requested funding amount.

The following provides a summary of the advice letter filings of the 14 small ILECs:

BY ADVICE LETTER NO.	FILED BY:	DATE FILED:
333	Calaveras Telephone Company (Calaveras)	9/25/12
350	California-Oregon Telephone Company (Cal-Ore)	9/24/12
349	Ducor Telephone Company (Ducor)	9/25/12
315	Foresthill Telephone Company (Foresthill)	9/25/12
727	Frontier Communications West Coast, Inc. (Frontier WC)	10/15/12
334	Happy Valley Telephone Company (Happy Valley)	10/1/12
306	Hornitos Telephone Company (Hornitos)	10/1/12
393	Kerman Telephone Company (Kerman)	9/25/12
256	Pinnacles Telephone Company (Pinnacles)	9/25/12
425	The Ponderosa Telephone Company (Ponderosa)	9/28/12
413	Sierra Telephone Company (Sierra)	9/28/12
383	Siskiyou Telephone Company (Siskiyou)	9/27/12
373	Volcano Telephone Company (Volcano)	9/25/12
230	Winterhaven Telephone Company (Winterhaven)	10/1/12

### Notice/Protests

The 14 Small ILECs’ 2013 CHCF-A advice letter filings appeared in the Commission’s Daily Calendar in October 2012.

On October 18, 2012, the Division of Ratepayer Advocates (DRA) filed a protest to Kerman’s AL 393. DRA requests the Commission to defer issuing a decision on AL 393. DRA states, “In AL 393, Kerman listed its 2013 CHCF-A Requirement as \$4,274,774 stating this is “Per Order in A.11-12-011” and contains a proposed effective date of January 1, 2013.” DRA states that the use of the 2013 CHCF-A funding of \$4,274,774 is “premature” because the Commission has not issued a decision on the joint settlement agreement that was reached and submitted to the Commission for approval by DRA and Kerman. Accordingly, DRA recommends that the Commission reject this AL until the Commission makes a final determination on the settlement.

On October 19, 2012, DRA filed a protest to Calaveras' AL 333, Cal-Ore's AL 350, Ducor's AL 349, Ponderosa's AL 425, Sierra's AL 413, Siskiyou's AL 383 and Volcano's AL 373. DRA asserts that these carriers did not provide sufficient details or explanations regarding how they calculated their support adjustments and that they did not provide citations to the authorizing decisions or resolutions. DRA also asserts that general rate case expenses should be handled through a venue other than the annual CHCF-A advice letter process.

CD has received detailed calculations from the Small ILECs regarding their A fund support requests and will address these adjustments and the general rate case adjustments later in this Resolution.

## **Discussion**

The ten Small ILECs request a total of \$35.041 million in CHCF-A fund support for Calendar Year 2013. CD approves and recommends a total of \$32.628 million. The specific authorized amounts and the calculations for each of the Small ILECs are provided in Section B below (CHCF-A Support Summary by Carrier) of this Resolution.

### ***A. 2013 CHCF-A Rules and Orders Considered***

CD reviewed the advice letter filings made by the Small ILECs in connection with the CY 2013 CHCF-A revenue requirements and revised their requests. The \$2.413 million differential between the cumulative request of \$35.041 million and the recommended CHCF-A support of \$32.628 million is attributed to the final Net Interstate Expense Adjustment data that was provided by the National Exchange Carrier Association (NECA).

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

#### **General Rate Cases (GRCs)**

On December 22, 2010, Foresthill filed a GRC Application for test year 2012. On October 1, 2009, Siskiyou filed a GRC Application for test year 2011. The latest Calaveras, Cal-Ore, Ducor, Pinnacles and Ponderosa GRC filings were in 2007 for test year 2009. Kerman's latest GRC filing was in 2006 for test year 2008. Sierra's latest GRC filing was in 2006 for test year 2008. Volcano's latest GRC filing was in 2006 for test year 2008. Sierra and Volcano have chosen not to file for a GRC by December 31, 2011. Happy Valley, Hornitos, Frontier WC (formerly Verizon - West Coast) and Winterhaven's last GRC filing was for test year 1997. The Commission authorized a 10% rate of return in all test year GRCs since 1997.

In their respective October 2012 annual advice letter filings, Calaveras, Cal-Ore, Ducor, Pinnacles, Ponderosa, Sierra and Volcano indicated that they would file GRC advice letters by the December 31, 2012 deadline. However, in a letter to the Commission's Executive Director on October 13, 2012, these carriers requested a 90-day extension to submit the GRC filing to prevent activation of the waterfall mechanism described in Decision 91-09-042, Appendix, Section D. On October 22, 2012, the Executive Director granted the Small ILECs' request by extending the filing date to April 1, 2013.

On December 28, 2011, Kerman filed Application 11-12-011 for a GRC for test year 2013. On June 29, 2012, DRA and Kerman filed a Motion for Adoption of All-Party Settlement Agreement (Settlement Agreement). On November 20, 2012, Kerman filed Advice Letter 393-A as a supplement to Advice Letter 393 in accordance with D. 91-09-042. The Commission will continue to provide CHCF-A support contingent upon a future Kerman GRC decision in A.11-12-011. On December 20, 2012, the Commission issued a proposed decision (D.12-12-003) denying the Settlement Agreement. This proceeding remains ongoing.

### **Means Test**

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

### **Waterfall**

Pursuant to the Implementation Rules in D.91-09-042, the phase-down of the CHCF-A funding level is reinitiated effective January 1 following the year after the completion of a 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 ILECs for 2013 are summarized below:

<u>Small ILEC</u>	<u>GRC Test Year</u>	<u>2013</u>
Calaveras	2009	100%

Cal-Ore	2009	100%
Ducor	2009	100%
Foresthill	2012	100%
Frontier WC	1997	0%
Happy Valley	1997	0%
Hornitos	1997	0%
Kerman	2008	100%
Pinnacles	2009	100%
Ponderosa	2009	100%
Sierra	2008	80%
Siskiyou	2011	100%
Volcano	2008	80%
Winterhaven	1997	0%

Sierra and Volcano did not file for a GRC by December 31, 2011, and accordingly, their waterfall remains at 80%. Frontier WC, Happy Valley, Hornitos and Winterhaven are not entitled to any funding because the funding level pursuant to the CHCF-A waterfall criteria has reached 0%. They also have not requested any support from the A fund.

### **Net Interstate Expense Adjustment**

Section B of the Implementation Rules in D.91-09-042 authorizes the Small ILECs to include the changes of their federal Universal Service Fund (USF) funding in the annual CHCF-A filings. Under Resolution T-16117, the change of USF funding level must be determined for each carrier by the difference between the forecasted USF support for the current year and the forecasted USF support for the coming year. The current year's forecasted USF support is the amount adopted by the Commission for the current year CHCF-A revenue requirement. The coming year's forecasted USF is the amount projected by NECA, the administrator of USF.<sup>2</sup>

In response to the NECA funding changes, each carrier's CHCF-A calendar year 2013 support has been adjusted by incorporating final NECA adjustment data in

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<sup>2</sup> Data used is the NECA projected 2012 USF Payments provided by NECA on October 3, 2012.

the means test, as described in Section B, titled "CHCF-A Support Summary by Carrier."

