

## PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

December 11, 2025

## RESOLUTION T-17897

To the Small ILECs, CHCF-A Administrative Committee, and Service Lists for A.21-11-005, A.21-11-006, A.21-11-007, A.22-10-004, A.22-11-001/A.22-11-002, A.23-10-007, A.23-10-008, A.23-11-010, and A.23-11-011:

This Draft Resolution T-17897 of the Communications Division will appear on the agenda at the next Commission meeting to be held January 15, 2026, which is at least 30 days after the date of this letter. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting. When the Commission votes on a Draft Resolution, it may adopt all or part of it as written, amend, modify, or set it aside and prepare a different Resolution. The Resolution becomes binding on the parties only upon action by the Commission.

Any member of the public may serve comments on the Draft Resolution as provided in Public Utilities Code § 311(g) and Rule 14.5 of the Commission's Rules of Practice and Procedure.

Comments along with a certificate of service shall be sent via email to: [amy.lau@cpuc.ca.gov](mailto:amy.lau@cpuc.ca.gov) by December 30, 2025 at 5:00 PM. Also, copies must be served on the entire service list to which the Draft Resolution was originally served, on the same date that the comments are submitted to the Communications Division. Comments shall be limited to five pages in length.

Comments shall focus on factual, legal, or technical errors in the Draft Resolution and in citing such errors shall make specific references to the record or applicable law. Comments should list the recommended changes to the Draft Resolution.

Reply comments must be submitted no later than January 4, 2026. Replies shall be submitted and served in the same manner as opening comments and shall not exceed three pages in length.

Sincerely,

/s/ Robert Osborn, Director

Communications Division

California Public Utilities Commission

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Agenda ID # 23911  
Communications Division

RESOLUTION T-17897  
January 15, 2026

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

Resolution T-17897. Adopts \$28.375 million in California High Cost Fund-A Support for ten Small Incumbent Local Exchange Carriers for Calendar Year 2026.

PROPOSED OUTCOME:

- Adopts \$28.375 million in California High Cost Fund-A (CHCF-A) support for Calendar Year (CY) 2026 to be disbursed to ten Small Incumbent Local Exchange Carriers (Small ILECs).

SAFETY CONSIDERATIONS:

- CHCF-A supports the Small ILECs with financial resources to provide safe, reliable, and affordable telephone service to their customers in rural, high-cost areas. Reliable telephone service is essential in rural, remote, and isolated areas that the Small ILECs serve.

ESTIMATED COST:

- \$28.375 million for Calendar Year 2026.
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## **SUMMARY**

This Resolution adopts a total of \$28.375 million in California High Cost Fund-A (CHCF-A) support for Calendar Year (CY) 2026, to be disbursed to ten Small Incumbent Local Exchange Carriers (Small ILECs) that draw from the fund:

1. Calaveras Telephone Company
2. Cal-Ore Telephone Company
3. Ducor Telephone Company
4. Foresthill Telephone Company
5. Kerman Telephone Company
6. Pinnacles Telephone Company
7. The Ponderosa Telephone Company
8. Sierra Telephone Company
9. Siskiyou Telephone Company
10. Volcano Telephone Company

Ten Small ILECs requested a total of \$28.779 million. For reasons discussed below, we decreased support by \$0.404 million compared to their total request, and approve \$28.375 million, as shown in Table 2.

## **BACKGROUND**

The California High Cost Fund was established by Decision (D.) 88-07-022, as modified by D.91-05-016 and D.91-09-042, to provide a source of supplemental revenue for Small ILECs whose basic exchange access line service rates would otherwise rise to levels that could threaten universal service. These decisions provide the program's foundational guidelines. Of the 13 Small ILECs eligible for CHCF-A funding, the following ten Small ILECs currently receive CHCF-A support:

1. Calaveras Telephone Company (Calaveras);
2. Cal-Ore Telephone Company (Cal-Ore);
3. Ducor Telephone Company (Ducor);
4. Foresthill Telephone Company (Foresthill);
5. Kerman Telephone Company (Kerman);
6. Pinnacles Telephone Company (Pinnacles);
7. The Ponderosa Telephone Company (Ponderosa);
8. Sierra Telephone Company (Sierra);
9. Siskiyou Telephone Company (Siskiyou); and
10. Volcano Telephone Company (Volcano).

The following three Small ILECs currently do not receive CHCF-A support:

1. Happy Valley Telephone Company (Happy Valley);
2. Hornitos Telephone Company (Hornitos); and
3. Winterhaven Telephone Company (Winterhaven).

Public Utilities (P.U.) Code § 275.6 requires the Commission to implement the CHCF-A program to reduce rate disparities in rural areas charged by small telephone corporations that are subject to rate of return regulation. The CHCF-A program's funding bridges the revenue differential between basic service rate revenue paid by the Small ILECs' customers, federal high cost support, and other sources, and the revenue requirement necessary for a Small ILEC to achieve its authorized rate of return. The CHCF-A program is scheduled to sunset on January 1, 2028.<sup>1</sup>

### **NOTICE**

In September 2025, all 13 Small ILECs submitted their respective annual CHCF-A Advice Letters (ALs) in accordance with D.91-09-042. Ten of the 13 Small ILECs requested a total of approximately \$28.779 million in CHCF-A support for CY 2026, while the remaining three Small ILECs did not request CHCF-A support. Table 1 provides a summary of the AL requests:

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<sup>1</sup> On September 28, 2022, the Governor signed into law Senate Bill 857, extending the program to January 1, 2028. The bill is codified in P.U. Code § 275.6(g).

| <b>Table 1 - Advice Letter Requests</b> |                                 |                    |  |
|---|---------------------------------|--------------------|--|
| <b>Advice Letter No.</b>                | <b>Filed By:</b>                | <b>Date Filed:</b> | <b>CY 2026 CHCF-A Support Requested:</b> |
| 407                                     | Calaveras Telephone Company     | 9/15/2025          | \$ 2,367,433.13                          |
| 420                                     | Cal-Ore Telephone Company       | 9/15/2025          | \$ 1,744,260.37                          |
| 423                                     | Ducor Telephone Company         | 9/15/2025          | \$ 1,672,858.47                          |
| 392                                     | Foresthill Telephone Company    | 9/15/2025          | \$ 1,346,985.48                          |
| 416                                     | Happy Valley Telephone Company  | 9/11/2025          | \$ 0.00                                  |
| 382                                     | Hornitos Telephone Company      | 9/11/2025          | \$ 0.00                                  |
| 469                                     | Kerman Telephone Company        | 9/15/2025          | \$ 2,998,259.87                          |
| 325                                     | Pinnacles Telephone Company     | 9/15/2025          | \$ 339,214.18                            |
| 522                                     | The Ponderosa Telephone Company | 9/15/2025          | \$ 4,192,759.09                          |
| 512                                     | Sierra Telephone Company        | 9/15/2025          | \$ 6,086,124.88                          |
| 469                                     | Siskiyou Telephone Company      | 9/15/2025          | \$ 5,900,581.28                          |
| 449                                     | Volcano Telephone Company       | 9/15/2025          | \$ 2,130,058.71                          |
| 303                                     | Winterhaven Telephone Company   | 9/11/2025          | \$ 0.00                                  |
|   |                                 | <b>TOTAL</b>       | <b>\$ 28,778,535.46</b>                  |

In their AL filings, the Small ILECs requested adjustments to their CHCF-A support related to regulatory changes of industry-wide effect: a) Pro Rata Changes; b) Budget Control Mechanism (BCM); c) Monthly Per-Line Limit on Universal Service Support; d) Reduction in Intercarrier Compensation; e) Alternative Connect America Cost Model (A-CAM) support; and f) Net Interstate Expense adjustment for changes in the National Exchange Carrier Association (NECA)'s High Cost Loop Support (HCLS) projections. The details of these adjustments can be found in Appendix A for each Small ILECs.

The 13 Small ILECs' CY 2026 CHCF-A AL filings appeared in the Commission's Daily Calendar in September 2025.

## **PROTESTS**

No entity filed a protest in response to any of the CY 2026 CHCF-A ALs submitted by the Small ILECs.

## DISCUSSION

This Resolution determines CY 2026 CHCF-A support for Calaveras, Cal-Ore, Ducor, Foresthill, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, and Volcano.

For CY 2026, staff recommend adopting \$28.375 million in CHCF-A support, in place of the Small ILECs' cumulative request of \$28.779 million.

| <b>Table 2 - Small ILEC Requested Support and CD Proposed Support</b> |   |                                |                                   |                                    |
|---|---|--------------------------------|-----------------------------------|------------------------------------|
| <b>CY 2026</b>  |   |                                |                                   |                                    |
| <b>(A)</b>  | <b>(B)</b>                                  | <b>(C)</b>                     | <b>(D)</b>                        | <b>(E)</b>                         |
| <b>Small ILECs</b>  | <b>Small ILECs Requested Annual Support</b> | <b>CD Proposed Adjustments</b> | <b>CD Proposed Annual Support</b> | <b>CD Proposed Monthly Support</b> |
| Calaveras   | \$ 2,367,433.13                             | \$ (34,204.96)                 | \$ 2,333,228.17                   | \$ 194,435.68                      |
| Cal-Ore   | \$ 1,744,260.37                             | \$ (105,469.42)                | \$ 1,638,790.95                   | \$ 136,565.91                      |
| Ducor   | \$ 1,672,858.47                             | \$ (8,377.42)                  | \$ 1,664,481.05                   | \$ 138,706.75                      |
| Foresthill  | \$ 1,346,985.48                             | \$ 128,645.29                  | \$ 1,475,630.77                   | \$ 122,969.23                      |
| Happy Valley  | \$ 0.00                                     | \$ 0.00                        | \$ 0.00                           | \$ 0.00                            |
| Hornitos  | \$ 0.00                                     | \$ 0.00                        | \$ 0.00                           | \$ 0.00                            |
| Kerman  | \$ 2,998,259.87                             | \$ -                           | \$ 2,998,259.87                   | \$ 249,854.99                      |
| Pinnacles   | \$ 339,214.18                               | \$ (24,458.59)                 | \$ 314,755.59                     | \$ 26,229.63                       |
| Ponderosa   | \$ 4,192,759.09                             | \$ (21,449.17)                 | \$ 4,171,309.92                   | \$ 347,609.16                      |
| Sierra  | \$ 6,086,124.88                             | \$ (496,289.65)                | \$ 5,589,835.23                   | \$ 465,819.60                      |
| Siskiyou  | \$ 5,900,581.28                             | \$ 265,932.40                  | \$ 6,166,513.68                   | \$ 513,876.14                      |
| Volcano   | \$ 2,130,058.71                             | \$ (107,436.64)                | \$ 2,022,622.07                   | \$ 168,551.84                      |
| Winterhaven   | \$ 0.00                                     | \$ 0.00                        | \$ 0.00                           | \$ 0.00                            |
| <b>Total</b>  | <b>\$ 28,778,535.46</b>                     | <b>\$ (403,108.16)</b>         | <b>\$ 28,375,427.30</b>           | <b>\$ 2,364,618.93</b>             |

To determine whether the Small ILECs' requested adjustments to their CHCF-A support are permissible, staff verified that the adjustments are compliant with Commission rules and accurately reflect changes in the amount of federal support received by the Small ILECs, where applicable.

Possible adjustments to the CHCF-A support amounts include the following, with line numbers from Appendix A indicated in parentheses:

- Reversing non-recurring adjustments from the prior year (Line 2)
- Non-recurring adjustments including Pro Rata Changes, Budget Control Mechanism, and Monthly Per Line Limit on Universal Service (Line 3)
- Recurring adjustments including the Five percent reduction in Inter-carrier Compensation (Line 4)
- Net Interstate Expense adjustments for changes in federal High Cost Loop Support (HCLS) or Alternative Connect America Cost Model (A-CAM) support (Line 5)
- Means Test (Line 9)
- Waterfall Effect (Line 10)

A summary of the adjustments is included in Section A: CHCF-A Rules and Orders Analysis. Details of the adjustments applicable to each Small ILECs are described in Section B: CHCF-A Support Summary by Carrier.

#### **A. CHCF-A Rules and Orders Analysis**

The following items were considered in determining the appropriate level of CHCF-A funding for each of the ten Small ILECs requesting CHCF-A support, while ensuring that the adjustments do not result in total revenue that exceeds the authorized rate of return.

##### **1. Non-Recurring Revenue Adjustments (Line 3)**

There are three non-recurring revenue adjustments requested for CY 2026: Pro Rata Changes, Budget Control Mechanism, and Monthly Per-Line Limit on Universal Service.

In Resolution T-17710, the Commission ordered Small ILECs who request adjustments due to Pro Rata Changes or the BCM to submit official supporting documentation from the Federal Communications Commission (FCC), the Universal Service Administrative Company (USAC), or NECA. In compliance with that order, all the requestors provided: 1) a narrative description of the requested adjustment in its advice letter; 2) a form itemizing the adjustment;<sup>2</sup> and 3) official supporting documentation.<sup>3</sup>

Staff determined that changes in federal universal service support resulting from the Pro Rata changes, the BCM, and the Per-Line Limit may constitute “regulatory changes

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<sup>2</sup> Form CHCF-A 004 is grounded in Commission precedent and parallels the format of annual CHCF-A resolutions.

<sup>3</sup> As required by Resolution T-17710, O.P. 3, p. 26.

of industry-wide effect,” as defined in D.91-09-042. Staff reviewed each request and determined whether adjustments for the Pro Rata, the BCM, and Monthly Per-Line limit are appropriate and supported by evidence. These adjustments are reflected in Line 3a, Line 3b, and Line 3c respectively for each carrier under Appendix A, and described in Section B: CHCF-A Support Summary by Carrier.

### ***Pro Rata Changes (Line 3a)***

The Pro Rata methodology, adopted in FCC 14-190, Section VI, Paragraph 99, applies a cap on HCLS to ensure that it is distributed more equitably among all high-cost carriers, and to incentivize carriers with the highest loop costs to curb waste in the operation of their study areas. The Pro Rata adjustment on Line 3 reflects the amount of anticipated HCLS for the prior period, which the Small ILEC did not receive as a result of the Pro Rata.

