

Example Calculation of 2014 HCSM Funds Allocated to the Broadband Development Board

<u>Description</u>	<u>Source</u>	<u>Amount</u>	<u>Line</u>
Estimated total 2014 calculated support to CenturyLink (including the 56 wire centers) as if fund were not capped (i.e., "unsized")		\$57,141,621	1
<u>Sizing Factor</u>			
Estimated total 2014 calculated support to rural and non-rural providers (including the 56 wire centers) as if fund were not capped (i.e., "unsized")	Table 1, Staff's RRR	\$64,113,030	2
2014 disbursements to rural exchange providers	Table 1, Staff's RRR	\$1,716,685	3
Annual cap in 4 CCR 723-2-2843(c)	4 CCR 723-2-2843(c)	\$54,000,000	4
Difference (Line 4 - Line 3)		\$52,283,315	5
Estimated total 2014 calculated support to non-rural providers (including the 56 wire centers) as if fund were not capped (i.e., "unsized") (Line 2 - Line 3)		\$62,396,345	6
Sizing factor (Line 5/ Line 6)		84%	7
"Unsize" support for the 56 wire centers since May 9, 2014	Table 1, Staff's RRR	\$ 3,986,735 *	8
Sizing factor applied to "unsized" 2014 support 2014 to CenturyLink (Line 7 * Line 1)		\$ 47,880,262 **	9
Sizing factor applied to "unsized" support for the 56 wire centers since May 9, 2014 (Line 7 * Line 8)		\$ 3,340,576	

Notes

* This figure is assumed to represent the total payments to the 56 wire centers that would have been made from the 2014 HCSM after May 9, 2014.

** The sizing factor times CenturyLink's total 2014 "unsized" support including the 56 wire centers is less than the \$49.5 million cap in the