### **Revenue Effect Associated with Connect America Fund – Intercarrier Compensation**

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

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

This decision modified the California Lifeline program. In relation to the Small ILECs, the decision limited the amount carriers can receive for administration and bad debt losses. The Small ILECs will be reimbursed for their administrative expenses at up to \$0.50 per weighted average customer count as provided monthly by the California Lifeline Administrator.

### **Revenue Effect Associated with GRC Modification**

As part of their 2013 annual CHCF-A advice letter filings, Calaveras and Ducor have included proposed modifications to their 2013 CHCF-A support. These carriers are requesting modification to their support for items that are currently pending in ongoing Applications for Rehearing filed in response to their GRCs for Test Year 2009. Since these items are currently being reviewed and considered by the Commission in the above formal proceedings, we will not address them here in this Resolution. After the Commission issues a decision in the above formal proceedings, CD will make the necessary adjustments to the carriers' CHCF-A support.

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

The Communications Division (CD) reviewed the advice letter filings made by the 14 Small ILECs in connection with the 2013 CHCF-A payment requirements. Program support and rate designs for each of the 14 Small ILECs for CY 2013 are summarized below. The detailed tables showing the CHCF-A support for the 14 Small ILECs are shown in Appendix A.



**Calaveras, Page 1 of Appendix A**

Calaveras has a CY 2013 CHCF-A revenue requirement of \$2,144,433.94 (at Line 6, Page 1 of Appendix A). After the means test, Calaveras will receive \$2,125,274.76. Thus, Calaveras shall receive monthly CHCF-A support in the amount of \$177,106.23, i.e. one-twelfth of \$2,125,274.76 for January through December 2013.

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

Cal-Ore has a CY 2013 CHCF-A revenue requirement of \$1,442,926.09 (at Line 6, Page 2 of Appendix A). After the means test, Cal-Ore has a revenue requirement of \$1,300,428.26 (at Line 11, Page 2 of Appendix A). Thus, Cal-Ore shall receive monthly CHCF-A support in the amount of \$108,369.02, i.e. one-twelfth of \$1,300,428.26, for January through December 2013.

**Ducor, Page 3 of Appendix A**

Ducor has a CY 2013 CHCF-A revenue requirement of \$2,602,769.90 (at Line 6, Page 3 of Appendix A). After the means test, Ducor has a revenue requirement of \$2,391,379.03. Thus, Ducor shall receive monthly CHCF-A support in the amount of \$199,281.59, i.e. one-twelfth of \$2,391,379.03 through December 2013.

**Foresthill, Page 4 of Appendix A**

Foresthill has a CY 2013 CHCF-A revenue requirement of \$2,550,909.41 (at Line 6, Page 4 of Appendix A). Foresthill's last GRC was for Test Year 2012, and thus Foresthill is not subject to a means test for CY 2013. Thus, Foresthill shall receive monthly CHCF-A support in the amount of \$212,575.78, i.e. one-twelfth of \$2,550,909.41 through December 2013.

**Frontier-WC, Page 5 of Appendix A**

Frontier-WC has a CY 2013 CHCF-A revenue requirement of \$811,335 (at Line 6, Page 5 of Appendix A). In its advice letter, Frontier-WC stated that they are not requesting a draw from the CHCF-A. Thus, Frontier-WC will not receive any CHCF-A support for CY 2013.

**Happy Valley, Page 6 of Appendix A**

Happy Valley has a CY 2013 CHCF-A revenue requirement of \$2,800,875.27 (at Line 6, Page 6 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 CY 2013.

**Hornitos, Page 7 of Appendix A**

Hornitos, has a CY 2013 CHCF-A revenue requirement of \$570,464 (at Line 6, Page 7 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 CY 2013.

**Kerman, Page 8 of Appendix A**

Kerman has a CY 2013 CHCF-A revenue requirement of \$3,499,094.19 (at Line 6, Page 8 of Appendix A). Thus, Kerman shall receive monthly CHCF-A support in the amount of \$291,591.18, i.e. one-twelfth of \$3,499,094.19, for January through December 2013.

**Pinnacles, Page 9 of Appendix A**

Pinnacles has a CY 2013 CHCF-A revenue requirement of \$389,891.46 (at Line 6, Page 9 of Appendix A). After the means test, Pinnacles has a CY 2013 revenue requirement of \$291,814.54. Thus, Pinnacles shall receive monthly CHCF-A support in the amount of \$24,317.88, i.e. one-twelfth of \$291,814.54, for January through December 2013.

**Ponderosa, Page 10 of Appendix A**

Ponderosa has a CY 2013 CHCF-A revenue requirement of \$4,311,961.59 (at Line 6, Page 10 of Appendix A). Thus, Ponderosa shall receive monthly CHCF-A support in the amount of \$359,330.13, i.e. one-twelfth of \$4,311,961.59, for January through December 2013.

**Sierra, Page 11 of Appendix A**

Sierra has a CY 2013 CHCF-A revenue requirement of \$14,610,531.21 (at Line 6, Page 11 of Appendix A). After the means test Sierra's revenue requirement is \$12,725,766.86. Sierra's waterfall will remain at 80% for CY 2013 and their revenue requirement after the waterfall is \$10,180,613.49. Thus, Sierra shall receive monthly CHCF-A support in the amount of \$848,384.46, i.e. one-twelfth of \$10,180,613.49, for January through December 2013.

**Siskiyou, Page 12 of Appendix A**

Siskiyou has a CY 2013 CHCF-A revenue requirement of \$2,744,286.36 (at Line 6, Page 12 of Appendix A). Thus, Siskiyou shall receive monthly CHCF-A support in the amount of \$228,690.53, i.e. one-twelfth of \$2,744,286.36, for January through December 2013.

**Volcano, Page 13 of Appendix A**

Volcano has a CY 2013 CHCF-A revenue requirement of \$4,040,598.10 (at Line 6, Page 13 of Appendix A). Volcano's waterfall will remain at 80% for CY 2013, and after the waterfall their revenue requirement is \$3,232,478.48. Thus, Volcano shall receive monthly CHCF-A support in the amount of \$269,373.21, i.e. one-twelfth of \$3,232,478.48, for January through December 2013.

**Winterhaven, Page 14 of Appendix A**

Winterhaven has a CY 2013 CHCF-A revenue requirement of \$245,641.64 (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 CY 2013.