For CY 2026, ten Small ILECs<sup>4</sup> requested reimbursement for Pro Rata changes. Calaveras, Foresthill, Kerman, Ponderosa, Sierra, Siskiyou, and Volcano receive HCLS and requested Pro Rata adjustments for CY 2026. Cal-Ore, Ducor, and Pinnacles elected to receive A-CAM support, which is not reduced by Pro Rata; nonetheless, these three Small ILECs requested Pro Rata adjustments. Consistent with previous CHCF-A support resolutions,<sup>5</sup> Pro Rata adjustments do not apply to the Small ILECs that have elected A-CAM support. Because A-CAM carriers receive a fixed amount of support, no changes to A-CAM support were reflected in USAC’s report, and the intrastate allocation of A-CAM support was determined in the latest general rate cases. Happy Valley, Hornitos, and Winterhaven also elected to receive A-CAM support; however, these carriers do not draw from the CHCF-A fund.

### ***Budget Control Mechanism (Line 3b)***

The Budget Control Mechanism (BCM) was adopted by the FCC in the 2016 Reform Order<sup>6</sup> (FCC 16-33, Section II.B.6) and 2018 Report and Order<sup>7</sup> (FCC 18-176 Sections III.C.1.a and III.C.4).

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<sup>4</sup> Calaveras, Cal-Ore, Ducor, Foresthill, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, and Volcano.

<sup>5</sup> T-17868 (CY 2025), T-17806 (CY 2024), T-17776 (CY 2023), T17758 (CY 2022), and T-17710 (CY 2021).

<sup>6</sup> WC Dkt Nos 10-90, 14058, 01-92, Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking (FCC 16-33), FCC 16-33 (rel. March 30, 2016)

<sup>7</sup> WC Dkt Nos. 10-90, 14-58, 07-135, 01-92, Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration (FCC 18-176), FCC 18-176 (rel. December 12, 2018)



The FCC previously adopted a \$2 billion budget per year for high-cost support for all domestic rate of return carriers.<sup>8</sup> However, it did not adopt a method to enforce the budget for rate of return carriers. In FCC 16-33 Section II.B.6, the FCC adopted a self-effectuating mechanism for controlling total support distributed pursuant to HCLS and Connect America Fund Broadband Loop Support (CAF BLS) to stay within the budget for rate of return carriers.

In FCC 18-176 Section III.C.1.a, the FCC simplified the BCM calculation by eliminating the per-line reduction calculation. In this Order, the FCC adopted a new budget of approximately \$1.42 billion for legacy carriers, separate from the A-CAM budget, which will be increased annually by inflation.

For CY 2026, ten Small ILECs requested reimbursement for the BCM. Calaveras, Foresthill, Kerman, Ponderosa, Sierra, Siskiyou, and Volcano receive HCLS and requested BCM adjustments for CY 2026, consistent with FCC policies. Cal-Ore, Ducor, and Pinnacles elected to receive A-CAM support, which is not reduced by BCM; nonetheless, these three Small ILECs requested BCM adjustments. Consistent with previous CHCF-A support resolutions,<sup>9</sup> BCM adjustments do not apply to the Small ILECs that have elected A-CAM support. Happy Valley, Hornitos, and Winterhaven also elected to receive A-CAM support; however, these carriers do not draw from the CHCF-A fund.

### *Monthly Per-Line Limit on Universal Service (Line 3c)*

The Monthly Per-Line adjustment addresses the effects of the FCC's monthly per-line limit on universal service support, which decreases HCLS as identified in the FCC's 2018 Report and Order (FCC 18-176, Section III.c.5).

The Per-Line limits USF support for carriers that receive combined HCLS and CAF BLS exceeding \$200 per line per month.<sup>10</sup> If total monthly support exceeds \$200 per line per month, then the total support is reduced with the reduction distributed on a pro rata basis among HCLS and CAF BLS.

One Small ILEC, Siskiyou, requested reimbursement for the Monthly Per-Line limit.

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<sup>8</sup> FCC 11-161, para. 126 (Released November 18, 2011).

<sup>9</sup> T-17868 (CY 2025), T-17758 (CY 2022), and T-17710 (CY 2021).

<sup>10</sup> FCC 18-176, paragraph 125 at p.38.

Siskiyou provided a summary from the USAC disbursement tool that were subject to the per-line limitation.<sup>11</sup> Staff reviewed and verified that the requested adjustments are appropriate.

## **2. Recurring Revenue Adjustment for Reduction in Inter-carrier Compensation (Line 4)**

The FCC's Connect America Fund instituted a comprehensive inter-carrier compensation reform, and established "[f]or 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..."<sup>12</sup> The CHCF-A program allows annual recovery of the reduction in inter-carrier compensation.<sup>13</sup>

Staff determined that the recurring reduction in revenue from inter-carrier compensation resulting from the FCC's policy changes constitutes a "regulatory change of industry-wide effect," as defined in D.91-09-042, and thus is an allowable adjustment. Ten Small ILECs requested reimbursement for the annual reduction in inter-carrier compensation and submitted supporting documentation showing historical, year-over-year calculation of the annual 5% reduction.<sup>14</sup> Staff reviewed the calculations and compared the 5% reduction to each Small ILEC's prior year adopted adjustment to ensure accuracy.<sup>15</sup> The resulting adjustments are reflected in Line 4 (National Broadband Plan (5% reduction Inter-carrier Compensation)) for each carrier under Appendix A.

## **3. Net Interstate Expense Adjustment (Line 5)**

D.91-09-042 authorizes the Small ILECs to include any changes to their federal Universal Service Fund (USF) funding in their annual CHCF-A filings. In addition, Resolution T-16117 states any change in USF funding level must be determined for each carrier by calculating the difference between the forecasted USF support for the current year and the forecasted USF support for the coming year. The three main types of USF support that the Small ILECs receive are High Cost Loop Support (HCLS), Connect

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<sup>11</sup> USAC High Cost Payment Data Search. USAC's disbursement tool indicates Siskiyou is the only Small ILEC in California that receives USF funding subject to the per-line limitation. <https://opendata.usac.org/stories/s/xdv8-dk65>

<sup>12</sup> FCC 11-161, Paragraph 39.

<sup>13</sup> D.91-09-042, Appendix, Part B: "Annual Settlements Effects and HCF Adjustments."

<sup>14</sup> As required by Resolution T-17710 at 26 (O.P. 3)

<sup>15</sup> For TY 2025, in Resolution T-17868.

America Fund Broadband Loop Support (CAF BLS), and Alternative Connect America Cost Model (ACAM) program.

### ***High Cost Loop Support (HCLS)***

HCLS provides support for the last mile of connection and is available to rural price-cap and rate-of-return incumbent carriers and competitive carriers where the cost of providing service exceeds 115 percent of the national average cost per line,<sup>16</sup> and is designated as intrastate support. The Small ILECs that receive HCLS may also receive CAF BLS. To determine the adjustment amount in CHCF-A support resulting from changes in HCLS, staff compares the forecasted amounts for the current year (2025) and the next calendar year (2026). The forecasted HCLS amount for the current year was adopted in the Commission's latest CHCF-A support resolution. The coming year's forecasted HCLS is projected by the USF administrator, NECA.<sup>17</sup>

Staff determined that the annual changes in HCLS constitute a "regulatory change of industry-wide effect," as defined in D.91-09-042, and thus is an allowable adjustment. NECA does not release the HCLS funding projections for the upcoming CY until after the deadline for the Small ILECs to file their annual CHCF-A ALs. Therefore, when applicable, staff adjusted the CY 2026 CHCF-A support by incorporating the final NECA adjustment data into the 2026 CHCF-A support calculations as described in Section B, titled "CHCF-A Support Summary by Carrier." The resulting adjustment, if any, is reflected in Line 5c for each carrier's CHCF-A Requirement in Appendix A.

### ***Connect America Fund Broadband Loop Support (CAF BLS)***

CAF BLS program provides support for voice and broadband service, including stand-alone broadband. Carriers receiving CAF BLS elect a method for determining their deployment obligations over the program's five-year term.<sup>18</sup> The fund helps carriers recover the difference between loop costs associated with providing voice and/or broadband service and consumer loop revenues. CAF BLS is designated as interstate support and thus is not part of the CPUC's intrastate ratemaking. Thus, it does not directly affect CHCF-A support.

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<sup>16</sup> <https://www.usac.org/high-cost/funds/legacy-funds/high-cost-loop/>

<sup>17</sup> NECA's Universal Service Fund 2025 Submission of 2024 Study Results, Appendix E, dated September 30, 2025. <https://www.fcc.gov/ecfs/document/109302935908552/2>. These updated projections compared to the original estimates provided in the respective annual support ALs resulted in changes to the CHCF-A funding for six of the Small ILECs.

<sup>18</sup> <https://www.usac.org/high-cost/funds/caf-broadband-loop-support/>

### *Alternative Connect America Cost Model (A-CAM)*

Several Small ILECs<sup>19</sup> transitioned to the federal A-CAM<sup>20</sup> program, which is voluntary and offers model-based support. Small ILECs that elect A-CAM no longer receive HCLS or CAF BLS. A-CAM support amounts are fixed and predetermined; therefore, NECA does not provide forecasted USF-HCLS amounts for these companies. A-CAM support is designated as both interstate and intrastate support. Thus, in the Small ILECs' GRCs, the Commission determines the amount of A-CAM support that will be considered intrastate for ratemaking purposes and calculation of CHCF-A support.

Cal-Ore and Pinnacles each receive Enhanced ACAM support<sup>21</sup> and Ducor receives A-CAM II support.<sup>22</sup> These three Small ILECs each receive a fixed amount of support annually during the term of their A-CAM election, as reflected in Line 5a and 5b of each carrier's CHCF-A requirement in Appendix A. Therefore, Staff recommends no changes to the A-CAM support amounts. In addition, Happy Valley, Hornitos, and Winterhaven do not request CHCF-A support, so any changes in the federal funding that they receive have no effect on the CHCF-A fund.<sup>23</sup>

### **4. Means Test (Line 9)**

Pursuant to D.91-09-042, each Small ILEC's CHCF-A support request shall be subject to a means test, except if a decision or resolution is rendered by the Commission in a Small ILEC's GRC within the past 12 months.<sup>24</sup>

D.91-09-042 also states that "utilities shall be eligible for support from the fund limited to the amounts which are 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."<sup>25</sup> The means test is used to determine which of the two limits applies. If the means test indicates that a Small ILEC's total revenue is forecasted to exceed their authorized rate of return, the CHCF-A support for that company will be reduced. The forecasted earnings used in the means

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<sup>19</sup> Cal-Ore, Ducor, Pinnacles, Happy Valley, Hornitos, and Winterhaven.

<sup>20</sup> Federal Communications Commission DA 16-1422; DA 18-750; FCC Wireline Competition Bureau Docket 10-90. A-CAM provides federal funding to Small ILECs that accept support calculated by a cost model to build broadband to a specific number of fixed, eligible locations.

<sup>21</sup> <https://www.usac.org/high-cost/funds/enhanced-acam/>

<sup>22</sup> <https://www.usac.org/high-cost/funds/acam-ii/>

<sup>23</sup> Happy Valley, Hornitos, and Winterhaven do not submit information about the amount of A-CAM support they receive, so Appendix A-5, A-6, and A-13 show \$0 for both the 2025 and 2026 A-CAM allocations (line 5a and 5b).

<sup>24</sup> D.91-09-042, Appendix at p.2.

<sup>25</sup> D.91-09-042, Appendix at p.2.

test must be based on at least seven months of recorded financial data, annualized from the year when the AL is filed. The means test only evaluates recurring funding.

In compliance with D.91-09-042, staff identified the Small ILECs that were not subject to the means test, as a GRC decision pertaining to them had been adopted by the Commission within the preceding 12 months. For the Small ILECs that were subject to the means test, staff determined these carriers' earnings are currently not exceeding their authorized rates of return. Therefore, no adjustments were made to Line 9 for each carrier under Appendix A. The details of each carrier's means test, if applicable, are discussed in Section B: CHCF-A Support Summary by Carrier.

#### **5. Waterfall Effect (Lines 10 and 11)**

Pursuant to the Implementation Rules in D.91-09-042 and D.15-06-048, the phase-down of the CHCF-A funding percentage level is reinitiated effective January 1 following the year after the completion of a Small ILEC's GRC and follows a six-year course. A Small ILEC's CHCF-A funding level remains at 100% for the first three years after GRC completion; the funding level is then reduced to 80% during the fourth year if no subsequent GRC application is submitted. The funding level then drops to 50% during the fifth year if no GRC application is submitted, and the funding level is further reduced to 0% during the sixth year if no GRC application is submitted. This six-year phase down of funding level is known as the Waterfall effect.

In D.20-08-011, the Commission modified the GRC schedule and temporarily froze the waterfall provision for each Small ILEC until their next GRC filing under the revised schedule. The Small ILECs were subject to the waterfall provision beginning the year following their next GRC application deadline (i.e., beginning in 2022). Thus, all of the Small ILECs are now subject to the waterfall provision.

Calaveras, Cal-Ore, Ducor, Foresthill, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou and Volcano filed GRC applications by the deadlines in the Commission's rate case plan as modified by D.20-08-011. Thus, all ten Small ILECs that draw from the CHCF-A fund may receive 100% funding according to the waterfall provision. In addition, the three Small LECs that do not draw from the CHCF-A fund receive 0% funding. The funding percentage levels for all 13 Small ILECs for CY 2026 are summarized in Table 3, as well as Line 10 (Waterfall Effect) for each carrier under Appendix A.

| Table 3 - Waterfall |               |         |
|---------------------|---------------|---------|
| Small ILEC          | GRC Test Year | CY 2026 |
| Calaveras           | 2025          | 100%    |
| Cal-Ore             | 2025          | 100%    |
| Ducor               | 2025          | 100%    |
| Foresthill          | 2024          | 100%    |
| Happy Valley        | 1997          | 0%      |
| Hornitos            | 1997          | 0%      |
| Kerman              | 2024          | 100%    |
| Pinnacles           | 2025          | 100%    |
| Ponderosa           | 2024          | 100%    |
| Sierra              | 2023          | 100%    |
| Siskiyou            | 2023          | 100%    |
| Volcano             | 2023          | 100%    |
| Winterhaven         | 1997          | 0%      |

Happy Valley, Hornitos, and Winterhaven do not draw support from the CHCF-A fund as their respective funding levels pursuant to the CHCF-A waterfall criteria reached 0%, and none of these carriers requested support from the CHCF-A fund.

