

Tonica 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	\$ 960,244	\$ -	\$ 960,244
2	Materials and Supplies Inventory	Page 2, 13-Month Average	1,634		1,634
3	Customer Deposits	Form 23A, P 8, 4040	379	-	379
4	ADIT - Regulated Plant	Form 23A, P 8, 4100 + 4340	197,405	-	197,405
5	Rate Base before Working Capital	line 1 + line 2 - line 3 - line 4			764,094
6	Working Capital Requirement				
7	Total Operating Expenses	Form 23A, P 14, Total	408,296	-	408,296
8	Less: Depreciation Expense	Form 23A, P 13, 6560	133,612	-	133,612
9	Total WC Operating Expense	line 7 - line 8	274,684	-	274,684
10	WC OE Requirement	line 9 * 45 / 360			34,336
11	Commission-Ordered Cash Balance Requirement		-	-	-
12	Total Working Capital Requirement	line 10 + line 11			34,336
13	Total Rate Base	line 5 + line 12			798,430
14	Total Operating Revenues	Form 23A, P 11, Total	513,163	9,456	522,619
15	Less: Illinois High Cost Fund		20,004	-	20,004
16	Net Operating Revenues	line 14 - line 15	493,159	9,456	502,615
17	Total Operating Expenses	Form 23A, P 14, Total	408,296	-	408,296
18	Other Operating Inc and Exp - Net	Form 23A, P 15, 7100	-	-	-
19	Other Operating Taxes	Form 23A, P 15, 7240	3,251	-	3,251
20	Net Op Inc before Income Taxes	line 16 - lines 17, 18, & 19	81,612	9,456	91,068
21	Income Tax Expense	line 34			35,279
22	Net Operating Income	line 20 - line 21			55,789
23	Return on Rate Base	line 22 / line 13			6.99%
24	After-tax Cost of Capital				11.21%
25	Target Net Operating Income	line 24 * line 13			89,504
26	Adj to Achieve Target Return on RB	line 25 - line 22			33,715
27	Gross Revenue Conversion Factor	line 35			1.6324
28	ROR Funding Deficiency Including Inc Taxes	line 26 * line 27			55,036
29	Calculation of Income Tax Expense				
30	Net Op Inc before Inc Taxes	line 20			91,068
31	Illinois Inc & Rep Tax Expense	line 30 * 7.18%			6,539
32	Net Op Inc before Fed Inc Tax	line 30 - line 31			84,529
33	Federal Income Tax Expense	line 32 * 34.00%			28,740
34	Total Imputed Income Tax Expense	line 31 + line 33			35,279
35	Gross Revenue Conversion Factor	1 / ((1 - .0718) * (1 - .34))			1.6324

Tonica Telephone Company
Illinois Universal Service Funding Calculation
Based upon ICC Form 23A Report Data for December 31, 2000
Material & Supplies Worksheet and Other Information

<u>Line #</u>		
1	December-99	\$1,616
2	January-00	\$1,616
3	February-00	\$1,616
4	March-00	\$1,616
5	April-00	\$1,616
6	May-00	\$1,616
7	June-00	\$1,619
8	July-00	\$1,619
9	August-00	\$1,619
10	September-00	\$1,619
11	October-00	\$1,619
12	November-00	\$1,619
13	December-00	\$1,835
14	13 Month Average	\$1,634

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.

Tonica Telephone Company Telephone Company
 Illinois Universal Service Funding Calculation
 Based upon ICC Form 23A Report Data for December 31, 2000
 Operating Revenues By Category

<u>Line #</u>	<u>Source</u>	<u>Amount</u>
1	Local Revenues Form 23A, P 10, Total Local Network Service Revenues	\$ 56,581
2	State Subscriber Line Charges Trial Balance 12/31/00	\$ 83,490
3	State Access Revenues Trial Balance 12/31/00	\$ 55,098
4	State High Cost Support Exhibit X, Line 15	\$ 20,004
5	State Special Access Revenues Trial Balance 12/31/00	\$ 1,132
6	Total State Access & Local Revenues Sum (Ln 1 - 5)	\$ 216,305
7	Federal Subscriber Lines Charges Trial Balance 12/31/00	\$ 24,884
8	Federal Access Revenues Trial Balance 12/31/00	\$ 223,939
9	Federal High Cost Support Trial Balance 12/31/00	\$ 34,699
10	Federal Special Access Revenues Trial Balance 12/31/00	\$ 5,259
11	Total Federal Access Revenues Sum (Ln 7 - 10)	\$ 288,781
12	Misc Revenues Trial Balance 12/31/00	\$ 8,077
13	Total Operating Revenues Ln 6 + Ln 11 + Ln 12	<u>\$ 513,163</u>