**Appendix A Summation**

As shown in Appendix A, the total approved calendar year 2013 CHCF-A draw for Calaveras, Cal-Ore, Ducor, Foresthill, Frontier West Coast, Happy Valley, Hornitos, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, Volcano, and Winterhaven is \$32,628,240.11.

The Commission finds CD's recommended CHCF-A support amounts for the 14 Small ILECs for CY 2013 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.

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

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<sup>3</sup> The January and February 2013 monthly support will be paid in March 2013; the December 2013 monthly support will be paid in January 2014.

### ***C. CHCF-A Budget for Fiscal Year (FY) 2012-13 and FY 2013-14***

The Commission adopted \$49.773 million for FY 2012-13 (Resolution T-17331) and \$43.803 million for FY 2013-14 (Resolution T-17373) for program budgets. Of the budgeted amounts, \$43.950 million and \$42.704 million have been allocated as program payments to the Small ILECs for FY 2012-13 and FY 2013-14, respectively.

There are enough funds in both the FY 2012-13 and FY 2013-14 budgets to cover CY 2013 CHCF-A support to the Small ILECs.

#### **Safety Considerations**

It is the carrier's responsibility to adhere to all Commission rules, decisions, General Orders and statutes including Public Utilities Code § 451 to take all actions "...necessary to promote the safety, health, comfort and convenience of its patrons, employees, and the public." Funds from the CHCF-A payments may contribute to ensuring that the respective Small ILECs are promoting safe practices to its employees and providing safe service to all customers.

#### **Comments on Draft Resolution**

In compliance with PU Code § 311(g), a notice letter was emailed on January 29, 2013, informing the 14 Small ILECs, CHCFA-AC, parties of record in Rulemaking 01-08-002 and parties on the service list of Application 99-09-044 of the availability of 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.

On February 13, 2013, the Small ILECs commented on the Draft Resolution, and we have modified the Resolution accordingly as follows:

- The Small ILECs point out that an incorrect year was entered in table columns. We have corrected the error; and
- The Small ILECs request that we add additional language to reinforce that the authorized CHCF-A payments for 2013 are in addition to any CHCF-A payments authorized in D.12-06-003. We have added additional language as they suggested.

However, we reject the Small ILECs' comments on the application of the "Means Test" and "Waterfall" in calculating the CHCF-A fund support as follows:

### **Means Test and Waterfall**

The Small ILECs asserted that CD should adjust Sierra's CHCF-A funding amount for CY 2013. They assert that CD applied the "means test" and "waterfall" methodology incorrectly and that this error has resulted in a reduction of \$1,507,813 for Sierra for CY 2013.

The Small ILECs object to CD applying both the "means test" and the "waterfall" mechanism in calculating Sierra's CY 2013 CHCF-A draw. Although they acknowledge that the Commission has previously utilized this methodology,<sup>4</sup> they believe it is inconsistent with the CHCF-A rules in D.91-09-042.

Under D.91-09-042, companies are "limited to the amount...forecasted to result in earnings not to exceed authorized intrastate rates of return or to the current funding level amount for the year for which HCF is being requested, whichever amount is lower." The Small ILECs assert that this language makes clear the "means test" and the "waterfall" should be applied separately rather than cumulatively, and whichever calculation results in a lower figure should be adopted as the next year's funding amount.

The Small ILECs' assertion is without merit. Findings of Fact (FOF) 8<sup>5</sup> and 12<sup>6</sup>, both as modified by D.91-09-042 establish that the "means test" and the "waterfall" mechanism should be applied cumulatively *rather* than separately in calculating CHCF-A draws. The application of the waterfall is illustrated in Section D of the Implementation Rules in D.91-09-042. Section D establishes that CHCF-A support level for those Small ILECs that have not initiated a general rate case application by the end of the third year of a general rate case cycle receives only 80% of the amount of funds that would otherwise be paid to it from the CHCF-A. For those Small ILECs whose CHCF-A draw has been subject to the "waterfall", the phase-down of the funding is reinitiated to 100% effective January 1st following the utility's first subsequent annual October 1st GRC advice letter filing, if filed by December 31st. To achieve this downward ratcheting of the CHCF-A funding level, the "means test" to determine the normal funding level has to be applied first, followed by the "waterfall" to reduce the normal funding amount.

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<sup>4</sup> Resolution T-16521 at 18

<sup>5</sup> FOF 8 as modified in D.91-09-042 states that "it is reasonable to limit the CHCF funding amount to the current funding level amount for the year for which CHCF is being requested or to the amount which produces no more than the utility's authorized intrastate rate of return, whichever amount is lower."

<sup>6</sup> FOF 12 as modified in D.91-09-042 identified the waterfall and states that "The phase-down of CHCF support is reinitiated effective on January 1<sup>st</sup> following the utility's first subsequent annual October CHCF advice letter filing after resolution or decision is rendered in the utility's general rate case. The phase-down cycle under this reinitiation will be six years: three years at 100% funding level followed by three successive years at 80%, 50% and 0%, respectively, if a local exchange company has not initiated a general rate review proceeding by December 31<sup>th</sup> of the previous year."

## Findings and Conclusions

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.
2. The purpose of the HCF was to provide a source of supplemental revenues to three mid-size Incumbent Local Exchange Carriers (ILECs) and seventeen Small ILECs whose basic exchange access line service rates would otherwise be increased to levels that would threaten federal universal service.
3. 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).
4. D. 96-10-066 included the three mid-size ILECs in the CHCF-B for the purpose of determining federal universal service support and maintained the CHCF-A for 17 Small ILECs.
5. 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.
6. In October 1999, Public Utilities (PU) Codes §§ 270-281 were codified as a result of the enactment of Senate Bill 669.
7. 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.
8. PU Code § 275.6 was amended to extend the CHCF-A program until January 1, 2015.
9. In D.10-02-016, the Commission reaffirmed that the 150% differential between Small ILEC rates and California urban rates is a threshold that must be met to qualify for CHCF-A funding.
10. In D.10-02-016, the Commission held that the Small ILECs rates shall be fixed at the maximum \$20.25 per month and remain in effect until the Commission has issued a decision in the CHCF-A Order Instituting Rulemaking.
11. The 14 Small ILECs 2013 CHCF-A advice letter filings appeared in the Commission's Daily Calendar in October 2012.
12. On October 19, 2012, DRA filed protests to Calaveras' Advice Letter 333, Cal-Ore's Advice Letter 350, Ducor's Advice Letter 349, Ponderosa's Advice Letter 425, Sierra's Advice Letter 413, Siskiyou's Advice Letter 383 and Volcano's Advice Letter 373.