## **6. Cost of Capital**

In D.24-09-021, the Commission adopted company-specific cost of capital (or rate of return) to be applied to the Small ILECs' GRCs, beginning with TY 2023, and remain in effect until and unless the Commission adopts a new cost of capital. To perform the means test, staff utilized the cost of capital listed in Table 4. For Small ILECs who are subject to the means test, details are provided in Section B: CHCF-A Support Summary by Carrier and reflected in Line 9 for each carrier under Appendix A.

| Table 4 - Cost of Capital |                            |
|---------------------------|----------------------------|
| Small ILEC                | Cost of Capital Percentage |
| Calaveras                 | 6.65%                      |
| Cal-Ore                   | 7.16%                      |
| Ducor                     | 7.16%                      |
| Foresthill                | 6.61%                      |
| Kerman                    | 6.72%                      |
| Pinnacles                 | 7.16%                      |
| Ponderosa                 | 6.69%                      |
| Sierra                    | 7.10%                      |
| Siskiyou                  | 7.16%                      |
| Volcano                   | 7.72%                      |

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

Staff reviewed the AL filings submitted by all 13 Small ILECs for CY 2026 CHCF-A funding. Staff recommend a total of \$28,375,427.30 to be approved as the CY 2026 CHCF-A draw for Calaveras, Cal-Ore, Ducor, Foresthill, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, and Volcano, as shown in Table 5 and Appendix A-1 through A-13. Table 5 also shows the Small ILECs' customer counts as of January 1, 2025, and subsidy per customer for CY 2026.

| <b>Table 5 - Subsidy per Customer for Small ILECs Receiving Support</b>                       |                                |                                   |                                 |
|---|--------------------------------|-----------------------------------|---------------------------------|
| <b>Small ILEC*</b>  | <b>Yearly Support<br/>2026</b> | <b>Number of<br/>Customers **</b> | <b>Subsidy per<br/>Customer</b> |
| Calaveras   | \$ 2,333,228.17                | 3,177                             | \$ 734.41                       |
| Cal-Ore   | \$ 1,638,790.95                | 1,599                             | \$ 1,024.88                     |
| Ducor   | \$ 1,664,481.05                | 560                               | \$ 2,972.29                     |
| Foresthill  | \$ 1,475,630.77                | 1,447                             | \$ 1,019.79                     |
| Kerman  | \$ 2,998,259.87                | 2,271                             | \$ 1,320.24                     |
| Pinnacles   | \$ 314,755.59                  | 191                               | \$ 1,647.94                     |
| Ponderosa   | \$ 4,171,309.92                | 6,354                             | \$ 656.49                       |
| Sierra  | \$ 5,589,835.23                | 12,474                            | \$ 448.12                       |
| Siskiyou  | \$ 6,166,513.68                | 3,728                             | \$ 1,654.11                     |
| Volcano   | \$ 2,022,622.07                | 9,037                             | \$ 223.82                       |
| <b>Total</b>  | <b>\$ 28,375,427.30</b>        | <b>40,838</b>                     |                                 |
| *Happy Valley, Hornitos and Winterhaven are not listed as they do not receive CHCF-A support. |                                |                                   |                                 |
| **Number of customers as of January 1, 2025   |                                |                                   |                                 |

Staff, in concert with Administrative Services Division, will make the monthly support payments within 30 days after the close of each calendar month subject to the availability of CHCF-A funds and final appropriations adopted in the annual Budget Act.<sup>26</sup>

The details of staff's recommended support amount for each of the Small ILECs are summarized below and itemized in column B of Appendix A-1 through A-13.

### **1. Calaveras (Appendix A-1)**

In AL 407, Calaveras requested adjustments of \$9,198.99 for Pro Rata Changes (Line 3a), and \$20,728.72 for BCM (Line 3b), and \$3,080.43 for intercarrier compensation reduction (Line 4). Staff propose allowing these adjustments.

Calaveras included a projection of the HCLS amount for 2026 (Line 5b) that is equal to the HCLS amount for 2025 (Line 5a), which results in a Net Interstate Expense adjustment (Line 5c) of \$0. However, Calaveras notes that the CPUC's Communications

<sup>26</sup> The January 2026 CHCF-A monthly support will be paid in February 2026 and the December 2026 CHCF-A monthly support will be paid in January 2027.



Division will update the projected 2026 HCLS amount after NECA releases the information.<sup>27</sup> After reviewing NECA's Universal Service Fund 2024 Study Results<sup>28</sup> which include projected HCLS for 2026, staff modified the Net Interstate Expense adjustment to -\$34,204.97 due to the difference between the 2025 and updated 2026 HCLS projections. Staff proposes allowing these adjustments as modified.

CY 2026 is the first year after Calaveras's 2025 TY; therefore, it is not subject to a means test. Additionally, pursuant to D.91-09-042, Appendix, Section D of the Implementation Rules, and D.20-08-011, Calaveras' waterfall is set at 100%.

Thus, Calaveras should receive monthly CHCF-A support of \$194,435.68, i.e., one-twelfth of \$2,333,228.17 for January through December 2026.

## **2. Cal-Ore (Appendix A-2)**

In AL 420, Cal-Ore requested adjustments of \$93,774.65 for Pro-Rata Changes (Line 3a), and \$11,694.77 for BCM (Line 3b). Cal-Ore states that applying these two adjustments ensures that the intrastate portion of E-ACAM included in Cal-Ore's rate design is updated to reflect changes to the calculation of HCLS.<sup>29</sup>

By electing to participate in the E-ACAM program, Cal-Ore receives a fixed amount of E-ACAM support in lieu of High Cost Loop Support each year. The intrastate component of Cal-Ore's E-ACAM support was determined in Cal-Ore's latest GRC.<sup>30</sup> Additionally, there are no changes or fluctuations to Cal-Ore's E-ACAM support reflected in USAC's Enhanced ACAM Authorization Report 1.2.<sup>31</sup> Staff conclude that allowing these adjustments is unnecessary because there were not any actual reductions in the amount of E-ACAM support that Cal-Ore received during the cited periods.<sup>32</sup> Reductions in the hypothetical amount of annual HCLS support proposed by Cal-Ore

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<sup>27</sup> Calaveras cited in AL 407 that their projected 2026 HCLS, which is equal to their 2025 projection, is a placeholder because the "Projected Year 2026 USF (per NECA)" would not be available until October 1, 2025, resulting in a net adjustment of zero.

<sup>28</sup> NECA's Universal Service Fund 2025 Submission of 2024 Study Results, Appendix E, dated September 30, 2025. <https://www.fcc.gov/ecfs/document/109302935908552/2>

<sup>29</sup> The amount of federal support (E-ACAM) included in Cal-Ore's rate design in their most recent GRC decision was based on the calculation of the amount of HCLS that it would have received if not for its election to receive E-ACAM support.

<sup>30</sup> See D.24-12-011, Attachment 2, Line 1.a(2).

<sup>31</sup> Enhanced ACAM Authorization Report 1.2, Universal Service Administrative Co., dated June 2, 2025. <https://docs.fcc.gov/public/attachments/DOC-412953A1.xlsx>

<sup>32</sup> Cal-Ore stated that the Pro Rata adjustment applies to quarters one through three of 2025 and the BCM adjustment applies to July through September 2025.

are not sufficient justification to adjust CHCF-A support.<sup>33</sup> Therefore, staff propose disallowing these adjustments to Pro-Rata Changes and BCM.

Cal-Ore also requested an adjustment of \$1,549.95 for intercarrier compensation reduction (Line 4). Staff propose to allow this adjustment.

Cal-Ore utilized the intrastate E-ACAM support amount of \$1,091,542 as adopted in its TY 2025 GRC decision, D.24-12-011,<sup>34</sup> for both 2025 and 2026. There is no difference between 2025 and 2026 support amounts, resulting in a \$0 net interstate expense adjustment (Line 5c).

CY 2026 is the first year after Cal-Ore's 2025 TY; therefore, it is not subject to a means test. Additionally, pursuant to D.91-09-042, Appendix, Section D of the Implementation Rules, and D.20-08-011, Cal-Ore's waterfall is set at 100%.

Thus, Cal-Ore should receive monthly CHCF-A support of \$136,565.91, i.e., one-twelfth of \$1,638,790.95, for January through December 2026.

### **3. Ducor (Appendix A-3)**

In AL 423, Ducor requested adjustments of \$2,011.85 for Pro-Rata Changes (Line 3a), and \$6,365.58 for BCM (Line 3b). Ducor states that applying these two adjustments ensures that the intrastate portion of A-CAM II included in Ducor's rate design is updated to reflect changes to the calculation of HCLS.<sup>35</sup>

By electing to participate in the A-CAM II program, Ducor receives a fixed amount of A-CAM II support in lieu of HCLS each year. The intrastate component of Ducor's A-CAM II support was determined in Ducor's latest GRC.<sup>36</sup> Additionally, there are no changes or fluctuations to Ducor's A-CAM II support reflected in USAC's A-CAM II Authorization Report.<sup>37</sup> Staff conclude that allowing these adjustments is unnecessary because there were not any actual reductions in the amount of A-CAM II support that

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<sup>33</sup> Cal-Ore did not recalculate the projected 2026 HCLS to determine the 2026 E-ACAM allocation amount (Line 5a). This further supports staff's conclusion that E-ACAM support is constant and that there should not be any related adjustments to CHCF-A support.

<sup>34</sup> See D.24-12-011, Attachment 2, Line 1.a(2).

<sup>35</sup> The amount of federal support (A-CAM II) included in Ducor's rate design in their most recent GRC decision was based on the calculation of the amount of HCLS that it would have received if not for its election to receive A-CAM II support.

<sup>36</sup> See D.25-08-010, Appendix A, Line 1.a(2).

<sup>37</sup> ACAM Authorization Report 6.3, Universal Service Administrative Co., dated June 3, 2025.  
<https://docs.fcc.gov/public/attachments/DOC-408743A1.xlsx>

Ducor received during the cited periods.<sup>38</sup> Reductions in the hypothetical amount of annual HCLS support proposed by Ducor are not sufficient justification to adjust CHCF-A support.<sup>39</sup> Therefore, staff propose disallowing these adjustments to Pro-Rata Changes and BCM.

Ducor also requested an adjustment of \$3,394.05 for intercarrier compensation reduction (Line 4). Staff propose to allow this adjustment.

Ducor utilized the intrastate A-CAM II support amount of \$594,137.00 as adopted in its TY 2025 GRC decision, D.25-08-010,<sup>40</sup> for both 2025 and 2026. There is no difference between 2025 and 2026 support amounts, resulting in a \$0 net interstate expense adjustment (Line 5c).

CY 2026 is the first year after Ducor's 2025 TY, and it is therefore not subject to a means test. Additionally, pursuant to D.91-09-042, Appendix, Section D of the Implementation Rules, and D.20-08-011, Ducor's waterfall is set at 100%.

Thus, Ducor should receive monthly CHCF-A support of \$138,706.75, i.e., one-twelfth of \$1,664,481.05 for January through December 2026.

#### **4. Foresthill (Appendix A-4)**

In AL 392, Foresthill requested adjustments of \$5,550.89 for Pro Rata Changes (Line 3a), \$12,212.50 for BCM (Line 3b), and \$3,531.31 for intercarrier compensation reduction (Line 4). Staff propose allowing these adjustments.

Foresthill included a projection of the HCLS amount for 2026 (Line 5b) that is equal to the HCLS amount for 2025 (Line 5a), which results in a Net Interstate Expense adjustment (Line 5c) of \$0. However, Foresthill notes that the CPUC's Communications Division will update the projected 2026 HCLS amount after NECA releases the

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<sup>38</sup> Ducor stated that the Pro Rata adjustment applies to quarters one through three of 2025 and the BCM adjustment applies to July through September 2025.

<sup>39</sup> Ducor did not recalculate the projected 2026 HCLS to determine the 2026 A-CAM II allocation amount (Line 5a). This further supports staff's conclusion that A-CAM II support is constant and that there should not be any related adjustments to CHCF-A support.

<sup>40</sup> See D.25-08-010, Appendix A, Line 1.a(2).

information.<sup>41</sup> After reviewing NECA's Universal Service Fund 2024 Study Results<sup>42</sup> which include projected HCLS for 2026, staff modified the Net Interstate Expense adjustment to \$128,645.29 due to the difference between the 2025 and updated 2026 HCLS projections. Staff proposes allowing these adjustments as modified.

CY 2026 is the second year after Foresthill's 2024 TY and it is therefore subject to a means test. With the adjustments recommended by staff, Foresthill is within its authorized rate of return. Additionally, pursuant to D.91-09-042, Appendix, Section D of the Implementation Rules, and D.20-08-011, Foresthill's waterfall is set at 100%.

Thus, Foresthill should receive monthly CHCF-A support of \$122,969.23, i.e., one-twelfth of \$1,475,630.77 for January through December 2026.

#### **5. Happy Valley (Appendix A-5)**

In AL 416, Happy Valley reflected an adjustment of \$5,688.90 for 5% recurring reduction Inter-carrier Compensation (Line 4). Happy Valley is not requesting CHCF-A funding. Thus, its waterfall funding level is already at 0%.<sup>43</sup>

Thus, Happy Valley will not receive CHCF-A support for CY 2026.

