

## Bond/Letter of Credit

### Calculation

Estimated Number of Customers: 500

Average Revenue per customer per month: \$ 25.00 Monthly Revenue per customer

Fixed Utilities Fund (FUF): 1.433% of Intrastate revenues

911 Fund: \$0.50 per line per month

Colorado High Cost Support Mechanism (CHCSM): 2.6% of revenues

TRS Relay Fund: \$ .05 per line per month

PUC Administrative Costs In the event CLEC does not perform customer transition obligations, calculated at \$3.80 per customer.

Prepayments - Assume each customer prepays one month of service ((\$25X1) X 500 customers)

Customer deposits – Assume that 5% of retail customers will need to place a two month deposit of \$50

Wholesale Supplier Regulatory Obligation is to cover payment obligations if a provider curtails and/or discontinues service and the Commission orders the underlying wholesale provider to continue service until customers are transitioned to other providers. It is calculated as the product of two months of retail service (\$50) and the number of lines provided by the wholesale provider(s).

Number of Lines	500	<u>Total</u>	<u>% of</u>
<u>Total</u>			
Annual Revenues	\$150,000		
FUF		\$2,150	4.30%
911		3,000	6.00%
CHCSM		3,900	7.80%
TRS Fund		300	0.60%
PUC Administrative Costs		1,900	3.80%
Customer deposits		1,250	2.50%
Customer Prepayments		12,500	25.00%
Wholesale Supplier Obligation		<u>25,000</u>	<u>50.00%</u>
Total Initial BOND/LETTER of CREDIT Requirement		\$50,000	100.00%