13. The Communications Division (CD) reviewed the filings made by the 14 Small ILECs in connection with the 2013 CHCF-A payment requirements.
14. The differential between the cumulative request of \$35.041 million and adopted CHCF-A support of \$32.628 million is attributed to updated estimates of the Net Interstate Expense Adjustment as provided by the National Exchange Carrier Association (NECA).
15. As part of their calendar year 2013 annual CHCF-A advice letter filings, Calaveras Telephone Company (Calaveras) and Ducor Telephone Company (Ducor) included modifications to their test year 2009 General Rate Cases (GRC). These modification requests are not addressed in the Resolution because they are being addressed in their respective proceedings.
16. The total approved calendar year 2013 CHCF-A draw for Calaveras, Cal-Ore Telephone Company, Ducor, Foresthill Telephone Company, Frontier West Coast, Happy Valley Telephone Company, Hornitos Telephone Company, Kerman Telephone Company, Pinnacles Telephone Company, Ponderosa Telephone Company, Sierra Telephone Company, Siskiyou Telephone Company, Volcano Telephone Company, and Winterhaven Telephone Company is \$32,628,240.11.
17. The monthly support payments for January 2013 through December 2013 are to be paid by the CD in concert with the Administrative Services Division within 30 days after the close of each calendar month subject to the availability of funds of the Commission and State adoption of the budgets covering the payment of the calendar year 2013 CHCF-A support.
18. In the event that the monthly support payments due the Small ILECs are not paid within 30 days after the close of each calendar month, CD shall include in those payments interest equal to the 3-month commercial paper rate.
19. In Resolution T- 17331, the Commission adopted a CHCF-A program budget of \$49.773 million for Fiscal Year (FY) 2012-13.
20. For FY 2013-14, in Resolution T-17373, the Commission adopted budget for the CHCF-A program is \$43.803 million.
21. There are adequate funds from the FY 2012-13 and FY 2013-14 budgets to cover the calendar year 2013 CHCF-A support to the Small ILECs.
22. CD's recommended CHCF-A support for each of the 14 Small ILECs as summarized in Appendix A of this Resolution is reasonable and should be adopted.
23. In compliance with PU Code § 311(g), a notice letter was emailed on January 29, 2013, informing the 14 Small ILECs, CHCFA-AC, parties of record in Rulemaking 01-08-002 and parties on the service list of Application 99-09-044 of the availability of 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. The Small ILECs commented on the Draft Resolution.

**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 this Resolution and summarized in Appendix A of this Resolution, is adopted.
2. The total approved California High Cost Fund-A support of \$32,628,240.11 for the Small Incumbent Local Exchange Carriers for Calendar Year 2013 is listed below. The amounts reflected in the table below are in addition to any CHCF-A payments authorized pursuant to D.12-06-003, Interim Decision Restoring Prior Status, including the principal amounts listed in D.12-06-003 and interest calculated on those amounts:

<u>Small Incumbent Local Exchange Carrier</u>	<u>Monthly Support</u>	<u>Yearly Support</u>
	<u>2013</u>	<u>2013</u>
Calaveras Telephone Company	\$177,106.23	\$2,125,274.76
Cal-Ore Telephone Company	\$108,369.02	\$1,300,428.26
Ducor Telephone Company	\$199,281.59	\$2,391,379.03
Foresthill Telephone Company	\$212,575.78	\$2,550,909.41
Kerman Telephone Company	\$291,591.18	\$3,499,094.19
Pinnacles Telephone Company	\$24,317.88	\$291,814.54
Ponderosa Telephone Company	\$359,330.13	\$4,311,961.59
Sierra Telephone Company	\$848,384.46	\$10,180,613.49
Siskiyou Telephone Company	\$228,690.53	\$2,744,286.36
Volcano Telephone Company	\$269,373.21	\$3,232,478.48
	<b>\$2,719,020.01</b>	<b>\$32,628,240.11</b>

3. The monthly support payments for January 2013 through December 2013 are to be paid by the Communications Division in concert with the Administrative Services Division within 30 days after the close of each calendar month.
4. Payment of monthly California High Cost Fund-A support to the Local Exchange Carriers is contingent on the availability of funds and the Commission and State adoption of the budgets covering the payments for the calendar year 2013 California High Cost Fund-A support.



5. 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.
6. The program support payments totaling \$32,628,240.11 for the 14 small Incumbent Local Exchange Carriers shall be paid out of the California High Cost Fund-A fund.

Resolution T-17385

CD/MWC

DRAFT

This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on February 28, 2013. The following Commissioners approved it:

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PAUL CLANON  
Executive Director

APPENDIX A  
Resolution T- 17385

<b>Year 2013 CHCF-A Requirement</b>			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Calaveras	Staff	Commission
	AL 333	Proposed	Adopted
<b>1 2012 CHCF-A Requirement</b>	\$2,136,170.36	\$2,136,170.36	\$2,136,170.36
(Resolution T-17346 as modified by T-17356, Appendix A line 8)			
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$545,816.07</b>	<b>\$20,960.07</b>	<b>\$20,960.07</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$20,960.07	\$20,960.07	\$20,960.07
c GRC Rehearing	\$524,856.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$3,077.30</b>	<b>\$3,077.30</b>	<b>\$3,077.30</b>
a FCC National Broadband Plan	\$3,077.30	\$3,077.30	\$3,077.30
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$140,292.04</b>	<b>\$9,078.04</b>	<b>\$9,078.04</b>
a FCC National Broadband Plan	\$9,078.04	\$9,078.04	\$9,078.04
b GRC Rehearing	\$131,214.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, Appendix A line 5b)	\$2,232,671.64	\$2,232,671.64	\$2,232,671.64
b Projected Year 2013 USF (Per NECA.)	(\$2,257,523.47)	(\$2,257,523.47)	(\$2,257,523.47)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$24,851.83)	(\$24,851.83)	(\$24,851.83)
<b>6 2013 CHCF-A Revenue Requirement</b>	\$2,800,503.94	\$2,144,433.94	\$2,144,433.94
(sum of lines 1, 2, 3 and 4 and 5c)			
<b>7 Rate Increase</b>	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
<b>8 Total 2013 Revenue Requirement</b>	\$2,800,503.94	\$2,144,433.94	\$2,144,433.94
(Beginning CHCF-A Revenue Requirement for 2013)			
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	\$2,800,503.94	\$2,144,433.94	\$2,144,433.94
<b>11 2013 Revenue Requirement after Means Test</b>	\$2,544,377.77	\$2,125,274.76	\$2,125,274.76
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2013 Revenue Requirement after Waterfall</b>	\$2,544,377.77	\$2,125,274.76	\$2,125,274.76
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2013 CHCF-A Support</b>	\$2,544,377.77	\$2,125,274.76	\$2,125,274.76
<b>16 Monthly Payment for Periods Jan - Dec 2013</b>	<b>\$212,031.48</b>	<b>\$177,106.23</b>	<b>\$177,106.23</b>
(Line 16/12)			