#### **6. Hornitos (Appendix A-6)**

In AL 382, Hornitos reflected an adjustment of \$1,535.76 for 5% recurring reduction Inter-carrier Compensation (Line 4). Hornitos is not requesting CHCF-A funding. Thus, its waterfall funding level is already at 0%.<sup>44</sup>

Thus, Hornitos will not receive CHCF-A support for CY 2026.

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<sup>41</sup> Foresthill cited in AL 392 that their projected 2026 HCLS, which is equal to their 2025 projection, is a placeholder because the "Projected Year 2026 USF (per NECA)" would not be available until October 1<sup>st</sup>, resulting in a net adjustment of zero.

<sup>42</sup> NECA's Universal Service Fund 2025 Submission of 2024 Study Results, Appendix E, dated September 30, 2025. <https://www.fcc.gov/ecfs/document/109302935908552/2>

<sup>43</sup> Happy Valley did not submit seven months of actual financial data necessary to conduct the means test. Since Happy Valley cannot receive any CHCF-A support because of the waterfall, Appendix A-5, Line 9 shows \$0 (2026 Revenue Requirement after Means Test).

<sup>44</sup> Hornitos did not submit seven months of actual financial data necessary to conduct the means test. Since Hornitos cannot receive any CHCF-A support because of the waterfall, Appendix A-6, Line 9 shows \$0 (2026 Revenue Requirement after Means Test).

## **7. Kerman (Appendix A-7)**

In AL 469-B, Kerman requested adjustments of \$12,353.04 for Pro Rata Changes (Line 3a), \$27,864.25 for BCM (Line 3b), \$5,660.78 for intercarrier compensation reduction (Line 4), and a Net Interstate Expense adjustment of \$227,722.26 (Line 5c) due to the difference between 2025 and 2026 HCLS projections.<sup>45</sup> Staff proposes allowing these adjustments.

CY 2026 is the second year after Kerman's 2024 TY, and it is therefore subject to a means test. With the adjustments recommended by staff, Kerman is within its authorized rate of return. Additionally, pursuant to D.91-09-042, Appendix, Section D of the Implementation Rules, and D.20-08-011, Kerman's waterfall is set at 100%.

Thus, Kerman should receive monthly CHCF-A support of \$249,854.99, i.e., one-twelfth of \$2,998,259.87 for January through December 2026.

## **8. Pinnacles (Appendix A-8)**

In AL 324, Pinnacles requested adjustments of \$21,746.53 for Pro-Rata Changes (Line 3a), and \$2,712.05 for BCM (Line 3b). Pinnacles states that applying these two adjustments ensures that the intrastate portion of E-ACAM included in Pinnacles' rate design is updated to reflect changes to the calculation of HCLS.<sup>46</sup>

By electing to participate in the E-ACAM program, Pinnacles receive a fixed amount of E-ACAM support in lieu of High Cost Loop Support each year. The intrastate component of Pinnacles' E-ACAM support was determined in Pinnacles' latest GRC.<sup>47</sup> Additionally, there are no changes or fluctuations to Pinnacles' E-ACAM support reflected in USAC's Enhanced ACAM Authorization Report 1.2.<sup>48</sup> Staff concludes that allowing these adjustments is unnecessary because there were not any actual reductions in the amount of E-ACAM support that Pinnacles received during the cited periods.<sup>49</sup> Reductions in the hypothetical amount of annual HCLS support proposed by Pinnacles

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<sup>45</sup> NECA's Universal Service Fund 2025 Submission of 2024 Study Results, Appendix E, dated September 30, 2025. <https://www.fcc.gov/ecfs/document/109302935908552/2>

<sup>46</sup> The amount of federal support (E-ACAM) included in Pinnacles' rate design in their most recent GRC decision was based on the calculation of the amount of HCLS that it would have received if not for its election to receive E-ACAM II support.

<sup>47</sup> See D.24-12-031, Appendix A, Line 1.a(4).

<sup>48</sup> Enhanced ACAM Authorization Report 1.2, Universal Service Administrative Co., dated June 2, 2025. <https://docs.fcc.gov/public/attachments/DOC-412953A1.xlsx>

<sup>49</sup> Pinnacles stated that the Pro Rata adjustment applies to quarters one through three of 2025 and the BCM adjustment applies to July through September 2025.

are not sufficient justification to adjust CHCF-A support.<sup>50</sup> Therefore, staff propose disallowing these adjustments to Pro-Rata Changes and BCM.

Pinnacles also requested an adjustment of \$191.59 for intercarrier compensation reduction (Line 4). Staff propose to allow this adjustment.

Pinnacles utilized the intrastate E-ACAM support amount of \$253,131 as adopted in its TY 2025 GRC decision, D.24-12-031,<sup>51</sup> for both 2025 and 2026. There is no difference between 2025 and 2026 support amounts, resulting in a \$0 net interstate expense adjustment (Line 5c).

CY 2026 is the first year after Pinnacles' 2025 TY; therefore, it is not subject to a means test. Additionally, pursuant to D.91-09-042, Appendix, Section D of the Implementation Rules, and D.20-08-011, Pinnacles' waterfall is set at 100%.

Thus, Pinnacles should receive monthly CHCF-A support of \$26,229.63, i.e., one-twelfth of \$314,755.59, for January through December 2026.

## **9. Ponderosa (Appendix A-9)**

In AL 522, Ponderosa requested adjustments of \$22,773.32 for Pro Rata Changes (Line 3a), and \$51,751.95 for BCM (Line 3b), and \$7,090.83 for intercarrier compensation reduction (Line 4). Staff propose allowing these adjustments.

Ponderosa included a projection of the HCLS amounts for 2026 (Line 5b) that is equal to the HCLS amount for 2025 (Line 5a), which results in a Net Interstate Expense adjustment (Line 5c) of \$0. However, Ponderosa notes that the CPUC's Communications Division will update the projected 2026 HCLS amount after the NECA releases the information.<sup>52</sup> After reviewing NECA's Universal Service Fund 2024 Study Results<sup>53</sup> which include projected HCLS for 2026, staff modified the Net Interstate Expense adjustment to -\$21,449.17 due to the difference between the 2025 and updated 2026 HCLS projections. Staff proposes allowing these adjustments as modified.

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<sup>50</sup> Pinnacles did not recalculate the projected 2026 HCLS to determine the 2026 E-ACAM allocation amount (Line 5a). This further supports staff's conclusion that E-ACAM support is constant and that there should not be any related adjustments to CHCF-A support.

<sup>51</sup> See D.24-12-031, Appendix A, Line 1.a(4).

<sup>52</sup> Ponderosa cited in AL 522 that their projected 2026 HCLS, which is equal to their 2025 projection, is a placeholder because the "Projected Year 2026 USF (per NECA)" would not be available until October 1, 2025, resulting in a net adjustment of zero.

<sup>53</sup> NECA's Universal Service Fund 2025 Submission of 2024 Study Results, Appendix E, dated September 30, 2025. <https://www.fcc.gov/ecfs/document/109302935908552/2>

CY 2025 is the second year after Ponderosa's 2024 TY; therefore, it is subject to a means test. With the adjustments recommended by staff, Ponderosa is within its authorized rate of return. Additionally, pursuant to D.91-09-042, Appendix, Section D of the Implementation Rules and D.20-08-011, Ponderosa's waterfall is set at 100%.

Thus, Ponderosa should receive monthly CHCF-A support in the amount of \$347,609.16, i.e., one-twelfth of \$4,171,309.92 for January through December 2025.

#### **10. Sierra (Appendix A-10)**

In AL 512, Sierra requested adjustments of \$35,085.25 for Pro Rata Changes (Line 3a), \$84,327.27 for BCM (Line 3b), and \$14,546.96 for intercarrier compensation reduction (Line 4).

Sierra included a projection of the HCLS amount for 2026 (Line 5b) that is equal to the HCLS amount for 2025 (Line 5a), which results in a Net Interstate Expense adjustment (Line 5c) of \$0. However, Sierra notes that the CPUC's Communications Division will update the projected 2026 HCLS amount after NECA releases the information.<sup>54</sup> After reviewing NECA's Universal Service Fund 2024 Study Results,<sup>55</sup> staff modified the Net Interstate Expense adjustment to -\$496,289.65, due to the difference between the 2025 and updated 2026 HCLS projections. Staff proposes allowing these adjustments, as modified.

CY 2026 is the third year after Sierra's 2023 TY and thus it is subject to a means test. With the adjustments recommended by staff, Sierra is within its authorized rate of return. Additionally, pursuant to D.91-09-042, Appendix, Section D of the Implementation Rules and D.20-08-011, Sierra's waterfall is set at 100%.

Thus, Sierra should receive monthly CHCF-A support of \$465,819.60, i.e., one-twelfth of \$5,589,835.23 for January through December 2026.

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<sup>54</sup> Sierra cited in AL 512 that their projected 2026 HCLS, which is equal to their 2025 projection, is a placeholder because the "Projected Year 2026 USF (per NECA)" would not be available until October 1, 2025, resulting in a net adjustment of zero.

<sup>55</sup> NECA's Universal Service Fund 2025 Submission of 2024 Study Results, Appendix E, dated September 30, 2025. <https://www.fcc.gov/ecfs/document/109302935908552/2>



### **11. Siskiyou (Appendix A-11)**

In AL 469-A, Siskiyou requested adjustments of \$37,978.37 for Pro Rata Changes (Line 3a), \$70,998.00 for BCM (Line 3b), \$1,027,044.00 for monthly per-line limit reduction in HCLS (Line 3c),<sup>56</sup> and \$8,089.77 for intercarrier compensation reduction (Line 4). Staff propose allowing these adjustments, with modifications. Based on staff's calculations, BCM amount applied is \$70,995.00.<sup>57</sup>

Siskiyou included an estimate of their projected HCLS amount for 2026 (Line 5b). However, Siskiyou notes that the CPUC's Communications Division will update the projected 2026 HCLS amount after NECA releases the information. After reviewing NECA's Universal Service Fund 2024 Study Results,<sup>58</sup> which include projected HCLS for 2026, staff modified the Net Interstate Expense adjustment to \$131,718.69 (Line 5c). Staff proposes allowing these adjustments as modified.

CY 2026 is the third year after Siskiyou's 2023 TY and thus it is subject to a means test. With the adjustments recommended by staff, Siskiyou is within its authorized rate of return. Additionally, pursuant to D.91-09-042, Appendix, Section D of the Implementation Rules and D.20-08-011, Siskiyou's waterfall is set at 100%.

Thus, Siskiyou should receive monthly CHCF-A support in the amount of \$513,876.14, i.e., one-twelfth of \$6,166,513.68 for January through December 2026.

### **12. Volcano (Appendix A-12)**

In AL 444-A, Volcano requested adjustments of \$17,075.03 for Pro Rata Changes (Line 3a), \$38,016.79 for BCM (Line 3b), and \$9,166.16 for intercarrier compensation reduction (Line 4). Staff propose allowing these adjustments.

Volcano included a projection of the HCLS amount for 2026 (Line 5b) that is equal to the HCLS amount for 2025 (Line 5a), which results in a Net Interstate Expense adjustment (Line 5c) of \$0.<sup>59</sup> However, Volcano notes that the CPUC's Communications Division

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<sup>56</sup> The per-line limit is a cap on USF support for carriers that receive total HCLS and CAF BLS exceeding \$200 per line per month in total. When support exceeds the cap, the reduction is distributed on a pro rata basis between HCLS and CAF BLS.

<sup>57</sup> The \$3.00 difference is due to a minor error in Siskiyou's calculation.

<sup>58</sup> NECA's Universal Service Fund 2025 Submission of 2024 Study Results, Appendix E, dated September 30, 2025. <https://www.fcc.gov/ecfs/document/109302935908552/2>

<sup>59</sup> Volcano cited in AL 444-A that their projected 2026 HCLS, which is equal to their 2025 projection, is a placeholder because the "Projected Year 2026 USF (per NECA)" would not be available until October 1, 2025, resulting in a net adjustment of zero.



will update the projected 2026 HCLS amount after NECA releases the information. After reviewing NECA's Universal Service Fund 2024 Study Results<sup>60</sup> which include projected HCLS for 2026, staff modified the Net Interstate Expense adjustment to -\$107,436.63 due to the difference between the 2025 and updated 2026 HCLS projections. Staff proposes allowing these adjustments as modified.

CY 2026 is the third year after Volcano's 2023 TY; therefore, it is subject to a means test. With the adjustments recommended by staff, Volcano is within its authorized rate of return. Additionally, pursuant to D.91-09-042, Appendix, Section D of the Implementation Rules, and D.20-08-011, Volcano's waterfall is set at 100%.

Thus, Volcano should receive monthly CHCF-A support of \$168,551.84, i.e., one-twelfth of \$2,022,622.07 for January through December 2026.

### **13. Winterhaven (refer to Appendix A-13)**

In AL 303, Winterhaven reflected an adjustment of \$1,149.73 for 5% recurring reduction Intercarrier Compensation (Line 4). Winterhaven is not requesting CHCF-A funding. Thus, its waterfall funding level is already 0%.<sup>61</sup>

Thus, Winterhaven will not receive any CHCF-A support for CY 2026.

### **C. Evaluation of CHCF-A Support Level to CHCF-A Budget**

In the Enacted Budget for FY 2025-26, the Legislature appropriated \$49.480 million for FY 2025-26. Of the appropriated amount, \$47.913 million is allocated for Local Assistance to the Small ILECs for FY 2025-26. There are sufficient funds in both the FY 2025-26 budget and estimated FY 2026-27 budget to cover CY 2026 CHCF-A support payments to the Small ILECs. The adopted and proposed budgets and the associated program support payments are contingent on the availability of funds, and the FY 2026-27 payments are contingent on the State's adoption of the CHCF-A budget.

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<sup>60</sup> NECA's Universal Service Fund 2025 Submission of 2024 Study Results, Appendix E, dated September 30, 2025. <https://www.fcc.gov/ecfs/document/109302935908552/2>

<sup>61</sup> Winterhaven did not submit seven months of actual financial data necessary to conduct the means test. Since Winterhaven cannot receive any CHCF-A support because of the waterfall, Appendix A-13, Line 9 shows \$0 (2026 Revenue Requirement after Means Test).

