

Shawnee Telephone Company
Illinois Universal Service Funding Calculation
Based upon ICC Form 23A Report Data for December 31, 2000

<u>Line #</u>	<u>Description</u>	<u>Source</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Adjusted Amount</u>
1	Net Regulated Plant	Form 23A, P 8, Net Plant	\$ 6,100,165	\$ 25,350	\$ 6,125,515
2	Materials and Supplies Inventory	Page 2, 13-Month Average	252,594		252,594
3	Customer Deposits	Form 23A, P 8, 4040	54,758	-	54,758
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	479,669	-	479,669
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			5,843,682
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	3,955,534	-	3,955,534
8	Less: Depreciation Expense	Form 23A, P 13, 6560	1,027,052	-	1,027,052
9	Total WC Operating Expense	line 7 - line 8	2,928,482	-	2,928,482
10	WC OE Requirement	line 9 * 45 / 360			366,060
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			366,060
13	Total Rate Base	line 5 + line 12			6,209,742
14	Total Operating Revenues	Form 23A, P 11, Total	4,772,168	(100,513)	4,671,655
15	Less: Illinois High Cost Fund		688,123	(9,643)	678,480
16	Net Operating Revenues	line 14 - line 15	4,084,045	(110,156)	3,993,175
17	Total Operating Expenses	Form 23A, P 14, Total	3,955,534	-	3,955,534
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	58,497	-	58,497
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	70,014	(110,156)	(20,856)
21	Income Tax Expense	line 34			(8,079)
22	Net Operating Income	line 20 - line 21			(12,777)
23	Return on Rate Base	line 22 / line 13			-0.21%
24	After-tax Cost of Capital				11.21%
25	Target Net Operating Income	line 24 * line 13			696,112
26	Adj to Achieve Target Return on RB	line 25 - line 22			708,889
27	Gross Revenue Conversion Factor	line 35			1.6324
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			1,157,190
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			(20,856)
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%			(1,497)
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			(19,359)
33	Federal Income Tax Expense	line 32 * 34.00%			(6,582)
34	Total Imputed Income Tax Expense	line 31 + line 33			(8,079)
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.6324