APPENDIX A  
Resolution T- 17385

<b>Year 2013 CHCF-A Requirement</b>			
<b>(On Annual Basis)</b>			
	<b>(Col A)</b>	<b>(Col B)</b>	<b>(Col C)</b>
	<b>Cal-Ore</b>	<b>Staff</b>	<b>Commission</b>
	<b>AL 350</b>	<b>Proposed</b>	<b>Adopted</b>
<b>1 2012 CHCF-A Requirement</b> (Resolution T-17346 as modified by T-17356, Appendix A line 8)	\$1,312,565.69	\$1,312,565.69	\$1,312,565.69
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$720.70</b>	<b>\$720.70</b>	<b>\$720.70</b>
a FCC National Broadband Plan	\$720.70	\$720.70	\$720.70
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$2,126.07</b>	<b>\$2,126.07</b>	<b>\$2,126.07</b>
a FCC National Broadband Plan	\$2,126.07	\$2,126.07	\$2,126.07
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, Appendix A line 5b)	\$666,313.31	\$666,313.31	\$666,313.31
b Projected Year 2013 USF (Per NECA.)	(\$538,799.68)	(\$538,799.68)	(\$538,799.68)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$127,513.63	\$127,513.63	\$127,513.63
<b>6 2013 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$1,442,926.09	\$1,442,926.09	\$1,442,926.09
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2013 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2013)	\$1,442,926.09	\$1,442,926.09	\$1,442,926.09
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	\$1,442,926.09	\$1,442,926.09	\$1,442,926.09
<b>11 2013 Revenue Requirement after Means Test</b>	\$1,300,436.64	\$1,300,428.26	\$1,300,428.26
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2013 Revenue Requirement after Waterfall</b>	\$1,300,436.64	\$1,300,428.26	\$1,300,428.26
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2013 CHCF-A Support</b>	\$1,300,436.64	\$1,300,428.26	\$1,300,428.26
<b>16 Monthly Payment for Periods Jan - Dec 2013</b> (Line 16/12)	<b>\$108,369.72</b>	<b>\$108,369.02</b>	<b>\$108,369.02</b>

APPENDIX A  
Resolution T- 17385

<b>Year 2013 CHCF-A Requirement</b>			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	<b>Ducor</b>	<b>Staff</b>	<b>Commission</b>
	<b>AL 349</b>	<b>Proposed</b>	<b>Adopted</b>
<b>1 2012 CHCF-A Requirement</b>	\$2,487,657.79	\$2,487,657.79	\$2,487,657.79
(Resolution T-17346 as modified by T-17356, Appendix A line 8)			
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$558,122.93</b>	<b>\$1,914.73</b>	<b>\$1,914.73</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$1,914.73	\$1,914.73	\$1,914.73
c GRC Rehearing	\$556,208.20	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$3,390.60</b>	<b>\$3,390.60</b>	<b>\$3,390.60</b>
a FCC National Broadband Plan	\$3,390.60	\$3,390.60	\$3,390.60
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$122,063.95</b>	<b>\$10,002.27</b>	<b>\$10,002.27</b>
a FCC National Broadband Plan	\$10,002.27	\$10,002.27	\$10,002.27
b GRC Rehearing	\$112,061.68	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, Appendix A line 5b)	\$941,537.01	\$941,537.01	\$941,537.01
b Projected Year 2013 USF (Per NECA.)	(\$841,732.50)	(\$841,732.50)	(\$841,732.50)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$99,804.51	\$99,804.51	\$99,804.51
<b>6 2013 CHCF-A Revenue Requirement</b>	<b>\$3,271,039.78</b>	<b>\$2,602,769.90</b>	<b>\$2,602,769.90</b>
(sum of lines 1, 2, 3 and 4 and 5c)			
<b>7 Rate Increase</b>	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
<b>8 Total 2013 Revenue Requirement</b>	<b>\$3,271,039.78</b>	<b>\$2,602,769.90</b>	<b>\$2,602,769.90</b>
(Beginning CHCF-A Revenue Requirement for 2013)			
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	<b>\$3,271,039.78</b>	<b>\$2,602,769.90</b>	<b>\$2,602,769.90</b>
<b>11 2013 Revenue Requirement after Means Test</b>	<b>\$2,896,508.71</b>	<b>\$2,391,379.03</b>	<b>\$2,391,379.03</b>
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2013 Revenue Requirement after Waterfall</b>	<b>\$2,896,508.71</b>	<b>\$2,391,379.03</b>	<b>\$2,391,379.03</b>
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2013 CHCF-A Support</b>	<b>\$2,896,508.71</b>	<b>\$2,391,379.03</b>	<b>\$2,391,379.03</b>
<b>16 Monthly Payment for Periods Jan - Dec 2013</b>	<b>\$241,375.73</b>	<b>\$199,281.59</b>	<b>\$199,281.59</b>
(Line 16/12)			

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<b>Year 2013 CHCF-A Requirement</b>			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Foresthill AL 315	Staff Proposed	Commission Adopted
<b>1 2012 CHCF-A Requirement</b> (D.11-12-001 Ordering Paragraph 3)	\$2,566,164.00	\$2,566,164.00	\$2,566,164.00
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$3,528.00</b>	<b>\$3,528.00</b>	<b>\$3,528.00</b>
a FCC National Broadband Plan	\$3,528.00	\$3,528.00	\$3,528.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$10,407.00</b>	<b>\$10,407.00</b>	<b>\$10,407.00</b>
a FCC National Broadband Plan	\$10,407.00	\$10,407.00	\$10,407.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
a Projected 2012 USF (D.11-12-001 Appendix B, Attachment C)	\$1,838,246.00	\$1,838,246.00	\$1,838,246.00
b Projected Year 2013 USF (Per NECA.)	(\$1,886,317.00)	(\$1,867,435.59)	(\$1,867,435.59)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$48,071.00)	(\$29,189.59)	(\$29,189.59)
<b>6 2013 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$2,532,028.00	\$2,550,909.41	\$2,550,909.41
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2013 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2013)	\$2,532,028.00	\$2,550,909.41	\$2,550,909.41
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	\$2,532,028.00	\$2,550,909.41	\$2,550,909.41
<b>11 2013 Revenue Requirement after Means Test</b>	\$2,532,028.00	\$2,550,909.41	\$2,550,909.41
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2013 Revenue Requirement after Waterfall</b>	\$2,532,028.00	\$2,550,909.41	\$2,550,909.41
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2013 CHCF-A Support</b>	\$2,532,028.00	\$2,550,909.41	\$2,550,909.41
<b>16 Monthly Payment for Periods Jan - Dec 2013</b> (Line 16/12)	<b>\$211,002.33</b>	<b>\$212,575.78</b>	<b>\$212,575.78</b>