## **SAFETY CONSIDERATIONS**

The Small ILECs are required to adhere to all Commission rules, decisions, General Orders, and statutes including P.U. Code § 451 by undertaking all actions “necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.” The CHCF-A subsidy provides the Small ILECs with financial resources to provide safe, reliable, and affordable telephone service to their customers in rural, high cost areas.

Reliable telephone service is essential in rural, remote, and isolated areas that the Small ILECs serve. The CHCF-A fund provides rural customers with access to 211 for essential community services, 311 for non-emergency municipal services, 511 for traffic and transportation information, 811 for public infrastructure underground location information, and 911 to reach police, fire, and emergency medical responders when fire, natural disasters, medical emergencies, or other crises occur.

The CHCF-A fund also promotes customer access to advanced services and deployment of broadband-capable facilities. It has allowed the Small ILECs to locate their facilities underground and use fiber optic cable which protects equipment in case of fire and allows for the quicker deployment of broadband-capable facilities. In some Small ILEC territories, emergency responders set up emergency command centers and the Small ILECs must quickly provide responders with access to high quality voice communications and broadband. This Resolution addresses safety by continuing the application of CHCF-A program subsidies to promote the goals of universal service by funding essential communications links in high cost, rural communities.

## **COMMENTS**

Public Utilities Code section 311(g)(1) requires that a draft resolution be served on all parties and be subject to a public review and comment period of 30 days or more, prior to a vote of the Commission on the resolution. A draft of today’s resolution was distributed for comment to the utilities and other interested parties.

On December 30, 2025, the Independent Small LECs<sup>62</sup> filed comments on Draft Resolution T-17897, stating that the Commission should update the draft resolution to include pro rata and BCM adjustments for the A-CAM companies<sup>63</sup> as these modifications are “regulatory changes of industry-wide effects” under

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<sup>62</sup> Calaveras, Cal-Ore, Ducor, Foresthill, Kerman, Pinnacles, Ponderosa, Sierra, Siskiyou, and Volcano.

<sup>63</sup> Cal-Ore, Ducor, and Pinnacles.

D.91-09-042. A-CAM is a collective replacement for HCLS, which supports intrastate operations and CAF-BLS, which supports interstate operations. The pro rata and BCM applied to HCLS reduced the amount of intrastate support these Independent Small LECs would have received in 2025 if they elected to continue to receive HCLS, leaving less intrastate portions of A-CAM to recover intrastate revenue requirement, thus requiring an increase in CHCF-A.

The Commission received no reply comments.

Staff declined to modify T-17897. In the GRC decisions, the Commission already accounted for the A-CAM support in determining a reasonable CHCF-A support for Cal-Ore, Ducor and Pinnacles. As stated in Alternative Connect America Cost Model in Sections A.3, B.2, B.3, and B.8 of this resolution, A-CAM support amounts are fixed and predetermined, and the amount does not fluctuate yearly. Hence, the adjustment request made by the Independent Small LECs for Pro-Rata Changes (Line 3a), and BCM (Line 3b) for the intrastate portion of A-CAM is rejected.

## **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, to provide a source of supplemental revenues for Small Incumbent Local Exchange Carriers (ILECs) whose basic exchange access line service rates would otherwise be increased to levels that would threaten universal service.
2. Currently there are 13 Small ILECs eligible for California High Cost Fund-A (CHCF-A) funding, of which ten currently request CHCF-A support.
3. During September 2025, all 13 Small ILECs submitted their respective annual CHCF-A Advice Letters (ALs), in accordance with D.91-09-042. Ten of these 13 Small ILECs requested a total Calendar Year (CY) 2026 CHCF-A support of approximately \$28.779 million.
4. D.24-09-021 adopted the following costs of capital to apply beginning with Test Year 2023: Calaveras, 6.65%; Cal-Ore, 7.16%; Ducor, 7.16%; Foresthill, 6.61%; Kerman, 6.72%; Pinnacles, 7.16%; Ponderosa, 6.69%; Sierra, 7.10%; Siskiyou, 7.16%; and Volcano, 7.72%.
5. No entity filed a protest in response to any of the CY 2026 CHCF-A ALs submitted by the Small ILECs.

6. Official supporting documentation from the Federal Communications Commission (FCC), Universal Administrative Company (USAC), or National Exchange Carrier Association (NECA) is necessary to validate the accuracy of requests for adjustments related to changes in federal high cost support, including those related to Pro Rata, Budget Control Mechanism, and Per Line Limitation.
7. Each Small ILEC that requests adjustments due to Pro Rata Changes or the Budget Control Mechanism must submit official supporting documentation from FCC, USAC, or NECA as required by Res T-17710.
8. The \$403,108.16 differential between ten of thirteen Small ILECs' cumulative request of CY 2026 support of \$28.779 million and the CPUC's Communications Division (Staff) recommended CHCF-A support of \$28.375 million is due to the final Net Interstate Expense Adjustment data provided by the National Exchange Carrier Association, Staff disallowances, and differences in rounding. The remaining three Small ILECs (Happy Valley, Hornitos, and Winterhaven) have not requested CY 2026 support.
9. The Implementation Rules from D.91-09-042, Appendix, states, "Utilities shall be eligible for support from the fund limited to the amount which are 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."
10. D.17-09-016 states that "Annual support and/or adjustments cannot be used to boost utility earnings to levels which exceed those authorized by this Commission."
11. D. 20-08-011 froze the waterfall provision for each of the Independent Small ILECs until their next filing deadline under the revised GRC schedule.
12. There are sufficient funds from the Fiscal Year (FY) 2025-26 and estimated FY 2026-2027 budgets to cover CY 2026 CHCF-A support payments to the Small ILECs.
13. The CPUC's Communications Division Staff recommended CHCF-A support for CY 2026 of \$28.375 million for the ten Small ILECs as summarized in Appendix A of this Resolution is reasonable and should be adopted.
14. The CHCF-A support payments are subject to the availability of CHCF-A funds and final appropriations in the annual Budget Act.
15. This Resolution addresses safety by continuing the application of CHCF-A program subsidies to promote the goals of universal service by funding essential communications links in high cost, rural communities.
16. In compliance with Public Utilities (P.U.) Code § 311(g), the Commission emailed a

notice letter on December 10, 2025, and provided notice to the thirteen Small ILECs, the CHCF-A Administrative Committee, parties of record in A.21-11-005, A.21-11-006, A.21-11-007, A.22-10-004, A.22-11-001/A.22-11-002, A.23-10-007, A.23-10-008, A.23-11-010, and A.23-11-011, informing them that this proposed Resolution is available at the Commission's website <https://www.cpuc.ca.gov> and is available for public comment.

17. On December 30, 2025, the Independent Small LECs filed comments on Draft Resolution T-17897. No reply comments were received.

**THEREFORE, IT IS ORDERED THAT:**

1. The California High Cost Fund-A support for the Small Incumbent Local Exchange Carriers presented in Appendix A of this Resolution and summarized in the table below, is adopted. Happy Valley, Hornitos, and Winterhaven did not request CHCF-A support.

| Adopted Calendar Year 2026 CHCF-A Support |                                       |                                      |
|---|---------------------------------------|--------------------------------------|
| Small Incumbent Local Exchange Carrier    | Monthly Support<br>Calendar Year 2026 | Yearly Support<br>Calendar Year 2026 |
| Calaveras Telephone Company               | \$ 194,435.68                         | \$ 2,333,228.17                      |
| Cal-Ore Telephone Company                 | \$ 136,565.91                         | \$ 1,638,790.95                      |
| Ducor Telephone Company                   | \$ 138,706.75                         | \$ 1,664,481.05                      |
| Foresthill Telephone Company              | \$ 122,969.23                         | \$ 1,475,630.77                      |
| Kerman Telephone Company                  | \$ 249,854.99                         | \$ 2,998,259.87                      |
| Pinnacles Telephone Company               | \$ 26,229.63                          | \$ 314,755.59                        |
| The Ponderosa Telephone Company           | \$ 347,609.16                         | \$ 4,171,309.92                      |
| Sierra Telephone Company                  | \$ 465,819.60                         | \$ 5,589,835.23                      |
| Siskiyou Telephone Company                | \$ 513,876.14                         | \$ 6,166,513.68                      |
| Volcano Telephone Company                 | \$ 168,551.84                         | \$ 2,022,622.07                      |
| Total                                     | \$ 2,364,618.93                       | \$ 28,375,427.30                     |

2. The CPUC's Communications Division, in concert with its Administrative Services Division, shall pay monthly support payments to the ten Small Incumbent Local Exchange Carriers as shown in the above table for January 2026 through December 2026 within 30 days after the close of each calendar month.

This Resolution is effective today.

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on January 15<sup>th</sup>, 2026; the following Commissioners voting favorably thereon:

Dated January 15<sup>th</sup>, 2026, at San Francisco, California.

/s/ RACHEL PETERSON

Rachel Peterson  
Executive Director

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

MATTHEW BAKER

Commissioners

# Appendix A

## APPENDIX A-1: Calaveras 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement   |                        |                        |                        |
|--|------------------------|------------------------|------------------------|
|  | Calaveras              |                        |                        |
|  | Calaveras<br>AL 407    | Staff<br>Proposed      | Commission<br>Adopted  |
| <b>1 2025 CHCF-A Requirement</b>   | <b>\$ 2,363,792.23</b> | <b>\$ 2,363,792.23</b> | <b>\$ 2,363,792.23</b> |
| a (Decision 24-12-041, Appendix A, Line 1.a (6))   | \$ 2,334,425.00        | \$ 2,334,425.00        | \$ 2,334,425.00        |
| b (Resolution T-17868, OP 4 (support adjustments))   | \$ 29,367.23           | \$ 29,367.23           | \$ 29,367.23           |
| <b>2 Reverse Prior Year 2025 Non-Recurring Adjustments</b>   | <b>\$ (29,367.23)</b>  | <b>\$ (29,367.23)</b>  | <b>\$ (29,367.23)</b>  |
| <b>3 Year 2025 Impacts (Non-Recurring)</b>   | <b>\$ 29,927.70</b>    | <b>\$ 29,927.71</b>    | <b>\$ 29,927.71</b>    |
| a Pro-Rata Changes (FCC 14-190, VI.A)  | \$ 9,198.99            | \$ 9,198.99            | \$ 9,198.99            |
| b Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) | \$ 20,728.72           | \$ 20,728.72           | \$ 20,728.72           |
| c Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| d Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>4 Year 2026 Impacts (Recurring)</b>   | <b>\$ 3,080.43</b>     | <b>\$ 3,080.43</b>     | <b>\$ 3,080.43</b>     |
| a FCC National Broadband Plan (5% reduction Intercarrier Compensation) (FCC11-161, Paragraph 851)  | \$ 3,080.43            | \$ 3,080.43            | \$ 3,080.43            |
| <b>5 Net Interstate Expense Adjustment</b>   |                        |                        |                        |
| a Projected 2025 USF-HCLS (Per NECA)   | \$ 1,304,462.00        | \$ 1,304,462.41        | \$ 1,304,462.41        |
| b Projected 2026 USF-HCLS (Per NECA)   | \$ (1,304,462.00)      | \$ (1,338,667.38)      | \$ (1,338,667.38)      |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b)   | \$ 0.00                | \$ (34,204.97)         | \$ (34,204.97)         |
| <b>6 2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  | <b>\$ 2,367,433.13</b> | <b>\$ 2,333,228.17</b> | <b>\$ 2,333,228.17</b> |
| <b>7 Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  | <b>\$ 2,367,433.13</b> | <b>\$ 2,333,228.17</b> | <b>\$ 2,333,228.17</b> |
| <b>8 2026 Revenue Requirement eligible for CHCF-A Support</b>  | <b>\$ 2,367,433.13</b> | <b>\$ 2,333,228.17</b> | <b>\$ 2,333,228.17</b> |
| <b>9 2026 CHCF-A Requirement after Means Test</b>  | <b>\$ 2,367,433.13</b> | <b>\$ 2,333,228.17</b> | <b>\$ 2,333,228.17</b> |
| <b>10 Waterfall effect</b>   | 100.00%                | 100.00%                | 100.00%                |
| <b>11 2026 CHCF-A Requirement after Waterfall</b>  | <b>\$ 2,367,433.13</b> | <b>\$ 2,333,228.17</b> | <b>\$ 2,333,228.17</b> |
| <b>12 2026 CHCF-A Support</b>  | <b>\$ 2,367,433.13</b> | <b>\$ 2,333,228.17</b> | <b>\$ 2,333,228.17</b> |
| <b>13 Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)  | <b>\$ 197,286.09</b>   | <b>\$ 194,435.68</b>   | <b>\$ 194,435.68</b>   |



