

Mid Century Telephone Co-operative
 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	\$ 4,752,253	\$ 3,290,373	\$ 8,042,626
2	Materials and Supplies Inventory	Page 2, 13-Month Average	47,768		47,768
3	Customer Deposits	Form 23A, P 8, 4040	17,167	-	17,167
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	-	-	-
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			8,073,227
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	3,597,936	-	3,597,936
8	Less: Depreciation Expense	Form 23A, P 13, 6560	703,366	-	703,366
9	Total WC Operating Expense	line 7 - line 8	2,894,570	-	2,894,570
10	WC OE Requirement	line 9 * 45 / 360			361,821
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			361,821
13	Total Rate Base	line 5 + line 12			8,435,048
14	Total Operating Revenues	Form 23A, P 11, Total	4,281,332	40,945	4,322,277
15	Less: Illinois High Cost Fund		109,584	-	109,584
16	Net Operating Revenues	line 14 - line 15	4,171,748	40,945	4,212,693
17	Total Operating Expenses	Form 23A, P 14, Total	3,597,936	-	3,597,936
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	14,097	-	14,097
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	559,715	40,945	600,660
21	Income Tax Expense	line 34			-
22	Net Operating Income	line 20 - line 21			600,660
23	Return on Rate Base	line 22 / line 13			7.12%
24	After-tax Cost of Capital				12.60%
25	Target Net Operating Income	line 24 * line 13			1,062,816
26	Adj to Achieve Target Return on RB	line 25 - line 22			462,156
27	Gross Revenue Conversion Factor	line 35			1.0000
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			462,156
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			600,660
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%			-
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			600,660
33	Federal Income Tax Expense	line 32 * 34.00%			-
34	Total Imputed Income Tax Expense	line 31 + line 33			-
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.0000

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Material & Supplies Worksheet and Other Information

<u>Line #</u>		
1	December-99	\$43,484
2	January-00	\$42,974
3	February-00	\$41,572
4	March-00	\$61,112
5	April-00	\$54,859
6	May-00	\$53,151
7	June-00	\$53,480
8	July-00	\$48,508
9	August-00	\$48,754
10	September-00	\$44,495
11	October-00	\$41,652
12	November-00	\$43,483
13	December-00	\$43,466
14	13 Month Average	\$47,768

Sale/Lease Back Arrangement

The company does not have any sale(s)/lease back arrangement.

The company does have sale(s)/lease back arrangement and has provided additional information to staff.

Lease Agreement with Affiliates

The company does not have any lease agreements with affiliates.

The company does have lease agreements with affiliates and has provided additional information to staff.

Trial Balances

The Company has provided a copy of its 12/31/2000 trial balance in support of the attached exhibits.

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 Operating Revenues By Category

<u>Line #</u>		<u>Source</u>	<u>Amount</u>
		Form 23A, P 10, Total Local	
1	Local Revenues	Network Service Revenues	\$ 490,168
2	State Subscriber Line Charges	Trial Balance 12/31/00	\$ 522,380
3	State Access Revenues	Trial Balance 12/31/00	\$ 877,626
4	State High Cost Support	Exhibit X, Line 15	\$ 109,584
5	State Special Access Revenues	Trial Balance 12/31/00	\$ 54,451
6	Total State Access & Local Revenues	Sum (Ln 1 - 5)	\$ 2,054,209
7	Federal Subscriber Lines Charges	Trial Balance 12/31/00	\$ 210,594
8	Federal Access Revenues	Trial Balance 12/31/00	\$ 1,288,036
9	Federal High Cost Support	Trial Balance 12/31/00	\$ 156,543
10	Federal Special Access Revenues	Trial Balance 12/31/00	\$ 79,881
11	Total Federal Access Revenues	Sum (Ln 7 - 10)	\$ 1,735,054
12	Misc Revenues	Trial Balance 12/31/00	\$ 492,079
13	Total Operating Revenues	Ln 6 + Ln 11 + Ln 12	<u>\$ 4,281,342</u>

Mid Century Telephone Co-operative
 Summary of Adjustments

	Dr.	Cr.
Adjustment 1		
RTB Class B Stock	150,350	
Adjustment 4		
TPIS	3,140,023	
To include major network rebuild		
Adjustment 5		
2001 HCL Fund Draw	\$ 269,160	
2000 HCL Fund Draw	<u>\$ 172,425</u>	
Increase in HCL funds	\$ 96,735	
USF Revenue		96,735
To adjust revenue to reflect 2001 level		
Adjustment 6		
Total Revenue		55,790
To adjust out Non-regulated revenue		