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<b>Year 2013 CHCF-A Requirement</b>			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	<b>Frontier-WC</b>	<b>Staff</b>	<b>Commission</b>
	<b>AL 727</b>	<b>Proposed</b>	<b>Adopted</b>
<b>1 2012 CHCF-A Requirement</b>	\$811,335.00	\$811,335.00	\$811,335.00
(Resolution T-17346 as modified by T-17356, Appendix A line 8)			
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, Appendix A line 5b)	\$0.00	\$0.00	\$0.00
b Projected Year 2013 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 2013 CHCF-A Revenue Requirement</b>	\$811,335.00	\$811,335.00	\$811,335.00
(sum of lines 1, 2, 3 and 4 and 5c)			
<b>7 Rate Increase</b>	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
<b>8 Total 2013 Revenue Requirement</b>	\$811,335.00	\$811,335.00	\$811,335.00
(Beginning CHCF-A Revenue Requirement for 2013)			
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	\$811,335.00	\$811,335.00	\$811,335.00
<b>11 2013 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 2013 Revenue Requirement after Waterfall</b>	\$0.00	\$0.00	\$0.00
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2013 CHCF-A Support</b>	\$0.00	\$0.00	\$0.00
<b>16 Monthly Payment for Periods Jan - Dec 2013</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
(Line 16/12)			

APPENDIX A  
Resolution T- 17385

<b>Year 2013 CHCF-A Requirement</b>			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Happy Valley AL 334	Staff Proposed	Commission Adopted
<b>1 2012 CHCF-A Requirement</b> (Resolution T-17346 as modified by T-17356, Appendix A line 8)	\$2,800,875.27	\$2,800,875.27	\$2,800,875.27
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, a Appendix A line 5b)	\$0.00	\$0.00	\$0.00
b Projected Year 2013 USF (Per NECA.)	\$0.00	\$0.00	\$0.00
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$0.00	\$0.00	\$0.00
<b>6 2013 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 2013 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2013)	\$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 2013 Revenue Requirement eligible for CHCF-A Support</b>	\$2,800,875.27	\$2,800,875.27	\$2,800,875.27
<b>11 2013 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 2013 Revenue Requirement after Waterfall</b>	\$0.00	\$0.00	\$0.00
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2013 CHCF-A Support</b>	\$0.00	\$0.00	\$0.00
<b>16 Monthly Payment for Periods Jan - Dec 2013</b> (Line 16/12)	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>



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Resolution T- 17385

<b>Year 2013 CHCF-A Requirement</b>			
<b>(On Annual Basis)</b>			
	<b>(Col A)</b>	<b>(Col B)</b>	<b>(Col C)</b>
	<b>Hornitos</b>	<b>Staff</b>	<b>Commission</b>
	<b>AL 306</b>	<b>Proposed</b>	<b>Adopted</b>
<b>1 2012 CHCF-A Requirement</b> (Resolution T-17346 as modified by T-17356, Appendix A line 8)	\$542,864.41	\$542,864.41	\$542,864.41
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356,			
a Appendix A line 5b)	\$27,599.59	\$27,599.59	\$27,599.59
b Projected Year 2013 USF (Per NECA.)	\$0.00	\$0.00	\$0.00
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$27,599.59	\$27,599.59	\$27,599.59
<b>6 2013 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$570,464.00	\$570,464.00	\$570,464.00
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2013 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2013)	\$570,464.00	\$570,464.00	\$570,464.00
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	\$570,464.00	\$570,464.00	\$570,464.00
<b>11 2013 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 2013 Revenue Requirement after Waterfall</b>	\$0.00	\$0.00	\$0.00
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2013 CHCF-A Support</b>	\$0.00	\$0.00	\$0.00
<b>16 Monthly Payment for Periods Jan - Dec 2013</b> (Line 16/12)	\$0.00	\$0.00	\$0.00

APPENDIX A  
Resolution T- 17385

<b>Year 2013 CHCF-A Requirement</b>			
(On Annual Basis)			
	<b>(Col A)</b>	<b>(Col B)</b>	<b>(Col C)</b>
	<b>Kerman AL 393</b>	<b>Staff Proposed</b>	<b>Commission Adopted</b>
<b>1 2012 CHCF-A Requirement</b>	\$3,443,036.00	\$3,443,035.81	\$3,443,035.81
(Resolution T-17346 as modified by T-17356, Appendix A line 8)			
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$48,164.00</b>	<b>\$48,164.00</b>	<b>\$48,164.00</b>
a FCC National Broadband Plan	\$4,624.00	\$4,624.00	\$4,624.00
b Lifeline Reimbursement	\$43,540.00	\$43,540.00	\$43,540.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$13,641.00</b>	<b>\$13,641.00</b>	<b>\$13,641.00</b>
a FCC National Broadband Plan	\$13,641.00	\$13,641.00	\$13,641.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, a Appendix A line 5b)	\$2,075,023.00	\$2,075,022.99	\$2,075,022.99
b Projected Year 2013 USF (Per NECA.)	(\$2,080,770.00)	(\$2,080,769.61)	(\$2,080,769.61)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$5,747.00)	(\$5,746.62)	(\$5,746.62)
<b>6 2013 CHCF-A Revenue Requirement</b>	\$3,499,094.00	\$3,499,094.19	\$3,499,094.19
(sum of lines 1, 2, 3 and 4 and 5c)			
<b>7 Rate Increase</b>	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
<b>8 Total 2013 Revenue Requirement</b>	\$3,499,094.00	\$3,499,094.19	\$3,499,094.19
(Beginning CHCF-A Revenue Requirement for 2013)			
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	\$3,499,094.00	\$3,499,094.19	\$3,499,094.19
<b>11 2013 Revenue Requirement after Means Test</b>	\$3,499,094.00	\$3,499,094.19	\$3,499,094.19
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2013 Revenue Requirement after Waterfall</b>	\$3,499,094.00	\$3,499,094.19	\$3,499,094.19
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2013 CHCF-A Support</b>	\$3,499,094.00	\$3,499,094.19	\$3,499,094.19
<b>16 Monthly Payment for Periods Jan - Dec 2013</b>	<b>\$291,591.17</b>	<b>\$291,591.18</b>	<b>\$291,591.18</b>
(Line 16/12)			