## APPENDIX A-2: Cal-Ore 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement |  |                        |                        |                        |
|------------------------------|--|------------------------|------------------------|------------------------|
|                              |  | Cal-Ore                |                        |                        |
|                              |  | Cal-Ore<br>AL 420      | Staff<br>Proposed      | Commission<br>Adopted  |
| <b>1</b>                     | <b>2025 CHCF-A Requirement</b>   | <b>\$ 1,637,241.00</b> | <b>\$ 1,637,241.00</b> | <b>\$ 1,637,241.00</b> |
| a                            | Decision 24-12-011, OP 2   | \$ 1,637,241.00        | \$ 1,637,241.00        | \$ 1,637,241.00        |
| <b>2</b>                     | <b>Reverse Prior Year 2025 Non-Recurring Adjustments</b>   | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         |
| <b>3</b>                     | <b>Year 2025 Impacts (Non-Recurring)</b>   | <b>\$ 105,469.42</b>   | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         |
| a                            | Pro-Rata Changes (FCC 14-190, VI.A)  | \$ 93,774.65           | \$ 0.00                | \$ 0.00                |
| b                            | Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) | \$ 11,694.77           | \$ 0.00                | \$ 0.00                |
| c                            | Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| d                            | Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>4</b>                     | <b>Year 2026 Impacts (Recurring)</b>   | <b>\$ 1,549.95</b>     | <b>\$ 1,549.95</b>     | <b>\$ 1,549.95</b>     |
| a                            | FCC National Broadband Plan (5% reduction Intercarrier Compensation) (FCC11-161, Paragraph 851)  | \$ 1,549.95            | \$ 1,549.95            | \$ 1,549.95            |
| <b>5</b>                     | <b>Net Interstate Expense Adjustment</b>   |                        |                        |                        |
| a                            | Projected 2025 USF A-CAM Allocation  | \$ 1,091,542.00        | \$ 1,091,542.00        | \$ 1,091,542.00        |
| b                            | Projected 2026 USF A-CAM Allocation  | \$ (1,091,542.00)      | \$ (1,091,542.00)      | \$ (1,091,542.00)      |
| c                            | Net Interstate Expense Adjustment (sum of lines 5a and 5b)   | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>6</b>                     | <b>2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  | <b>\$ 1,744,260.37</b> | <b>\$ 1,638,790.95</b> | <b>\$ 1,638,790.95</b> |
| <b>7</b>                     | <b>Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  | <b>\$ 1,744,260.37</b> | <b>\$ 1,638,790.95</b> | <b>\$ 1,638,790.95</b> |
| <b>8</b>                     | <b>2026 Revenue Requirement eligible for CHCF-A Support</b>  | <b>\$ 1,744,260.37</b> | <b>\$ 1,638,790.95</b> | <b>\$ 1,638,790.95</b> |
| <b>9</b>                     | <b>2026 CHCF-A Requirement after Means Test</b>  | <b>\$ 1,744,260.37</b> | <b>\$ 1,638,790.95</b> | <b>\$ 1,638,790.95</b> |
| <b>10</b>                    | <b>Waterfall effect</b>  | <b>100.00%</b>         | <b>100.00%</b>         | <b>100.00%</b>         |
| <b>11</b>                    | <b>2026 CHCF-A Requirement after Waterfall</b>   | <b>\$ 1,744,260.37</b> | <b>\$ 1,638,790.95</b> | <b>\$ 1,638,790.95</b> |
| <b>12</b>                    | <b>2026 CHCF-A Support</b>   | <b>\$ 1,744,260.37</b> | <b>\$ 1,638,790.95</b> | <b>\$ 1,638,790.95</b> |
| <b>13</b>                    | <b>Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)   | <b>\$ 145,355.03</b>   | <b>\$ 136,565.91</b>   | <b>\$ 136,565.91</b>   |

## APPENDIX A-3: Ducor 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement   |  |                        |                        |                        |
|--|--|------------------------|------------------------|------------------------|
|  |  | Ducor                  |                        |                        |
|  |  | Ducor<br>AL 423        | Staff<br>Proposed      | Commission<br>Adopted  |
| <b>1 2025 CHCF-A Requirement</b>   |  | <b>\$ 1,661,087.00</b> | <b>\$ 1,661,087.00</b> | <b>\$ 1,661,087.00</b> |
| a Decision 25-08-010, O.P.1(b)   |  | \$ 1,661,087.00        | \$ 1,661,087.00        | \$ 1,661,087.00        |
| <b>2 Reverse Prior Year 2025 Non-Recurring Adjustments</b>   |  | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         |
| <b>3 Year 2025 Impacts (Non-Recurring)</b>   |  | <b>\$ 8,377.42</b>     | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         |
| a Pro-Rata Changes (FCC 14-190, VI.A)  |  | \$ 2,011.85            | \$ 0.00                | \$ 0.00                |
| b Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) |  | \$ 6,365.58            | \$ 0.00                | \$ 0.00                |
| c Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| d Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>4 Year 2026 Impacts (Recurring)</b>   |  | <b>\$ 3,394.05</b>     | <b>\$ 3,394.05</b>     | <b>\$ 3,394.05</b>     |
| a FCC National Broadband Plan (5% reduction Intercarrier Compensation) (FCC11-161, Paragraph 851)  |  | \$ 3,394.05            | \$ 3,394.05            | \$ 3,394.05            |
| <b>5 Net Interstate Expense Adjustment</b>   |  |                        |                        |                        |
| a Projected 2025 USF A-CAM Allocation  |  | \$ 594,137.00          | \$ 594,137.00          | \$ 594,137.00          |
| b Projected 2026 USF A-CAM Allocation  |  | \$ (594,137.00)        | \$ (594,137.00)        | \$ (594,137.00)        |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b)   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>6 2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  |  | <b>\$ 1,672,858.47</b> | <b>\$ 1,664,481.05</b> | <b>\$ 1,664,481.05</b> |
| <b>7 Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  |  | <b>\$ 1,672,858.47</b> | <b>\$ 1,664,481.05</b> | <b>\$ 1,664,481.05</b> |
| <b>8 2026 Revenue Requirement eligible for CHCF-A Support</b>  |  | <b>\$ 1,672,858.47</b> | <b>\$ 1,664,481.05</b> | <b>\$ 1,664,481.05</b> |
| <b>9 2026 CHCF-A Requirement after Means Test</b>  |  | <b>\$ 1,672,858.47</b> | <b>\$1,664,481.05</b>  | <b>\$ 1,664,481.05</b> |
| <b>10 Waterfall effect</b>   |  | <b>100.00%</b>         | <b>100.00%</b>         | <b>100.00%</b>         |
| <b>11 2026 CHCF-A Requirement after Waterfall</b>  |  | <b>\$ 1,672,858.47</b> | <b>\$ 1,664,481.05</b> | <b>\$ 1,664,481.05</b> |
| <b>12 2026 CHCF-A Support</b>  |  | <b>\$ 1,672,858.47</b> | <b>\$ 1,664,481.05</b> | <b>\$ 1,664,481.05</b> |
| <b>13 Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)  |  | <b>\$ 139,404.87</b>   | <b>\$ 138,706.75</b>   | <b>\$ 138,706.75</b>   |

## APPENDIX A-4: Foresthill 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement   |  |                        |                        |                        |
|--|--|------------------------|------------------------|------------------------|
|  |  | Foresthill             |                        |                        |
|  |  | Foresthill<br>AL 392   | Staff<br>Proposed      | Commission<br>Adopted  |
| <b>1 2025 CHCF-A Requirement</b>   |  | <b>\$ 1,343,854.54</b> | <b>\$ 1,343,854.54</b> | <b>\$ 1,343,854.54</b> |
| a (Resolution T-17868, Appendix A-4, Line 7)   |  | \$ 1,343,854.54        | \$ 1,343,854.54        | \$ 1,343,854.54        |
| <b>2 Reverse Prior Year 2025 Non-Recurring Adjustments</b>   |  | <b>\$ (18,163.76)</b>  | <b>\$ (18,163.76)</b>  | <b>\$ (18,163.76)</b>  |
| <b>3 Year 2025 Impacts (Non-Recurring)</b>   |  | <b>\$ 17,763.39</b>    | <b>\$ 17,763.39</b>    | <b>\$ 17,763.39</b>    |
| a Pro-Rata Changes (FCC 14-190, VI.A)  |  | \$ 5,550.89            | \$ 5,550.89            | \$ 5,550.89            |
| b Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) |  | \$ 12,212.50           | \$ 12,212.50           | \$ 12,212.50           |
| c Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| d Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>4 Year 2026 Impacts (Recurring)</b>   |  | <b>\$ 3,531.31</b>     | <b>\$ 3,531.31</b>     | <b>\$ 3,531.31</b>     |
| a FCC National Broadband Plan (5% reduction Intercarrier Compensation) (FCC11-161, Paragraph 851)  |  | \$ 3,531.31            | \$ 3,531.31            | \$ 3,531.31            |
| <b>5 Net Interstate Expense Adjustment</b>   |  |                        |                        |                        |
| a Projected 2025 USF-HCLS (Per NECA)   |  | \$ 779,621.98          | \$ 779,621.98          | \$ 779,621.98          |
| b Projected 2026 USF-HCLS (Per NECA)   |  | \$ (779,621.98)        | \$ (650,976.69)        | \$ (650,976.69)        |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b)   |  | \$ 0.00                | \$ 128,645.29          | \$ 128,645.29          |
| <b>6 2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  |  | <b>\$ 1,346,985.48</b> | <b>\$ 1,475,630.77</b> | <b>\$ 1,475,630.77</b> |
| <b>7 Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  |  | <b>\$ 1,346,985.48</b> | <b>\$ 1,475,630.77</b> | <b>\$ 1,475,630.77</b> |
| <b>8 2026 Revenue Requirement eligible for CHCF-A Support</b>  |  | <b>\$ 1,346,985.48</b> | <b>\$ 1,475,630.77</b> | <b>\$ 1,475,630.77</b> |
| <b>9 2026 CHCF-A Requirement after Means Test</b>  |  | <b>\$ 1,346,985.48</b> | <b>\$ 1,475,630.77</b> | <b>\$ 1,475,630.77</b> |
| <b>10 Waterfall effect</b>   |  | 100.00%                | 100.00%                | 100.00%                |
| <b>11 2026 CHCF-A Requirement after Waterfall</b>  |  | <b>\$ 1,346,985.48</b> | <b>\$ 1,475,630.77</b> | <b>\$ 1,475,630.77</b> |
| <b>12 2026 CHCF-A Support</b>  |  | <b>\$ 1,346,985.48</b> | <b>\$ 1,475,630.77</b> | <b>\$ 1,475,630.77</b> |
| <b>13 Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)  |  | <b>\$ 112,248.79</b>   | <b>\$ 122,969.23</b>   | <b>\$ 122,969.23</b>   |

## APPENDIX A-5: Happy Valley 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement |  | Happy Valley           |                        |                        |
|------------------------------|--|------------------------|------------------------|------------------------|
|                              |  | Happy Valley<br>AL 416 | Staff<br>Proposed      | Commission<br>Adopted  |
| <b>1</b>                     | <b>2025 CHCF-A Requirement</b>   | <b>\$ 2,906,205.27</b> | <b>\$ 2,906,205.27</b> | <b>\$ 2,906,205.27</b> |
| a                            | (Resolution T-17868, Appendix A-5, Line 7)   | \$ 2,906,205.27        | \$ 2,906,205.27        | \$ 2,906,205.27        |
| <b>2</b>                     | <b>Reverse Prior Year 2025 Non-Recurring Adjustments</b>   | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         |
| <b>3</b>                     | <b>Year 2025 Impacts (Non-Recurring)</b>   | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         |
| a                            | Pro-Rata Changes (FCC 14-190, VI.A)  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| b                            | Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| c                            | Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| d                            | Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>4</b>                     | <b>Year 2026 Impacts (Recurring)</b>   | <b>\$ 5,688.90</b>     | <b>\$ 5,688.90</b>     | <b>\$ 5,688.90</b>     |
| a                            | FCC National Broadband Plan (5% reduction Inter-carrier Compensation) (FCC11-161, Paragraph 851)   | \$ 5,688.90            | \$ 5,688.90            | \$ 5,688.90            |
| <b>5</b>                     | <b>Net Interstate Expense Adjustment</b>   |                        |                        |                        |
| a                            | Projected 2025 USF A-CAM Allocation  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| b                            | Projected 2026 USF A-CAM Allocation  | \$ 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</b>                     | <b>2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  | <b>\$ 2,911,894.17</b> | <b>\$ 2,911,894.17</b> | <b>\$ 2,911,894.17</b> |
| <b>7</b>                     | <b>Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  | <b>\$ 2,911,894.17</b> | <b>\$ 2,911,894.17</b> | <b>\$ 2,911,894.17</b> |
| <b>8</b>                     | <b>2026 Revenue Requirement eligible for CHCF-A Support</b>  | <b>\$ 2,911,894.17</b> | <b>\$ 2,911,894.17</b> | <b>\$ 2,911,894.17</b> |
| <b>9</b>                     | <b>2026 CHCF-A Requirement after Means Test</b>  | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         |
| <b>10</b>                    | <b>Waterfall effect</b>  | <b>0.00%</b>           | <b>0.00%</b>           | <b>0.00%</b>           |
| <b>11</b>                    | <b>2026 CHCF-A Requirement after Waterfall</b>   | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         |
| <b>12</b>                    | <b>2026 CHCF-A Support</b>   | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         |
| <b>13</b>                    | <b>Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)   | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         | <b>\$ 0.00</b>         |

## APPENDIX A-6: Hornitos Valley 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement |  | Hornitos             |                      |                       |
|------------------------------|--|----------------------|----------------------|-----------------------|
|                              |  | Hornitos<br>AL 382   | Staff<br>Proposed    | Commission<br>Adopted |
| <b>1</b>                     | <b>2025 CHCF-A Requirement</b>   | <b>\$ 602,468.13</b> | <b>\$ 602,468.13</b> | <b>\$ 602,468.13</b>  |
| a                            | (Resolution T-17868, Appendix A-6, Line 7)   | \$ 602,468.13        | \$ 602,468.13        | \$ 602,468.13         |
| <b>2</b>                     | <b>Reverse Prior Year 2025 Non-Recurring Adjustments</b>   | <b>\$ 0.00</b>       | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| <b>3</b>                     | <b>Year 2025 Impacts (Non-Recurring)</b>   | <b>\$ 0.00</b>       | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| a                            | Pro-Rata Changes (FCC 14-190, VI.A)  | \$ 0.00              | \$ 0.00              | \$ 0.00               |
| b                            | Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) | \$ 0.00              | \$ 0.00              | \$ 0.00               |
| c                            | Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   | \$ 0.00              | \$ 0.00              | \$ 0.00               |
| d                            | Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   | \$ 0.00              | \$ 0.00              | \$ 0.00               |
| <b>4</b>                     | <b>Year 2026 Impacts (Recurring)</b>   | <b>\$ 1,535.76</b>   | <b>\$ 1,535.76</b>   | <b>\$ 1,535.76</b>    |
| a                            | FCC National Broadband Plan (5% reduction Inter-carrier Compensation) (FCC11-161, Paragraph 851)   | \$ 1,535.76          | \$ 1,535.76          | \$ 1,535.76           |
| <b>5</b>                     | <b>Net Interstate Expense Adjustment</b>   |                      |                      |                       |
| a                            | Projected 2025 USF A-CAM Allocation  | \$ 0.00              | \$ 0.00              | \$ 0.00               |
| b                            | Projected 2026 USF A-CAM Allocation  | \$ 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</b>                     | <b>2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  | <b>\$ 604,003.89</b> | <b>\$ 604,003.89</b> | <b>\$ 604,003.89</b>  |
| <b>7</b>                     | <b>Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  | <b>\$ 604,003.89</b> | <b>\$ 604,003.89</b> | <b>\$ 604,003.89</b>  |
| <b>8</b>                     | <b>2026 Revenue Requirement eligible for CHCF-A Support</b>  | <b>\$ 604,003.89</b> | <b>\$ 604,003.89</b> | <b>\$ 604,003.89</b>  |
| <b>9</b>                     | <b>2026 CHCF-A Requirement after Means Test</b>  | <b>\$ 0.00</b>       | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| <b>10</b>                    | <b>Waterfall effect</b>  | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>          |
| <b>11</b>                    | <b>2026 CHCF-A Requirement after Waterfall</b>   | <b>\$ 0.00</b>       | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| <b>12</b>                    | <b>2026 CHCF-A Support</b>   | <b>\$ 0.00</b>       | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| <b>13</b>                    | <b>Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)   | <b>\$ 0.00</b>       | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |

