

**NATIONAL EXCHANGE CARRIER ASSOCIATION
UNIVERSAL SERVICE FUND
Loop Cost and Expense Adjustment Algorithms**

Corporate Operations Expense Limitation

Toledo Telephone Company
2010-1

Line	Source	Description	Value
Required Inputs:			
A.	DL535	Executive Expense	
B.	DL550	G&A Expense	
C.	DL60	Total Loops	
D.	DL70	Category 1.3 Loops	
E.	FCC	FCC Constant (see Part 36.621 (a)(4)(ii)(A))	
F.	FCC	FCC Constant (see Part 36.621 (a)(4)(ii)(A))	
G.	FCC	FCC Constant (see Part 36.621 (a)(4)(ii)(A))	
H.	FCC	FCC Constant (see Part 36.621 (a)(4)(ii)(B))	
J.	FCC	FCC Constant (see Part 36.621 (a)(4)(ii)(B))	
K.	FCC	FCC Constant (see Part 36.621 (a)(4)(ii)(C))	
L.	CS input 762	GDP-CPI (varies yearly)	
Step 1: Calculate Total Reported Corporate Operations Expense per loop per month			
M.	$(A+B)/C/12$	Total Reported Corporate Operations Expense per loop per month	
Step 2: Calculate Total Allowed Corporate Operations Expense per loop per month			
N.	$(E-F*D)*L$	Total Allowed Corporate Operations Expense per loop per month when the number of working loops is less than or equal to 6,000 (Calculation 1)	
P.	$G/D*L$	Total Allowed Corporate Operations Expense per loop per month when the number of working loops is less than or equal to 6,000 (Calculation 2)	
Q.	$(H+J/D)*L$	Total Allowed Corporate Operations Expense per loop per month when the number of working loops is greater than 6,000 but less than 18,006	
R.	$K*L$	Total Allowed Corporate Operations Expense per loop per month when the number of working loops is greater than or equal to 18,006	
S.	N,P,Q, or R (see Note #1)	Applicable Total Allowed Corporate Operations Expense per loop per month (chosen from above)	
Step 3: Perform Limitation Test			
T.	A+B	Total Reported Corporate Operations Expense	
U.	$(M,S)*C*12$ (see Note #2)	Total (limited) Corporate Operations Expense	
V.	T-U	Corporate Operations Expense Disallowed	

Note #1: The number of working loops determines the applicable Total Allowed Corporate Operations Expense per loop per month. When the number of loops is less than or equal to 6,000, the greater of N and P is selected.

Note #2: The lesser of M or S is used in the calculation.

REDACTED