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Resolution T- 17385

<b>Year 2013 CHCF-A Requirement</b> (On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	<b>Pinnacles</b>	<b>Staff</b>	<b>Commission</b>
	<b>AL 256</b>	<b>Proposed</b>	<b>Adopted</b>
<b>1 2012 CHCF-A Requirement</b> (Resolution T-17346 as modified by T-17356, Appendix A line 8)	\$254,316.56	\$254,316.56	\$254,316.56
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$2,160.10</b>	<b>\$2,160.10</b>	<b>\$2,160.10</b>
a FCC National Broadband Plan	\$191.40	\$191.40	\$191.40
b Lifeline Reimbursement	\$1,968.70	\$1,968.70	\$1,968.70
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$564.63</b>	<b>\$564.63</b>	<b>\$564.63</b>
a FCC National Broadband Plan	\$564.63	\$564.63	\$564.63
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, a Appendix A line 5b)	\$414,600.44	\$414,600.44	\$414,600.44
b Projected Year 2013 USF (Per NECA.)	(\$281,750.27)	(\$281,750.27)	(\$281,750.27)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$132,850.17	\$132,850.17	\$132,850.17
<b>6 2013 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$389,891.46	\$389,891.46	\$389,891.46
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2013 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2013)	\$389,891.46	\$389,891.46	\$389,891.46
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	\$389,891.46	\$389,891.46	\$389,891.46
<b>11 2013 Revenue Requirement after Means Test</b>	\$291,817.20	\$291,814.54	\$291,814.54
<b>12 Waterfall effect</b>	100.00%	100.00%	100.00%
<b>13 2013 Revenue Requirement after Waterfall</b>	\$291,817.20	\$291,814.54	\$291,814.54
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2013 CHCF-A Support</b>	\$291,817.20	\$291,814.54	\$291,814.54
<b>16 Monthly Payment for Periods Jan - Dec 2013</b> (Line 16/12)	<b>\$24,318.10</b>	<b>\$24,317.88</b>	<b>\$24,317.88</b>

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<b>Year 2013 CHCF-A Requirement</b>			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	<b>Ponderosa</b>	<b>Staff</b>	<b>Commission</b>
	<b>AL 425</b>	<b>Proposed</b>	<b>Adopted</b>
<b>1 2012 CHCF-A Requirement</b>	\$3,740,069.15	\$3,740,069.15	\$3,740,069.15
(Resolution (R.) T-17346 as modified by T-17356, Appendix A line 8, plus R.T-17297)			
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$20,275.01</b>	<b>\$20,275.01</b>	<b>\$20,275.01</b>
a FCC National Broadband Plan	\$7,083.63	\$7,083.63	\$7,083.63
b Lifeline Reimbursement	\$13,191.38	\$13,191.38	\$13,191.38
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$20,896.70</b>	<b>\$20,896.70</b>	<b>\$20,896.70</b>
a FCC National Broadband Plan	\$20,896.70	\$20,896.70	\$20,896.70
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, Appendix A line 5b)	\$7,107,494.85	\$7,107,494.85	\$7,107,494.85
b Projected Year 2013 USF (Per NECA.)	(\$6,576,774.12)	(\$6,576,774.12)	(\$6,576,774.12)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$530,720.73	\$530,720.73	\$530,720.73
<b>6 2013 CHCF-A Revenue Requirement</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>
(sum of lines 1, 2, 3 and 4 and 5c)			
<b>7 Rate Increase</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
(1-Party Residential Flat-Rate Service)			
<b>8 Total 2013 Revenue Requirement</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>
(Beginning CHCF-A Revenue Requirement for 2013)			
<b>9 Temporary Surcredit</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>
<b>11 2013 Revenue Requirement after Means Test</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>
<b>12 Waterfall effect</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>13 2013 Revenue Requirement after Waterfall</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>
<b>14 Adjustments</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>15 2013 CHCF-A Support</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>	<b>\$4,311,961.59</b>
<b>16 Monthly Payment for Periods Jan - Dec 2013</b>	<b>\$359,330.13</b>	<b>\$359,330.13</b>	<b>\$359,330.13</b>
(Line 16/12)			

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Resolution T- 17385

<b>Year 2013 CHCF-A Requirement</b>			
<b>(On Annual Basis)</b>			
	<b>(Col A)</b>	<b>(Col B)</b>	<b>(Col C)</b>
	<b>Sierra</b>	<b>Staff</b>	<b>Commission</b>
	<b>AL 413</b>	<b>Proposed</b>	<b>Adopted</b>
<b>1 2012 CHCF-A Requirement</b>	\$14,257,891.00	\$14,257,890.37	\$14,257,890.37
(Resolution T-17346 as modified by T-17356, Appendix A line 8)			
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$48,341.00</b>	<b>\$48,341.00</b>	<b>\$48,341.00</b>
a FCC National Broadband Plan	\$14,706.00	\$14,706.00	\$14,706.00
b Lifeline Reimbursement	\$33,635.00	\$33,635.00	\$33,635.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$28,677.00</b>	<b>\$28,677.00</b>	<b>\$28,677.00</b>
a FCC National Broadband Plan	\$28,677.00	\$28,677.00	\$28,677.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, Appendix A line 5b)	\$3,859,189.00	\$3,859,188.95	\$3,859,188.95
b Projected Year 2013 USF (Per NECA.)	(\$3,583,566.00)	(\$3,583,566.11)	(\$3,583,566.11)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$275,623.00	\$275,622.84	\$275,622.84
<b>6 2013 CHCF-A Revenue Requirement</b>	\$14,610,532.00	\$14,610,531.21	\$14,610,531.21
(sum of lines 1, 2, 3 and 4 and 5c)			
<b>7 Rate Increase</b>	\$0.00	\$0.00	\$0.00
(1-Party Residential Flat-Rate Service)			
<b>8 Total 2013 Revenue Requirement</b>	\$14,610,532.00	\$14,610,531.21	\$14,610,531.21
(Beginning CHCF-A Revenue Requirement for 2013)			
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	\$14,610,532.00	\$14,610,531.21	\$14,610,531.21
<b>11 2013 Revenue Requirement after Means Test</b>	\$14,610,532.00	\$12,725,766.86	\$12,725,766.86
<b>12 Waterfall effect</b>	80.00%	80.00%	80.00%
<b>13 2013 Revenue Requirement after Waterfall</b>	\$11,688,425.60	\$10,180,613.49	\$10,180,613.49
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2013 CHCF-A Support</b>	\$11,688,425.60	\$10,180,613.49	\$10,180,613.49
<b>16 Monthly Payment for Periods Jan - Dec 2013</b>	<b>\$974,035.47</b>	<b>\$848,384.46</b>	<b>\$848,384.46</b>
(Line 16/12)			