## APPENDIX A-7: Kerman 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement   |  |                        |                        |                        |
|--|--|------------------------|------------------------|------------------------|
|  |  |                        |                        |                        |
|  |  | Kerman                 |                        |                        |
|  |  | Kerman<br>AL 469-B     | Staff<br>Proposed      | Commission<br>Adopted  |
| <b>1 2025 CHCF-A Requirement</b>   |  | <b>\$ 2,764,294.88</b> | <b>\$ 2,764,294.88</b> | <b>\$ 2,764,294.88</b> |
| a (Resolution T-17868, Appendix A-7, Line 7, and AL 464)   |  | \$ 2,764,294.88        | \$ 2,764,294.88        | \$ 2,764,294.88        |
| <b>2 Reverse Prior Year 2025 Non-Recurring Adjustments</b>   |  | <b>\$ (39,635.34)</b>  | <b>\$ (39,635.34)</b>  | <b>\$ (39,635.34)</b>  |
| <b>3 Year 2025 Impacts (Non-Recurring)</b>   |  | <b>\$ 40,217.29</b>    | <b>\$ 40,217.29</b>    | <b>\$ 40,217.29</b>    |
| a Pro-Rata Changes (FCC 14-190, VI.A)  |  | \$ 12,353.04           | \$ 12,353.04           | \$ 12,353.04           |
| b Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) |  | \$ 27,864.25           | \$ 27,864.25           | \$ 27,864.25           |
| c Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| d Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>4 Year 2026 Impacts (Recurring)</b>   |  | <b>\$ 5,660.78</b>     | <b>\$ 5,660.78</b>     | <b>\$ 5,660.78</b>     |
| a FCC National Broadband Plan (5% reduction Intercarrier Compensation) (FCC11-161, Paragraph 851)  |  | \$ 5,660.78            | \$ 5,660.78            | \$ 5,660.78            |
| <b>5 Net Interstate Expense Adjustment</b>   |  |                        |                        |                        |
| a Projected 2025 USF-HCLS (Per NECA)   |  | \$ 1,822,755.20        | \$ 1,822,755.20        | \$ 1,822,755.20        |
| b Projected 2026 USF-HCLS (Per NECA)   |  | \$ (1,595,032.94)      | \$ (1,595,032.94)      | \$ (1,595,032.94)      |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b)   |  | \$ 227,722.26          | \$ 227,722.26          | \$ 227,722.26          |
| <b>6 2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  |  | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> |
| <b>7 Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  |  | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> |
| <b>8 2026 Revenue Requirement eligible for CHCF-A Support</b>  |  | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> |
| <b>9 2026 CHCF-A Requirement after Means Test</b>  |  | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> |
| <b>10 Waterfall effect</b>   |  | <b>100.00%</b>         | <b>100.00%</b>         | <b>100.00%</b>         |
| <b>11 2026 CHCF-A Requirement after Waterfall</b>  |  | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> |
| <b>12 2026 CHCF-A Support</b>  |  | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> | <b>\$ 2,998,259.87</b> |
| <b>13 Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)  |  | <b>\$ 249,854.99</b>   | <b>\$ 249,854.99</b>   | <b>\$ 249,854.99</b>   |

## APPENDIX A-8: Pinnacles 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement |  |                      |                      |                       |
|------------------------------|--|----------------------|----------------------|-----------------------|
|                              |  | Pinnacles            |                      |                       |
|                              |  | Pinnacles<br>AL 324  | Staff<br>Proposed    | Commission<br>Adopted |
| <b>1</b>                     | <b>2025 CHCF-A Requirement</b>   | <b>\$ 314,564.00</b> | <b>\$ 314,564.00</b> | <b>\$ 314,564.00</b>  |
| a                            | (Decision 24-12-031, OP1(b))   | \$ 314,564.00        | \$ 314,564.00        | \$ 314,564.00         |
| <b>2</b>                     | <b>Reverse Prior Year 2025 Non-Recurring Adjustments</b>   | <b>\$ 0.00</b>       | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| <b>3</b>                     | <b>Year 2025 Impacts (Non-Recurring)</b>   | <b>\$ 24,458.59</b>  | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| a                            | Pro-Rata Changes (FCC 14-190, VI.A)  | \$ 21,746.53         | \$ 0.00              | \$ 0.00               |
| b                            | Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) | \$ 2,712.05          | \$ 0.00              | \$ 0.00               |
| c                            | Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   | \$ 0.00              | \$ 0.00              | \$ 0.00               |
| d                            | Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   | \$ 0.00              | \$ 0.00              | \$ 0.00               |
| <b>4</b>                     | <b>Year 2026 Impacts (Recurring)</b>   | <b>\$ 191.59</b>     | <b>\$ 191.59</b>     | <b>\$ 191.59</b>      |
| a                            | FCC National Broadband Plan (5% reduction Intercarrier Compensation) (FCC11-161, Paragraph 851)  | \$ 191.59            | \$ 191.59            | \$ 191.59             |
| <b>5</b>                     | <b>Net Interstate Expense Adjustment</b>   |                      |                      |                       |
| a                            | Projected 2025 USF A-CAM Allocation  | \$ 253,131.00        | \$ 253,131.00        | \$ 253,131.00         |
| b                            | Projected 2026 USF A-CAM Allocation  | \$ (253,131.00)      | \$ (253,131.00)      | \$ (253,131.00)       |
| c                            | Net Interstate Expense Adjustment (sum of lines 5a and 5b)   | \$ 0.00              | \$ 0.00              | \$ 0.00               |
| <b>6</b>                     | <b>2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  | <b>\$ 339,214.18</b> | <b>\$ 314,755.59</b> | <b>\$ 314,755.59</b>  |
| <b>7</b>                     | <b>Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  | <b>\$ 339,214.18</b> | <b>\$ 314,755.59</b> | <b>\$ 314,755.59</b>  |
| <b>8</b>                     | <b>2026 Revenue Requirement eligible for CHCF-A Support</b>  | <b>\$ 339,214.18</b> | <b>\$ 314,755.59</b> | <b>\$ 314,755.59</b>  |
| <b>9</b>                     | <b>2026 CHCF-A Requirement after Means Test</b>  | <b>\$ 339,214.18</b> | <b>\$ 314,755.59</b> | <b>\$ 314,755.59</b>  |
| <b>10</b>                    | <b>Waterfall effect</b>  | <b>100.00%</b>       | <b>100.00%</b>       | <b>100.00%</b>        |
| <b>11</b>                    | <b>2026 CHCF-A Requirement after Waterfall</b>   | <b>\$ 339,214.18</b> | <b>\$ 314,755.59</b> | <b>\$ 314,755.59</b>  |
| <b>12</b>                    | <b>2026 CHCF-A Support</b>   | <b>\$ 339,214.18</b> | <b>\$ 314,755.59</b> | <b>\$ 314,755.59</b>  |
| <b>13</b>                    | <b>Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)   | <b>\$ 28,267.85</b>  | <b>\$ 26,229.63</b>  | <b>\$ 26,229.63</b>   |

## APPENDIX A-9: Ponderosa 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement   |  |                        |                        |                        |
|--|--|------------------------|------------------------|------------------------|
|  |  | Ponderosa              |                        |                        |
|  |  | Ponderosa<br>AL 522    | Staff<br>Proposed      | Commission<br>Adopted  |
| <b>1 2025 CHCF-A Requirement</b>   |  | <b>\$ 4,182,007.83</b> | <b>\$ 4,182,007.83</b> | <b>\$ 4,182,007.83</b> |
| a (Resolution T-17868, Appendix A-9, Line 7)   |  | \$ 4,182,007.83        | \$ 4,182,007.83        | \$ 4,182,007.83        |
| <b>2 Reverse Prior Year 2025 Non-Recurring Adjustments</b>   |  | <b>\$ (70,864.84)</b>  | <b>\$ (70,864.84)</b>  | <b>\$ (70,864.84)</b>  |
| <b>3 Year 2025 Impacts (Non-Recurring)</b>   |  | <b>\$ 74,525.27</b>    | <b>\$ 74,525.27</b>    | <b>\$ 74,525.27</b>    |
| a Pro-Rata Changes (FCC 14-190, VI.A)  |  | \$ 22,773.32           | \$ 22,773.32           | \$ 22,773.32           |
| b Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) |  | \$ 51,751.95           | \$ 51,751.95           | \$ 51,751.95           |
| c Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| d Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>4 Year 2026 Impacts (Recurring)</b>   |  | <b>\$ 7,090.83</b>     | <b>\$ 7,090.83</b>     | <b>\$ 7,090.83</b>     |
| a FCC National Broadband Plan (5% reduction Intercarrier Compensation) (FCC11-161, Paragraph 851)  |  | \$ 7,090.83            | \$ 7,090.83            | \$ 7,090.83            |
| <b>5 Net Interstate Expense Adjustment</b>   |  |                        |                        |                        |
| a Projected 2025 USF-HCLS (Per NECA)   |  | \$ 3,375,801.61        | \$ 3,375,801.61        | \$ 3,375,801.61        |
| b Projected 2026 USF-HCLS (Per NECA)   |  | \$ (3,375,801.61)      | \$ (3,397,250.78)      | \$ (3,397,250.78)      |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b)   |  | \$ 0.00                | \$ (21,449.17)         | \$ (21,449.17)         |
| <b>6 2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  |  | <b>\$ 4,192,759.09</b> | <b>\$ 4,171,309.92</b> | <b>\$ 4,171,309.92</b> |
| <b>7 Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  |  | <b>\$ 4,192,759.09</b> | <b>\$ 4,171,309.92</b> | <b>\$ 4,171,309.92</b> |
| <b>8 2026 Revenue Requirement eligible for CHCF-A Support</b>  |  | <b>\$ 4,192,759.09</b> | <b>\$ 4,171,309.92</b> | <b>\$ 4,171,309.92</b> |
| <b>9 2026 CHCF-A Requirement after Means Test</b>  |  | <b>\$ 4,192,759.09</b> | <b>\$ 4,171,309.92</b> | <b>\$ 4,171,309.92</b> |
| <b>10 Waterfall effect</b>   |  | 100.00%                | 100.00%                | 100.00%                |
| <b>11 2026 CHCF-A Requirement after Waterfall</b>  |  | <b>\$ 4,192,759.09</b> | <b>\$ 4,171,309.92</b> | <b>\$ 4,171,309.92</b> |
| <b>12 2026 CHCF-A Support</b>  |  | <b>\$ 4,192,759.09</b> | <b>\$ 4,171,309.92</b> | <b>\$ 4,171,309.92</b> |
| <b>13 Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)  |  | <b>\$ 349,396.59</b>   | <b>\$ 347,609.16</b>   | <b>\$ 347,609.16</b>   |



## APPENDIX A-10: Sierra 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement   |  |                        |                        |                        |
|--|--|------------------------|------------------------|------------------------|
|  |  | Sierra                 |                        |                        |
|  |  | Sierra<br>AL 512       | Staff<br>Proposed      | Commission<br>Adopted  |
| <b>1 2025 CHCF-A Requirement</b>   |  | <b>\$ 6,055,266.44</b> | <b>\$ 6,055,266.44</b> | <b>\$ 6,055,266.44</b> |
| a (Resolution T-17868, Appendix A-10, Line 7)  |  | \$ 6,055,266.44        | \$ 6,055,266.44        | \$ 6,055,266.44        |
| <b>2 Reverse Prior Year 2025 Non-Recurring Adjustments</b>   |  | <b>\$ (103,101.04)</b> | <b>\$ (103,101.04)</b> | <b>\$ (103,101.04)</b> |
| <b>3 Year 2025 Impacts (Non-Recurring)</b>   |  | <b>\$ 119,412.52</b>   | <b>\$ 119,412.52</b>   | <b>\$ 119,412.52</b>   |
| a Pro-Rata Changes (FCC 14-190, VI.A)  |  | \$ 35,085.25           | \$ 35,085.25           | \$ 35,085.25           |
| b Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) |  | \$ 84,327.27           | \$ 84,327.27           | \$ 84,327.27           |
| c Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| d Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>4 Year 2026 Impacts (Recurring)</b>   |  | <b>\$ 14,546.96</b>    | <b>\$ 14,546.96</b>    | <b>\$ 14,546.96</b>    |
| a FCC National Broadband Plan (5% reduction Intercarrier Compensation) (FCC11-161, Paragraph 851)  |  | \$ 14,546.96           | \$ 14,546.96           | \$ 14,546.96           |
| <b>5 Net Interstate Expense Adjustment</b>   |  |                        |                        |                        |
| a Projected 2025 USF-HCLS (Per NECA)   |  | \$ 5,543,556.34        | \$ 5,543,556.34        | \$ 5,543,556.34        |
| b Projected 2026 USF-HCLS (Per NECA)   |  | \$ (5,543,556.34)      | \$ (6,039,845.99)      | \$ (6,039,845.99)      |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b)   |  | \$ 0.00                | \$ (496,289.65)        | \$ (496,289.65)        |
| <b>6 2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  |  | <b>\$ 6,086,124.88</b> | <b>\$ 5,589,835.23</b> | <b>\$ 5,589,835.23</b> |
| <b>7 Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  |  | <b>\$ 6,086,124.88</b> | <b>\$ 5,589,835.23</b> | <b>\$ 5,589,835.23</b> |
| <b>8 2026 Revenue Requirement eligible for CHCF-A Support</b>  |  | <b>\$ 6,086,124.88</b> | <b>\$ 5,589,835.23</b> | <b>\$ 5,589,835.23</b> |
| <b>9 2026 CHCF-A Requirement after Means Test</b>  |  | <b>\$ 6,086,124.88</b> | <b>\$ 5,589,835.23</b> | <b>\$ 5,589,835.23</b> |
| <b>10 Waterfall effect</b>   |  | 100.00%                | 100.00%                | 100.00%                |
| <b>11 2026 CHCF-A Requirement after Waterfall</b>  |  | <b>\$ 6,086,124.88</b> | <b>\$ 5,589,835.23</b> | <b>\$ 5,589,835.23</b> |
| <b>12 2026 CHCF-A Support</b>  |  | <b>\$ 6,086,124.88</b> | <b>\$ 5,589,835.23</b> | <b>\$ 5,589,835.23</b> |
| <b>13 Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)  |  | <b>\$ 507,177.07</b>   | <b>\$ 465,819.60</b>   | <b>\$ 465,819.60</b>   |

## APPENDIX A-11: Siskiyou 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement   |  |                        |                        |                        |
|--|--|------------------------|------------------------|------------------------|
|  |  | Siskiyou               |                        |                        |
|  |  | Siskiyou<br>AL 469-A   | Staff<br>Proposed      | Commission<br>Adopted  |
| <b>1 2025 CHCF-A Requirement</b>   |  | <b>\$ 5,800,963.76</b> | <b>\$ 5,800,963.76</b> | <b>\$ 5,800,963.76</b> |
| a (Resolution T-17868, Appendix A-11, Line 7)  |  | \$ 5,800,963.76        | \$ 5,800,963.76        | \$ 5,800,963.76        |
| <b>2 Reverse Prior Year 2025 Non-Recurring Adjustments</b>   |  | <b>\$ (910,275.91)</b> | <b>\$ (910,275.91)</b> | <b>\$ (910,275.91)</b> |
| <b>3 Year 2025 Impacts (Non-Recurring)</b>   |  | <b>\$ 1,136,020.37</b> | <b>\$ 1,136,017.37</b> | <b>\$ 1,136,017.37</b> |
| a Pro-Rata Changes (FCC 14-190, VI.A)  |  | \$ 37,978.37           | \$ 37,978.37           | \$ 37,978.37           |
| b Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) |  | \$ 70,998.00           | \$ 70,995.00           | \$ 70,995.00           |
| c Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   |  | \$ 1,027,044.00        | \$ 1,027,044.00        | \$ 1,027,044.00        |
| d Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   |  | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>4 Year 2026 Impacts (Recurring)</b>   |  | <b>\$ 8,089.77</b>     | <b>\$ 8,089.77</b>     | <b>\$ 8,089.77</b>     |
| a FCC National Broadband Plan (5% reduction Intercarrier Compensation) (FCC11-161, Paragraph 851)  |  | \$ 8,089.77            | \$ 8,089.77            | \$ 8,089.77            |
| <b>5 Net Interstate Expense Adjustment</b>   |  |                        |                        |                        |
| a Projected 2025 USF-HCLS (Per NECA)   |  | \$ 5,699,981.29        | \$ 5,699,981.29        | \$ 5,699,981.29        |
| b Projected 2026 USF-HCLS (Per NECA)   |  | \$ (5,834,198.00)      | \$ (5,568,262.60)      | \$ (5,568,262.60)      |
| c Net Interstate Expense Adjustment (sum of lines 5a and 5b)   |  | \$ (134,216.71)        | \$ 131,718.69          | \$ 131,718.69          |
| <b>6 2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  |  | <b>\$ 5,900,581.28</b> | <b>\$ 6,166,513.68</b> | <b>\$ 6,166,513.68</b> |
| <b>7 Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  |  | <b>\$ 5,900,581.28</b> | <b>\$ 6,166,513.68</b> | <b>\$ 6,166,513.68</b> |
| <b>8 2026 Revenue Requirement eligible for CHCF-A Support</b>  |  | <b>\$ 5,900,581.28</b> | <b>\$ 6,166,513.68</b> | <b>\$ 6,166,513.68</b> |
| <b>9 2026 CHCF-A Requirement after Means Test</b>  |  | <b>\$ 5,900,581.28</b> | <b>\$ 6,166,513.68</b> | <b>\$ 6,166,513.68</b> |
| <b>10 Waterfall effect</b>   |  | 100.00%                | 100.00%                | 100.00%                |
| <b>11 2026 CHCF-A Requirement after Waterfall</b>  |  | <b>\$ 5,900,581.28</b> | <b>\$ 6,166,513.68</b> | <b>\$ 6,166,513.68</b> |
| <b>12 2026 CHCF-A Support</b>  |  | <b>\$ 5,900,581.28</b> | <b>\$ 6,166,513.68</b> | <b>\$ 6,166,513.68</b> |
| <b>13 Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)  |  | <b>\$ 491,715.11</b>   | <b>\$ 513,876.14</b>   | <b>\$ 513,876.14</b>   |

## APPENDIX A-12: Volcano 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement |  |                        |                        |                        |
|------------------------------|--|------------------------|------------------------|------------------------|
|                              |  | Volcano                |                        |                        |
|                              |  | Volcano<br>AL 444-A    | Staff<br>Proposed      | Commission<br>Adopted  |
| <b>1</b>                     | <b>2025 CHCF-A Requirement</b>   | <b>\$ 2,117,621.86</b> | <b>\$ 2,117,621.86</b> | <b>\$ 2,117,621.86</b> |
| a                            | (Resolution T-17868, Appendix A-12, Line 7)  | \$ 2,117,621.86        | \$ 2,117,621.86        | \$ 2,117,621.86        |
| <b>2</b>                     | <b>Reverse Prior Year 2025 Non-Recurring Adjustments</b>   | <b>\$ (51,821.14)</b>  | <b>\$ (51,821.14)</b>  | <b>\$ (51,821.14)</b>  |
| <b>3</b>                     | <b>Year 2025 Impacts (Non-Recurring)</b>   | <b>\$ 55,091.82</b>    | <b>\$ 55,091.82</b>    | <b>\$ 55,091.82</b>    |
| a                            | Pro-Rata Changes (FCC 14-190, VI.A)  | \$ 17,075.03           | \$ 17,075.03           | \$ 17,075.03           |
| b                            | Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) | \$ 38,016.79           | \$ 38,016.79           | \$ 38,016.79           |
| c                            | Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| d                            | Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   | \$ 0.00                | \$ 0.00                | \$ 0.00                |
| <b>4</b>                     | <b>Year 2026 Impacts (Recurring)</b>   | <b>\$ 9,166.16</b>     | <b>\$ 9,166.16</b>     | <b>\$ 9,166.16</b>     |
| a                            | FCC National Broadband Plan (5% reduction Intercarrier Compensation) (FCC11-161, Paragraph 851)  | \$ 9,166.16            | \$ 9,166.16            | \$ 9,166.16            |
| <b>5</b>                     | <b>Net Interstate Expense Adjustment</b>   |                        |                        |                        |
| a                            | Projected 2025 USF-HCLS (Per NECA)   | \$ 2,545,370.52        | \$ 2,545,370.52        | \$ 2,545,370.52        |
| b                            | Projected 2026 USF-HCLS (Per NECA)   | \$ (2,545,370.52)      | \$ (2,652,807.15)      | \$ (2,652,807.15)      |
| c                            | Net Interstate Expense Adjustment (sum of lines 5a and 5b)   | \$ 0.00                | \$ (107,436.63)        | \$ (107,436.63)        |
| <b>6</b>                     | <b>2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  | <b>\$ 2,130,058.71</b> | <b>\$ 2,022,622.07</b> | <b>\$ 2,022,622.07</b> |
| <b>7</b>                     | <b>Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  | <b>\$ 2,130,058.71</b> | <b>\$ 2,022,622.07</b> | <b>\$ 2,022,622.07</b> |
| <b>8</b>                     | <b>2026 Revenue Requirement eligible for CHCF-A Support</b>  | <b>\$ 2,130,058.71</b> | <b>\$ 2,022,622.07</b> | <b>\$ 2,022,622.07</b> |
| <b>9</b>                     | <b>2026 CHCF-A Requirement after Means Test</b>  | <b>\$ 2,130,058.71</b> | <b>\$ 2,022,622.07</b> | <b>\$ 2,022,622.07</b> |
| <b>10</b>                    | <b>Waterfall effect</b>  | <b>100.00%</b>         | <b>100.00%</b>         | <b>100.00%</b>         |
| <b>11</b>                    | <b>2026 CHCF-A Requirement after Waterfall</b>   | <b>\$ 2,130,058.71</b> | <b>\$ 2,022,622.07</b> | <b>\$ 2,022,622.07</b> |
| <b>12</b>                    | <b>2026 CHCF-A Support</b>   | <b>\$ 2,130,058.71</b> | <b>\$ 2,022,622.07</b> | <b>\$ 2,022,622.07</b> |
| <b>13</b>                    | <b>Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)   | <b>\$ 177,504.89</b>   | <b>\$ 168,551.84</b>   | <b>\$ 168,551.84</b>   |

## APPENDIX A-13: Winterhaven 2026 CHCF-A Support

| Year 2026 CHCF-A Requirement |  | Winterhaven           |                      |                       |
|------------------------------|--|-----------------------|----------------------|-----------------------|
|                              |  | Winterhaven<br>AL 303 | Staff<br>Proposed    | Commission<br>Adopted |
| <b>1</b>                     | <b>2025 CHCF-A Requirement</b>   | <b>\$ 320,722.47</b>  | <b>\$ 320,722.47</b> | <b>\$ 320,722.47</b>  |
| a                            | (Resolution T-17868, Appendix A-13, Line 7)  | \$ 320,722.47         | \$ 320,722.47        | \$ 320,722.47         |
| <b>2</b>                     | <b>Reverse Prior Year 2025 Non-Recurring Adjustments</b>   | <b>\$ 0.00</b>        | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| <b>3</b>                     | <b>Year 2025 Impacts (Non-Recurring)</b>   | <b>\$ 0.00</b>        | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| a                            | Pro-Rata Changes (FCC 14-190, VI.A)  | \$ 0.00               | \$ 0.00              | \$ 0.00               |
| b                            | Budget Control Mechanism 2016 Reform Order (FCC 16-33, Section II.B.6) and 2018 Report and Order (FCC 18-176 Sections III.C.1.a and III.C.4) | \$ 0.00               | \$ 0.00              | \$ 0.00               |
| c                            | Monthly Per-Line Limit on Universal Service, 2018 Report and Order (FCC 18-176, Section III.c.5)   | \$ 0.00               | \$ 0.00              | \$ 0.00               |
| d                            | Budget Control Mechanism Refund 2018 Third Order (FCC 18-29, Section IV.A. and 18-76 Section III.C.1.a.83)                                   | \$ 0.00               | \$ 0.00              | \$ 0.00               |
| <b>4</b>                     | <b>Year 2026 Impacts (Recurring)</b>   | <b>\$ 1,149.73</b>    | <b>\$ 1,149.73</b>   | <b>\$ 1,149.73</b>    |
| a                            | FCC National Broadband Plan (5% reduction Intercarrier Compensation) (FCC11-161, Paragraph 851)  | \$ 1,149.73           | \$ 1,149.73          | \$ 1,149.73           |
| <b>5</b>                     | <b>Net Interstate Expense Adjustment</b>   |                       |                      |                       |
| a                            | Projected 2025 USF A-CAM Allocation  | \$ 0.00               | \$ 0.00              | \$ 0.00               |
| b                            | Projected 2026 USF A-CAM Allocation  | \$ 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</b>                     | <b>2026 CHCF-A Revenue Requirement</b><br>(sum of lines 1, 2, 3 and 4 and 5c)  | <b>\$ 321,872.20</b>  | <b>\$ 321,872.20</b> | <b>\$ 321,872.20</b>  |
| <b>7</b>                     | <b>Total 2026 CHCF-A Revenue Requirement</b><br>(Beginning CHCF-A Revenue Requirement for 2026)  | <b>\$ 321,872.20</b>  | <b>\$ 321,872.20</b> | <b>\$ 321,872.20</b>  |
| <b>8</b>                     | <b>2026 Revenue Requirement eligible for CHCF-A Support</b>  | <b>\$ 321,872.20</b>  | <b>\$ 321,872.20</b> | <b>\$ 321,872.20</b>  |
| <b>9</b>                     | <b>2026 CHCF-A Requirement after Means Test</b>  | <b>\$ 0.00</b>        | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| <b>10</b>                    | <b>Waterfall effect</b>  | <b>0.00%</b>          | <b>0.00%</b>         | <b>0.00%</b>          |
| <b>11</b>                    | <b>2026 CHCF-A Requirement after Waterfall</b>   | <b>\$ 0.00</b>        | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| <b>12</b>                    | <b>2026 CHCF-A Support</b>   | <b>\$ 0.00</b>        | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |
| <b>13</b>                    | <b>Monthly Payment for Periods Jan - Dec 2026</b><br>(Line 12/12 months)   | <b>\$ 0.00</b>        | <b>\$ 0.00</b>       | <b>\$ 0.00</b>        |