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<b>Year 2013 CHCF-A Requirement</b>			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Siskiyou AL 383	Staff Proposed	Commission Adopted
<b>1 2012 CHCF-A Requirement</b>	\$3,728,865.00	\$3,728,865.24	\$3,728,865.24
(Resolution T-17346 as modified by T-17356, Appendix A line 8)			
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$30,721.00</b>	<b>\$30,721.00</b>	<b>\$30,721.00</b>
a FCC National Broadband Plan	\$8,575.00	\$8,575.00	\$8,575.00
b Lifeline Reimbursement	\$22,146.00	\$22,146.00	\$22,146.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$16,721.00</b>	<b>\$16,721.00</b>	<b>\$16,721.00</b>
a FCC National Broadband Plan	\$16,721.00	\$16,721.00	\$16,721.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, Appendix A line 5b)	\$4,614,802.00	\$4,614,801.76	\$4,614,801.76
b Projected Year 2013 USF (Per NECA.)	(\$5,646,823.00)	(\$5,646,822.64)	(\$5,646,822.64)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	(\$1,032,021.00)	(\$1,032,020.88)	(\$1,032,020.88)
<b>6 2013 CHCF-A Revenue Requirement</b>	<b>\$2,744,286.00</b>	<b>\$2,744,286.36</b>	<b>\$2,744,286.36</b>
(sum of lines 1, 2, 3 and 4 and 5c)			
<b>7 Rate Increase</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
(1-Party Residential Flat-Rate Service)			
<b>8 Total 2013 Revenue Requirement</b>	<b>\$2,744,286.00</b>	<b>\$2,744,286.36</b>	<b>\$2,744,286.36</b>
(Beginning CHCF-A Revenue Requirement for 2013)			
<b>9 Temporary Surcredit</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	<b>\$2,744,286.00</b>	<b>\$2,744,286.36</b>	<b>\$2,744,286.36</b>
<b>11 2013 Revenue Requirement after Means Test</b>	<b>\$2,744,286.00</b>	<b>\$2,744,286.36</b>	<b>\$2,744,286.36</b>
<b>12 Waterfall effect</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>13 2013 Revenue Requirement after Waterfall</b>	<b>\$2,744,286.00</b>	<b>\$2,744,286.36</b>	<b>\$2,744,286.36</b>
<b>14 Adjustments</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>15 2013 CHCF-A Support</b>	<b>\$2,744,286.00</b>	<b>\$2,744,286.36</b>	<b>\$2,744,286.36</b>
<b>16 Monthly Payment for Periods Jan - Dec 2013</b>	<b>\$228,690.50</b>	<b>\$228,690.53</b>	<b>\$228,690.53</b>
(Line 16/12)			

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<b>Year 2013 CHCF-A Requirement</b>			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	<b>Volcano</b>	<b>Staff</b>	<b>Commission</b>
	<b>AL 373</b>	<b>Proposed</b>	<b>Adopted</b>
<b>1 2012 CHCF-A Requirement</b>	\$3,828,971.83	\$3,828,971.83	\$3,828,971.83
(Resolution T-17346 as modified by T-17356, Appendix A line 8)			
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$9,157.00</b>	<b>\$9,157.00</b>	<b>\$9,157.00</b>
a FCC National Broadband Plan	\$9,157.00	\$9,157.00	\$9,157.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$27,012.00</b>	<b>\$27,012.00</b>	<b>\$27,012.00</b>
a FCC National Broadband Plan	\$27,012.00	\$27,012.00	\$27,012.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, Appendix A line 5b)	\$1,376,061.97	\$1,376,061.97	\$1,376,061.97
b Projected Year 2013 USF (Per NECA.)	(\$1,200,604.70)	(\$1,200,604.70)	(\$1,200,604.70)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$175,457.27	\$175,457.27	\$175,457.27
<b>6 2013 CHCF-A Revenue Requirement</b>	<b>\$4,040,598.10</b>	<b>\$4,040,598.10</b>	<b>\$4,040,598.10</b>
(sum of lines 1, 2, 3 and 4 and 5c)			
<b>7 Rate Increase</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
(1-Party Residential Flat-Rate Service)			
<b>8 Total 2013 Revenue Requirement</b>	<b>\$4,040,598.10</b>	<b>\$4,040,598.10</b>	<b>\$4,040,598.10</b>
(Beginning CHCF-A Revenue Requirement for 2013)			
<b>9 Temporary Surcredit</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	<b>\$4,040,598.10</b>	<b>\$4,040,598.10</b>	<b>\$4,040,598.10</b>
<b>11 2013 Revenue Requirement after Means Test</b>	<b>\$4,040,598.10</b>	<b>\$4,040,598.10</b>	<b>\$4,040,598.10</b>
<b>12 Waterfall effect</b>	<b>80.00%</b>	<b>80.00%</b>	<b>80.00%</b>
<b>13 2013 Revenue Requirement after Waterfall</b>	<b>\$3,232,478.48</b>	<b>\$3,232,478.48</b>	<b>\$3,232,478.48</b>
<b>14 Adjustments</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>15 2013 CHCF-A Support</b>	<b>\$3,232,478.48</b>	<b>\$3,232,478.48</b>	<b>\$3,232,478.48</b>
<b>16 Monthly Payment for Periods Jan - Dec 2013</b>	<b>\$269,373.21</b>	<b>\$269,373.21</b>	<b>\$269,373.21</b>
(Line 16/12)			

APPENDIX A  
Resolution T- 17385

<b>Year 2013 CHCF-A Requirement</b>			
(On Annual Basis)			
	(Col A)	(Col B)	(Col C)
	Winterhaven	Staff	Commission
	<u>AL 230</u>	<u>Proposed</u>	<u>Adopted</u>
<b>1 2012 CHCF-A Requirement</b> (Resolution T-17346 as modified by T-17356, Appendix A line 8)	\$210,314.25	\$210,314.25	\$210,314.25
<b>2 Prior Year CHCF-A Impact Requirements (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
c GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>3 Year 2013 Impacts (Non-Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b Lifeline Reimbursement	\$0.00	\$0.00	\$0.00
<b>4 Year 2013 Impacts (Recurring)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
a FCC National Broadband Plan	\$0.00	\$0.00	\$0.00
b GRC Rehearing	\$0.00	\$0.00	\$0.00
<b>5 Net Interstate Expense Adjustment</b>			
Projected 2012 USF (Resolution T-17346 as modified by T-17356, a Appendix A line 5b)	\$145,650.25	\$145,650.25	\$145,650.25
b Projected Year 2013 USF (Per NECA.)	(\$102,477.00)	(\$110,322.86)	(\$110,322.86)
c Net Interstate Expense Adjustment (sum of lines 5a and 5b)	\$43,173.25	\$35,327.39	\$35,327.39
<b>6 2013 CHCF-A Revenue Requirement</b> (sum of lines 1, 2, 3 and 4 and 5c)	\$253,487.50	\$245,641.64	\$245,641.64
<b>7 Rate Increase</b> (1-Party Residential Flat-Rate Service)	\$0.00	\$0.00	\$0.00
<b>8 Total 2013 Revenue Requirement</b> (Beginning CHCF-A Revenue Requirement for 2013)	\$253,487.50	\$245,641.64	\$245,641.64
<b>9 Temporary Surcredit</b>	0.00%	0.00%	0.00%
<b>10 2013 Revenue Requirement eligible for CHCF-A Support</b>	\$253,487.50	\$245,641.64	\$245,641.64
<b>11 2013 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 2013 Revenue Requirement after Waterfall</b>	\$0.00	\$0.00	\$0.00
<b>14 Adjustments</b>	\$0.00	\$0.00	\$0.00
<b>15 2013 CHCF-A Support</b>	\$0.00	\$0.00	\$0.00
<b>16 Monthly Payment for Periods Jan - Dec 2013</b> (Line 16/12)	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>